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**DIRECTORATE OF AUDIT
GOVT. OF NCT OF DELHI
4th LEVEL, "C" WING, DELHI SECRETARIAT,
NEW DELHI - 110002**

Audit Report of EE (Project)-VI, Delhi Jal Board, Chandrawal, Delhi, for the period 2022-23 & 2023-24.

Audit on the accounts of EE (Project)-VI, Delhi Jal Board, Chandrawal, Delhi, for the financial years 2022-23 & 2023-24 has been conducted by the Audit Party comprising of Sh. Kundan Singh Bisht, A.O. and Sh. Hari Ram, A.A.O. from 08.11.2024 to 28.11.2024 (09 working days). The accounts were reviewed purely on test check basis.

AIMS AND OBJECTIVES

The aim & objective of EE (Project)-VI, Delhi Jal Board, Chandrawal, Delhi is to execute major water supply works like replacement of old water lines, shifting of water lines due construction of flyovers & roads, construction of Under Ground Reservoirs etc. The jurisdiction of the above said division is mainly North Delhi.

H.O.D/H.O.O/DDO's/CASHIERS

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

S. No.	Head of the Department	Designation	Period
01	Sh. P.Krishnamurthy	CEO, DJB	01.04.2022 to 30.06.2023
02	Sh. A. Anbarasu	CEO, DJB	01.07.2023 to 31.03.2024

S.No.	Head of Office	Designation	Period
01	Sh. Satvinder Pal Singh	Ex. En.	01.04.2022 to 31.03.2024

S.No.	DDO	Designation	Period
01	Sh. Satvinder Pal Singh	Ex. En.	01.04.2022 to 31.03.2024

S.No.	Cashier	Designation	Period
01	NIL		

BUDGET ALLOCATION AND EXPENDITURE FOR THE YEAR 2022-24

REVENUE

(Rs. In lakh)

S. No.	Year	Budget allotted	Expenditure	Balance	Savings
01.	2022-23	✓ 196.20	✓ 164.26	✓ 31.94	✓ 16.28%
02.	2023-24	✓ 160.59	✓ 146.71	✓ 13.88	✓ 08.64%

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CAPITAL
(Rs. In lakh)

S. No.	Year	Budget allotted	Expenditure	Balance	Savings
1.	2022-23	4721.00	441.12 + 3175.11 (surrendered)	1104.77	23.40%
2.	2023-24	2609.15	416.86	2192.29	84.02%

VACANCY STATEMENT

S. No.	Group	No. of posts sanctioned	No. of posts filled	No. of posts vacant
1	A	01	01	00
2	B	09	05	04
3	C	14	08	06

STATUTORY AUDIT

The statutory audit of **EE (Project)-VI, Delhi Jal Board, Chandrawal, Delhi**, has been conducted by AG (Audit), Delhi, up to the year 2018-19.

MAINTENANCE OF RECORDS

The maintenance of records of **EE (Project)-VI, Delhi Jal Board, Chandrawal, Delhi**, for the period 2022-23 & 2023-24, was found satisfactory subject to observations made in Current Audit Report.

OLD AUDIT REPORT

The audit **EE (Project)-VI, Delhi Jal Board, Chandrawal, Delhi**, has been done first time by Directorate of Audit, Govt. of NCT of Delhi. Hence, there is no outstanding old para.

CURRENT AUDIT REPORT (2022 - 2024)

During the course of current audit, 10 Audit Observation Memos and 01 Audit Record Memo, highlighting various shortcomings/irregularities were issued. All 11 Audit Memos, including 01 Record Memo, have been converted into 08 Paras and 03 TANS, which have been incorporated in Current Audit Report.

DETAILS OF CURRENT RECOVERY (AUDIT PERIOD 2022-2024)

Memo No.	Total Recovery (Rs.)	Amount Recovered (Rs.)	Balance (Rs.)	Para. No.
10	2208/-	Nil	2208/-	06
Total	2208/-		2208/-	

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The Internal Audit Report has been prepared on the basis of information furnished and made available by **EE (Project)-VI, Delhi Jal Board, Chandrawal, Delhi.** Directorate of Audit, GNCT of Delhi disclaims any responsibility for any misinformation and of non-information on the part of auditee.



