

**DIRECTORATE OF AUDIT
GOVERNMENT OF N.C.T. OF DELHI
4TH LEVEL, C-WING, DELHI SECTT,
I.P. ESTATE, NEW DELHI-110002**

Subject - Audit report of the office of Executive Engineer (South West) - III, Delhi Jal Board, Govt. of NCT of Delhi, Sector-VII, R.K. Puram, New Delhi-110022.

Audit on the accounts of Executive Engineer (South West) - III, Delhi Jal Board, Govt. of NCT of Delhi, Sector-VII, R.K. Puram, New Delhi-110022 for the financial years 2022-23 and 2023-24 has been conducted by the Compliance Audit Party - Delhi Jal Board comprising of Sh. Inder Mohan, Sr.AO/IAO and Sh. Anil Kumar, AO from 14.08.2024 to 28.08.2024 in eight (08) working days. The accounts were reviewed purely on test check basis.

AIMS AND OBJECTIVES

Office of the Executive Engineer (South West) - III, Delhi Jal Board, Govt. of NCT of Delhi, Sector-VII, R.K. Puram, New Delhi-110022 is responsible for providing drinking water of its catchment area, repair and maintenance of water and sewerage pipe lines and collection of revenue by Zonal Revenue Officer in connection with the water consumption and new water connection charges.

HOO/DDO's/AAO/CASHIERS

The following officers/officials have served as Head of Office (HOO)/Drawing & Disbursing Officer (DDO)/Assistant Accounts Officer/Cashier during the period 2022-23 & 2023-24

S. No.	Name of the Head of Office/Drawing & Disbursing Officer	From - To
1	Sh. V.K. Gupta	April, 2022 to December, 2022
2	Sh. Rohan Jharkhariya	April, 2022 to November, 2023
3	Sh. Sanjay Kumar Jain	December, 2023 to March, 2024

S. No.	Name of the AAO	From - To
1	Sh. Mukesh Kumar Gupta	April, 2022 to June, 2022
2	Smt. S. Satyawati	July, 2022 to September, 2023
3	Sh. Ashok Kumar Mishra	October, 2023 to March, 2024

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S. No.	Name of the Cashier	From - To
	NIL	

BUDGET ALLOCATION AND EXPENDITURE FOR THE YEAR 2022-23 AND 2023-24

Year	Capital (Rs. in Lakhs)			Revenue (Rs. in Lakhs)		
	Budget allotted	Expenditure	Balance	Budget allotted	Expenditure	Balance
2022-23	5631.55	2172.58	3458.97	2803.71	2012.96	790.75
2023-24	5250.23	2132.83	3117.38	2081.57	1670.78	410.79

VACANCY STATEMENT

Group	Sanctioned Posts	Filled Posts	Vacant Posts
A	01	01	00
B	27	09	18
C	478	117	361
TOTAL	506	127	379

STATUTORY AUDIT

The statutory audit of the office of Executive Engineer (South West) - III, Delhi Jal Board, Govt. of NCT of Delhi, Sector-VII, R.K. Puram, New Delhi-110022 has been conducted by AG (Audit), Delhi up to the financial year 2021-22.

MAINTENANCE OF RECORDS

The maintenance of records of the office of Executive Engineer (South West) - III, Delhi Jal Board, Govt. of NCT of Delhi, Sector-VII, R.K. Puram, New Delhi-110022 for the period 2022-23 & 2023-24 was found satisfactory subject to observations made in Current Audit Report.

OLD AUDIT REPORT

This was the first audit of the Division by the Directorate of Audit, Govt. of NCT of Delhi.

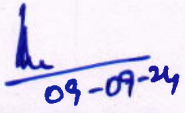
CURRENT AUDIT REPORT (2022 - 2024)

During the course of current audit, 20 audit observation memos + 01 requisition memo highlighting various shortcomings/recoveries to the tune of Rs.32,35,994/- were issued. No Record Memo was settled on the spot. Therefore, all the 20 (twenty) observation memos + 01 (one) Requisition Memo have been converted into 16 Paras and 05 TAN which are incorporated in Current Audit Report.

DETAILS OF CURRENT RECOVERY (AUDIT PERIOD 2022-2024)

Memo No.	Total Recoveries (in Rs.)	Amount Recovered	Balance (in Rs.)	Para. No.
11	1,50,760/-	-----	1,50,760/-	10
12	5,09,238/-	-----	5,09,238/-	11
13	28,313/-	-----	28,313/-	12
14	25,47,683/-	-----	25,47,683/-	13
Total	32,35,994/-	-----	32,35,994/-	

The internal audit report has been prepared on the basis of information furnished and made available by the office of Executive Engineer (South West) - III, Delhi Jal Board, Govt. of NCT of Delhi, Sector-VII, R.K. Puram, New Delhi-110022. The Directorate of Audit, GNCT of Delhi disclaims any responsibility for any misinformation and of non-information on the part of auditee.


(INDER MOHAN)
Inspecting Audit Officer
Compliance Audit Party - DJB

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EE (South West) - III, Delhi Jal Board,
Govt. of NCT of Delhi,
Sector-VII, R.K. Puram,
New Delhi-110022.

Audit Report - 2022-23 & 2023-24

PART - I

OLD AUDIT REPORT

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EE (South West) - II, Delhi Jal Board,
Govt. of NCT of Delhi,
Sector-VII, R.K. Puram,
New Delhi-110022.

Audit Report - 2022-23 & 2023-24

NIL

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PART - II

CURRENT AUDIT REPORT

(2022-2024)

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CURRENT AUDIT REPORT **(2022-23 and 2023-24)**

Para No. 01: Award of work at abnormally below than the estimated cost
(Ref. Observation Memo No. 01 dated: 16.08.2024)

As per SOP No. 5/3 CPWD Works Manual, 2022 under the heading "Justification of Tenders", the justification statement is prepared for checking the reasonability of rates before opening of financial bid based on the market rates of material and labour etc. prevailing on the last date of submission of tender. The major items of the entire Schedule costing at least 90% of the overall estimated cost put to tender are analyzed, to work out the justified percentage on this basis. The items to considered for analysis of rates are selected with items having the highest estimated amount and then next lower amount in the descending order and so on, till at least 90% of the estimated cost put to tender is reached.

During examination of the records for the audit period i.e. 2022-23 and 2023-24 relating to award of tender by the office of EE (South West) III, Sector -VII, R.K. Puram, New Delhi.22, it has been revealed that in the following cases, agreements were executed and work orders were awarded to the Contractors at the rates very lower than the estimated cost. Some cases of tendered amount of more than 45% below of the estimated cost are reproduced as under:

S. No.	Work Order No. & Date	Name of the work	Name of the contractor	Estimated cost. (in ₹)	Tendered Amount (in ₹)	Tendered Amount Below estimated cost
1.	07 dt 21.4.22	Improvement of sewer line by replacement of old damaged sewer line at Mayfair garden under EE AC 43	M.D.Enterprises	2634251	1330166	49.00%
2.	32 dt 17.5.22	Replacement of sewer line in sector 7 R.K. Puram under AC44.	Nitty Construction company	2251753	940831	57.80%
3.	33 dt 17.5.22	Replacement of sewer line in sector 12 R.K. Puram under AC44	Nitty Construction company	2402004	1003609	57.80%
4.	34 dt.17.5.22	Replacement of sewer line in sector 8 R.K. Puram under AC44	Nitty Construction company	2308730	964638	57.80%
5.	12 dt. 25.4.22	Repair and reconstruction of manholes in Kumhar Basti, Malviya Nagar under AC 43	R.V.Sales corporation	1333902	686893	47.93%
6.	78 dt 8.7.22	Replacement of old/damaged silted up sewer line at street no 3 and 4 in Sarvpriya Vihar under EE(SW)III	M.D.Enterprises	1872454	1004637	45.81%
7.	79 dt 8.7.22	Replacement of old/damaged sewer line at K-Block, Malviya Nagar, under EE (SW)-III.	Tanuj Enterprises	1177147	631580	45.81%
8.	288 dt 31.3.23	Replacement of old/damaged sewer line at A-1/272 to A-1/239, Safdarjung Enclave under AE(M-43).	Nitty Construction company	1353939	735953	45.10%
9.	289 dt 31.3.23	Improvement of sewerage system by raising/tracing/replacing manholes by maintaining existing sewer network in Munirka ward (66S)R.K. Puram Constituency AC 44 under EE(M-44).	Nitty Construction company	1000344	543751	45.10%
10.	271 dt 24.3.23	Construction of rain water harvesting and trench in BPS at A-2 BPS under M-43(AC43)	Satyam enterprises	1879576	893264	52.00%
11.	15 dt.5.6.23	Desilting of peripheral line by super soker machine in Malviya Nagar constituency AC-43.	Raj Engg. Co	1996524	988576	49.99%

