

CHAPTER - V

PERSONNEL AND FINANCE

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Personnel and finance are very important for the success of any Administrative organisation. Reasonably well qualified personnel and adequate finance help the administrative organisation to achieve its goal. For the sake of convenience, this Chapter divided into two sections. In the first section let us examine the personnel problems in T.B.P. CADA.

SECTION - I
PERSONNEL

STAFF :

Under sub-section 3 of Section 4, the Authority is empowered to appoint such other officers and employees as it deem necessary for the effective discharge of its functions¹.

POWERS OF THE AUTHORITY TO CREATE POSTS² :

- (1) For efficient discharge of its functions and to assist the Officers appointed by the State Government the Authority may create posts the maximum pay of which does not exceed Rs.1,525.00.
- (2) No post the maximum pay of which exceeds Rs.1,525.00 shall be created by the Authority without the prior approval of Government.

- (3) The total expenditure on salary and allowance in a year on the staff of the Authority shall not exceed 10 per cent of the amount of annual grants made to the Authority by the State and Central Government.

Explanation : The total expenditure on salary and allowance for purpose of this sub-rule shall not include the following :

- (i) The expenditure on field staff specifically created for preparation and execution of Scheme under section 12 and section 16.
- (ii) The expenditure on staff specifically created for the execution of a scheme wholly financed by the Central Government or any agency other than the State Government.
- (iii) The expenditure on staff in any of the sectors of the Authority in charge of maintenance.

**TERMS AND CONDITIONS OF SERVICE OF OFFICERS AND
EMPLOYEES OF THE AUTHORITY :³**

- (1) The terms and conditions of service of the Officers appointed to the Authority under Sub-section (1) of Section 11 shall be such as are applicable to similar officers of Government deputed to foreign service :

Provided that, the scale of pay of the Administrator shall not be less than the scale of pay of a Secretary to Government.

- (2) The scales of pay and other conditions of service of the holders of posts created by the Authority under sub-section (3) of section 11, shall be such as are applicable to similar officers and employees of the State Civil Services.

APPOINTMENT OF STAFF :

Though the Command Area Development Authority has been come into force on the Eleventh day of December 1979, Rules were prescribed for appointment of other officers and employees in December 1980. Hence, for immediate requirement a skeleton staff was drawn on deputation from various departments. To assist the Land Development Officer (Engineering) few Assistant Executive Engineers and Assistant Engineers were drawn on deputation from Irrigation Department. Similarly to assist the Land Development Officer (Agriculture), the Agricultural Sub-Divisions which were earlier looking after the Agricultural extension activities of this project were transferred to the Land Development Officer (Agriculture). These Sub-Divisions consists of Agricultural Officers and assistant Agricultural Officers and the field staff of Agriculture Department. All these staff were treated to be on deputation to CADA from Agriculture Department. Regarding Co-

operation, an Assistant Registrar of Co-operative Societies and a few Co-operative Inspectors were drawn on deputation from the Co-operative Department to assist the Land Development Officer (Co-operation). The entire staff required for assisting the Chief Accounts Officer was drawn on deputation from the State Accounts Department which consists of 2 Accounts Superintendents, and 6 Auditors. 4

Above information regarding the staffing of T.B.P. CADA point out that even after 20 years of its existence, the Government of Karnataka has not provided a separate and independent permanent staff for this organisation. In the absence of independent staff, the staff on deputation do not imbibe love and affection to the organisation or its goals. Loyalty of the deputationists naturally lies with the parent organisation. This reflects that the Government of Karnataka is not taking sufficient interest in the development of agriculture/irrigation development in the State. In such a situation, the existing organisation is bound to function with considerable organisational limitations.

As far as other Ministerial staff is concerned, such as Superintendents, Stenographers, Typists and Clerks they were drawn from the Revenue Department. In the absence of specific recruitment rules, the Authority was not in a position to frame staffing pattern and recruit its own staff for CADA-TBP. Therefore, for immediate

necessity, the Authority has decided to appoint staff on daily wages. The staff so appointed is as follows:⁵

1.	Superintendent	-	1
2.	Stenographers	-	6
3.	First Division Assistants	-	14
4.	Second Division Assistants	-	21
5.	Tracers	-	7
6.	Blue Printer	-	1
7.	Typists	-	13
8.	Land Development Assistants	-	70
9.	Drivers	-	21
10.	Receptionists	-	2
11.	Work Inspectors	-	10
12.	Gardeners	-	8
13.	Dafedar	-	1
14.	Peons/ Watchman	-	59
15.	Poura Karmica	-	2
16.	Night Watchman	-	1

It is generally observed that the Ministerial staff working on daily wage basis due to insecurity of employment do not evince required interest in their working. In the present day situation it is very difficult to get the work done through the daily wage staff in the Governmental organisation as they lack minimum training and experience.

PAYMENT OF WAGES TO THE STAFF :

The staff on deputation from various departments were regularly recruited and were being paid time scale as per their departmental rules, similar pay was admissible to them even on deputation to CADA with an incentive of 5% Foreign Service Allowance and Project Allowance. In other words, deputationists are financially benefitted by servicing at TBP CADA.