AUDIT OFFICER
Compliance Audit Party (DJB)

PART – I

OLD AUDIT REPORT

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PART – II

CURRENT AUDIT REPORT

(2022-23&2023-24)

CURRENT AUDIT REPORT

(2022-23 & 2023-24)

PARA NO. 01:- Discrepancies/shortcomings in the work "Boring & Installation of Tubewells around Bhalaswa Lake & other suitable locations."

(Ref: Audit Observation Memo No. 02, dated 22.11.2024)

Work Name: Boring & Installation of Tubewells around Bhalaswa Lake & other suitable locations."

Work awarded to: M/s Raj Conbuild Ltd.

Work Order No & date: 02 (2023-24) 17/07/2023

Estimated Cost: Rs.40,81,54,623.00

Justified Cost: Rs.53,06,79,183.45

Award Cost: Rs.50,12,13,877.00 (5.55% below the Justified Cost).

Date of Start of Work: 07/08/2023

Completion Period: 09 months

Date of completion of Work: 06/05/2024

Actual date of Start of Work: 19/12/2023

Actual date of Completion of Work: Work is still in progress.

On examination/scrutiny of the records/information provided by the Division, in r/o of the above-mentioned work, it has been observed as under: -

01- Delay in Start of Work: -

As per Clause 10.4 of the GCC of Delhi Jal Board, "the execution will commence from the 10th calendar day or such time period as mentioned in Work Order, Where the Contractor commits default in commencing the execution of the Work, the Employer shall, without prejudice to any other right or remedy available in law, be at liberty to forfeit the Earnest Money & Performance Guarantee absolutely.

As per the Work Order, the said work was to be started w.e.f. 07/08/2023, whereas, as per information given by the Division the Actual Date of Start of Work is 19/12/2023 i.e. almost four & half months later from the stipulated date of start. At the time of initiating the proposal for the said work, being an urgent work, it was decided by the Department to issue Short NIT, but after award of the no action, as per ibid rule, was taken by the Division, against the Contractor.

02- Delay in Completion of Work: -

As per Clause No. 4.1 General Conditions of Contract, the site shall comprise the real estate described in Special Conditions of Contract in r/o which the right of way shall be provided by the Employer to the Contractor. The Employer shall be responsible to the Contractor: -

- (i) Acquiring and providing physical possession of the Site free from all encroachments and encumbrances and free access thereto for the execution of the Contract; and



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- (ii) Prior environment clearance for the Site as per the Environment Impact Assessment Notification 2006 under the Environment (Protection) Act 1986, wherever applicable.

Department had to ensure, before award of the work, that all sites are free from all encroachment/disputes/hindrances.

Division has further informed that there has been delay, in timely execution of the work, on the part of the contractor as well.

As per Clause 10.3.1 of GCC, " In the event the Contractor fails to maintain the required progress in terms of clause 10.4 or to complete the works and clear the site on or before the Stipulated Date of Completion, he shall, without prejudice to any other right or remedy available under the law to the Employer, on account of such breach, pay as agreed compensation the amount calculated at the rates stipulated below or as the Engineer-in-Charge (whose communication in writing shall be final and binding) may communicate on the Contract Price for every Completed day/month (as applicable) that the progress remains below that specified in clause 10.4 or that the Works remains incomplete.

Compensation for delay of works shall be 1.5% of Contract Price, for each month of delay to be computed on per day basis.

Provided always that the total amount of compensation for delay to be paid under this condition shall not exceed 10% of the Contract Price or the Contract Price of the item or group of items of Works for which a separate period of completion is given.

On examination of record/ information provided by the Division, it was observed that date of completion of work was 06/05/2024, but the said work is still in progress and only 7% of the total work has been completed till date. As such, there has been an inordinate delay in completion of work and moreover no approval for extension of time was found recorded anywhere in the record provided to the audit. Thus, there is a delay of 178 days as on 31/10/2024.

