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**DIRECTORATE OF AUDIT
GOVERNMENT OF N.C.T OF DELHI
4TH LEVEL, C-WING, DELHI SACHIVALAYA: NEW DELHI**

**Audit Report of Office of Executive Engineer (NE)-III,DJB, T-Point, Loni Road,
G. T. Road, Shahdara, Delhi-110032 for the period 2022-23 and 2023-24.**

INTRODUCTION

The Compliance Audit Report of Office of Executive Engineer (NE)-III,DJB, T-Point, Loni Road, G. T. Road, Shahdara, Delhi-110032 for the period 2022-23 and 2023-24 was conducted by the field Audit Party Comprising of Sh. Arbind Kumar, Inspecting Audit Officer and Sh. Vinay Arora, AAO. The audit conducted during 09 working days between 02.09.2024 to 12.09.2024 including one day HQ for discussion old audit files.

AIMS & OBJECTIVES: -

The Aims and objectives of Division - Office of Executive Engineer (NE)-III,DJB, T-Point, Loni Road, G. T. Road, Shahdara, Delhi – to maintain water supply and sewerage system in two Assembly Constituencies i.e. AC-65 (Seelampur), AC-67 (Babarpur). The division carries out replacement, repair and maintenance of water/sewer lines, water supply for emergency purpose, and collection of water/sewer charges for area under their jurisdiction. The Division also maintains the water supply through its hired water tankers in the un-authorized colonies covered under the jurisdiction of the Division.

HOO/DDO/Accountant/Cashier

The following officers/officials have been served as Ex.Eng./HOO/DDO/Cashier during 2022 -2023 and 2023-2024: -

Head of the Office (Smt./Shri/Ms.)				
S. No.	Name of the Officer	Designation	Period	
			From	To
1.	Sh. Bijender Kumar	Ex. Engineer (AC -67)	01.04.2022	Till date
2.	Sh. Rajesh Kumar	AEE (AC-65)	01.04.2022	31.03.2023
3.	Sh. Rajesh Kumar	EE (AC-65)	01.04.2023	Till date
List of D.D.O (Smt./Shri/Ms.)				
S. No.	Name of the Officer	Designation	Period	
			From	To
1.	Sh. Bijender Kumar	Ex. Engineer (AC -67)	01.04.2022	Till date
2.	Sh. Rajesh Kumar	AEE (AC-65)	01.04.2022	31.03.2023
3.	Sh. Rajesh Kumar	EE (AC-65)	01.04.2023	Till date

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List of Accountant

S. No.	Name of the Officer	Designation	Period	
			From	To
1.	Sh. Kumar Rajesh	AAO	01.4.2022	Till date

Budget & Expenditure of the Department for the period: 2022- 2023

Revenue (Rupees in Lakh)

Year	Budget	Expenditure	Balance Amt.
2022-23	✓ 2236.23	✓ 2116.57	✓ 119.66
2023-24	✓ 1060.08	✓ 708.05	✓ 352.03

Capital (Rupees in Lakh)

Year	Budget	Expenditure	Balance Amt.
2022-23	✓ 4019.68	✓ 1307.68	✓ 2712.00
2023-24	✓ 3801.17	✓ 1066.04	✓ 2735.13

Vacancy Statement: As on 31.03.2024

S. No.	Name of the post	No. of Sanctioned posts	Filled	Vacant
1	Group - 'A'	03	03	0
2	Group - 'B'	08	06	02
3	Group - 'C'	162	160	02
Total		173	169	04

Statutory Audit:-

The Statutory audit of Office of Executive Engineer (NE)-III,DJB, T-Point, Loni Road, G. T. Road, Shahdara, Delhi-110032 has been conducted by AG (Audit) Delhi up to 2019-20.

Maintenance of Records:-

The maintenance of record of Office of Executive Engineer (NE)-III,DJB, T-Point, Loni Road, G. T. Road, Shahdara, Delhi-110032 for the period 2022-23 and 2023-24 was found satisfactory subject to the observations made in the Current Audit Report.

(N.Y.)

Old Audit Reports & Recoveries :-

S.No.	Period	Details of outstanding paras			Outstanding Para Numbers
		Opening balance	Paras settled	Para Settled Nos.	
No old Para outstanding for settlement as Directorate of Audit, GNCT Delhi conducted as this is 1st Audit of Office of Executive Engineer (NE)-III,DJB, T-Point, Loni Road, G. T. Road, Shahdara, Delhi-110032.					

Current Audit Report :

During the course of current audit, 17 Observation Memos including record memo were issued for the period 2022-23 and 2023-24. **No memo** has been settled on the spot. Out of 17 remaining observation Audit Memos converted in to **15 paras** (Observation Memo No. 05 merged with 03 & Observation memo 08 merged with 06) and 0 into TANs.

Details of Current Recovery:-

S.No.	Memo No.	Details of Recoveries [Amount in Rupees]			Incorporated in Para No.
		Raised	Recovered/regularized on Spot	Balance	
1.	05	8777	0	8777	3
2.	07	30820	0	30820	6
3.	13	81646	0	81646	11
Total		121243	0	121243	

Internal Audit report for the period 2022-23 and 2023-24 has been prepared on the basis of information furnished and made available by **Office of Executive Engineer (NE)-III, DJB, T-Point, Loni Road, G. T. Road, Shahdara, Delhi-110032.** The Directorate of Audit, GNCT of Delhi disclaims any responsibility for any misinformation and / non-information on the part of auditee.


A.A.O.


INSPECTING AUDIT OFFICER
Compliance Audit – Delhi Jal Board

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PART-I

OLD AUDIT REPORT

NIL

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PART-II

CURRENT AUDIT

REPORT

(2022-23 and 2023-24)

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DIRECTORATE OF AUDIT GOVERNMENT OF N.C.T OF DELHI,
4TH LEVEL, C-WING, DELHI SACHIVALAYA: NEW DELHI

PARA 01 :- Bank Reconciliation Statement for the Financial Year 2022-23 & 2023-24.

(Ref. Audit Memo No. 1 Dated: 04.09.2024)

(A) Financial Year 2022-23.

During the Scrutiny of Book of Accounts provided by EE-(NE)-III, DJB, T-Point, Loni Road, G. T. Road, Shahdara, Delhi-32, it has been observed that following Bank Ledgers/Cheque Ledger are exists in the Book of Accounts of the Division, detail as under:-

Table – “A”

Particulars	Opening (Rs.)	Debit (Rs.)	Credit (Rs.)	Debit Closing (Rs.)	Credit Closing (Rs.)
Cheque in Transit	5,03,634.00 (Dr)	12,96,486.00	13,61,739.00	4,38,381.00	0.00
Cheque in Transit ZRO-III	15,47,785.58 (Dr)	79,94,893.00	83,48,652.00	11,94,026.58	0.00
Corp Bank 103 Now UBIN510101006069648	22,36,794.74 (Dr)	11,16,90,692.68	11,42,43,586.51	0.00	3,16,099.09
Corp Bank 523 Now UBIN51010100610792	6,27,932.31 (Cr)	21,81,16,536.00	21,52,13,782.53	22,74,821.16	0.00
Corp Bank - 4115	58,16,91,572.00 (Dr)	2,80,52,209.00	0.00	60,97,43,781.00	0.00
Corp Bank - 4116	66,28,16,363.00 (Cr)	0.00	0.00	0.00	66,28,16,363.00
Corp Bank – ZRO A/C 4877	6,91,19,057.14 (Cr)	2,84,16,812.00	2,80,52,209.00	0.00	6,87,54,454.14
SBI A/C NO. (41419742909)	0.00	4,48,24,550.00	5,67,51,544.00	0.00	1,19,26,994.00
Syndicate Bank- 319	4,24,145.75 (Dr)	16,97,405.00	14,27,914.00	6,93,636.75	0.00
Syndicate Bank A/C 12261	1,60,25,846.00 (Dr)	0.00	0.00	1,60,25,846.00	0.00
TOTAL			Total	63,03,70,492.49	74,38,13,910.23

It was requested to provide the following information: -

1. Copy of Bank statement in r/o of above Ledgers.
2. Reconciliation Statements in r/o of Ledgers as mentioned above with Bank Statement.
3. Reason for huge Credit Balance of Rs.74,38,13,910.23 in r/o Ledgers mentioned above and detailed thereof.
4. Confirmation of Balances in Bank/Cheque A/c (Rs.63,03,70,492.49 (Dr.) & Rs.74,38,13,910.23 (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.

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6. Purpose of maintaining each Bank Accounts.

The department should take necessary action to reconcile the above said bank Ledger A/cs and necessary entries may also be incorporate in the concerned Leder account in order tally with the concerned Bank Statement. If adjustments have been incorporated at DJB(HQ) then necessary account may be updated/completed in the Division Ledger Account to match with the Bank Statements. If any cheque issue entry is old more than three months, then necessary reverse/Transfer Entry may be made in the Books of Accounts to reconcile Bank statements for the Financial Year 2022-23.