The staff recruited on daily wages by CADA itself were paid daily wages as per the schedule of rates of Irrigation Department. These wages are far below the time scale admissible to the respective posts in the Government Departments.⁶ Since the equal pay for equal work principle is neglected, one cannot expect satisfactory performance from the staff employed on daily wage basis.

CADRE AND RECRUITMENT RULES :

Though there is provision in the Act for appointment of staff for CADA by the Authority, it is subject to formulation of Cadre and Recruitment Rules : The C & R rules were not finalised. Hence the regular recruitment was not possible. Therefore, the staff were recruited on daily wages. The Karnataka Command Area Development Authority (Cadre and Recruitment) Rules was published in the year 1996 i.e. after a lapse of 16 years. But while preparing the C & R Rules the present

need of the CADAs i.e. as on 1996 was not taken into consideration. These recruitment Rules were based on the need formula arrived during 1987 that is a decade ago. This suggests that the Government of Karnataka has not applied its mind and such lack of interest will lead to slow and inefficient performance in the working of the organisation.

WORKING OF THE STAFF :

The nature of working of the Command Area Development Authority being little different from that of the respective department, there should have been special selection of staff who are specialised in Water Management and On Farm Development. But no such specific norms were prescribed in the C & R Rules. In the absence of this, no selection is being made, while posting the technical staff to CADAs.

Even the Ministerial staff since recruited on Daily wages have not been trained for efficient management of the office work. In general the entire staff is inexperienced staff as far as the Command Area Development works are concerned.

WORKING TENDENCY OF THE STAFF :⁷

Administrator including Land Development Officers and all other staff deputed from respective ^{parent} Departments are in general unhappy. They feel fish out of water. In the respective departments they have huge paraphernalia of staff and lot of hierarchy under them which make the

officers proud of their departmental hierarchy and administrative/ financial powers. However, TBP CADA has some merits also. Whereas the staffing pattern of Command Area being a skeleton one, there is less bureaucratic environment. The nature of work is also somewhat different from that of their respective departments.

For example, the Agricultural Department is entirely responsible only for Agricultural aspects. But in CADA the Agricultural wing is not only responsible for agricultural aspects but also for water management, Agriculture research and other development works. But in actual execution of works it led to confusion. As many of the functions defined in the CADA Act are overlapping with the various departmental acts CADA cannot function smoothly. For example, presently the water management is looked after by the Irrigation Department under Irrigation Act. Though these provisions are now existing in the Karnataka Command Area Development Act, 1980 necessary amendments are not made in the Irrigation Act. Therefore, the Irrigation Officers always feel that the CADA is an interruption in their activities. No amendments were made to those respective departmental Acts to make the CADA Act within its jurisdiction clearly. In the absence of such clear clause, there will be overlapping in the functions of the various departmental offices as well as CADA offices as stated earlier. Ultimately, the departments already in use of such powers will naturally dominate over the CADA.

Added to it, any coordination activities from the CADA officers is not properly responded by the Departmental Officers as they feel it a hurdle in their routine. Naturally, the officers of the respective departments in CADA feel embarrassed with such an attitude of the officers of their own department. Thereby they are not happy to work in CADA.

However, above state of affairs is also due to lack of role perception by the officers deputed from various departments. The difference between departmental work and team work is not understood by them. In other words, the ethos of development administration was not imbibed by the officers at CADA.

The recruitments made for various ministerial posts in CADA were also not done in accordance with the rules as there was no C & R Rules existing in CADA till 1996. But due to the urgent need, the authority resolved to recruit staff on daily wages. For daily wages appointments no streamline interview/ or selections were made. Moreover, daily wage appointees were meagerly paid. Only the locally available personnel were recruited. In the beginning, not much responsibilities were being entrusted to these daily wage staff thinking that, subsequently after the C & R Rules are introduced the regular recruitment will be made. Till 1996, no C & R Rules were framed and the daily wage staff were continued likewise. For having worked on

daily wages for the past 10 to 15 years, they establish their rights for regularisation both under natural justice as well as the existing provisions of the government. till such time, the Ministerial staff drawn from various departments on deputation were continued due to their past experience there was some efficiency in office work. But this deputed staff was gradually repatriated after the daily wage staff is confirmed. But no serious thought was given to train these staff to make fit for the efficient performance.

Continuation of daily wage employees for a long time gave way for the problems noted above. It is also pointed out that while appointing them rules and regulations are not strictly followed. As a result, even if they are confirmed in their posts the TBP CADA will get only the staff of average or below average calibre. By appointing the staff locally merit principle is also ignored. The total effect of the situation is TBP CADA is functioning inefficiently to some extent.

SECTION - II

FINANCE

Finance is the fuel for the engines of administration. Naturally, the organisation should have enough freedom or autonomy internally over finance so that it may not be hindered in the process of implementation of the programmes. In this Section an attempt is made to

understand the sources of finance and how it is utilised in the implementation of programmes by the T.B.P. CADA.

FUNDS OF THE AUTHORITY?