Therefore, compensation of delay is calculated as under: -

Amount of penalty: Rs.50,12,13,877.00 @ 1.5% for each month of delay for 178 days (07/05/2023 to 31/10/2024) = Rs.4,46,08,035.00

As per clause 10.3.2 of GCC, the amount of compensation may be adjusted or set-off against any sum payable to the Contractor under this or any other Contract with the Employer. In case, the Contractor fails to achieve a particular milestone mentioned in Special Conditions of Contract, or the rescheduled milestone in terms of clause 10.4 the amount shown against that milestone shall be withheld, to be adjusted against the compensation to be levied for the final grant of extension of time. Withholding of this amount, on failure to achieve milestones, shall be automatic and without any notice to the Contractor.

An Audit Observation Memo (Memo No. 02) was issued to the Unit to give the reasons for the above noted anomalies. In response, the Division informed that, delay in start of work & completion of work has been due to GRAP restriction & delay in obtaining site clearance from DDA & DUSIB. The reply furnished by the Division is not tenable, as



the Department had to ensure, before award of the work, that the site is free from all encroachment/disputes/hindrances.

Therefore, it is advised to take action as per the observations of the Audit, under intimation to the Audit. It is further advised that, the Division should adhere to all terms & Conditions/guidelines/rules, while executing tenders.

PARA NO. 02: - Discrepancies/shortcomings in the work "Installation of Tubewells for augmentation of water supply through extraction of ground water, construction of Tubewell Rooms and laying water lines network in Okhla WTP Complex."

(Ref: Audit Observation Memo No. 05, dated 25.11.2024)

Work awarded to: M/s Pioneer Drilling Co. Pvt. Ltd.

Work Order No & date: 02 (2022-23) 10/03/2023

Estimated Cost: Rs.2,65,48,068.00

Justified Cost: Rs.3,61,40,573.00

Award Cost: Rs. 3,61,29,266.00 (0.03% below the Justified Cost).

Date of Start of Work: 17/03/2023

Completion Period: 12 months

Date of completion of Work: 16/03/2024

Actual date of Start of Work: 21/08/2023

Actual date of Completion of Work: Work is still in progress.

On examination/scrutiny of the records/information provided by the Division, in r/o of the above-mentioned work, it has been observed as under: -

01- Delay in Start of Work: -

As per Clause 10.4 of the GCC of Delhi Jal Board, "the execution will commence from the 10th calendar day or such time period as mentioned in Work Order, Where the Contractor commits default in commencing the execution of the Work, the Employer shall, without prejudice to any other right or remedy available in law, be at liberty to forfeit the Earnest Money & Performance Guarantee absolutely.

As per the Work Order, the said work was to be started w.e.f. 17/03/2023, whereas, as per information given by the Division the Actual Date of Start of Work is 21/08/2023 i.e. almost five months later from the stipulated date of start. At the time of initiating the proposal for the said work, being an urgent work, it was decided by the Department to issue Short NIT, but after award of the work no action, as per ibid rule, was taken by the Division, against the Contractor.

02- Delay in Completion of Work: -

As per Clause No. 4.1 General Conditions of Contract, the site shall comprise the real estate described in Special Conditions of Contract in r/o which the right of way shall be

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provided by the Employer to the Contractor. The Employer shall be responsible to the Contractor: -

- (iii) Acquiring and providing physical possession of the Site free from all encroachments and encumbrances and free access thereto for the execution of the Contract; and
- (iv) Prior environment clearance for the Site as per the Environment Impact Assessment Notification 2006 under the Environment (Protection) Act 1986, wherever applicable.

Department had to ensure, before award of the work, that all sites are free from all encroachment/disputes/hindrances.

Division has further informed that there has been delay, in timely execution of the work, on the part of the contractor as well.

As per Clause 10.3.1 of GCC, " In the event the Contractor fails to maintain the required progress in terms of clause 10.4 or to complete the works and clear the site on or before the Stipulated Date of Completion, he shall, without prejudice to any other right or remedy available under the law to the Employer, on account of such breach, pay as agreed compensation the amount calculated at the rates stipulated below or as the Engineer-in-Charge (whose communication in writing shall be final and binding) may communicate on the Contract Price for every Completed day/month (as applicable) that the progress remains below that specified in clause 10.4 or that the Works remains incomplete.

Compensation for delay of works shall be 1.5% of Contract Price, for each month of delay to be computed on per day basis.

Provided always that the total amount of compensation for delay to be paid under this condition shall not exceed 10% of the Contract Price or the Contract Price of the item or group of items of Works for which a separate period of completion is given.