(B) Financial Year 2023-24

During the Scrutiny of Book of Accounts provided by EE-(NE)-III, DJB, T-Point, Loni Road, G. T. Road, Shahdara, Delhi-32, it has been observed that following Bank Ledgers/Cheque Ledger are exists in the Book of Accounts of the Division, detail as under:-

Table – “B”

Particulars	Opening (Rs.)	Debit (Rs.)	Credit (Rs.)	Debit Closing (Rs.)	Credit Closing (Rs.)
Bank/Cheque-in-Transit Balance as on 31-03-2024					
SCHDULE BANK					
State Bank of India	0.00	0.00	364646.00		3,64,646.00
Union Bank Of India	0.00	0.00	32,00,000.00	0.00	32,00,000.00
SBI A/C NO. 2885	0.00	37,21,312.00	36,44,038.00	77,274.00	0.00
SBI A/C NO. 2909	0.00	38,39,80,714.00	38,59,84,509.00	0.00	20,03,795.00
			Total	77,274.00	55,68,441.00

It has been observed that all Ledgers mentioned above having zero opening Balance and Closing Balance of Bank and Cheque Ledgers for financial Year 2022-23 has not been carried forwarded to financial year Financial Year 2023-24. Therefore, it is requested that provide following information to audit.

1. Reason for non-carry forward of closing balances (As per Table- A above) of Financial Year 2022-23 to Financial Year 2023-24 (Table –B)
2. Copy of Bank statement in r/o,of above Ledgers.
3. Reconciliation Statements in r/o of Ledgers as mentioned above with Bank Statement
4. Reason for Credit Balance of **Rs.55,68,441/-** in r/o 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.

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Division has not commented on above observation including confirmation of balance and non-carry forwarding of balances from the Financial Year 2022-23 to 2023-24.

The Division may look into the matter and necessary action for the smooth functioning and better budget control/Expenditure etc. and carry forwarded all the balances of previous F.Y. 2022-23 to 2023-24. Reconcile all the above said bank Ledger A/cs concerned and necessary entries may also be incorporate in the concerned Ledger account in order tally with the concerned Bank Statement. If adjustments have been incorporated at DJB(HQ) then necessary account may be updated/completed in the Division Ledger Account to match with the Bank Statements. If any cheque issue entry is old more than three months, then necessary reverse/Transfer Entry may be made in the Books of Accounts to reconcile Bank statements for the Financial Year 2023-24.

PARA 02 :- Unsettled Loan & Advances Paid to Employees/Staff.

(Ref. Audit Memo No. 2 Dated: 04.09.2024)

(A) Financial Year 2022-23

During the Scrutiny of records/Ledgers provided EE-(NE)-III, DJB, T-Point, Loni Road, G. T. Road, Shahdara, Delhi-32, it has been observed that following **Advances to Employees** were paid to Employees for the LTA, Medical Advance, Festival Advance, Imprest A/c etc. Are lying unsettled for the long time, detail as under :-

Table – “A”

Advances to Employees			
S.NO.	Particulars	1-Apr-22 to 31-Mar-23	
		Closing Balance	
		Debit	Credit
1	Festival Advance	61725.00	
2	Imprest Advance	87500.00	
3	Medical Advance	0.00	1,38,849.00
4	Advances to Supplier	11703.00	
	Grand Total	1,60,928.00	1,38,849.00

Reason for the non-settlement of Advances to Employees was called for but no reply is submitted. Department may look in to matter and settle all the unsettled Account as mentioned above under intimation to Audit.

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Loan to Employees:-

During the Scrutiny of records/Ledgers provided by provided by **EE-(NE)-III, DJB, T-Point, Loni Road, G. T. Road, Shahdara**, it has been observed that :-

- (i) Amount against the following Long Terms Advances/Short Terms Advances were received which is showing credit Balance in each Loan Accounts, it means that either excess amount has been received or Interest amount has received which has not been adjusted so far, detail as under :-

Loans to Employees/ Other advances			
S.NO.	Particulars	Closing Balance	
		Debit	Credit
1	Computer Loan	5600.00	0.00
2	Motocycle Loan		8727.00
	Total	5600.00	8700.00

It was requested to provide the Records/Broad sheet alongwith Interest calculation of above said Loans and reasons for non-settlement of Loan Accounts, if any and Division has submitted that all the accounts has been entered in tally prior to 01/04/2007 as opening balance.

The Division may look into the matter and settle all the laon with the concerned Head of Account/Official concerned as mentioned above under intimation to the Audit.

(B) Financial Year 2023-24

PARTICULARS	OPENING (Rs.)	DEBIT (Rs.)	CREDIT (Rs.)	DEBIT Closing (Rs.)	CREDIT Closing (Rs.)
ADVANCES TO EMPLOYEES					
MEDICAL ADVANCE		915015.00	0.00	915015.00	

It has been observed that closing balances of Loan and Advance exists in Books of Accounts and elaborated in Table – A (for the Financial Year 2022-23) has not been carried forwarded to Book and Accounts as mentioned in Table-B for the Financial Year 2023-24, reason for not carry forward of closing balance of the previous financial year (2022-23) to the current financial year i.e. 2023-24.

The Division may look into the matter and settle all the advances with the concerned Head of Account/Official concerned as mentioned above under intimation to the Audit.



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PARA 03 :- Irregularities in Hiring of Water Tanker and Excess payment of Rs. 8777/- to contractor for hiring of Water Tankers.

(Ref. Audit Memo No. 3 Dated: 05.09.2024 & Ref. Audit Memo No. 5 Dated: 09.09.2024)

(A) Irregularities in Hiring of Water Tanker

During the test check of records pertaining to hiring of water tankers provided to audit by the Division, it has been observed that: -

(I) Procedure for hiring of Water Tankers: -Hiring of water Tankers from the interested owners of tanker have been engaged at pre decided rates approved by the competent authority and circulated by Delhi Jal Board. Rates circulated by competent authority are applicable for each and every tanker hired in DJB. EE(RPC) circulated the CE wise sanctioned strength for each month. Accordingly work order is being issued on monthly basis within sanctioned strength. No Tender process has been adopted for the hiring of Water Tanker.

Selection procedure for hiring of Water Tanker is based on application/contents received from individual contractor along with documents of vehicle stating permit, fitness, Insurance, Tax, Pollution control certificate & driving license (As applicable). The documents are being checked by the concerned JE of the concerned division. As per practice, consent for running the water tankers on monthly hired basis has been collected by the Division. Monthly Estimate of each water tanker is being prepared by the division on the basis of type/capacity of vehicle/fuel rates. Monthly Sanction Order is being issued by the EE(T-1) M-2 on the basis of estimate submitted by the Division. It has been observed that the procedure for award of works in the division entailed that 3-4 Contractors who are regularly performing the works in DJB are informed/contacted about the work to be done. The contractors sent their consent for the execution of work. Based on the consent, division issues work order to the Contractor. Tanker owners are interested to run their tanker in a particular area according to their convenience. No reshuffling in the working area of hired tankers on random basis is being adopted to rule out the possible cartel between tanker owner and other vested interested parties. No record of publicity/ circulation of engagement of water tankers for supply of water available on file, provide the same if any. Audit observed that adopting the above method for execution of work is irregular, unfair, gives undue advantages to a few contractors and creates their monopoly.

(II) Rates of hiring of Water Tankers: -The approved rates for hiring of Tanker are being notified by Addl. Chief Engineer (M)-11 from time to time on monthly basis stating that approved rates are on the basis of recommendation of the committee constituted for giving suggestion for revision of rates. Tankers will engage on the Rates circulated vide Circular dated 30.03.2022 by the Office of ACE (M) -11. The following are the approved rates for hiring of water tankers for supply of drinking water w.e.f. 01-04-2022 :-

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S. No.	Capacity of Tanker	Proposed rates (Rs.) Rate per Day (w.e.f. 01-04-2022)	Fuel reimbursement
1	2 KL	Rs.1470/-	@ 8 km per KG/Liter
2	3-3-99 KL	Rs.1646/-	@ 6 km per KG/Liter
3	4-6 KL	Rs.2174/-	@ 5 km per KG/Liter
4	8KL & above	Rs.2700/-	@ 3.5 km per KG/Liter

There is no such record available in the file showing the consumption of petrol/diesel/CNG charges for fuel reimbursement on monthly basis. Details of the records along with Logbook called for confirmation but Division had failed to provide such record to Audit.