- (1) The Authority shall have and maintain a separate fund to which shall be credited -
 - (a) all moneys received by the Authority from the State Government by way of grants, loans, advances or otherwise;
 - (b) grant-in-aid and loans made available by the Central Government for developmental activities in the Command Area under the Central Sector Schemes;
 - (c) any other funds provided for taking up any of the various development activities for specified programmes;
 - (d) loans raised by the Authority from financing agencies; and
 - (e) all other funds received by the Authority from any other source.
- (2) The fund shall be applied for the purpose of the Act in such manner as may be prescribed.

BUDGET OF THE AUTHORITY :¹⁰

The Authority shall prepare in such form and at such time every year as may be prescribed a budget for the next financial year showing estimated receipts and expenditure of the Authority in respect of the administration of the Act, and shall forward to the State Government or such other authority such number of copies thereof as may be prescribed.

ACCOUNTS AND AUDIT :

- (1) The Authority shall maintain a true and proper accounts and other relevant records and prepare an annual statement of accounts including the balance sheet in such form as may be prescribed.
- (2) The accounts of the Authority shall be subject to audit annually by the Controller of State Accounts and as certified by the Controller of State Accounts together with audit report thereof, shall be forwarded annually to the State Government.

ANNUAL REPORTS :

The Authority shall prepare for every year a report of its activities under this Act, during that year and submit the report to the State Government in such form on or before such date as may be prescribed and the State Government shall cause the same to be laid before each House of the Legislature.

UTILISATION OF FUNDS :¹¹

Integrated Annual Planning for the Command Area Development Authorities was introduced by Government in 1981-82 with the purpose of utilising the funds of all Development Departments in the Command Area to ensure rapid and optimum utilisation of the irrigation potential created and other related matters of ayacut development, since the funds of these Authorities given by the Government in the shape of Grant-in-Aid are meant only to act as nucleus and to be utilised mainly in core sectors like construction of Field Channels, On Farm Development works, Drainage, Ayacut Roads etc.

To make it a reality, the Development Commissioner vide his D.O. letter No. PD 58 CAM 81 dated 22-4-1981 indicated the components of Integrated Annual plan for the Command Area Development Authorities. Component 'A' consists of funds of Command Area Development Authority which are directly released as Grant-in-Aid by the Government. Component 'B' will be composed of funds that each Development Department will be expected to spend in the Command Area. The Development Commissioner also instructed the Command Area Development Authorities to prepare every year an Annual Integrated Plan consisting of these two components. This plan has to be monitored, reviewed and corrective action taken as and when

required as suggested by the Command Area Development Authorities. The Heads of the Departments concerned have been requested to indicate the allocations made by them and to ensure that this amount is spent specifically in the Command Area concerned under co-ordination and control of the respective Administrators.

Accordingly the Integrated Annual Plan for the Tungabhadra Project Command Area Development Authority was prepared accepting the figures furnished by the Heads of the Departments under component 'B', as per letter dated 5-10-1981 of the Development Commissioner.

The Administrator, Tungabhadra Project Command Area Development Authority reviews the Plan Department -wise duly conducting meetings of the Field Officers of the respective Departments and he sends Proceedings of the meeting to the Government.

CHIEF ACCOUNTS OFFICER. ¹²

There is a Chief Accounts Officer for Command Area Development authority (CADA) who is in charge of overall financial matters. It would be beneficial to perceive his role before venturing upon financial administration proper.

The Chief Accounts Officer (CADA's also acts as an internal financial guide to the Authority with regard to financial matters. He has

specific functions and duties. Broadly, the below mentioned functions and duties are performed by the Chief Accounts Officer.

- (1) He is responsible through the Administrator CADA for the manner in which the accounts of the Authority are made available for Audit.
- (2) He attends every meeting of the Authority and has the right to refer to the Authority any matter which in his opinion may later involve financial implication and thereby deserves Authority's attention.
- (3) He provide the necessary information and prepares Special reports on matters specially asked by the Committee and submit the same through the Administrator.

The Chief Accounts Officer has an office Superintendent in Accounts Section who is well versed in Accounts alongwith the subordinate staff prepare the budget and exercise control over financial matters after the budget is passed. All financial matters are thoroughly scrutinised by the Assistant Administrator (Secretary) in the Secretariat before they are presented to the Authority and the Administrator is expected to examine all cases both from the point of view of financial propriety, availability of funds and observance of financial regulations. As Chief Accounts Officer is in touch with the State Government

regarding obtaining of necessary funds to carry out the programmes of the Authority, he is fully aware of the financial position of the Authority. This has helped him to perform his duties with efficiency. All the financial transactions carried out by the Officers of the Authority are brought to his notice by the subordinates in the Accounts Section of concerned branches.

PREPARATION OF THE BUDGET :¹³

The Annual Budget :

The Authority shall prepare a provisional annual Budget in Form-V before 10th of February every year and circulate it amongst the members of the Authority. Four copies of the provisional Budget shall be sent to the Secretary to Government, Planning Department before 15th February.

The Authority shall approve the Budget on or before 15th March every year send ten copies of the approved Budget to the Secretary to Government, Planning Department immediately after its approval.