On examination of record/ information provided by the Division, it was observed that date of completion of work was 16/03/2024, but the said work is still in progress and only 60% of the total work has been completed till date. As such, there has been an inordinate delay in completion of work and moreover no approval for extension of time was found recorded anywhere in the record provided to the audit. Thus, there is a delay of 229 days as on 31/10/2024.

Therefore, compensation of delay is calculated as under: -

Amount of penalty: Rs.3,61,29,266.00 @ 1.5% for each month of delay for 229 days (07/05/2023 to 31/10/2024) = Rs.41,36,801.00, restricted to maximum 10% of Rs.3,61,29,266.00 = Rs.36,12,927.00

As per clause 10.3.2 of GCC, the amount of compensation may be adjusted or set-off against any sum payable to the Contractor under this or any other Contract with the Employer. In case, the Contractor fails to achieve a particular milestone mentioned in Special Conditions of Contract, or the rescheduled milestone in terms of clause 10.4 the amount shown against that milestone shall be withheld, to be adjusted against the compensation to be levied for the final grant of extension of time. Withholding of this amount,



on failure to achieve milestones, shall be automatic and without any notice to the Contractor.

An Audit Observation Memo (Memo No. 05) was issued to the Unit to give the reasons for the above noted anomalies. In response, the Division informed that, delay in start of work & completion of work has been due to GRAP restriction & delay in obtaining cite clearance from District Advisory Committee (DAC). The reply furnished by the Division is not tenable, as the Department had to ensure, before award of the work, that the cite is free from all encroachment/disputes/hindrances.

Therefore, it is advised to take action as per the observations of the Audit, under intimation to the Audit. It is further advised that, the Division should adhere to all terms & Conditions/guidelines/rules, while executing tenders.

PARA NO. 03: - Discrepancies /shortcomings in the work "P/L/J various size of D.I./MS Feeder main ranging from 100 to 600 mm dia for Tube well water from Akshar Dham, Barapullah Clover of Noida Link Road to Trilokpuri UGR and Coronation WWTP."

(Ref: Audit Observation Memo No. 06, dated 25.11.2024)

Work Awarded to: M/s Tirupati Cement Products.

Work Order No. & date: 01 (2022-23) Dated 13/06/2022

Amount Put to Tender: Rs. 5,75,83,985/-

Quoted Rate: @47% above (Negotiated)

Total Cost: Rs. 8,46,48,458/-

Completion Period: 05 months

Head of Account: Raw Water Arrangement.

Date of Completion of work: 12/11/2022 (As per work order)

Actual Date of Completion: 30/09/2023

(1) As per clause 8.1.2 of General Conditions of Contract, Policy in joint names of Contractor and Employer: -

The Policy referred to under sub-clause 8.1.1 shall be obtained in the joint names of the Contractor and the Employer and shall be inter alia provide coverage against the following arising out of or in connection with execution of Works, its maintenance and performance of the Contract: -

- (i) Loss of life or injury involving public, employee of the Contractor or that of Employee and Engineer-in-Charge.
- (ii) Injury, loss or damages to the Works or property belonging to public, Government bodies, local authorities, utility organization, Contractors, Employer or others.

8.1.4 Remedy on Contractor's Failure to insure:

If the Contractor fails to effect or keep in force or provide adequate cover in the insurance policies mentioned in sub-clause 8.1.1 or any other insurance it

might be required to effect under the Contract, then in such cases, the Employer may effect and keep in force any such insurance or further insurance and the cost and expenses incurred by Employer in this regard shall be deductible from payments due to the Contractor or from contractor's Performance Security, Security Deposit or any other guarantees available with the Contractor.

On examination /scrutiny of the records/information provided by the Division in r/o the above work, the following has been observed:

- (i) Policy Schedules for the Compensation Insurance found enclosed with the 1st, 2nd & 3rd R.A. Bills not in the joint names of Contractor and Employer.
- (ii) 03 Labour Reports enclosed with 1st R.A. Bill for the period 14/06/2022 to 03/07/2022 do not have signatures of E.E. and Labour Report Letter Heads do not have any Ref. Number & date.
- (iii) 03 Labour Reports enclosed with 2nd R.A. Bill for the period 04/01/2023 to 14/03/2023 not have signatures of /verified by J.E., A.E & E.E. and Labour Report Letter Heads do not have any Ref. number & date.
- (iv) 08 Labour Reports enclosed with 3rd R.A. bill for the period 17/03/2023 to 03/07/2023 do not have signatures of /verified by J.E., A.E. & E.E. and Labour Reports Letter Heads do not have any Ref. number & date.