Audit Report - 2022-23 & 2023-24

S. No.	Work Order No. & Date	Name of the work	Name of the contractor	Estimated cost. (in ₹)	Tendered Amount (in ₹)	Tendered Amount Below estimated cost
12.	20 dt. 8.6.23	Desilting of peripheral 450/600mm dia sewer line by super soker machine in R.K. Puram constituency. AC 44.	R.P.Infrastructure	1997294	928050	53.07%
13.	283 dt 31.3.23	Replacement of old / damaged silted up sewer line new chopal in Hauz Rani village under AC 43, Malviya Nagar, New Delhi.	Tanuj Enterprises	2378673	1229138	47.81%
14.	297 dt 31.03.23	Improvement of sewer system in kumhar basti by replacement of peripheral sewer line under AC 43 Malviya Nagar, New Delhi.	Tanuj Enterprises	2141662	1106673	47.81%
15.	26 dt. 21.6.23	Improvement of sewer system in Hardev Puri, Gautam Nagar, and adjoining lane under AE (M-43).	R.V. Sales Corporation	2297717	1198023	46.99%
16.	16 dt 6.6.23	Replacement of water connection in Vasant Vihar AC 44, R.K. Puram.	Yadav civil contractors.	2077275	1058176	48.55%
17.	42 dt 20.7.23	Improvement of sewage system by maintaining existing sewer network in R.K. Puram ward (65 S) in AC 44 under EE(M44).	Tanuj Enterprises	1255765	571933	54.00%
18.	41 dt 20.7.23	P/L new sewer line of 300 MM dia by replacement of old damaged line in lane near H. No. 123B and adjoining lane at Prajapat Mohalla, Basant Village in R.K. Puram constituency.	Tanuj Enterprises	1366482	622358	54.00%
19.	43 dt 20.7.23	Desilting of sewer line of 900 MM dia by super soker machine near Bhikaji Cama red light to St. Thomas circle crossing under EE (M 44), R.K. Puram constituency.	Tanuj Enterprises	2450075	1062415	55.00%
20.	107 dt. 17.11.23	Improvement of water supply near House no.12, Sai Mandir at Masjid Mor under AC 43 Malviya Nagar.	Tanuj Enterprises	961263	476444	49.94%
21.	108 dt 17.11.23	Desilting of sewer line of 450mm and above dia by super soker machine at Munirka ward and adjoining area in R. K. Puram constituency under EE(M- 44).	Tanuj Enterprises	871487	293372	66.00%
22.	109 dt 17.11.23	Desilting of sewer line of 450mm and 600 mm dia by super soker machine near DPS R.K. Puram under AEE(M-44) in AC 44.	Tanuj Enterprises	797435	268444	66.00%
23.	110 dt 17.11.23	Desilting of sewer line at Krishna Nagar, Arjun Nagar SPS by mini super soker machine under AEE(M-43).	Tanuj Enterprises	1504195	506363	66.00%
24.	111 dt. 17.11.23	Replacement of old damaged water line 100 mm dia with new DI 100 mm pipe in C4 block SDA under Malviya Nagar AC 43.	Tanuj Enterprises.	1472778	747034	48.77%
25.	112 dt 17.11.23	Improvement of water supply in Som Vihar, R.K. Puram under EE(M-44)	Tanuj Enterprises	839195	433640	47.81%
26.	67 dt. 16.9.23	Improvement of maintenance of water distribution network in Vasant Vihar (MVV area) under EE(M-44)	D. K. Enterprises	2077811	923495	55.11%

It was evident from the above table that the works were awarded between 45.10% to 66% below the estimated cost although the estimates were prepared on the market rates.

Under such circumstances, the genuineness of the product and items supplied and thereafter works executed could not be verified in audit. The possibility of substandard works/non-execution of some part of works could not be ruled out

In response to the observation memo No. 01 dated 16.08.2024, the Division has replied that majority of the tenders were awarded below the estimated cost. As per normal practice in Govt. Tendering process, the lowest tender has been accepted and

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Audit Report - 2022-23 & 2023-24

work contracts are awarded in favour of lowest bidder. However, the observation of audit has been noted for future compliance.

Since the reply, furnished to the audit, is in general term and not specific, it is not acceptable. HOO to furnish the detailed reasons and justifications for awarding the works much below the estimated cost and also to provide the completion certificates of each work orders to audit.

Para No. 02: Non adjustment of Medical Advance Bills

(Ref. Observation Memo No. 02 dated: 16.08.2024)

As per provisions under note 4 below rule 120 of Receipt and Payment Rules, advances should be adjusted within one month of their drawl.

On scrutiny of the records for the audit period 2022-23 and 2023-24 which was maintained at Office of EE (South West)-III, Delhi Jal Board, Sector VII, R.K. Puram, New Delhi-110022, it has been noticed that Medical Advances for Rs.35,65,460/-, sanctioned to various staff members, were unadjusted as on 31.3.2024. In addition to this shortcoming, following discrepancies are also observed:

- a. As per PFMS ledger for Medical Advance, closing balance was shown as Rs.18,28,450/- (Debit) as on 31.3.2023, however, this amount has not been brought forward in the F.Y.2023-24 as on 01.04.2023 (opening balance) and shown as zero (0) at PFMS portal.
- b. As per PFMS portal, the closing balance under Medical Advance (unadjusted) was shown as Rs.35,65,460/- (Debit) as on 31.3.2024.

Since, the Division has not been maintaining the Bill Register, all the details for advance payments have been taken from the Ledgers for the year 2022-23 and 2023-24 produced to audit.

In response to the observation memo No. 02 dated 16.08.2024, the Division has replied that the process of adjusting the advance has already been initiated. As and when, advance of Rs.35,65,460/- will be submitted, audit may be informed.

The Division may therefore look into the matter and as replied, take necessary steps to adjust the pending medical advances amounting to Rs.35,65,460/- after due verification of fact and figures under intimation to audit. Other similar cases may also be reviewed on the same lines and necessary action may be taken under intimation to audit.

Para No. 03: Non-compliance with contractual obligations (non-start of work)

(Ref. Observation Memo No. 04 dated: 20.08.2024)

Section 15.1(2) of CPWD Manual stipulates that before approval of NIT, it is desirable to have availability of clear site, funds and approval of building plans from local

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bodies. Further, section 29.7.1. of the Manual stipulates that wherever any hindrance, whether on the part of department or on part of contractor, comes to the notice of the Assistant Engineer, he should at once make a note of such hindrance in the register kept at site and immediately make a report to the Executive Engineer within a week and the Executive Engineer shall review the hindrance register at least once in a month.

During test check of agreements as per details below, it was observed that despite lapse of scheduled completion date, the contractor has failed to commence work on the project. This is a breach of contractual obligations and raises concerns about the contractor ability to deliver the project on time. Further, the department has unable to show any causes of the delay, the contractor's plan to catch up on the schedule which has an impact on the overall project timeline and costs. The details are as under:

Sr. No.	Work order no. and period of completion	Estimated cost (in Rs.)	Name of contracts/tenders	Name of agency	Value of contract/ tender (in Rs.)	Total payment (in Rs.)
1	214/20.01.23 (Date of completion- 30 days with the date of issue of work order)	1108846	Improvement of water supply by laying go of 300 mm dia DI Pipe in SJE under AC 43.	Dharambeer Yadav	1240480	0
2	92/27.10.23 (Date of completion- 30 days with the date of issue of work order)	1537342	Shifting of encroached water line by Jj cluster near national school of open language at Moti Bagh under EE(M44)	Yadav Civil Contractors	928646	0
3	24/14.06.23 (Date of completion- 120 days with the date of issue of work order)	17374456	Diversion od deep sewer line from b6, Safdarjung Enclave Market conrer to Arjun Nagar red light New Sarvodaya School under AC 43.	Deepak allied traders and engineers	19399182	0

The Division may therefore provide the reasons for non-starting/completing of works on due dates and also impose penalties on the Contractors as per the terms and conditions of each work order, after due verification of fact and figures, under intimation to audit.