As a pre-requisite, detailed estimates in support of the amount needed is worked out and the entire budget estimate got mimeographed. The preparation of revised budget for current year starts in the month of August/ September of each year. The mimeographed budget estimate contains a brief narrative report to show the history of the scheme,

progress achieved till the end of financial year to the target fixed and future programme for the successive year giving salient details in respect of important works. The mimeographed budget also exhibit separately total of the requirements on field irrigation channels, Warabandi, field drains, ayacut roads, land reclamation, godowns etc. The Authority also provides subsidy to some schemes i.e. Special Component Schemes, and provide for the finance in the budget. 60% subsidy is given by the Authority to small and marginal farmers, as per legal requirements, under the Budget.

Generally, time schedule is fixed and expected to be adhered to for the preparation, submission and approval and communication of revised estimates of grant; budget estimates to the Chief Accounts Officer, Command Area Development Authority.

The sanctioned budget by the Authority is communicated by the Chief Accounts Officer to the State Government, and the Government of India. Provision for the necessary funds and the amounts shareable by each Government is also duly communicated. The expenditure of T.B.P. CADA is shared between the Central and State Government both in regard to capital and revenue expenditure.

ALLOCATION OF CAPITAL AND REVENUE EXPENDITURE

The Government of Karnataka and Government of India share the Expenditure as follows :

Table No. 5.1

Items of Work	Share of Expenditure (in Ratio)	
	Govt. of Karnataka	Govt. of India
1. Construction of Field Irrigation Channels	50%	50%
2. Construction of Field Drains	50%	50%
3. Enforcement of Warabandi	50%	50%
4. Subsidy to small and marginal farmers	50%	50%
5. Adaptive trials	50%	50%
6. Participatory Irrigation Management	50%	50%
7. Land Reclamation	50%	50%

It can be seen from the table that the ratio agreed by the State Government and Government of India are equal. The financial progress with programme and projectwise since the beginning of CADA till 1995-96 is found in the Table No.5.2.

For the following items of works grants are released by the Government of Karnataka. They are : 1) Special Component Plan, 2) Scheduled Tribe Sub-Plan, 3) Housing, 4) Construction of Ayacut roads and 5) Construction of Godowns.

TABLE NO. 5.2

FINANCIAL PROGRESS AND PROGRAMME ITEMWISE AND PROJECTWISE

(Rs. in Lakhs)

Sl. No.	Item of work	Progress till 3/80			During 6th Plan (1980-1985)			During 7th Plan (1985-1990)			In between 7th & 8th five year Plan. Expenditure Detail during 199091 to 1991-92			8th Plan (1992-1997) upto 1995			Budget Provision 1995-96			Remarks	
		S	C	T	S	C	T	S	C	T	S	C	T	S	C	T	S	C	T		
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.	21.	
1.	Soil Survey	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.	Topographical Survey, Planning, Designing	7.03	7.03	14.06	51.00	51.00	102.00	77.94	77.93	155.87	39.07	39.07	78.14	54.07	54.06	108.13	12.00	12.00	24.00		
3.	Construction of Field Channels	1.86	1.85	3.71	51.39	51.38	102.77	46.90	46.89	93.79	4.17	4.17	8.34	18.70	18.69	37.39	45.50	45.50	91.00		
3.	Construction of Field Channels	1.86	1.85	3.71	51.39	51.38	102.77	46.90	46.89	93.79	4.17	4.17	8.34	18.70	18.69	37.39	45.50	45.50	91.00		
4.	Construction of Drains	0.15	0.14	0.29	2.18	2.18	4.36	19.43	19.43	38.86	-	-	-	-	-	-	2.50	2.50	5.00		
5.	Land Levelling & Shaping	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.	Enforcement of Warabandi	-	-	-	9.00	9.00	18.00	32.67	32.66	65.33	14.43	14.42	28.85	41.22	41.21	82.43	25.00	25.00	50.00		
7.	Construction of Adoptive Trails	-	-	-	1.91	1.90	3.81	1.84	1.83	3.67	0.51	0.51	1.02	5.06	5.05	10.11	4.00	4.00	8.00		

Source : Administrator's Office, T.B.P. CADA.

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.	21.
8.	Construction of Demonstration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Training 1) Farmers 2) Officers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.	Development of Ground Structures	1.06	1.06	2.12	5.09	5.09	10.18	5.20	5.20	10.40	1.55	1.55	3.10	1.68	1.67	3.35	-	-	-	-
11.	Taking up scientific Irrigation System 1) Sprinkler 2) Drip	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.	Other Items of work	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	a) Subsidy to Small & Marginal Farmers	-	-	-	0.64	0.63	1.27	0.49	0.48	0.97	2.33	2.33	4.66	4.74	4.74	9.48	2.75	2.75	5.50	5.50
	b) Project Studies & Research	0.58	0.57	1.15	4.78	4.77	9.55	4.54	4.53	9.07	2.75	2.75	5.50	-	-	-	-	-	-	-
	c) Farmers Participation & Management Subsidy	-	-	-	-	-	-	-	-	-	1.92	1.91	3.83	4.60	4.60	9.20	2.50	2.50	5.00	5.00
	d) Land Reclamation	-	-	-	-	-	-	-	-	-	11.78	11.77	23.55	46.07	26.03	72.10	17.00	-	17.00	-
	e) Special Component Plan	-	-	-	2.10	-	2.10	32.49	6.95	39.44	39.11	-	39.11	103.59	-	103.59	55.00	-	55.00	-
	f) Direction & Administration	2.86	2.85	5.71	59.80	59.80	119.60	100.66	100.65	201.31	61.91	61.91	123.82	127.44	127.43	254.87	75.00	75.00	150.00	150.00
	g) Purchase of Equipments	-	-	-	3.63	3.63	7.26	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	13.54	13.50	27.04	191.52	189.38	380.90	322.16	296.55	618.71	179.53	140.39	319.92	407.17	283.48	690.65	241.25	169.25	410.50	410.50