(2) Wages to Labour:

This is about mode of payment of Wages that this department has issued Administrative Orders DLC(CD)/Sre/2011/4429, dated 16/12/2011, JLC(HQ) CLA/2014/5454 dated 04/07.04.2016, F-12(42) 02/MW/VII/166, dated 22/05/2015 and 02/05/2016 to all Employers/Contractors for payment of wages to their workers electronically or through cheque. Digital payments are being adopted and promoted as these are less time consuming, transparent in expenses, user friendly and convenient mode of payment. It is our collective endeavour to promote digital payment. All Employers/Contractors may therefore adopt following modes of digital payments of wages to their workers:

- (i) Unified payment interface (UPI).
- (ii) E-wallet, cards, POS.
- (iii) Aadhar Enabled Payment System (AEPS).
- (iv) Unstructured Supplementary Service Data (UESSD).

The Contractor has to make the payments as per Daily Minimum Wages Act to the labour deployed at site of work. Violation of this Act leads to appropriate action against the Contractor as per letter No. DJB /AC9LW0/2017/D-72949 date 27/11/2017, issued by Assistant Commissioner (LW).

On scrutiny of bills and files, it was observed that was no proof or document found in r/o mode of transfer of wages as per instructions to bidders detailed above.

(3) Employment of Technical Staff & Employee:

As per clause 3.8 of DJB General Conditions of Contract Employment of technical staff and employees of General Condition of Contract (GCC) that the contractor shall employ a Qualified engineer(s) for supervision of the Works. The Contractors shall immediately after receiving letter of Acceptance of the tender and before commencement of the, intimate in writing to the Engineer-in-charge: -



- i. Name, qualifications, experience, age, address and other particulars along with certificate of the principal technical representative to be in charge of the work, communicated/submitted to the Engineer-in-Charge and
- ii. Approval of the Engineer-in-Charge of this communication in r/o the principal technical representative.

Scrutiny of 1st & 2nd R.A. bills, reveal that only a photocopy of degree is enclosed and requisite certificates, as mentioned above, not found enclosed along with bills. On scrutiny of 3rd R.A. Bill, it was observed that a provisional degree of Mr. Syed Naseem Ahmad was enclosed **who passed B. Tech. (Civil Engineering) examination in 2022** and degree issued vide PD 004872, dated 16/12/2022 and as per CMB No. 12, measurement of work was initiated on 17/03/2023. Hence, it appears that experience certificate was not seen/taken into consideration, which is essential part of the work, along with other requisite certificates/formalities, as required as per GCC.

(4) Delay in Completion of Work: -

As per Clause No. 4.1 General Conditions of Contract, the site shall comprise the real estate described in Special Conditions of Contract in r/o which the right of way shall be provided by the Employer to the Contractor. The Employer shall be responsible to the Contractor: -

Acquiring and providing physical possession of the Site free from all encroachments and encumbrances and free access thereto for the execution of the Contract; and

Prior environment clearance for the Site as per the Environment Impact Assessment Notification 2006 under the Environment (Protection) Act 1986, wherever applicable.

Department had to ensure, before award of the work, that all sites are free from all encroachment/disputes/hindrances.

Division has further informed that there has been delay, in timely execution of the work, on the part of the contractor as well.

As per Clause 10.3.1 of GCC, " In the event the Contractor fails to maintain the required progress in terms of clause 10.4 or to complete the works and clear the site on or before the Stipulated Date of Completion, he shall, without prejudice to any other right or remedy available under the law to the Employer, on account of such breach, pay as agreed compensation the amount calculated at the rates stipulated below or as the Engineer-in-Charge (whose communication in writing shall be final and binding) may communicate on the Contract Price for every Completed day/month (as applicable) that the progress remains below that specified in clause 10.4 or that the Works remains incomplete.

Compensation for delay of works shall be 1.5% of Contract Price, for each month of delay to be computed on per day basis.