(III) Payment without GPS: -Circular was issued by DJB on 26.03.2022 to implement Centralized Monitoring System w.e.f. 01-04-2022 and directions were given to all Chief Engineers to get registered all water Tankers in Centralized GPS Monitoring System and the payment will be made only on the basis of distance recorded in GPS Monitoring System. The work order for hiring of water tankers/tractors also clearly states that all tankers/tractors shall be DJB install GPS Tracker and payment will be made based on the distance travel and recorded on GPS trackers only. During the test check of the records, it has been noticed that there is no GPS Report available in the file which shows GPS Tracking System is not working in few water tankers. Their payment was released on the basis of visit in area. Some of the visit sheets are not verified by JE/AE/EE. Details of such cases are as under :-

S. No.	Work Order No. & Date	Tanker/Tractor (Vehicle No.)	Period	Amount (In Rs.)	Name of the Agency
1.	162 dt. 31.03.23	DL-1E-AO124	01.04.23 to 30.04.23	133194	M/s Satish
			01.05.23 to 31.05.23	120459	
			01.06.23 to 30.06.23	121467	
			01.07.23 to 31.07.23	172390	
			01.08.23 to 31.08.23	138498	
			01.09.23 to 30.09.23	137498	
			01.10.23 to 31.10.23	123400	
			01.11.23 to 30.11.23	138179	
			01.12.23 to 31.12.23	134517	
			01.01.24 to 31.01.24	129281	
			01.02.24 to 29.02.24	132265	
			01.03.24 to 31.03.24	142244	
2.	285 dt. 31.03.22	DL 1 LAB 3360	01.04.22 to 30.04.22	79828	M/s Neeraj
			01.05.22 to 31.05.22	66195	
3.	61dt. 30.09.23	DL 1 E 2642	01.12.22 to 31.12.22	116869	M/s Satish
			01.02.23 to 28.02.23	117386	
			01.01.23 to 31.01.23	123113	
			01.03.23 to 31.03.23	114469	

In absence of GPS Tracker System, the genuineness of vehicle actual provided water to the inhabitants of the area could not be verified in Audit.

(IV) Delay in Payment to Water Tanker Supplier: The Payment is to be made to contractor on the monthly basis after verification of actual plying of vehicle in the prescribed area based on GPS Trackers. Payments of the works of hiring on

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monthly Basis should be made after completion of the work. Inordinate delay in payment to contractors was noticed in Audit. No reason/justification was found recorded in the file for making payment so late. Details of such few cases are as under:-

S.No.	Tanker/Vehicle No.	Period	Amount (In Rs.)	Name of the Agency	Date of payment
1.	DL 1LAC 7471	April 2023 May 2023 June 2023 July 2023	81130 84944 82575 91589	Sachin Kumar	13.11.2023
2.	DL 1 M 9732	July 2023 Aug 2023 Sept. 2023 Oct. 2023	63122 102193 103708 85811	M/s Prakash Constructions Co.	13.11.2023 07.02.2024
3.	DL-1LV-1236	April 2023 May 2023 June 2023 July 2023	70006 73392 70395 76740	M/s Babita	13.11.2023
4.	DL-1LP 3075	June 2023 July 2023 Aug 2023 Sept 2023 Oct 2023	56549 88098 81466 82371 82421	M/s Satish	13.11.2023 07.02.2024
5.	DL-1 E-AO 124	April 2023 May 2023 June 2023 July 2023	133194 120459 121467 172390	M/s Satish	13.11.2023

Reasons for delay in payment for the above-mentioned works called from division. Division had not commented on above lapses.

Division may look in to matter for timely payment to tankers contractors under intimation to audit.

(V) Period of Execution of agreement is not as per Work order :- It has been noticed that work order for hiring of tankers were issued on monthly basis but the agreement has been executed for the whole year which is not in order. Details of such few cases are as under: -

S. No	Work Order No. & Date	Tanker/Vehicle No.	Name of the Agency	Amount	Period as per Work Order	Period as per CA
1.	165 dt. 31.03.23	DL-1LV-1236	M/s Babita	70986	01.04.2023 to 30.04.2023	01.04.2023 to 31.03.2024
2.	164 dt. 31.03.23	DL-1LAC-7471	M/s Sachin Kumar	81204	01.04.2023 to 30.04.2023	01.04.2023 to 31.03.2024
3.	13 dt. 02.06.23	DL 1 LP 3075	M/s Satish	64341	03.06.2023 to 30.06.2023	03.06.2023 to 31.03.2024
4.	19 dt. 26.06.23	DL 1M 9732	M/s Prakash Constructions Co.	13994	27.06.2023 to 30.06.2023	01.06.2023 to 31.03.2024
5	285 dt. 31.03.22	DL 1LAB 3360	M/s Neeraj	10243 5	01.04.2022 to 30.04.2022	01.04.2022 to 31.03.2023

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It is clear from the above that the period of execution of contract agreement is not according to work order issued for the respective water tanker. Work orders mentioned at S. No. 1, 2 & 5 were issued for one month and agreements were executed for 1 year. Work order No. 13 (S. No. 3) was issued for 28 days and agreement was executed for 9 months 28 days. Work order No. 19 (S. No. 4) was issued for 4 days and agreement was executed for 10 months.

(VI) Validity of Earnest Money: -As per Terms and condition of Agreement, the contractor has to submit the Earnest Money amounting to Rs.7,000/-. It has been observed that no fresh Earnest Money is being taken from the contractor. Only EMD for Rs.5000/- or Rs.7000/- deposited by the Contractors earlier on (On Monthly Contract) is being considered against the EMD for the present contract. However, contract has been continued extended for the full Financial Year. It is not clear from the records whether amount deposited earlier on is valid for the present contract. Further it is not verified by the division from the concerned branch. Details of such few cases are as under: -

S. No	Work Order No. & Date	Tanker/Vehicle No.	Period	Amount	Name of the Agency	Receipt No. as mentioned in Agreement
1.	165 dt. 31.03.23	DL-1LV-1236	01.04.23 to 30.04.23	5000	M/s Babita	VYCAH14350814033 dated 16.12.2014
2.	285 dt. 31.03.22	DL 1LAB 3360	01.04.22to 30.04.22	5000	M/s Neeraj	Already deposited mentioned in the agreement
3.	61 dt. 30.09.22	DL 1E 2642	01.10.22 to 31.03.23	5000	M/s Satish	QF1001143226256590 dt. 01.10.2021

(VII) Running of water tankers without Fitness Certificate/Valid Driving Licence :-As per Terms and condition of Agreement, the documents such as Insurance Certificate of fitness, Permit No., Pollution Certificate of Vehicle should remain all time up dated during the contract period. The owner/contractor of the vehicle shall have their own arrangement of driver having valid driving license. During the test check it has been noticed that documents are not being checked/verified properly and work orders are issued on regular basis to the existing contractor without fulfilling the eligibility/necessary condition of work order/CA. Details are as under:-

(a) M.V. tax is deposited upto 31.03.2023 for Vehicle No. DL-1 LV -1236 whereas work order was issued for the period 01.04.2023 to 30.04.2023 (Work Order No. 165)

(b) Certificate of Fitness of Vehicle No. DL 1 M 9732 is valid upto 15.12.2023 whereas work order No. 82 was issued on 30.12.2023 for the period 01.01.2024 to 31.01.2024 after the expiry of fitness which is not in order.

(c) As per Terms & Conditions, Drivers having valid driving licensed to run commercial vehicle (HMTV) shall be made available for operation of said vehicles. In few cases, copy of License of Driver/ valid driving license are not found in the record (Work Order No. 19,40,48,74,80, 84 ,85)

Comments on the above observations with confirmation of facts and figures called but Division had not commented on above observations.

Department/ Division may look into matter to remove above lapses after confirmation of due facts and figure under intimation to audit.

(B) Excess payment of Rs. 8777/- to contractor for hiring of Water Tankers.

Revised rates for hiring of water Tankers were issued vide circular No. DJB/ACE (M) - 11/2022/2678 dated 30.03.2022 by the Office of Addl. Chief Engineer (M) -11. The revised rate will be applicable with the Special Conditions and Contract Conditions as per Annexure-A & Annexure-B enclosed with the circular. The following are the approved rates for hiring of water tankers for supply of drinking water w.e.f. 01-04-2022 :-

S. No.	Capacity of Tanker	Proposed rates (Rs.) Rate per Day (w.e.f. 01-04-2022)	Fuel reimbursement
1	2 KL	Rs.1470/-	@ 8 km per KG/Liter
2	3-3-99 KL	Rs.1646/-	@ 6 km per KG/Liter
3	4-6 KL	Rs.2174/-	@ 5 km per KG/Liter
4	8KL & above	Rs.2700/-	@ 3.5 km per KG/Liter

As per Special Condition No. 3 of Annexure -A, the payment will be made only on the basis of distance recorded/generated in GPS monitoring system based on the GPS tracker movement record for each water tanker. Further, Condition No. 11 of Annexure -B stipulates that No. of trips shall be fixed for particular tanker by the concerned Ex. Engineer which shall be ensured by the tanker owner. In case the same are not completed, the proportionate deduction shall be made on per day hiring charges.