ACCOUNTS¹⁵

The Authority shall open a Bank account in any of the Nationalised Banks, Regional Rural Banks, District Central Co-operative Banks, and the Apex Banks situated within the jurisdiction of each Authority and credit all amounts received by it to such account.

The Administrator or any other officer duly authorised by the Authority shall operate such account on behalf of the Authority.

The Accounting structure has been broadly prescribed by the Government of Karnataka from time to time. In the Authority the personal Deposit Accounts (P.D.) are maintained. Monthly expenditure statement will be submitted to the Government of Karnataka within 10th of succeeding month. The Authority shall maintain a true and proper accounts and other relevant records and prepare an Annual Statement of Accounts including the balance sheet in such form as may be prescribed.

Preparation of Annual Statement of Accounts :

The Authority shall prepare an Annual Statement of Accounts in Form-VI before 15th April, of every year and five sets of such Annual Statement of Accounts shall be sent to the Secretary to Government in the Planning Department.

Annual Report :¹⁶

The Authority shall prepare and forward its Annual Report for every year to the Government in the Planning Department before the 30th day of June of the succeeding year.

Levy of charges on works :¹⁷

The Authority shall charge and recover from every beneficiary the cost of every scheme executed including survey and other charges actually incurred. The statement of charges shall be in Form-IV.

Recovery of charges of unauthorised use of water :

The authority shall recover the charges for unauthorised use of water at the rates chargeable under the Karnataka Irrigation Act, 1965 for such user.

Fees for services :

The fees chargeable under Section 38 for the services rendered shall be the actual cost incurred in rendering such service and an additional charge not exceeding ten per cent of the actual cost.

Recovery of dues :

The Authority shall as far as possible, within three months of the completion of the scheme, intimate the land holder about the amount payable by him under sub-section (2) of section 16.

AUDIT :¹⁸

The Accounts of the Authority shall be subject to audit annually by the Controller of State Accounts and as certified by the Controller of State Accounts together with Audit Report thereof shall be forwarded duly containing the observation made in the report annually to the T.B.P. CADA.

The Accounts of the Authority shall also be audited by the Accountant General annually and audit report shall be duly containing the observations of the report to the State Government. After verification of the compliance reports uncleared paras shall be included in the Report of the Controller and Auditor General of India. Those paras shall be screened in Public Accounts Committee meetings.

Every month Sub-treasury send KTC-31 of the personal Deposit Accounts of Authority showing the details of Receipts and Expenditure during that month indicating the opening balance and closing balance of the month.

In Accounts Section, a Register is maintained showing the details of receipts and expenditures on P.D. A/c for every month. After reconciling, the Authorities P.D. A/C with Treasury's KTC-31 every quarter of a year. Chief Accounts Office has to send acceptance Certificate to the Sub-treasury for the closing balance of that quarter.

Chief Accounts Officer shall depute one of his staff to the Accountant General Office for reconciliation of the Departmental figures with those of Audit figures. After reconciliation Chief Accounts Officer has to send a Reconciliation Certificate to Accountant General as well as to State Government.

How exactly the inspection of accounts takes place and whether T.B.P. CADA utilised the finance properly, it is essential to go through the audit of accounts. Accounts audited for the years from 1986-87 to 1989-90 under Section 14 of the C and AG's (DPC) Act, 1971 throw light on this aspect.¹⁹ This will help us to understand the nature and extent of financial irregularities committed by the officials and their implication on CADA administration and general tax payers.

One of the most important observations made in this regard is that the replies to the observations made in the last inspection report have not been furnished by the CADA till 1993, though the audit was conducted in January/ February, 1992. This suggests that CADA makes undue delay in furnishing replies.

In addition to this, the action taken by CADA was not convincing to the Auditors. Hence, certain matters are not treated as settled. Some of the important matters are as under :

- (1) CADA has made a major mistake of not preparing income and expenditure statements and also balance sheet as per section 24 of the CADA Act.
- (2) T.B.P. CADA has not maintained consolidated Register to record the assets acquired out of CADA funds. As a result it is not possible to ascertain the actual assets on hand with CADA.
- (3) A sum of one lakh was drawn during 1985-86 towards cost and installation of Peizometers. Though the amount was not utilised. It was not credited to Government accounts. In other words, unutilised amount was kept by CADA for a long period.
- (4) In the stock account out of 4,481 bags of cement hardly 1,700 bags were accounted. Accounts for the balance of 2,781 bags were not produced to audit. The Auditor directed that either account should be produced or cost may be recovered and credited to the Government account.
- (5) In 1984-85, 400 bags of cement were issued on loan basis. They were not received back. The auditor diverted that the amount be recovered and credited to Government.
- (6) Stock register of cement in respect of Bellary and Sindhanur for the period 12/79 to 28/12/83 was not maintained. This shows that

Assistant Agricultural Officers in these sub-divisions, are not keeping the records properly.