Para No. 04: Non revalidation and return of FDRs/Bank Guarantees

(Ref. Observation Memo No. 06 dated: 20.08.2024)

As per rule 170 of General Financial Rules (GFRs), 2017, to safeguard against bidder's withdrawing or altering its bid during the bid validity period in case of advertised or limited tender enquiry, bid security is to be obtained from the bidders which is normally to remain valid for a period forty-five days beyond the final bid validity period.

Further, as per rule 171 of GFRs, 2017, to ensure due performance of the contract, performance security is to be obtained from the successful bidder awarded the contract which should remain valid for a period of sixty days beyond the date of completion of all contractual obligations of the supplier including warranty obligations. It is also added in

this rule that the bid security should be refunded to the successful bidder on receipt of performance security.

During scrutiny of the details of FDRs/Bank Guarantees provided by the office of EE (South West) - III, Delhi Jal Board, Sector-VII, R.K. Puram, New Delhi-110022, it has been observed that the validity of 125 numbers of FDR/Bank Guarantee submitted by vendors/suppliers has already been expired as on 31st March, 2024 and the Division has not taken any action to revalidate / return these FDRs/Bank Guarantees. The details are enclosed at Annexure-I.

It may also be possible that the suppliers/contractors are still having valid contracts with the Division without legal performance securities.

In response to the observation memo No. 06 dated 20.08.2024, the Division has replied that the process of returning FDRs/Bank Guarantees has already been initiated whenever a request was received from the vendors/suppliers. As on date, out of 125 FDRs/Bank Guarantees, which were shown outstanding in the observation memo, most of the FDRs/Bank Guarantees have already been returned to the vendors/suppliers. The Division is waiting for the response/request from the vendors/suppliers in respect of remaining FDRs/Bank Guarantees and the matter will be closed very soon. Thereafter, the audit will be informed accordingly.

Since, the reply is self-explanatory, the Division may look into the matter and take immediate necessary efforts to revalidate / return these FDRs/Bank Guarantees under intimation to the audit.

Para No. 05: Expenditure on advertisements worth Rs.128.23 lakhs

(Ref. Observation Memo No. 07 dated: 20.08.2024)

a. Avoidable Expenditure of Rs.128.23 lakhs for publication of NIT in News Papers

As per instructions in Section 4.12 of CPWD Manual, 2019 (introduced in February 2019) and CPWD Manual 2022 (introduced in July, 2022) under the heading "Publicity of Tenders", "all tenders of any amount shall be invited through e-tendering system. Notices for all the works, respective of their value, shall be published on the website www.tenderwizard.com.cpwd or as instructed from time to time. Once published on the website, the tender notices will also become available on www.eprocure.gov.in through system link. In exceptional cases, if press publicity is required to be given apart from website publicity, written permission shall be obtained from next higher authority".

During the scrutiny of records relating to press publicity of NIT in News Papers of the Division, it was observed that division authority has incurred an amount of Rs.128.23 lakhs on publicity of NIT in News Papers, which was in contravention of the CPWD instructions.

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The Division may therefore look into the matter and take necessary action under intimation to audit.

b. Loss of Rs.19.23 lakhs on account of not availing 15% rebate on advertisement

As per the information provided by the office of EE (South West) - III, Delhi Jal Board, Sector-VII, R.K. Puram, New Delhi-110022, it has been observed that the Division has incurred Rs.128.23 lakhs on Advertisements for publication of tender notices/NITs (Notice Inviting Tender). The department has made the payment directly to the concerned Advertisement Agency/Media House.

Newspaper publication/Media Houses provides 15% discount/rebate to Government department on DAVP rates for publication of Advertisement, however, no rebate/discount was found provided to Delhi Jal Board on the Advertisements by Media House/ Advertisement Agency.

As per letter No.F.44(3)/2015-16/DIP/Advt./2015-16/14-18 dated 28.10.2015 addressed to HODs of all Departments, Autonomous Bodies, Boards, Corporations of Govt. of NCT of Delhi, it was mentioned that the Directorate of Information and Publicity, Govt. of NCT of Delhi has registered a Society titled "Shabdarth". Since, 12.08.2015, the "Shabdarth" started releasing day-to-day tenders/notices published by various departments/autonomous bodies of GNCTD.

Shabdarth receives 15% rebate on Advertisements in Print media, however, the Division, instead of publishing the advertisements through Shabdarth, publish the same directly through the Advertisement agencies and therefore not availing 15% discount/rebate. The details are as under:

S. No.	Name of Advertisement Agency/ Media House	Amount Paid (Rs. in lakhs)	Amount of rebate not given by the Agency/Media House (15%) (Rs. in lakhs)
Year 2022-23			
1	M/s. Hindustan Media Venture Ltd.	10.88	1.63
2	M/s. Jagran Prakashan Ltd.	9.22	1.38
3	M/s. HT Media Limited	22.16	3.32
4	M/s. Indian Express Newspapers Ltd.	34.38	5.16
5	M/s. Bennet Coleman & Co. Ltd.	19.85	2.98
6	M/s. Amar Ujala Publication Limited	2.75	0.41
7	M/s. Sahara India Mass Communication	0.06	0.01
8	M/s. Virat Vaibhav	0.09	0.01
9	M/s. Vaibhav Publication Pvt. Ltd.	0.41	0.06
10	M/s. Punjab Kesari, Delhi	0.10	0.02
11	M/s. Punjab Kesari Group - The Hind Samachar Ltd.	0.06	0.01
Year 2023-24			
1	M/s. Hindustan Media Venture Ltd.	2.93	0.44
2	M/s. Jagran Prakashan Ltd.	0.92	0.14
3	M/s. HT Media Limited	6.78	1.02
4	M/s. Indian Express Newspapers Ltd.	7.56	1.13
5	M/s. Bennet Coleman & Co. Ltd.	7.99	1.20
6	M/s. Amar Ujala Publication Limited	1.99	0.30
7	M/s. Sahara India Mass Communication	0.01	0.00
8	M/s. Virat Vaibhav	0.09	0.01
	TOTAL	128.23	19.23

In response to the observation memo No. 07 dated 20.08.2024, the Division has replied that all the expenditures on the advertisements were incurred with the concurrence of PR Section at DJB(HQ). Moreover, the matter will be taken up with that section and audit will be informed accordingly.

Since, the Division has not availed the discount of 15% which works out to Rs.19.23 lakhs on the publication of advertisements and also published the advertisements directly through the agencies instead of taking the services of M/s. Shabdarth, the reply is not tenable. As replied, the matter may be taken up with the PR Section, DJB(HQ) for necessary action under intimation to the audit.

Para No. 06: Excess payment of Rs.37.45 lakhs to the Contractors on unrealistic estimates

(Ref. Observation Memo No. 08 dated: 21.08.2024)

Section 4.2.1(2) of CPWD Manual, 2014 stipulates that the detailed estimates should be complete and as comprehensive as possible and should be supported by detailed architectural drawings, preliminary lay out drawings of the various services, drawings and or specifications for the various components of work involved etc.

During test check of the records revealed that there was major inconsistency between the tendered amount and actual payment made which indicates that it was non-observance of guidelines as mentioned above. The details of works are as under:

S. No.	Work order number and date	Name of the Agency	Tender amount (In Rs.)	Actual payment (In Rs.)	Excess payment made to the Contractor (In Rs.)	% Increase of expenditure
1	06/21.4.22	Nidhi Associates	2257200	2340800	83600	3.70
2	29/12.5.22	Deep Brothers Auto Works	1074000	1310407	236407	22.01
3	94/21.7.22	Mahalaxmi Enterprises	3235236	3875995	640759	19.81
4	99/27.7.22	Bijender Lohia and Co,	2049664	2227587	177923	8.68
5	134/5.9.22	Tanuj Enterprises	1021103	1219634	198531	19.44
6	284/31.3.23	Tanuj Enterprises	592000	703000	111000	21.00
7	23/6.5.22	Ansuman Rai	2270565	2628351	357786	15.76
8	195/23.12.22	Nidhi Associates	1604977	1917830	312853	19.50
9	196/23.12.22	Nidhi Associates	4682528	4993406	310878	6.64
10	80/8.7.22	M D Enterprises	2224530	2424530	200000	9.00
11	128/5.9.22	Tanuj Enterprises	2850044	3098759	248715	8.73
12	297/31.03.23	Tanuj Enterprises	1106673	1266185	159512	14.41
13	285/31.3.23	Tanuj Enterprises	815783	969425	153642	18.83
14	115/22.11.23	Sai Tubewell	1912344	2292913	380569	19.90
15	20/8.6.23	R.P. Infrastructure	928050	1101075	173025	18.64
				Total	3745200	

The above data indicates that the estimates were prepared in casual manner and proper site conditions were overlooked. It is also evident that the amount put to tender and amount actually paid in above mentioned 15 works executed during the years 2022-23 to 2023-24 were escalated between 3.70% to 22.01% aggregating to Rs.37.45 lakhs.