During the scrutiny of bills pertaining to hiring of water tankers, it has been noticed that excess payment of Rs. 8777/- has been made to the contractors as per details given below :-

S. No.	Name of the Contractor	Vehicle No.	Period	No. of Trip as per daily distance report	Trip distance (In Km) as per daily distance report	Payment Due (In ₹) as per daily distance report	Payment made (In ₹)	Excess payment made (In ₹)	remarks
1	M/s Sachin Kumar	DL 1LAC 7471	01.11.23 to 30.11.23	195	2500.41	77192 (46088+31104) {1646 x 28 = 46088} & {2500.41/6 = 417 x 74.59 = 31104}	77987(46088+31899) {1646 x 28 = 46088} & {2532/6 = 422 x 75.59 = 31898}	795	Payment calculate on 2532 Km.
2	M/s Babita	DL1LV 1236	01.03.23 to 31.03.23	186	2180.14	63492 (39058+24434) {1470 x 26.57 = 39058} & {2180.14/8 = 272.52 x 89.66 = 24434}	70004(45570+24434) {1470 x 31 = 45570} & {2180.14/8 = 272.52 x 89.66 = 24434}	6512	Payment calculate on No. of Trip 217 for 31 days
3	M/s Babita	DL1LV 1236	01.12.23 to 31.12.23	177	2471.94	64866 (37162 + 27704) {1470 x 25.28 = 37162} & {2471.94/8 = 308.99 x 89.66 = 27704}	66336 (38632 + 27704) {1470 x 26.28 = 38632} & {2471.94/8 = 308.99 x 89.66 = 27704}	1470	Payment calculate on No. of Trip 184 for 26.28 days
TOTAL								8777	

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Necessary steps may be taken to recover the excess payment of Rs. 8,777/- after due verifications of facts and figures mentioned above under intimation to audit. Other similar cases may also be reviewed at their own level and acted accordingly.

PARA 04: Excess Deposit/Non-Deposit of Statutory Deduction, Excess/Short Deposit of Duties and Taxes and Non deposit of R.R. Charges.

(Ref. Audit Memo No.04 dated: 09.09.2024)

I. Excess Deposit/Non-Deposit of Statutory Deduction (F.Y. 2022-23):-

During the scrutiny of records/Ledgers provided by the EE-(NE)-III, DJB, T-Point, Loni Road, G. T. Road, Shahdara, Delhi-32, it has been observed that Statutory Deductions are showing Debit and credit balances. Debit balance means that excess deposit of Statutory Deductions and credit balance means short deposit of statutory deduction, detail as under :-

Deductions From Employees		
Particulars	1-Apr-22 to 31-Mar-23	
	Closing Balance	
	Debit	Credit
C.P.F.Deduction-II		2000.00
C.P.F.Deductions		224952.00
D.R.F.Deductions		5300.00
G.I.S.Deductions		10330.00
GPF Deductions		119000.00
GPF Loan Deduction	4313.00	
L.I.C Deductions		366898.00
Other Deductions		260704.00
Society Deduction		6300.00
Grand Total	4313.00	995484.00

Reason of the above lapse was called for after due verification of facts and figures along with copies of challans of deposit of above said statutory deductions with the concerned authority but Division has not commented on above observation.

The department/Division may look into the matter and provide copy challans of deposit of above said statutory deductions with the concerned authority and Ledger A/c showing the entries of above said challans in the Ledger Account or adjustment entry under intimation to the Audit.

Excess/Short Deposit Duties and Taxes(F.Y.2022-23) :-

During the scrutiny of records/ledgers provided by the by EE-(NE)-III, DJB, T-Point, Loni Road, G. T. Road, Shahdara, Delhi-32, regarding Duties and Taxes,

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the Ledgers are credit balances which means the following amount is pending to deposit with the concerned authorities, detail as under :-

Duties and Taxes		
Particulars	1-Apr-22 to 31-Mar-23	
	Closing Balance	
	Debit	Credit
GST		19913.00
DVAT	17484.00	
Building Cess		3214.00
TDS-Contractors		242549.00
Grand Total	17484.00	265676.00

Reason of the above lapse was called for after due verification of facts and figures along with copies of challans of deposit of above said statutory deductions with the concerned authority but Division has not commented on above observation.

The department/Division may look into the matter and provide copy challans of deposit of above said statutory deductions with the concerned authority and Ledger A/c showing the entries of above said challans in the Ledger Account or adjustment entry under intimation to the Audit.

(iii) Non deposit of R.R. Charges Payable(F.Y. 2022-23) :-

During the Scrutiny of records provided by EE-(NE)-III, DJB, T-Point, Loni Road, G. T. Road, Shahdara, Delhi-32, it has been observed that R.R. Charges Payable Ledger Account is showing credit Balance of Rs.433188.32/- which has not been remitted to the Concerned Authorities.

Reason for above credit balances called by the audit but Division had not submitted any documents regarding unsettled R. R. Charges.

The department/Division may look into the matter and provide copy challans of deposit of above said statutory deductions with the concerned authority and Ledger A/c showing the entries of above said challans in the Ledger Account or adjustment entry under intimation to the Audit.

(i) Excess Deposit/Non-Deposit of Statutory Deduction (F.Y. 2023-24):-

During the scrutiny of records/Ledgers provided by the EE-(NE)-III, DJB, T-Point, Loni Road, G. T. Road, Shahdara, Delhi-32, it has been observed that Statutory Deductions are showing Debit and credit balances. Debit balance means that excess deposit of Statutory Deductions and credit balance means short deposit of statutory deduction, detail as under :-

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PARTICULARS	OPENING (Rs.)	DEBIT (Rs.)	CREDIT (Rs.)	DEBIT Closing (Rs.)	CREDIT Closing (Rs.)
C.P.F.DEDUCTIONS		1670464.00	2310545.00		640081.00
D.R.F.DEDUCTIONS		198600.00	196900.00	1700.00	
G.I.S.DEDUCTIONS		364318.00	362972.00	1346.00	
GPF DEDUCTIONS		23549500.00	23489500.00	60000.00	
GPF LOAN DEDUCTION		639750.00	627750.00	12000.00	
L.I.C DEDUCTIONS		1327233.00	1182130.00	145103.00	
OTHER DEDUCTIONS		112926.00	305916.00		192990.00
G.S.L.I.S DEDUCTION			30996.00		30996.00
TOTAL DEDUCTIONS FROM EMPLOYEES TOTAL:	0.00 CR	27862791.00	28506709.00	220149.00	864067.00

Reason of the above lapse was called for after due verification of facts and figures along with copies of challans of deposit of above said statutory deductions with the concerned authority but Division has not commented on above observation.

The department/Division may look into the matter and provide copy challans of deposit of above said statutory deductions with the concerned authority and Ledger A/c showing the entries of above said challans in the Ledger Account or adjustment entry under intimation to the Audit.

(ii) **Excess/Short Deposit Duties and Taxes(F.Y.2023-24) :-**

During the scrutiny of records/ledgers provided by the by EE-(NE)-III, DJB, T-Point, Loni Road, G. T. Road, Shahdara, Delhi-32, regarding Duties and Taxes, the Ledgers are Debit and credit balances. Debit Balance mean that excess amount has been deposited with the concerned authority and Credit balance mean amount is pending to deposit with the concerned authority, detail as under :-

PARTICULARS	OPENING (Rs.)	DEBIT (Rs.)	CREDIT (Rs.)	DEBIT Closing (Rs.)	CREDIT Closing (Rs.)
BUILDING CESS		701203.00	700067.00	1136.00	
TDS- CONTRACTORS		1670560.00	1680427.00		9867.00
TDS- EMPLOYEES		6214692.00	6609059.00		394367.00
CGST		758403.00	789264.00		30861.00

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SGST		758403.00	737414.00	20989.00	
TOTAL		10103261.00	10516231.00	22125.00	435095.00

Reason of the above lapse was called for after due verification of facts and figures and provide documentary evidence for deposit of Duties and Taxes and refund applied, if any .

It has been observed that closing balances of above ledgers exists in Books of Accounts and elaborated in Table – A (for the Financial Year 2023-24 has not been carried forwarded to Book and Accounts as mentioned in Table-B for the Financial Year 2023-24.

Reason of the above lapse was called for after due verification of facts and figures along with copies of challans of deposit of above said statutory deductions with the concerned authority but Division has not commented on above observation.

The department/Division may look into the matter and provide copy challans of deposit of above said statutory deductions with the concerned authority and Ledger A/c showing the entries of above said challans in the Ledger Account or adjustment entry under intimation to the Audit.