- (7) The Auditor also pointed out that irregular grant of project allowance were sanctioned. While commenting on this, the auditor pointed out that as per G.O. dated 19.12.1985 the project allowance is admissible in respect of officials of other departments who are exclusively employed for the project work. The employees of CADA TBP Munirabad are not employed for the project works and hence the project allowances is not admissible in view of the conditions stipulated in the above GO dtd. 19.12.1985. The project is in maintenance stage and normally project allowances is admissible during the period of construction. The Tungabhadra project was completed long back. Total project allowances drawn amounting to Rs.3,31,331.35 is recoverable.

In the same way it was found out that irregular drawal of foreign service allowance was found in CADA. In this regard the audit report observed that foreign service allowance is not admissible when the post to which the Government servant posted on Foreign services basis is encadred in the department or the service to which he belongs i.e. posts in universities/ Boards/ Corporations/ local bodies etc. which are

invariably required to be filled by taking officers of a Cadre or a service of a department and which are treated as deputation reserve posts or temporary addition to the cadre strength of the department. Officials who are on foreign services with CADA, Munirabad relating to Accounts, Agriculture and Engineering wings are permitted to draw foreign services allowances from 1.4.1988 even though these officials are working against deputation reserve posts or temporary addition to the cadre strength of parent department. In case of Accounts wing and Engineering wing the Chief Accounts Officer, and LDO (Eng) are not allowed to draw FSA since the posts are treated as deputation reserve posts. As per the said GO, the FSA is not admissible to the officials working in accounts, Agriculture and Engineering wing since these posts are deemed to be treated as Deputation Reserve posts/ temporary addition to the cadre strength of the department as per the recruitment rules of the respective departments. The total amount of FSA drawn and paid from 1.4.1988 to 31.1.1992 works out to Rs.1,03,844.60. The auditor asked for recovery particulars.

IRREGULAR GRANT OF ADVANCES FOR EXECUTION OF SCHEMES²⁰:

The CADA Authorities have granted advances to LDA (Agri), LDO (Co-op.) and L.D.O. (Eng) for the implementation of various

schemes undertaken by the CADA Authorities, Munirabad during 1986-87 to 1990-91. Final Accounts in respect of advances drawn by the above officers are required to be rendered alongwith the original vouchers and Utilisation Certificates furnished to enable the Administrator for production of original/ vouchers/ Utilisation Certificates to Government Audit. Government in their OM NO FD 9 BGI 83 dtd. 25.3.1983 have issued guidelines vide para 3 that the implementing officers should not keep any advances in their name/ designation wise in the bank without specific orders of the Government. In this case a total of Rs.23,98,870/- was the outstanding amount which was spent for subsidy and loan to farmers. Loan portion of Rs.2,540 lakhs be recovered from the farmers.

During 1996 under special component scheme ²¹ a lift irrigation project Jogu village was launched with the object of irrigating 160 acres of land situated at tail end for the area to benefit 64 S.C. members. For this work a total grant of Rs.5.74 lakhs was paid to the lift irrigation society. Due date for the completion of work was May 1988. However, out of 160 acres of land only 110 acres of land was developed belonging to 48 S.C. persons by spending an amount of Rs.1.80 lakhs to the end of March 1991. The TBP CADA was not able to get loan amount from Karnataka SC/ST development corporation or from commercial bank in time. As a result the records relating to the utilisation of grant of Rs.5.74

lakhs was not being produced to the audit. This show that T.B.P. CADA is not able to co-ordinate its activities with State Government institutions and banks.

ESTABLISHMENT CHARGES²²

As per rule 4(3) of the KCAD Rules, 1980, the total expenditure on salary and allowances in a year on the staff of CADA authority shall not exceed 10% of amount of annual grant made to the authority by the State and Central Government. However, the expenditure incurred on establishment has exceeded the limits. For e.g. for the years 1990-91 to 1992-93, the grants released by the Government and expenditure incurred by T.B.P. CADA and percentage of excess is as under :

Sl. No.	Year	Grant in aid released	Expenditure incurred on the establishment	Percentages
1.	1990-91	309.91	54.58	18
2.	1991-92	347.83	69.24	20
3.	1992-93	346.89	67.00	19

It could be seen from the above figures that the expenditure on the establishment charges has exceeded the prescribed 10%. This is brought to notice of CADA. In this regard the Auditor suggested that action may be taken to get the excess expenditure incurred ratified by the

competent authority. This clearly reveals that T.B.P. CADA is spending twice over and above the sanctioned expenditure on establishment. This indicates that that efficiency and economy is lacking to a large extent in administration. This shows that T.B.P. CADA is not exercising sufficient control over establishment expenditure.