Audit Report – 2022-23 & 2023-24

In response to the observation memo No. 08 dated 21.08.2024, the Division has replied that the department prepare the detailed estimates of works as comprehensive as possible and supported with architecture drawings, primarily layout drawings of various works, drawings and specification for the various components of work involved etc. However, the works mentioned in the observation memo, the actual payment has been made due to increase/decrease in the scope of work of various items. However, the approval of the same has been taken agreement wise.

Since, the expenditure is against the spirit of transparency, healthy competition and unfair to other bidders, the Division may look into the matter and take necessary action after due verification of fact and figures, under intimation to audit.

**Para No. 07: Reconciliation of Balances in the Bank Accounts for the Financial Years
2022-23 & 2023-24**

(Ref. Observation Memo No. 09 dated: 21.08.2024)

(A) Financial Year 2022-23

During scrutiny of records provided by EE (South West) - III, Delhi Jal Board, it has been observed that following Bank Accounts/Cash & Cheque Ledger exists in the Book of Accounts of the Division, details of which are as under:

Bank / Cash & Cheque in Transit Balances as on 31-03-2023			
		Debit (In Rs.)	Credit (In Rs.)
1	Cash in Transit	13,125.00	
2	Cash in Transit ZRO 1	28,39,350.00	
3	Cheque in Transit ZRO 1	29,51,911.00	
4	Corporation Bank – 4869		16,23,712.97
5	Corporation Bank – 114		19,89,125.93
6	Corporation Bank – 4115	21,99,26,000.00	
7	Corporation Bank – 514		67,34,527.82
8	S.B.I. – 41437543821	83,93,297.00	
9	Syndicate Bank (Now Canara Bank) – 12261		4,79,000.00
10	Syndicate Bank (Now Canara Bank) – 51/491		10,26,894.00
	TOTAL	23,41,23,683.00	1,18,53,260.72

The Division has requested to provide the following information/clarification:

1. Copy of Bank statements in r/o of all the above mentioned Ledgers except for Corporation Bank – 114, Corporation Bank – 514 and Canara Bank – 491.
2. Reconciliation Statements in r/o of Ledgers as mentioned above with Bank Statement except for Corporation Bank – 114, Corporation Bank – 514 and Canara Bank – 491.
3. Reasons for Credit Balance of Rs.1,18,53,260.72 in r/o Ledgers mentioned above and detailed thereof.

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4. Confirmation of Balances in Bank/Cash/Cheque A/c to the tune of Rs.22,22,70,422.28 (23,41,23,683.00 [Dr.] - 1,18,53,260.72 [Cr]).
5. Confirmation and detail of closed A/c either at Unit Level or at Head Quarter level and status of Fund transfer to Delhi Jal Board(HQ)Bank Account/Related concerned Bank A/c.
6. Purpose of maintaining each Bank Accounts.

(B) Financial Year 2023-24

During scrutiny of records provided by EE (South West) - III, Delhi Jal Board, it has been observed that following Bank Accounts exists in the Book of Accounts of the Division, details of which are as under:

Particulars	Opening (Rs.)	Debit (Rs.)	Credit (Rs.)	Debit Closing (Rs.)	Credit Closing (Rs.)
Bank Balances as on 31-03-2024					
SCHEDULE BANK					
Allahabad Bank/Indian Bank EMD A/c 50448339804	0.00	2,35,100.00	2,23,100.00	12,000.00	
SBI A/C No. 3402		0.00	1,95,47,450.00		1,95,47,450.00
SBI A/C No. 3821	0.00 CR	41,40,13,049.00	39,69,62,966.00	1,70,50,083.00	
SCHEDULED BANK TOTAL	0.00 CR	41,42,48,149.00	41,67,33,516.00	1,70,62,083.00	1,95,47,450.00

It has been observed that all the Ledgers mentioned above are having zero opening Balance. Further, Closing Balances of Banks in the financial Year 2022-23 has not been carried forwarded in the financial year 2023-24.

The Division has requested to provide the following information/clarification:

1. Reasons for not carry forward of closing balances from the Financial Year 2022-23 to the Financial Year 2023-24.
2. Copy of Bank statement in r/o of Allahabad Bank/Indian Bank EMD A/c 50558339804 and SBI A/C No.3402.
3. Reconciliation Statements in r/o of Allahabad Bank/Indian Bank EMD A/c 50558339804 and SBI A/C No.3402.
4. Reason for Credit Balance of Rs.1,95,47,450/- in respect of Ledgers mentioned above and detailed thereof.
5. Confirmation and detail of closed A/c either at Unit Level or at Head Quarter level and status of Fund transfer to Delhi Jal Board(HQ)Bank Account/Related concerned Bank A/c.
6. Purpose of maintaining each Bank Accounts.

In response to the observation memo No. 09 dated 21.08.2024, the Division has replied that the matter will be taken up with the DJB (HQ) and audit will be informed as and when the queries of audit will be cleared.

Since, the matter is still under consideration, the Division may therefore look into the matter and take necessary action under intimation to the audit.

Para No. 08: Non-utilization of funds to the tune of Rs.77.78 crores

(Ref. Observation Memo No. 09 (A) dated: 21.08.2024)

As per provisions contained under section 48 and 49 of the CPWD Manual, 2014, every Department while finalizing the annual action plan should keep in mind that the budget provision should be scrupulously prepared and there should not be over allocation leading to unnecessary large savings. Similarly, the funds allocated should be utilized fully under the budget heads for providing for facilities/services included in the annual action plan. The targets fixed for execution of work in financial year should be fully achieved.

In response to requisition memo No. 01(D) dated 14.08.2024, the Division has provided information relating to total budget and actual expenditure during the period 2022-23 and 2023-24 under the head "Revenue" and "Capital" which reveals the following:

Year	Budget allocated (Capital)	Expenditure (Capital)	Excess (+) / Savings (-)	% of Excess/ Savings
2022-23	5631.55 lakhs	2172.58 lakhs	3458.97 lakhs	(-) 61.4
2023-24	5250.21 lakhs	2132.83 lakhs	3117.38 lakhs	(-) 59.4
TOTAL (A)	10881.76 lakhs	4305.41 lakhs	6576.35 lakhs	(-) 60.4
Year	Budget allocated (Revenue)	Expenditure (Revenue)	Excess (+) / Savings (-)	% of Excess/ Savings
2022-23	2803.71 lakhs	2012.96 lakhs	790.75 lakhs	(-) 28.2
2023-24	2081.57 lakhs	1670.78 lakhs	410.79 lakhs	(-) 19.7
TOTAL (B)	4885.28 lakhs	3683.74 lakhs	1201.54 lakhs	(-) 24.6
TOTAL (A+B)	15767.04 lakhs	7989.15 lakhs	7777.89 lakhs	(-) 49.3

From the above table, it is gathered that out of the total allocation of Rs.157.67 crores, an amount of Rs.79.89 crores was incurred for execution of works and for other expenditures under various heads and there were savings worth Rs.77.78 crores. The overall percentage of savings was 49.3% i.e. almost 50% of the budget has not been utilized by the Division.

As per rule 62(2) of General Financial Rules, 2017, the savings as well as provisions that cannot be utilized should be surrendered to the Government immediately they are foreseen without waiting till the end of the year. No savings should be held in reserve for possible future excesses.

Budget and Expenditure statement of the audit period showed huge savings to the extent of 19.7% to 61.4% in the Revenue and Capital outlay which were not surrendered will in time. Saving is the indication of either non-implementation/non-execution of various schemes/works or over-estimation of expenditure. Thus the division needs to frame the budget proposal in a more realistic manner so as to utilize the allocated funds

fruitfully. Therefore, due to improper planning, the division could not spend the budget which defeat the very purpose for which the amount was allotted.

The Division therefore did not realize that they will not be in a position to extract the funds available with them during the financial years 2022-23 and 2023-24. Had they anticipated the same, the funds could have been surrendered well in time so that the same could have been utilized by some other Division / Project of DJB in the GNCTD.