PARA 05 :- Deployment of Skilled/Unskilled Workers without using GEM Portal & Splitting up same nature of works during tendering process

(Ref. Audit Memo No.06 dated: 09.09.2024 & Audit Memo No. 8 Dated: 10.09.2024)

(A) Deployment of Skilled/Unskilled Workers without using GEM Portal

As per rule 149 of the General Financial Rules, 2017, the procurement of goods and services by Ministries / Departments will be made mandatory for goods and services available on GeM.

During the test check of Work Register and records pertaining to expenditure incurred on Deployment of **Skilled/Unskilled Worker** on outsourced basis, it has been observed that during the audit period, Division has incurred total expenditure of Rs. 72.79 lakh on account of hiring of **Skilled/Unskilled Worker**, without using GEM Portal.

No record of non-availability of the services of worker on GeM has been made available on record. The details of payments are as under:

S. No.	Work Order No. & date	Name of Vendor	Name. of Work	Amount (Rs)
1	109/24.01.2023	M/s Than Construction Co.	Engagement of unskilled worker for maintenance of sewer network.	24,33,100/-
2	110/25.01.2023	M/s Krishna Construction Co.	Engagement of unskilled worker for maintenance of sewer network.	24,59,171/-
3	139/18.03.2023	M/s Sachin Construction Co.	Engagement of unskilled worker for maintenance of water supply network.	12,16,800/-

S. No.	Work Order No. & date	Name of Vendor	Name. of Work	Amount (Rs)
4	141/22.03.2023	M/s Sachin Construction Co.	Engagement of unskilled worker for maintenance of water supply network.	11,70,000/-
			Total	72,79,071/-

The above said data reveals that the Division has released Rs. 72.79 lakhs to above mention contractor which also includes contractors profit Service Charge @ 15% during the F.Y. 2022-23 & 2023-2024 without following the codal formalities as mentioned above in the GFRs, 2017. Whereas the vendor profit including transaction charges ranging 3.85% to 7 % as per OM No.F.6/1/2023-PPD dated 06.01.2023 Government of India Ministry of Finance Department of Expenditure Procurement Policy Division.

Reason for engagement of unskilled labour without GeM called but Division had not commented.

The Department /Division has advised to regularize the expenditure made without using GeM of Rs. 72,79,071/- from competent authorities under intimation to audit.

(B) Splitting up same nature of works during tendering process

As per Rule 137 of GFR 2017, for 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 & Order NO. DJB/Fin./Dir.(F&A)/DD-II/Sr.AO(F&G)/DFP/ 2022-2023/ 1308 dated 09.11.2022 regarding delegation of financial power to DJB officials at different levels such as Executive Engineers, Superintendent Engineers and Chief Engineers has power to incur Rs. 25.lakh, Rs. 50 lakh and Rs. 100 lakh respectively for tender acceptance.

On scrutiny of Contract Agreement Register, Work order Register and Tender Register it is observed that same nature of various work orders issued on same date for same nature of work by splitting the work in several packages instead of awarding and inviting tender for a single. The details of works of same nature in different occasion is as under:-

2022-2023

Work order No.	Work order date	Name of of work	Name of vendor awarded tender	Estimated Cost.	Tender Award Cost.
08	28.05.2022	Repair of nonfunctional water meter and O and M of existing water connections in AC-67 .	Tiwari & Tiwari Associates	24,89,456	23,53,892/-
10	28.05.2022	Repair of nonfunctional water meter and O and M of existing water connections in AC-67 .	Tiwari & Tiwari Associates	24,21,923	23,10,418/-
21	29.06.2022	Repair of defective water meters in AC-65	Arihant Enterprises	24,37,047	23,76,724/-
22	29.06.2022	Repair of defective water meters in AC-65	Arihant Enterprises	24,64,548	23,96,224/-
23	29.06.2022	Repair of defective water meters in AC-65	Arihant Enterprises	24,57,570	23,89,439/-
57	15.09.2022	Hiring of 1 No. of Hydraulic High	Deep Brother	item rate	17,14,327/-

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Work order No.	Work order date	Name of of work	Name of vendor awarded tender	Estimated Cost.	Tender Award Cost.
		Pressure Suction cum Jetty machine mounted on Mahendra Balero/Tata	Auto Works		
58	15.09.2022	Hiring of 1 No. of Hydraulic High Pressure Suction cum Jetty machine mounted ofn Mahendra Balero/Tata	Deep Brother Auto Works	Item rate	17,14,327/-
134	16.03.2023	Desilting of Sewer line by SCM in AC-67	Shiv Construction Co.	10,68,151	7,08,682
135	16.03.2023	Desilting of Sewer line by SCM in AC-67	Shiv Construction Co.	11,13,932	7,66,407
136	16.03.2023	Desilting of Sewer line by SCM in AC-67	Shiv Construction Co.	10,59,820	7,03,154
145	25.03.2023	Hiring of Jetty cum suction machine capacity 4000 ltrs.	Deep Brother & Auto Works	Item rate	23,07,653
146	25.03.2023	Hiring of Jetty cum suction machine capacity 4000 ltrs.	Deep Brother & Auto Works	Item rate	23,07,653
2023-2024					
27	14.07.2023	Trapping of Sub drains of JJC Janta Majdoor colony in AC-67	Pinnacle Engineering Services	23,92,824	13,52,663
28	14.07.2023	Trapping of Sub drains of JJC Janta Majdoor colony in AC-67	Pinnacle Engineering Services	24,40,439	13,63,963
42	15.09.2023	Hiring of 1 No. of Hydraulic High Pressure Suction cum Jetty machine mounted on Mahendra Balero/Tata	Deep Brother Auto Works	Item rate	16,87,700
43	15.09.2023	Hiring of 1 No. of Hydraulic High Pressure Suction cum Jetty machine mounted ofn Mahendra Balero/Tata	Deep Brother Auto Works	Item rate	16,87,700

From the above data it is revealed that work of the same nature were executed by treating them differently and separate work order was issued for same nature of work In most of cases. During Scrutiny of tender file it was also observed that combined NIT No.08 (2022-2023) dated 04.06.2022 was invited and separate work order No. 21 for Rs. 23,76,724 work order No. 22 for Rs. 23,96,224 and work order No. 23 for Rs. 23,89,439/- Total Rs. 71,62,387/- were issued to M/s Arihant Enterprises on 19.06.2022. Further NIT NO. 60 (2022-2023) dated 24.02.2023 was invited and separate work order No. 145 for Rs. 23,07,653/- and work order No. 146 for Rs. 23,07,653 dated 25.03.2023 total Rs. 46,15,306/- were issued to M/s Deep Brothers. Above observation indicates that Division issued separate work order to avoid expenditure sanction from competent authority as per delegation of financial power of DJB dated 09.11.2022.

The reason for above lapses called but division had not commented.

The Department/Division has advised to investigate the matter to remove the above lapses under intimation to audit.

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PARA 06 :- Excess payment of Non-Productivity Linked Bonus for Rs.30820/-.

(Ref. Audit Memo No. 7 Dated: 10.09.2024)

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] (Adhoc 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 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 $\text{Rs.}7000 \times 30 / 30.4 = \text{Rs.}6908/-$.

During test check of records for the financial years 2022-23 and 2023-2024 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. Details are as under :

Payment Date & Bonus period	Total No. of official paid to Bonus @ Rs. 7000/-	Excess amount paid.	Total Amount of Recovery should be made
26.10.2022/ 2021-2022	164	$164 \times 92 = \text{Rs.}15088/-$	15088/-
17.11.2023/ 2022-2023	171	$171 \times 92 = \text{Rs.}15732/-$	15732/-
		Total	30820/-

Necessary steps may be taken to recover excess payment of Non-Productivity Linked Bonus amounting to **Rs. 30820/-** for the after due verifications of facts and figures mentioned above.

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PARA 07 :- Delay in execution of agreement.

(Ref. Audit Memo No.09 Dated: 10.09.2024)

As per CPWD manual 2022 para 5.6.2, The Engineer-in-Charge and his representatives shall be responsible for execution of works and contract management according to the drawings, design, specifications, quality, and agreement etc. Time of completion of work shall be considered as an essential factor of contract management. Further, as per Terms & Conditions of Work order, contractors have to submit non-judicial stamp paper along with the documents for execution of Contract agreement within 07 days of issue of work orders.