A video camera was purchased to cost Rs.0.76 lakhs.²³ However, due to lack of qualified operator the camera is not used since January 1990. This reflects that the T.B.P. CADA is not utilising the costly equipments purchased. In the same way a computer is purchased²⁴ in 1989 at a cost of Rs.51,000/-. But computer was not in use from January 1991. In this regard the audit report cautioned that if it is not put to maximum use expenditure on it prove infructious.

In another case, in February 1991, 399 bags of cement was issued to a contractor. The voucher produced, shows that the cost of 389 bags was recovered at the rate of Rs.64.50 per bag as against issue rate of cement at Rs.84.50 per bag. This has resulted in short recovery of Rs.8,947/-²⁵. In other words, the concerned Officer do not even checks the rate of issue while taking back the cement from the contractor.

Some of the important records²⁶ like contractor ledger, Hire charges register, stock register of cement (Receipt and issue), Hume pipe stock register, indent and invoice files, log books of all the vehicles,

unserviceable ledger accounts, contractor ledger and accounts, estimate files, tender file and voucher relating to purchase of materials for constructing twin guaters at Kurgod, half yearly returns of stock materials, site accounts in respect of works of all sub-division since 86 to 87 to 89-90 has been not been produced to the audit. So also dead stock/ furniture register of CADA office and log books of 7 vehicles of CADA are not produced for audit.

The security deposits required for the work bill of the contractor was not updated from 1986-87 to 1987-88. All these defects in maintaining records point out that T.B.P. CADA is not taking its responsibilities seriously.

Accounts of T.B.P. CADA for 1990-91 to 1992-93 are reviewed in general.²⁷ One of the important issues raised in the audit report is on negatory expenditure of Rs.19 lakhs on the staff Indo-Dutch. Water-Management, Pilot-Project, Monitoring Cell. Indo-Dutch Management Project was started in 1986 and a monitoring cell was sanctioned in October 1986 for a period upto 31.3.1988. But establishment continued beyond February 1988, since the proposals for Phase-II of the Pilot-Project was in pending. In the meanwhile, the staff were withdrawn with effect from January, 1994. It is interesting to note that virtually there was no work for this staff in 1989-90 and 1992-93 upto 31.8.1994.

However, for a period of two years i.e. 1990-91 and 1991-92 works upto an extent of Rs.3,09,611/- was carried out. In addition to this, there was no targets fixed. Only canal discharge guaging was done. No development or construction work was taken up.

The audit report in this regard observed that continuation of the staff beyond the period of sanction has resulted in negatory expenditure amounting to Rs.19.18 lakhs. Even for the sake of sympathy if we deduct some amount out of Rs.19,18,000/- as establishment charges, one can very well say that heavy amount was spent on idle staff. The audit report also pointed out that it is not sure whether the monitoring cell has submitted any report on the study made. This makes it clear that unnecessarily staff are engaged when there was no need far.

During the years 1991-92 and 1992-93 a sum of Rs.25.24 lakhs have been released by the Government of Karnataka under the scheme of shallow tubewells/ dry wells programme. The entire amount has been kept with P.D. account since March 1992 and no portion of amount was utilised for the purpose for which grants are intended. The audit report pointed out that this is not correct. The audit report stated that under the financial report the unutilised funds to be surrendered to the Government. This points out that T.B.P. CADA in actual practice

expected to work as a Government Department and not as a Corporation.

In the case of Corporation amount can be carried over to the next year.

For land reclamation work 1990-91 to 1992-93 (3 years) T.B.P.-CADA incurred Rs.53.35 lakhs for 582.30 hectares. The expenditure being shared on 50:50 basis by the State and Central Government. For this, subsidy is 25% to the farmers. Remaining 75% of the cost which works out to Rs.40 lakhs is recoverable from the farmers in 15 annual instalments. However, the Demand Collection Balance Register (Consolidated Register) was not made available for verification to the audit. These records were supposed to be maintained by concerned Agriculture Officers who are implementing this work. But Agriculture Officers CADA, Bellary, Kurugodu, Manvi and Sindhanur have not produced the B.C.B. Register to the audit. In other words, in CADA proper maintenance and updating of records is not taking place as per rules.

In case of Asstt. Executive Engineer, Sub-Division, Bellary, stock register, entries have not been updated and annual physical verification has not been done for 1990-91 to 1992-93. Moreover, R.C.C. pipes amounting to Rs.1,01,088/- have not been taken to account. In another case out of 20 cement bags returned to the Sub-division, on

July 1991 stock register shows only 8 bags of cement. The balance of 12 bags of cement have not been accounted. The cost of same is Rs.822/-.

In another case Asstt. Executive Engineer, Munirabad Sub-division shows that 18 A.C. sheets were in stock as per stock register in June 1992. Subsequent physical confirms that the 18 A.C. sheets were neither in stock nor issued. The audit report pointed out this irregularity and stated that action may be taken to recover Rs.8,625/- as the cost of 18 A.C. sheets and remit the amount to the CADA funds and intimate the same to audit. Similarly, a contractor has returned 26 bags of cement on 31.3.1993. This was taken to stock but in monthly abstract they have not been accounted for. So the audit report directed to CADA to recover Rs.2,275/- (at the rate Rs.87.50 per bag) and remit the same to CADA funds.