Therefore, the Division needs to frame the budget proposal in a more realistic manner so as to utilize the allocated funds fruitfully. The matter may be looked into by the authorities of the Division for careful framing and utilization of budget in future under intimation to the audit.

Para No. 09: Discrepancies in final bills of the Contractors

(Ref. Observation Memo No. 10 dated: 21.08.2024)

Case I -

Name of work	Installation/replacement of old service water connection 15 mm dia with water meter in R. K. Puram Constituency.
Work order no.	26 dated 10.05.2022
Amount put to tender	Rs.2,01,02,752/-
Percentage	8.17% below
Total cost	Rs.1,84,60,357/-
DOS as per work order	14.05.2022
DOC as per work order	13.05.2023
DOS as per actual	03.05.2022
DOC as per actual	10.05.2023
Name of the contractor	M/s. Raghu Construction Co.
Final payment made to the contractor	Rs.1,83,31,781/-

During scrutiny of the above stated work order file, following discrepancies has been observed:

- (i) That in the records produced to audit, the date of start of work as per work order was mentioned as 14.05.2022, however, actual date of start of work was recorded as 03.05.2022 i.e. 11 (eleven) days prior to the date of start of work as per work order. No specific reason was mentioned for the same in the records.
- (ii) That the item nos. 1, 2, 13, 16a, 16b and 16c have not been executed and shown as 100% savings in the 6th and final bill and item no. 17 is abnormally increased from 125 meter (as per agreement item) to 4587.30 meter (actual executed) without mentioning any specific reason for deviations in the final bill.
- (iii) That no completion certificate has been recorded in the 6th and final bill as per norms of the CPWD Manual.
- (iv) That as per item no. 15, supply and fixing of water meter 15 mm Konark make of 3434 nos. (as per 6th and final bill) has been executed by the Contractor against the agreement quantity of 1150 nos. However, the Contractor has submitted the purchase of

bills of other brands for quantity of 3434 Nos. and not the same brand as mentioned in the agreement (water meter 15mm - Konark Make). No specific reasons of deviations have been mentioned in the 6th and final bill.

(v) That the agreement pertains to the main work i.e. Name of work- installation/replacement of service water connection of 15 mm dia with water meter in R K Puram Constituency under AC 44 R.K. Puram but the Division has included item no. 16a - supply and fixing bulk water meter 80 mm, item no. 16b - supply and fixing bulk water meter 100 mm, item no. 16c - supply and fixing bulk water meter 150 mm. When the main work is of 15 mm dia, the purpose of adding the items of 80 mm, 100 mm and 150 mm is not clear. Moreover, the Division has not executed these items (16a, 16b, 16c) and shown as savings in the 6th and final bill. Also no specific reasons for deviations have been mentioned in the 6th and final bill.

(vi) That no details of labour report i.e. skilled, unskilled, number of days of working, have been provided with the 6th and final bill.

(vii) That the final bill submitted by the Contractor does not include deviation statement as per requirement of CPWD Manual. It is a lapse on the part of the Contractor as it prevents a clear understanding of the variances and changes made during the execution of the work. In the absence of deviation statement, it was very difficult to ascertain the justification of claims made by the Contractor.

Case -II -

Name of work	Installation/replacement of old service water connection 15 mm dia with water meter in Malviya Nagar Constituency - AC 43.
Work order no.	135 dated 05.09.2022
Amount put to tender	Rs.2,01,02,752/-
Percentage	8.24% below
Total cost	Rs.1,84,46,285/-
DOS as per work order	09.09.2022
DOC as per work order	08.09.2023
DOS as per actual	12.09.2022
DOC as per actual	30.08.2023
Name of the Contractor	M/s M.D. Enterprises
Final bill passed for payment	Rs.1,84,37,394/-

During scrutiny of the above stated work order file, following discrepancies has been observed:

(i) That the item nos. 16b & 16c have not been executed and shown as 100% savings in the 3rd and final bill and item no. 17 is abnormally increased from 125 Nos. (Qty.) as per agreement item to 2128 Nos. (Quantity actual installed) without mentioning any specific reason for deviations in the final bill.

(ii) That no completion certificate has been recorded in the 3rd and final bill as per norms of the CPWD Manual.

(iii) That as per item no. 15, supply and fixing of water meter 15 mm Konark make of 3839 Nos. has been executed by the Contractor (as per 3rd and final bill), against the agreement quantity of 1150 nos. Moreover, the Contractor has provided the purchase bills of size 15mm for 2200 Nos. only in support of the final bill against the executed quantity of

3839 Nos. and that too of other brands and not the same brand as mentioned in the agreement i.e. Konark Make. No specific reasons for deviations have been mentioned in the 3rd and final bill.

(iv) That the agreement pertains to the main work i.e. Name of the work - Installation/replacement of old service water connection 15 mm dia with water meter in Malviya Nagar Constituency - AC 43. However, the Division has included item no. 16b - supply and fixing bulk water meter 100 mm and item no. 16c - supply and fixing bulk water meter 150 mm. When the main work is of 15 mm dia, the purpose of adding the items of 100 mm and 150 mm is not clear. Moreover, the Division has not executed these items (16b, 16c) and shown as savings in the 3rd and final bill. Also no specific reasons for deviations have been mentioned in the 3rd and final bill.

(v) That no details of labour report i.e. skilled, unskilled, number of days of working have been provided with the bill.

(vi) That the final bill submitted by the Contractor does not include deviation statement as per requirement of CPWD Manual. It is a lapse on the part of the Contractor as it prevents a clear understanding of the variances and changes made during the execution of the work. In the absence of deviation statement, it was very difficult to ascertain the justification of claims made by the Contractor.

HOO to provide the reasons of the above discrepancies in both the above stated cases, along with the relevant documents of deviations, justification of increase/decrease in scope of work, labour reports, after due verification of fact and figures, under intimation to audit.

**Para No. 10: Non-Deduction of TDS of Rs.1.51 lakhs towards hiring of Water Tankers
(Ref. Observation Memo No. 11 dated: 22.08.2024)**

As per Income Tax Act, Tax Deducted at Source rate for Section 194C in FY 2022-23 and 2023-24 is as under with threshold limit:

TDS Section List	Nature of Payment	Threshold (in Rs.)	For Individual / HUF	For Others
194C	Payments made to contractors or sub-contractors one time	30,000	1%	2%
194C	Payments made to contractors or sub-contractors on an aggregate basis	1,00,000	1%	2%

During scrutiny of records provided by the office of Office of EE (South West) - III, Delhi Jal Board, Sector-VII, R.K. Puram, New Delhi-110022, it has been observed that the Division has paid Rs.75,37,997/- during the financial years 2022-23 and 2023-24 to various Contractors on account of hiring of Mounted Tankers for supply of water in Assembly Constituency 43 (Malviya Nagar) and in Assembly Constituency 44 (R.K. Puram). However, no tax was deducted at source on this paid amount of Rs.75,37,997/- in contravention of the above mentioned section 194 C of Income Tax Act. The details of payments are enclosed at Annexure-II.

Since, the payment to each Contractor exceeds the threshold limit of Rs.30,000/- Rs.1,00,000/-, tax @ 1% or 2% should have been deducted as per Section 194 C of Income Tax Act while releasing the payments to the Contractors.

Considering the highest percentage of tax rate of 2%, the total tax liability works out to Rs.1,50,760/- on the payment of Rs.75,37,997/-.

In response to the observation memo No. 11 dated 22.08.2024, the Division has replied that DJB(HQ) has conveyed the Division for non-deduction of taxes towards hiring of water tankers (copy enclosed). Therefore, no TDS was deducted on the payments released to the vendors. The Division will seek the clarification from DJB(HQ) again and if needed, from the Income Tax Department for TDS on hiring of water tankers. Outcome of the clarification will be informed to the audit accordingly.

Since, the matter is still under consideration and also, no copy of decision was enclosed, the Division may look into the matter and recover the tax amount of Rs.1,50,760/- after due verification of facts and figures under intimation to the audit. Other similar cases may also be reviewed and necessary action may be taken under intimation to audit.