During the audit, it has been observed that Division had not entered into the agreement with the contractor within the stipulated period. In some of the cases even the work had been commenced and in few cases contract agreement entered before 10-25 days before completion of work, which indicated that the Division did not take due care and the timely action had not been taken for the preparation of the agreements for execution on receipt of stamp papers from the firms. As such, in the absence of contract agreement, no proper contract management is possible according to the drawings, design, specifications and quality of works and how the Division ensured compliance of terms and conditions of agreement in event of any breach of contract. Details of such works are as under:

S. No	Work Order No. & Date	Name of the Contractor	Tendered Amount (In ₹)	Date of award of work	Date of start of work	Actual Date of completion of work	Actual date of execution of agreement	Remarks
1	21 dt. 29.06.22	M/s Arihant Enterprises	2376724	29.06.22 (6 Months)	29.06.22	29.12.22	08.08.22	Delay in execution of agreement. 41 days were taken instead of 07 days.
2	22 dt. 29.06.22	M/s Arihant Enterprises	2396224	29.06.22 (6 Months)	29.06.22	29.12.22	08.08.22	
3	23 dt. 29.06.22	M/s Arihant Enterprises	2389439	29.06.22 (6 Months)	29.06.22	29.12.22	08.08.22	
4	119 dt. 10.02.23	M/s Shiv Construction Co.	900842	10.02.23 (1 Month)	10.02.23	05.04.23 (EOT Granted)	27.03.23	Delay in execution of agreement. 45 days were taken instead of 07 days.
5	68 dt. 18.10.23	M/s Rishab Construction Co.	2699749	18.10.23	23.10.23	19.01.24	22.12.23	Delay in execution of agreement. 64 days were taken instead of 07 days.

Reasons and the circumstances under which the Division did not take appropriate action for getting the agreement for execution within stipulated period called but division had not commented.

The Division may look into the matter to execute the agreement within stipulated period under intimation to audit.

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PARA 08 :- Delay in Payment to Contractors.

(Ref. Audit Memo No.10 Dated: 10.09.2024)

As per Clause 12.2 of General Conditions of Contract, the payment of the monthly running bill for the works shall be released in 90 days from the date of recording of pay order. No excuse of delay in completion of work/prolongation of the Contract shall however be entertained on account of the reason of delay in payment. In event of the failure of Employer to release payment as per Clause 12.2.1, the Employer shall be liable to pay interest @ 10 % per annum on net payable amount computed for period beyond 90 days. During the test check of record, inordinate delay in payment to contractors was noticed. Details of such few cases are as under:-

S. No	Work Order No. & Date	Name of the contractor	Tendered Amount (in ₹)	Date of completion of work	Period	Payment made	Date of payment	Delay
1.	145 dt. 25.03.23	M/s Deep Brothers Auto Works	2307653	19.12.23	25.03.23 to 31.05.23 (First RA Bill)	434949	30.03.24	304 days
					01.06.23 to 31.08.23 (IInd RA Bill)	574717	30.03.24	212 days
					01.12.23 to 19.12.23 (IV & Final RA Bill)	114120	Not made	235 days (as on date)
2.	146 dt. 25.03.23	M/s Deep Brothers Auto Works	2307653	19.12.23	25.03.23 to 31.05.23 (First RA Bill)	448260	30.03.24	304 days
					01.06.23 to 31.08.23 (IInd RA Bill)	543003	30.03.24	212 days
					01.12.23 to 19.12.23 (IV & RA Bill)	591826	Not made	235 days (as on date)
3.	67 dt. 06.10.22	M/s Upender Construction Co.	1871473	05.04.23	Ist RA Bill	1060186	31.03.24	360 days
					IInd & Final Bill	798317	31.03.24	360 days
4.	07 dt. 02.05.22	M/s Karan Construction	1177342	30.09.22	Ist & Final Bill	1164781	31.03.24	548 days
5.	126 dt. 28.02.23	M/s V.K. Builders	595197	14.06.23	Ist & Final Bill	592306	15.03.24	274 days
6.	119 dt. 10.02.23	M/s Shiv Construction Co.	900842	05.04.23	Ist & Final Bill	888455	31.03.24	360 days
7.	125 dt. 24.02.23	M/s Sachin Construction Co.	725360	22.05.23	Ist & Final Bill	724292	29.03.24	311 days

The above details show that there is inordinate delay in payment to contractor ranging from 212 days to 548 days. No reason/justification was found recorded in the file for making payment so late.

Reasons for delay in payment for the above-mentioned works called from division but division had not commented.

The Division may look into the matter to make payment timely to contractor within stipulated period under intimation to audit. Other similar cases may also be reviewed.

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**PARA 09: Non-utilization of funds to the tune of Rs.5918.82 lakh.
(Ref. Audit Memo No.11 dated: 10.09.2024)**

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.

A test check of the records relating to total budget and actual expenditure during the period 2022-23 and 2023-24 under the head "Revenue" and "Capital" revealed the following:

Year	Budget allocated (Capital)	Expenditure (Capital)	Excess (+) / Savings (-)	% of Excess/ Savings
2022-23	4019.68 lakhs	1307.68 lakhs	2712.00 lakhs	(-) 67.46
2023-24	3801.17 lakhs	1066.04 lakhs	2735.13 lakhs	(-) 71.95
TOTAL (A)	7820.85 lakhs	2373.72 lakhs	5447.13 lakhs	(-) 69.64
Year	Budget allocated (Revenue)	Expenditure (Revenue)	Excess (+) / Savings (-)	% of Excess/ Savings
2022-23	2236.23 lakhs	2116.57 lakhs	119.66 lakhs	(-) 5.35
2023-24	1060.08 lakhs	708.05 lakhs	352.03 lakhs	(-) 33.20
TOTAL (B)	3296.31 lakhs	2824.62 lakhs	471.69 lakhs	(-) 14.30
TOTAL(A+B)	11117.16 lakhs	5198.34 lakhs	5918.82 lakhs	(-) 53.24%

From the above table, it is gathered that out of the total allocation of Rs.11117.16 lakh, an amount of Rs.5198.34 lakh was incurred for execution of works and for other expenditures under various heads and there were savings worth Rs.5918.82 lakh. The overall percentage of savings was 53.24%.

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 67.46% to 71.9% in the 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.

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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.

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

PARA 10:- Discrepancies in hiring of Tractors at Water Emergency Yamuna Vihar for supply of drinking water.

(Ref. Audit Memo No.12 dated: 11.09.2024)

As per GFR 2017 Rule 70 (viii) Department shall ensure that procurement procedure for execution of works, as well as for procurement of services and supplies, and implements it in a fair, equitable, transparent, competitive and cost effective manner.

During the test check of records pertaining to hiring of Tractors for supply of drinking water, it has been observed that Addl. Chief Engineer (M)-11 vide letter No. F.1/DJB/ACE (M)-11/2022/14 dated 07.04.22 and 29.03.23 accorded the approval for engaging tractors on hiring basis in water emergency for supply of drinking water through trailers/trolley for the period 01.04.22 to 31.03.23 and 01.04.23 to 31.03.24 respectively. As per practice, consent for running the tractor has been collected from the existing contractor i.e M/s Satish. Monthly Estimate is prepared by the division on approved rates of DJB for hiring. After getting the approval of Addl. CE (M) -2, work order has been issued to M/s Satish for 173 days i.e. 11.04.22 to 30.09.22. Further, after taking consent from same contractor work was awarded to contractor M/s Satish for 182 days i.e. 01.10.22 to 31.03.22 and for 365 days i.e. 01.04.23 to 31.03.24 as per details given below :-

S. No	Work Order No. & Date	Tractor (Vehicle No.)	Period	Name of the Agency	Amount (In Rs.)	Performance Security (@ 5% minimum of contract price)
1.	01 dated 11.04.22	DL-1E-2642	11.04.22 to 30.09.22	M/s Satish	686132 (approved rates @ Rs. 1646/- per day for 16 hours daily at the total hiring cost of Rs. 284758 + anticipated cost of diesel Rs. 401374)	34307
2.	61 dated 30.09.22	DL-1E-2642	01.10.22 to 31.03.22	M/s Satish	691032 (approved rates @ Rs. 1646/- per day for 16 hours daily at the total hiring cost of Rs. 299572 + anticipated cost of diesel Rs. 391460)	34552
3.	162 dated 31.03.23	DL-1E-A0124	01.04.23 to 31.03.24	M/s Satish	1647552 (approved rates @ Rs. 1646/- per day for 16 hours daily at the total hiring cost	82378

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		(365 days)		of Rs. 600790 + anticipated cost of diesel Rs. 1046762)	
			TOTAL	3024716	151237

1. Non adopting of tender Process for hiring of Tractors: Audit observed that process of selection of hiring of tractors for supply of drinking water by obtaining consent through applicant is violated the GFR 2017 Rule 70 (viii). No record of publicity/ circulation of engagement of tractors for supply of drinking water is available on file. Audit observed that adopting the above method for execution of work is unfair, gives undue advantage to the contractor and creates their monopoly. No tendering process was initiated for hiring of Tractors for supply of drinking water for such a long period of time. Executive Engineer should take necessary action for hiring of tractor as per GFR 2017 under intimation to audit.