DEFECTS IN ACCOUNTS ²⁹

It is seen that the CADA, Munirabad has released advances under various schemes during 1992-93 and even though part of the advances were adjusted to end of March 1993 the whole amount of advances paid was shown as expenditure in the annual accounts.

For example, during 1992-93 a sum of Rs.43,08,749/- was paid as advance for various schemes under the Special Component Plan. Out of this, a sum of Rs.3,93,895/- only was adjusted upto 31.3.1993 leaving

the balance of Rs.39,14,854/-. Whereas; in the Annual Accounts for 1992-93 the entire amount of Rs.43,08,749/- has been shown as expenditure, which is incorrect. The procedure adopted is contrary to the provisions of Art. 243 of the KFC, 1958 which states that every advance must be adjusted by the end of the month succeeding the one in which the advance is drawn. When it is found that any advance cannot be adjusted within the time fixed, sanction of Government or other authority sanctioning the advance should be obtained for extension of time by a definite period for adjustment.

In reply to an enquiry it is stated that in the absence of release of subsidy portion from CADA in advance the implementing agencies and other societies will not come forward to implement the scheme successfully. By which the very purpose of development of farmers coming under the adjacent area will be defeated. Hence, the amount of subsidy portion released in advance are treated as expenditure at a time. The subsidy is watched in advance register.

However, the auditor pointed out that exhibiting whole advance as expenditure in the annual accounts, is a defect. It also points out that CADA itself is not releasing subsidy in time. In other words, defects in accounts is due to internal delay and for this nobody except CADA is responsible.

In addition to the above, a review of the annual accounts for 1992-93 reveals the discrepancies in Debt and Suspense account.

For e.g. the funds released by the Government of Karnataka for implementation of shallow tube wells/ dug wells during 1992-93 amounting to Rs.2,74,300/- have been wrongly shown as 'other miscellaneous deposits'. In another case, a total of receipts comes to Rs.17,30,867/-. However, it is shown as Rs.16,77,934/- resulting in a difference of Rs.52,933/-. In other words, while submitting the accounts due care was not taken. In one more case, actual payment was done for some items totalling Rs.4,432/-. However, it was placed in receipt column. In the same way, a sum of Rs.2,50,000/- towards shallow tubewells is shown as RDPR grants 1991-92. This fund was actually received during 1991-92 and accounted in Annual Accounts for 1991-92. This amount was shown as 'Receipt' during 1992-93 is incorrect. In the auditor's report, the auditor has called for reasons for the discrepancies and rectification of the same. In other words, a lot of financial irregularities are committed. This shows how public money is spent in project costing crores of rupees annually.

In another case T.B.P.-CADA has to recover leave salary granted to the officers from the parent departments upto 31.3.1993.

The leave salary contributions are due from the following Departments:

i)	Revenue Department	Rs.1,04,905-90
ii)	Co-operation Department	Rs. 7,011-00
iii)	Agriculture Department	Rs. 55,846-00
iv)	Public Works Department	Rs. 97,790-10
v)	State Accounts Department	Rs. 4,848-00
vi)	Economics and Statistical Department	Rs. 8,561-80
vii)	Horticulture Department	Rs. 1,051-75

		<u>Rs.2,80,015-15</u>

To this objection CADA stated that it has initiated action to get reimbursement as early as possible.

Certain advances made by CADA for some schemes are still outstanding for e.g. the Controller, University of Agricultural Sciences, Dharwad, was given an advance of Rs.1,50,000/- during 1990-91 but the entire amount is still outstanding. The Joint Director of Agriculture, Raichur, was given an advance of Rs.10,000/-. The entire amount is outstanding.

Early action may be taken to recover these advances and credited to the CADA Account. In such cases of heavy advances, at the time of

refund an interest at the rate of 10% may be imposed from the date of release to the time of reimbursement.

Under Special Component Plan in 1992-93 an expenditure of Rs.43.09 lakhs was incurred for various schemes for supply of bullocks and bullock carts, milch animals and agricultural implements to persons belonging to SCs/STs. However, a test checks of the concerned files revealed that caste certificates were issued by the village accountants for providing subsidies etc. to the extent Rs.84,480/-. However, Village Accountant is not competent to issue caste certificates. When questioned in this regard. Administrator T.B.P. CADA gave the direction to avoid inconvenience to SC/ST beneficialies and to implement the programmes speedily. The auditor pointed out that the certificates issued by the authority other than the Tahashildar may be referred to the Tahashildar and after proper verification get ratified from the concerned Tahashildar.

NOTES AND REFERENCES

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6. Excerpts from the notes of Interview of Officer of T.B.P.-CADA.
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20. Ibid., pp.5-6.
21. Ibid., pp.6-7.
22. Ibid., P.7.
23. Ibid., P.8.
24. Ibid., P.10.
25. Ibid.
26. Ibid., pp.9-10.
27. Ibid., pp.11-18.
28. Ibid., 18-23.