Para No. 11: Excess expenditure of Rs.5.09 lakhs over the amount received under deposit works

(Ref. Observation Memo No. 12 dated: 22.08.2024)

During scrutiny of Deposit Work files, it has been observed that DJB has completed the following works valued at Rs.42,51,998.65 + Rs.46,87,744/- + Rs.5,09,238/- = Rs.94,48,980.65 exceeding the initial deposit received of Rs.36,65,295/- + Rs.33,84,000/- + Rs.18,90,448/- = Rs.89,39,743/- from the client department by Rs.5,09,237.65 (Rs.94,48,980.65 - Rs.89,39,743/-). Record reveals that no prior approval of the client department has been taken before exceeding the expenditure over the deposits received. Since all the works have been completed and final bills have been passed, however, till date, the balance (excess amount) of Rs.5,09,237.65 has not been received from the client department. DJB has also written letter to the client department on 03.07.2023 and since then, no further follow up has been done by the Department. The details of works are as under:

A. Details of the deposit works executed by DJB

S. No.	Name of work	Work order no. and date	Name of contractor	Awarded cost(as per work order)	Gross work done(actual)	Total deposit's received from the client department i.e. DDA	Balance required
1	Replacement of water lines I/c cutting or road, excavation of trench, sluice valve, specials and shifting of water connections, back filling	68/24.12.2020	M/s Rehman Khan	4256276	4251998.65 (1 st RA. Bill Rs.1849316.09+ 2 nd RA /final bill Rs.2402682.56)		

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	etc. at Bhikaji Cama place under SW-III					8939743/-	509237.65
2	Replacement of 250 mm dia sewer line i/c cutting of road, excavation of trench back filling at Bhikaji Cama Place under SW-III	69/31.12.2020	M/s. DC Builders	4724521	4687744	(as per details below at "B")	
3	Expenditure for advertisement of NIT in leading news papers	-	-	-	509238 Bill paid		
			Total	9490035	9448980.65	8939743	509237.65

B. Details of deposits received from the client department (DDA)

As per available record, the details of amount received from DDA (client department) for the above stated deposit works are as under:

1. Rs.3665295/- deposits vide UTR No. CBINH19088000843 on dated 29.03.2019 in favour of DJB.
2. Rs.3384000/- deposits vide UTR No. CBINH19088001494 dated 29.03.2019 in favour of DJB.
3. Rs.1890448/- received from the DDA vide cheque no. 001107 dated 18.10.22 of UCO Bank, Shahpur Jat, New Delhi in favour of DJB.
4. Total amount received = Rs.8939743/- (Rs.3665295 + 3384000 + 1890448 = Rs.8939743/-)

In response to the observation memo No. 12 dated 22.08.2024, the Division has replied that the matter has already under consideration with the DDA, whenever, the balance amount of Rs.5,09,237.65 will be received, audit may be informed accordingly.

HOO to take necessary steps to take ex-post facto approval of excess expenditure of Rs.5.09 lakhs from the client department and regularize the same. Further efforts may be made to recover the pending deposit of the above stated work at the earliest possible, after due verification of fact and figures, under intimation to audit.

Para No. 12: Excess payment of Non-Productivity Linked Bonus for Rs.28313/-

(Ref. Observation Memo No. 13 dated: 23.08.2024)

Vide office order No.10 dated 21.10.2022 and order No.08 dated 10.11.2023, Office of Assistant Commissioner (LW) and Office of the Dy. Director (L.W.), Delhi Jal Board, Varunalaya "B" Building, Karol Bagh, New Delhi-110005 has issued directions to release Non-Productivity Linked Bonus [PLB] (Ad hoc Bonus) for the accounting year 2021-22 and 2022-23 respectively to all the eligible employees in Group "C" and all non-gazetted employees working in Group "B" and including employees of those categories who have drawing higher pay scale under ACP/MACP Scheme but holding lower post without any eligibility wage ceiling and who are not covered by any Productivity Linked Bonus Scheme including employees working on deputations, employees transferred from DDA. Payments of Non-PLB were made on the condition that the payment will be equal to one-month salary as on 31st March, 2022 and 31st March, 2023 subject to maximum of Rs.7000/-. To calculate Non-PLB (Ad-hoc Bonus) for one day, the average emoluments

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in a year will be divided by 30.4 which will be multiplied by number of days of bonus granted. An illustration was also made which clarifies that taking the calculation of ceiling of monthly emoluments of Rs.7000/- where actual average emoluments exceeds out to $Rs.7000 \times 30 / 30.4 = Rs.6908/-$.

During test check of records for the financial years 2022-23 and 2023-24, it has been observed that the Division had paid Non-Productivity Linked Bonus to its staff considering the amount of Rs.7000/- instead of Rs.6908/- in contravention of the office order No.10 dated 21.10.2022 and order No.08 dated 10.11.2023 issued by the Headquarter, Delhi Jal Board. The details are enclosed at Annexure-III.

In response to the observation memo No. 13 dated 23.08.2024, the Division has replied that the payment of ex-gratia was released as per the directions issued by the Headquarter, Delhi Jal Board. However, the Division will seek clarification from the Headquarter, DJB on recovery of excess payment of ex-gratia of Rs.28,313/- and accordingly, reply will be submitted to the Audit Department, GNCTD.

Since, the order No.10 dated 21.10.2022 and order No.08 dated 10.11.2023 are very much clear to pay Rs.6908/- instead of Rs.7000/- on account of Non-Productivity Linked Bonus [PLB] (Ad hoc Bonus) for the accounting years 2021-22 and 2022-23, necessary steps may be taken to recover Rs.28,313/- from the officers/officials after due verification of facts and figures under intimation to audit. Other similar cases, if any, may also be reviewed on the same lines.

Para No. 13: Non-recovery of water charges of Rs.25.48 lakhs on account of dishonored cheques

(Ref. Observation Memo No. 14 dated: 23.08.2024)

During scrutiny of water charges records and as per the information provided by the Zonal Revenue Officer (SW)-III, DJB for the audit period 2022-23 and 2023-24, it has been observed that following cheques amounting to Rs.25,47,683/-, received from the customers towards water charges, were dishonored. This has resulted in a loss of revenue to DJB and raises concerns about the effectiveness of the current collection process of the water charges.

Details of dishonored cheques are as under:-

S. No.	S. No. of Dishonored Cheque Register maintained by DJB	K. No	Name	Cheque Amount (in Rs.)	Penalty (in Rs.)	Total amount Recoverable (in Rs.)
1	315	0051941000	TEK RAM SHARMA	2352	200	2552
2	317	8849341000	SH. CHARAN SINGH	135000	200	135200
3	348	9281681000	GOMA DEVI	3870	200	4070
4	350	1426801000	SHARDAR LAL	1330	200	1530
5	351	0858830469	ABHIMANYU	17983	200	18183
6	363	2050541000	SURESH CHAND	62270	200	62470
7	364	2408721000	KRISHNA	47803	200	48003
8	366	0909672719	DHAN SINGH	250217	200	250417
9	375	4929440556	LALIT MOHAN	16876	200	17076
10	376	0492721000	RANI DEVI	48865	200	49065
11	381	8321839337	SUSHIL KUMAR	212420	200	212620

24/c

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12	382	0953741000	SUSHIL KUMAR	109670	200	109870
13	383	9669941000	VIRENDER KAUR	2970	200	3170
14	384	1433321000	SUDHIR KUMAR	75492	200	75692
15	385	7259341000	ANAND GAUTAM	307000	200	307200
16	386	0887181000	OP JINDAL	760	200	960
17	388	1864941000	A P MEHTA	36000	200	36200
18	392	7530941000	KHUSHI RAM	68000	200	68200
19	396	4506321000	REKHA V SONAWANE	22066	200	22266
20	397	5611621000	NEETA	15000	200	15200
21	408	1950521000	NET RAM	78892	200	79092
22	409	0950521000	NET RAM	78129	200	78329
23	412	9883641000	ANIL KHANNA	260852	200	261052
24	417	6262941000	ESSEX FARMS	24316	200	24516
25	426	5362641000	RAJPAL	75000	200	75200
26	428	8780921000	GULAB SINGH	2670	200	2870
27	435	1181911000	M/S AMADEUS	11350	200	11550
28	440	7806341000	SANJA ANTHORI	10858	200	11058
29	443	8469341000	AMIT JAIN	38863	200	39063
30	488	3544321000	VIJAYKUMAR	11028	200	11228
31	494	5020621000	RAJYOGA EDU.	11055	200	11255
32	502	3741521000	SUSHILA	275489	200	275689
33	508	2020621000	RAJYOGA EDU.	12676	200	12876
34	509	5020621000	RAJYOGA EDU.	13665	200	13865
35	516	5641421000	GULSHAN KALRA	15000	200	15200
36	519	8374641000	MEER SINGH	59790	200	59990
37	534	7336478740	SAVITRI GARG	75334	200	75534
38	547	9719841000	UTTAM CHAND	14003	200	14203
39	548	0819841000	UTTAM CHAND	14364	200	14564
40	549	8719841000	UTTAM CHAND	14003	200	14203
41	551	1098321000	GALIMA DUAA	6202	200	6402
Total				2539483	8200	2547683

The Division, in response to the observation memo No. 14 dated 23.08.2024, has replied that the office of Zonal Revenue Officer, SW-III has been making sincere efforts to recover water charges of Rs.25,47,683/- against the dishonoured cheques. Whenever, this amount will be recovered, Directorate of Audit, GNCTD will be informed accordingly.