2. Non obtaining of Performance Security of Rs. 1,51,237/- : As per Rule 171 Performance Security (i) To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. Performance Security should be for an amount of five to ten per cent of the value of the contract as specified in the bid documents. Performance Security may be furnished in the form of an Account Payee Demand Draft, Fixed Deposit Receipt from a Commercial bank, Bank Guarantee from a Commercial bank or online payment in an acceptable form safeguarding the purchaser's interest in all respects. Bid security/ Earnest Money should be refunded to the successful bidder on receipt of Performance Security.

On scrutiny of above work orders it has been noticed that no Performance Security has been taken from contractor. Only Earnest Money is being taken from the contractor. Contractor deposited Earnest Money of Rs.5000/- vide Receipt No. QF0421153237906403 dated 31.04.22. Performance Security of Rs. 1,51,237/- (at the rate of 5% minimum of contract price Rs. 30,24,716/-) should be obtained from the contractor. Necessary steps may be taken to obtain performance security under intimation to audit.

3. Non-working of GPS Tracking System :- As per Terms & Condition of work order —ensure installation of GPS trackers on all hired tractors, payment will be made on the distance travel and recorded on GPS trackers only. During the test check of the records, it has been noticed that there is no GPS Report available in the file which shows GPS Tracking System is not working in tractor. Their payment was released on the basis of visit in area which is irregular.

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

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PARA 11 :- Short-deduction of Labour Cess & Water charges amounting to Rs.81,646/- during the financial year 2022-2023.

(Ref. Audit Memo No.13 dated: 11.09.2024)

During scrutiny of records of EE-(NE)-III, G.T. Road, Shahdara, Delhi, it was observed that at the time of initiating tendering process for engagement of unskilled labour, Division was included 1% water charges, 15 % contractor profit, 1% labour cess, 3.25% ESI charges and 13% EPF charges in estimate cost of labour hiring. However, on the test check of the records provided to audit, it was observed that Building Cess was not deducted from contractor payment. Further in work order No. 139 dt. 18.03.2024 no records were found showing Contractor is making his own arrangements for water required for the works nor water charge deducted @ 1% of gross amount of contractor payment.

Details of short recovery of Building cess and Water charges are as under:

S. No.	Work Order No. & date	Name of Vendor	Payment made to contractor	Short recovery TDS	Recovery of WC (Rs) on gross amount	Recovery of B. Cess	Total Recovery
1	109/24.01.2023	M/s Than Construction Co.	24,33,100/-	-	-	24,331/-	24,331/-
2	110/25.01.2023	M/s Krishna Construction Co.	24,59,171/-	-	-	24,592/-	24,592/-
3	139/18.03.2023	M/s Sachin Construction Co.	10,53,000/-		10,530/-	10,530/-	21,060/-
4	141/22.03.2023	M/s Sachin Construction Co.	11,66,250/-		-	11,663/-	11,663/-
			Total		10,530/-	71,116/-	81,646/-

It is evident from the above data that the Division had short, deducted Water Charges of Rs.81,646/- (Water Charges – 10530/- + Labour Cess – 71,116/-) from the Contractor's bill. As per above mentioned observation, these deductions should be deducted from the bills of the Contractor. It seems that undue favour was given to Contractor's due to non-deduction of above taxes. It was also observed that no evident of deposit of ESI and EPF charges available on payment file.

Head of Office may therefore be advised to recover short deduction of taxes amounting to Rs.81,646/- and collect the copy of deposit challan/receipt of ESI and EPF charges from contractor after due verification of facts and figures under intimation to audit. Other cases may also be reviewed on the similar lines.

PARA 12:- Discrepancies noticed in the work {CA No. 81 (2022-23)}

(Ref. Audit Memo No.14 dated: 11.09.2024)

The work regarding Improvement of water supply by removal of water contamination from tracing source of water contamination in Kabir Nagar, Balbir Nagar and its adjoining area in AC -67 was awarded to M/s Sachin Construction Co. vide Work Order No.125 dt. 24.02.2023 at the tendered cost of Rs.7,25,360 /- (36.99 % below of Estimated Cost). The schedule/actual date of commencement of work was 26.02.23/27.02.23 and stipulated/actual date of completion was 25.05.23/22.05.23. Audit observed that:-

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1. As per Instructional Order issued by Member (WS) vide No. F.3/DJB/M (WS)/2w021/3313 dated 01.12.2021 regarding abnormally below rates – the contractor generally in maintenance division gives the plea of low rates as its idle labour and surplus material available with him. This concept is not convicting every time and therefore strict supervisor at the level of AEE/EE concerned and Senior Officers are required for ensuring quality of such work. Hence, such work should be inspected frequently by various officers concerned to ensure that the work is being carried out according to specified quality, design, drawing and specifications. The inspection register would start from the date of start of project/work and every officer inspecting the site has to record his observations in that register. Moreover, an inspection note should be issued by the Inspecting Officer.

It has been observed that a letter to give reason for the abnormality of rates was issued to the contractor on the above said work order. In reply the firm stated that labour and other essential materials are available with them and they are ready to execute the work at quoted below rates. No justification was given for abnormal rates. Further, the work should be inspected frequently by various officer concerned to ensure that the work is being carried out according to specified quality, design, drawing and specifications. No inspection report in this regard is available in the file.

2. As per clause 7.0 (Reporting, Inspection & Quality) of General Conditions of Contract, the Contractor shall establish a suitable quality control mechanism to ensure compliance with the requirements of the specifications and standards in accordance with the provision of this Contract. The Contractor shall within 21 days of the issue of Work Order, submit to the Engineer-in-Charge and upload in the Employers' PMS (Project Monitoring System) for approval, the proposed Quality Assurance plan. Further, some sample check features as prescribed in Clause 7.2 (Reporting, inspection and checking of works) should be observed.

It has been noticed that cement used in the work - Improvement of water supply by removal of water contamination from tracing source of water contamination during the execution period i.e. 27.02.23 to 22.05.23 is of inferior quality as per procurement proof of Item – cement used during the execution of work submitted by the firm i.e Invoice No. KANAV/22-23/037 dated 29.04.22 (126 Bags). Generally, cement bags have a shelf life of 3-6 months from the date of manufacturers. It is used before its best before date to ensure a durable structure. Compressive strength decreased for concretes produced with expired cement. When used after 1 year of storage, the strength of cement reduced by 40 % to 50 % as compared to freshly stored cement. Cement that is past its expiration date might have reduced strength

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or may take longer to set and cure. This can affect the quality and durability of the pointing work. Cement should be used within 3 months from the date of manufacturers. Beyond this period, cement quality will deteriorate and lose its strength. If someone wants to still use it then, relevant tests should be first conducted before using that cement.

3. As per Terms & Condition, the firm has to submit the purchase vouchers duly stamped/signed by the proprietor/partner as the case may be for items/equipment with all relevant papers of the material used for execution of work at the time of submitting the bill. Scrutiny of the vouchers submitted by the firm M/s Sachin Construction Co. (Work Order No. 125 dated 24.02.23) revealed that documentary evidence in support of item used during the execution of work dt. 13.07.22, 10.05.22, 07.07.22 and 29.04.22 but there is no certificate recorded by JE and AE putting signature - "All above quantity defaced against W.O. NO. 125 dated 24.02.23 under Division EE (T-I) M-2" which is irregular. It is indicative of fact that quantities were either inflated or were not based on detailed drawing and design. A reliable assurance could not draw on actual utilization of these items.
4. As the difference between awarded rate and departmental justification is greater than 25 % below, accordingly test checked 100 % by ZE and 50 % by EE is required. Test Check Report attached with RA Bill signed by ZE-VI (M) 67 and Dy. Se (M) 67 is blank. Quantity and Amount, percentage of test check by JE/AE/EE and MB No. etc. was not recorded in Test Check Report. This indicated a totally casual approach of the division while inspecting the work.
5. As per Clause 6.1 of General Conditions of Contract, the contractor shall deposit Performance Guarantee @ 5% of the tendered value. The performance Guarantee shall be initially valid up to 60 days beyond the stipulated date of completion. Further, as per CEO's Circular dated 21.04.22, if L-1 is more than 25 % below than the justified cost, the bid will be considered as a bid on unworkable rates, the L-1 shall have to submit the difference between the 25 % less amount of justified rate and his quoted rate as Additional performance Guarantee to DJB. Total Performance Guarantee amounting to Rs. 2,71,575/- was to be submitted by the firm but the firm deposited Rs. 2,35,500/-. Hence, short deposition of Performance Guarantee amounting to Rs. 36,075/- has been noticed as detail given below :-

a. Performance Guarantee Due : (5 % of 725360) = Rs. 36,268

Addl. Performance Guarantee Due : (32.44 % of 725360) = Rs. 2,35,307
(Lowest Rates @ 36.99 % + Justification of rates @ 20.45) - 25 %)

Total Performance Guarantee Due : = Rs. 2,71,575

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- b. Performance Guarantee deposited by the firm = Rs. 2,35,500
- c. Short deposition of Performance Guarantee = Rs. 36,075

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

PARA 13:- Loss of Rs.6,34,612/- due to not availing 15% Rebate on Advertisement.