Since, the recovery is under process, the Division may look into the matter and take suitable necessary action to recover the outstanding amount of Rs.25,47,683/- from the customers after due verification of facts and figures under intimation to audit. Other similar cases may also be reviewed on the same lines and appropriate action taken under intimation to audit.

Para No. 14: Splitting of work contracts of same nature

(Ref. Observation Memo No. 18 dated: 27.08.2024)

As per rule 137 of General Financial Rules, 2017, for the purpose of approval and sanctions, a group of works which forms one project, shall be considered as one work. The necessity for obtaining approval or sanction of higher authority to a project which consists of such a group of work should not be avoided because of the fact that the cost of each particular work in the project is within the powers of such approval or sanction of a lower authority.

h

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Further, in the order No.DJB/Fin./Dir.(F&A)/DD-II/Sr.AO(F&G)/DFP/2022-23/1308 dated 09.11.2022 regarding latest delegation of financial powers to various authorities of DJB, it was mentioned that Executive Engineers/AEE, ACE/SE and Chief Engineers have existing and revised powers to accord administration approval and expenditure sanction for Works of the total value of Rs.25.00 lakhs, Rs.50.00 lakhs and Rs.100.00 lakhs respectively with the concurrence of Finance.

During scrutiny of the records of works of the Division for the year 2022-23 and 2023-24, it was observed that few works were splitted to avoid the sanction/approval of the competent authority. The details are as under:

Work Order No. & Date	Name of the work	Name of the Agency	Estimated cost (In Rs.)	Awarded amount (In Rs.)
32 dated 17.05.2022	Replacement of sewer line in Sector 7, RK Puram under AC-44	Nitty Construction Co.	2251753	940831
33 dated 17.05.2022	Replacement of sewer line in Sector 7, RK Puram under AC-44	Nitty Construction Co.	2402004	1003609
34 dated 17.05.2022	Replacement of sewer line in Sector 8, RK Puram under AC-44	Nitty Construction Co.	2308730	964638
265 dated 18.03.2023	Installation of one pump 20 HP at sector 9 RK Puram under AC-44 for disposal of sewer in RK Puram Constituency	BS Enterprises	2394349	1417500
266 dated 18.03.2023	Installation of one pump 20 HP at Munirka Village under AC-44 for disposal of sewer in RK Puram Constituency	BS Enterprises	2394349	1417500
267 dated 20.03.2023	Hiring of high pressure suction cum jetting sewer cleaning machine 8000 ltr. at Sector 7, Sewer Store under EE AC-44	Ram Charan Bansal Construction Pvt. Ltd.	2008989	1588950
268 dated 20.03.2023	Hiring of high pressure suction cum jetting sewer cleaning machine 8000 ltr. at Sector 3, Sewer Store under EE AC-44	Ram Charan Bansal Construction Pvt. Ltd.	2008989	1588950

The Division has awarded the above stated works of the same nature, same area, same date, same agency was got executed in piece meal manner, which was against the provisions of General Financial Rules.

Audit is of the view that Division authority should have made a holistic assessment of such type of work in advance and club in to one work and comprehensive NIT should be issued. By adopting this practice, DJB will not only save manpower, which was required to prepare bid documents, NITs, estimate cost, justification cost, to evaluate bidder's technical and financial bids & other documents and maintaining of various files/documents at the time of execution of work but also save money in terms of printing of several documents before and after of NIT and expenditure incurred on press publicity of works.

Splitting of works is not allowed unless where it is unavoidable. The purpose of splitting shall under no circumstances be done for evading of E-tender and avoiding the financial power of the sanctioning authority.

Para No. 15: Discrepancies in respect of Zonal Revenue Office

(Ref. Observation Memo No. 19 dated: 28.08.2024)

a. Non-recovery of outstanding water charges of Rs.451.70 crores

As per the information provided by the office of Zonal Revenue Office, South West-III, RK Puram, New Delhi-22, it has been revealed that there was huge amount of water charges from commercial (Rs.3483072784/-) as well as from domestic water connections (Rs.1033960850/-) lying outstanding from the consumers of the area as of March, 2024 as indicated below:

Year	Commercial water connection amount (Rs.)	Domestic water connection amount (Rs.)
As on 31.03.2022	3622688739.00	1489712972.00
01.04.2022 to 31.03.2023	964234921.00	244019403.00
01.04.2023 to 31.03.2024	3483072784.00	1033960850.00

Necessary steps may be taken either to disconnect the water supply connection or to recover the huge outstanding amount of Rs.451,70,33,634/- from the consumers having commercial and domestic water connection, after due verification of facts and figures under intimation to audit.

b. Metering of water supply

Measurement of supply of water for domestic and commercial purposes through connections is essential for proper billing and realization of water charges.

As per the information furnished by the ZRO Office, it has been revealed that there were 60781 water meter connections issued under domestic (55943) and commercial and industrial (4838) categories as of March, 2024. However, it was noticed that out of total 60781 water meter connections, provisional bills were generated in case of 13816 non-functional meters although they are using the water supply of Delhi Jal Board.

Generation of provisional bills on non-functional water meter connection/non-metered water connection results in loss of revenue to the Government.

The Division may therefore look into the matter and take necessary action to avoid deprivation to the exchequer under intimation to audit.

Para No. 16: Non-production of records/information

(Ref. Requisition Memos 01 dated 14.08.2024)

Following records/information has not been produced to audit. The same may be shown to next audit.

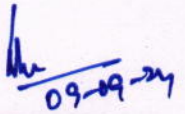
- a. Spouse information.
 - b. Requisition memo No. 01(W), point (h), (i) and (j).
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EE (South West) - III, Delhi Jal Board,
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- c. MB Stock and Issue Register.
- d. Deviation Register of Projects/Works.
- e. MAS Register.
- f. Valuable Register.
- g. Contractor Ledger.
- h. List of unauthorized connections (Detailed).
- i. List of outstanding charges (Detailed).
- j. Bill Register.
- k. Expenditure Control Register.
- l. Progress Report Files.
- m. Files pertaining to outsourced staff.
- n. Rent/Electricity/Water/Telephones charges Registers.
- o. Fixed Assets/Immovable Property Register.


09-09-24

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PART - III

TEST AUDIT NOTES

(2022- 2024)

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TEST AUDIT NOTES
(2022-23 and 2023-24)

TAN No. 01: Non maintenance of Contractor Ledger

(Ref. Observation Memo No. 03 dated: 20.08.2024)

Para 10.2 of CPWD Works Manual stipulates that the accounts relating to contracts should be kept in CPWD form 43 as Contractor's Ledger and separate folio or set of folios should be reserved for all the transactions with each Contractor and it should be written up and maintained up to date. It further stipulates that Divisional Accountant is responsible for correctness of entries in the Ledger.

Test check of the records for the period 2022-23 to 2023-24 revealed that the Contractor's Ledger was not maintained in the Division. It could, therefore, not be verified in the audit as to whether all the transactions viz. advance payments and secured advances were made in terms of provisions of the codes/manual/contracts. Besides liabilities, if any, of the Contractor and abstract of transactions relating to works could not be ascertained.

Divisional Accountant has been advised to maintain the Contractor's Ledger in the Division for monitoring the payments of advances and secured advances made to the Contractor as per CPWD Work Manual and compliance shown to the audit party.

TAN No. 02: Non maintenance of Bill Register

(Ref. Observation Memo No. 05 dated: 20.08.2024)

As per Section 10.1 (1) of CPWD Manual, 2014, the payments made in Divisional Offices are made on receipt of the bills from the various Sub-Divisions. A consolidated record of all the bills received from Sub-Divisions in respect of works/supplies should be maintained in one register known as Register of Bills in the Divisional Office in the form given at Appendix-12

Further as per Section 10.1 (2) of CPWD Manual, 2014, the bills should be entered in the register strictly in order of receipt i.e. the bills received first should be entered before the bills received afterwards. The payment of the bills should also be made strictly in order of their receipt. In no case a bill received afterwards should be given priority over the bills that have been received before, except under the written orders of the Divisional Officer.