(Ref. Audit Memo No.15 dated: 12.09.2024)

During the scrutiny of records relating to expenditure incurred on Advertisement by the Executive Engineer (NE)-III, DJB, G. T. Road, Shahdara Delhi-110032, it has been noticed that Releasing Orders of various advertisements in r/o tender/notices etc. to the tune of Rs.42,30,748/- (Rs. 10,52,136+ Rs. 31,78,612) are issued directly to the Media/News Papers agencies instead of Shabdarth (An advertisement agency of Government of NCT of Delhi) and payment has also been released to the concerned media agencies/Newspaper Agencies directly by the unit during the Financial Year 2022-23 and 2023-24.

Newspaper Publication/Media House provided 15% discount/rebate to the Government department agency i.e. 'Shabdarth' (An advertisement agency of Government of NCT of Delhi) at DAVP rates for publication of Advertisement but no rebate/discount is provided to Delhi Jal Board on Advertisement by the Media House/Advertisement Agency.

'Shabdarth' receive 15% rebate on Advertisement of Print media, however, the division has not published the Advertisement through Shabdarth and published the Advertisement directly through the Advertisement Agencies and not availing 15% discount/rebate. Details of expenditure on Advertisement for the year 2022-23 and 2023-24 are as under:-

F.Y. 2022-23		
S. No.	Name of the Advertisement Agency	Gross Amount (In ₹)
1.	M/S Jagran Prakashan Ltd	300177
2.	M/s Hindustan Media Ventures Ltd	238023
3.	M/S Indian Express Ltd	247400
4.	M/s Times of India Group	266536
	Total	1052136
(A) Loss for an amounting to Rs. 1052136 x 15% = Rs 1,57,820		
F.Y. 2023-24		
S. No.	Name of the Advertisement Agency	Gross Amount (In ₹)
1.	M/s Hindustan Media Ventures Ltd	208686
2.	M/S Loksatya Media Pvt. Ltd.	40181
3.	M/S Jagran Prakashan Ltd	48170
4.	M/s Front Raw Media Pvt. Ltd.	21630
5.	M/s Millenniumpost	21630

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F.Y. 2023-24		
S. No.	Name of the Advertisement Agency	Gross Amount (In ₹)
6.	M/s Punjab Kesari Group	79439
7.	M/s Sahara India Mass Communication	1043
8.	M/s Veer Arjun Newspaper Pvt. Ltd.	1042
9.	M/s Indian Express Pvt. Ltd.	713791
10.	M/s Times Group	2043000
	Total	3178612

(B) Loss for an amounting to Rs. 3178612 x 15% = 4,76,792

Grand Total (A+ B) =Rs 1,57,820 + Rs. 4,76,792= Rs. 6,34,612/-

Since, the advertising agencies offers discount of 15% for any advertisement through M/s. Shabdarth. The Division may look into the matter and take necessary action under intimation to audit.

PARA 14:- Award of work on abnormally below rates in comparison to the estimated cost.

(Ref. Audit Memo No.16 dated: 12.09.2024)

As per Para of SOP No. 5/3 CPWD Works Manual 2022 reg. Justification of Tenders (Refer Para no. 3) 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. 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 soon, till at least 90% of the estimated cost put to tender is reached, however, examination of records relating to award of tender by Division EE (NE)-III, DJB, revealed that in the following cases, agreements executed and work orders were awarded to the contractors at the rates very lower than the estimated cost. Some examples of 36.99% to 47.12% below of tender amount from estimated cost is as under:-

S. No	Work Order No. & Date	Name of the work	Name of the contractor	Estimated cost/ Amt. put to tender (in ₹)	Tendered Amount (in ₹)	Tendered Amount Below estimate cost
1.	07 dt. 02.05.22	Replacement of sewer line at Gali No. 13 Chauhan Banger	M/s Karan Construction	1868501	1177342	36.99 %
2.	126 dt. 28.02.23	Replacement of damaged and very deep water line Indria Niketan North Chajjupur	M/s V.K. Builders	991829	595197	39.99 %
3.	119 dt. 10.02.23	Replacement of old and damaged sewer line at 9 B and 10 Mohanpuri in ward No. 233	M/s Shiv Construction Co.	1501153	900842	39.99 %
4.	121 dt. 21.02.23	Installation of new water connection with water meter	M/s Apollo Const. and Infra Co.	2455258	1440745	41.32 %

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S. No	Work Order No. & Date	Name of the work	Name of the contractor	Estimated cost/ Amt. put to tender (in ₹)	Tendered Amount (in ₹)	Tendered Amount Below estimated cost
5.	125 dt. 24.02.23	Improvement of water supply by removal of water contamination from tracing source of water contamination in Kabir Nagar, Balbir Nagar and its adjoining area	M/s Sachin Const. Co.	1151183	725360	36.99 %
6.	140dt. 22.03.23	Repair and maintenance of sewerage system in Ward 51E	M/s Karan Construction	1372158	837154	38.99 %
7.	142 dt. 22.03.23	Repair of old/blocked sewer line at Jafarabad	M/s D.K. Engineers	1364431	791234	42.01 %
8.	154 dt. 28.03.23	Raising and Tracing of manhole in Seelampur	M/s Karan Const.	1204884	711002	40.99 %
9.	159 dt. 31.03.23	Installation of sewer connection in Kardampuri	M/s Apollo Const. and Infra Co.	1400592	789934	43.60 %
10.	06 dt. 09.05.23	Tracing, raising and repairing of sewer manhole cover frame in Old ward 49 E & 50 E	M/s Tirupati Buildcon	1021802	610016	40.30 %
11.	07 dt. 12.05.23	Raising and repairing of sewer manholes in New Kardampuri	M/s Tirupati Buildcon	1930298	1135015	41.20 %
12.	14 dt. 12.06.23	Imp. of sewer system by tracing, rasping and repairing of Trunk sewer line on old ward No.48 E and 51 E	M/s Krishna Const.	2078840	1226516	41.00 %
13.	15 dt. 14.06.23	Repair and maintenance of water distribution network of ward No. 51 in Babarpur	M/s Shiv Singh Cost. Co.	1196602	700012	41.50 %
14.	16 dt. 14.06.23	Repair of old water connection for removal of water contamination in Balbir Nagar	M/s Shiv Singh Cost. Co.	1240458	725668	41.50 %
15.	17 dt. 14.06.23	Repair of old water connection for removal of water contamination in Jyoti Colony and adjoin area	M/s Shiv Singh Cost. Co.	1061687	621087	41.50 %
16.	46 dt. 22.09.23	Repairing and raising of sewer manhole in Maujpur	M/s Vats Const. Co.	640227	358463	44.01 %
17.	47 dt. 22.09.23	Repairing and raising of sewer system of Subhash Mohalla	M/s Vats Const. Co.	1006862	532429	47.12 %

As per table above, there was huge variation between the estimated cost and tendered amount ranging between 36.99% to 47.12% which raises questions towards the quality & quantity of the works and also towards un-realistic approach of the Technical Expert Team while preparing the estimates of the works. The above estimates of the works were prepared by the technical expert engineers of the division on the basis of prevailing Delhi Schedule of Rates. Such type of unreasonable variations can be attributed to either wrong assessment of rates or sketchy estimates were prepared in casual manners.

The Division had not followed the prescribed instructions given in the above coded provisions of CPWD Manual while preparing the detailed estimates which should invariably contains the basis on which the rates have been provided i.e.

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reference of the schedule of rates or market rates which should seems to be as realistic.

Reasons/ justification for award of work on abnormally below rates in comparison to the estimated cost called but division had not commented.

The Division may look into the matter and take necessary action to prepare estimate as per prescribed instructions given in the above coded provisions of CPWD Manual under intimation to audit.

PARA 15 :- Non- maintenance/production of records/information.

(Ref. Record Memos dated: 02.09.2024)

The following records/information for the period 2022-23 and 2023-24 has not been shown /provided to audit:

1. Bank Reconciliation Statement and Bank Statement for the financial year 2022-2023 & 2023-2024
2. Stock Register (Consumable & Non-consumable)
3. Property Register.
4. Cash Book/Imprest Register.
5. MAS Register/T&P Register/Dismantle Register
6. GAR 6 (TR 5) Receipt Books and its stock registers.
7. Dead Stock Register/Condemnation files.

The above records/information may be shown to next audit


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