Further as per Section 10.1 (3) of CPWD Manual, 2014, the Divisional Accountant should ensure that the register is properly maintained and kept up-to-date in the Accounts Branch. The register should be submitted to the Executive Engineer every week for his perusal and he will record in the register cases in which these instructions have not been followed.

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During examination of the records, it was noticed that the Division has not maintaining the Bill Register which is violation of Section 10.1 of CPWD Manual, 2014.

In the absence of the same, it is not clear as to how the settlement of payment records were ensured.

Necessary steps may be taken to maintain the Bill Register as per CPWD Manual and compliance be shown to next audit.

TAN No. 03: Improper maintenance of Pay Bill Registers/ECRs

(Ref. Observation Memo No. 15 dated: 23.08.2024)

During test check of Pay Bill Registers/ECRs for the period from 2022-23 and 2023-24, the following shortcomings have been noticed:

1. The mandatory page counting certificate is not recorded in the PBRs/ECRs on the first page which is also required to be countersigned by the DDO concerned.
2. Information/details of the officials (which was required to be written on the upper part of each page) like date of joining, pay level, GPF/PRAN Number, basic pay, residence address etc. was not found recorded in all cases.
3. Monthly entries in PBRs/ECRs have not been verified and signed by the D.D.O. for its correctness.
4. Bill Numbers are not mentioned in PBRs/ECRs against each entries, without bill number, identification of Bill cannot be ascertained.
5. GAR-18, Abstract of Pay bill was not prepared.
6. No Column for GPF Advance/Withdrawal were found in PBR/ECR.
7. No proper columns for payment of Arrears, Leave Travel Concession, Leave Encashment, Children Education Allowance was found in PBR/ECR.
8. Gross total of all relevant columns has not been carried out in the PBRs/ECRs for income tax purposes.
9. Cuttings/over-writings are not initiated by the HOO/DDO after correction.
10. Past information of employees who have been transferred into the unit (required to be entered from LPC) were not found recorded in the PBR. This information is required for calculation of Income Tax, GPF contribution, etc.

Actually, columns in the ECR are not matched with Pay Bill Register[PBR] (GAR-17). Bill No., other detail of GPF, Aadhar No., NPS Accounts, Abstract of bill are not found in ECR maintained in the Division of Delhi Jal Board. Other details like columns for details of Employee, detail of Arrear, if any, GPF advance/GPF withdrawn and other related information are missing. DDO's signature column was not found in ECR.

Necessary steps may be taken to remove the above mentioned discrepancies in maintenance of Pay Bill Registers/ECRs under intimation to the audit.

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TAN No. 04: Discrepancies in maintenance of Service Books

(Ref. Observation Memo No. 16 dated: 23.08.2024)

During test check of Service Books provided by the Office of EE (South West) - III, Delhi Jal Board, Sector-VII, R.K. Puram, New Delhi-110022, following deficiencies are observed:

- (i) **Entry of Aadhar Number** was not made in most of the Service Books as per the instructions circulated by Pr. Secretary (Finance), Govt. of NCT of Delhi vide No.F.3(03)/2015/T-I/Pr. AO/2017-26 dated 10/09/2015.
- (ii) **Verification and communication of qualifying service after 18 years of service or 5 years before retirement** - As per rule 32 of CCS (Pension) Rules, on completion of 18 years or 5 years before the date of retirement, whichever is earlier, verification of services of the Government servant concerned should be completed and a certificate of verification should be issued to him/her in the prescribed form (Form 24). However, the services of Government Servant were verified in any case.
- (iii) **'Home Town' declaration** under LTC scheme is to be kept in the Service Book. However, entry for home town declaration was not found in most of the Service Books.
- (iv) **GPF Account Number** is to be entered on the right hand top of page 01 by means of a rubber stamp as soon as the official is admitted to GPF. This number was not found mentioned in some of the Service Books.
- (v) **Practical guidelines on the maintenance of Service Book** - Instructions/guidelines contained on the inner cover pages of the printed Service Book should be followed. In addition, name of the employee was to be written both in English and in Hindi on the outer cover. Reference to the original documents verified to be made for (i) Date of Birth (ii) Educational Qualification (iii) Technical Qualifications and (iv) Caste Certificate for SC/ST/OBCs. These guidelines were not followed in most of the Service Books.
- (vi) **Annual Verification of Service** - Verification of Services will be completed annually along with pay slip for the month of April every year and certificate of verification will be recorded in the Service Book after ensuring correctness of the entries. This was not done in most of the Service Books.
- (vii) **In case of Transfer** - Certificate will be recorded for the period up to the date for which pay is drawn by the office, even if it is part of the month / year. The new office should verify whether certificate has been recorded correctly and agrees with LPC. This certificate was not found recorded in most of the Service Books.
- (viii) **Leave-Account** - It was observed that the leave account of none of the employees was maintained in prescribed Form-2 under Rule-15 of CCS (Leave) Rules, 1972. In many Service Books, cuttings, over-writings & use of fluid was seen over various entries of the Leave account. Leave records in Service Books not found signed by the HOO. Entries should be clear and orders in respect of Special Leave should be pasted in the Service Books.
- (ix) **Photograph** - Vide GID below SR 197, a photograph of the Government servant is to be affixed on the right hand corner of the Service Book. However, in several cases, the photographs were not affixed or was very old.

- (x) First page of the Service Book, having details of the employee, should be filled up properly and completely. However, it was observed that impression of Finger Prints, Caste, identification marks etc. was not found in most of the Service Books.
- (xi) Orders of pay fixation on promotion and up-gradation were not found written or pasted in the Service Books.
- (xii) Entries of verification of Character and Antecedents of the employees, were not found in the Service Books.
- (xiii) Documents in r/o declaration of nominees in gratuity & pension were not found attached in the Service Books.

Necessary steps may be taken to remove the above mentioned discrepancies in maintenance of Service Books under intimation to the audit.

TAN No. 05: Shortcomings in maintenance of Cash Book

(Ref. Observation Memo No. 17 dated: 23.08.2024)

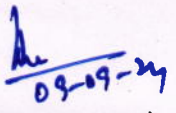
On test-check of the cash book provided to audit by the of Office of EE (South West) - III, Delhi Jal Board, Sector-VII, R.K. Puram, New Delhi-110022 for the year 2022-23 and 2023-24, the following shortcomings have been observed:

1. Page counting certificate which is required to be given on the first page of the cash book, has not been recorded. It should be given under signature of the HOO/DDO.
2. Each and every transaction/entry in the cash book should be signed by the HOO/DDO. However, the entries were not signed.
3. As per Rule 13 (4) of Receipt & Payment Rules, 1983 provides that at end of each month, the Head of Office should verify the cash balance in Cash-book and record a signed and dated certificate to that effect. In regard to any discrepancy noticed therein, the instructions contained in the General Financial Rules should be followed. However, it has been observed that this certificate has not been recorded in the Cash Book. The certificate is normally, be in the following form:
"Certified that cash amounting to Rs. (Rupees only) has been physically verified and found correct as per the balance recorded in the cash book".
4. Few corrections have been made in the Cash book, however, the cuttings/overwriting entries are not initialed by the HOO/DDO after correction.
5. Entries made in the cash book regarding remittance of receipts to the accredited bank for credit into Government Account should be attested by the Head of Office after verifying them with reference to the bank's receipt recorded on the pay-in-slip/challans. When the credit appears in the receipt scroll from the bank, the actual date of realisation of the cheque or draft should be indicated by cheque drawing D.D.O.s against the original entry in the cash book so as to keep track of outstanding items. However, it has been observed that date of credit appears in receipt scroll and its realization was not recorded in cash-book.
6. It has also been observed that cash received on account of RTI fees, Medical subscription amount etc. was deposited by the Division after 3-4 days instead of depositing the same in the Govt. Account either on the date of receipt of cash or on the next day.

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7. Whenever any cash is received by a cashier, it is the duty of the cashier to issue TR-V as a token of acknowledge of receipt of cash. Receipt of cash should be recorded on the receipt side of the cash book by giving TR-V number as a reference. However, it has been observed that TR-V No. has not been mentioned on the receipt side of the cash book.

Necessary steps may be taken to remove the above mentioned discrepancies in maintenance of Cash Book under intimation to the audit.


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