Provided always that the total amount of compensation for delay to be paid under this condition shall not exceed 10% of the Contract Price or the Contract Price of the item or group of items of Works for which a separate period of completion is given.



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On examination of record/ information provided by the Division, it was observed that date of completion of work was 12/11/2022, but, as per information provided by the Division, the said work was completed on 30/09/2023. As such, there has been very much delay in completion of work, while **Work order says that "Time shall be essence of the contract to complete the work"** and **Single tender was accepted with the reason of very urgent nature of work.**

So much delay is a wastage of money and time and also causes difficulty to the public.

Moreover, no approval for extension of time was found recorded anywhere in the record provided to the audit. Thus, there is a delay of 322 days as on 30/09/2023.

Therefore, compensation of delay is calculated as under: -

Amount of penalty: Rs.8,46,48,458.00 @ 1.5% for each month of delay for 322 days (12/11/2022 to 30/09/2023) = Rs.1,36,28,402.00.

As per clause 10.3.2 of GCC, the amount of compensation may be adjusted or set-off against any sum payable to the Contractor under this or any other Contract with the Employer. In case, the Contractor fails to achieve a particular milestone mentioned in Special Conditions of Contract, or the rescheduled milestone in terms of clause 10.4 the amount shown against that milestone shall be withheld, to be adjusted against the compensation to levied for the final grant of extension of time. Withholding of this amount, on failure to achieve milestones, shall be automatic and without any notice to the Contractor.

An Audit Observation Memo (Memo No. 06) was issued to the Unit to give the reasons for the above noted anomalies. In response, no reply in r/o Wages & Insurance of the labour as well as Employment of Technical Staff was given. However, Division informed that, delay in start of work & completion of work has been due to delay in obtaining permission from various organizations/institutions like PWD, GAIL, NHAI, I&FC, Traffic Police, SDW-VII etc. The reply furnished by the Division is not tenable, as the Department had to ensure, before award of the work, that the site is free from all encroachment/disputes/hindrances.

Therefore, it is advised to take action as per the observations of the Audit, under intimation to the Audit. It is further advised that, the Division should adhere to all terms & Conditions/guidelines/rules, while executing tenders.



PARA NO. 04: - (A) Non- Maintenance of Cash Book for Financial Year 2022-23 & 2023-24.

(Ref:Audit Observation Memo No. 07 {A} & {B}, dated 27.11.2024)

Rule 13 of Receipt & Payment rules provides that all the Govt. Officers who are required to (a) receive government dues and handle cash or (b) perform the functions of drawing and disbursing officers (with or without cheque drawing powers), or both: —

- (i) Every such officer (referred to in this rule as the Head of the Office) should maintain a Cash Book in Form G.A.R-3.
- (ii) All monetary transactions should be entered in the cash book as soon as they occur and attested by the Head of the Office in token of check

However, during Scrutiny of record, it reveals that Cash Book has not been maintained by the DDO of the Division, during the audit period. It is evident from the Ledger of Other Expenses that Imprest A/c utilized for payment/purchase items by the Division, RTI fee and cash received from employees of DJB, for various purposes, have been deposited in Bank Account, but no Cash Book has been maintained by the Division as per rule. As per information provided by the Division, the amount of Imprest Money utilized & Other Receipt (Cash), during the financial year 2022-23 & 2023-24, is as under: -

Financial Year	Imprest Money Utilized	Other Receipts (Cash)
2022-23	Rs.1,28,133/-	Nil
2023-24	Rs.86,606 /-	Nil

Every entry was required to be entered in the Cash Book and these entries were to be signed by DDO. Balances should be attested by the DDO/HOO at the end of each month.

(B) Non-Issuance of Receipt to the payer on account of receiving Govt. money.

As per clause (a) of sub-rule (1) of Rule 19 being observed, the Head of Office, where money is received on behalf of the Government, must give the payer a receipt duly signed by him after he has satisfied himself, before signing the receipt and initialing its counterfoil, that the amount has been properly entered in the cash book. If the circumstances so justify, he may at his discretion, authorize any other officer, subordinate to him, whether gazetted or non-gazetted, to sign such receipts for him.

On Scrutiny of record, it is found that, no receipt, as per rule, was issued to payer at the time of receiving cash/cheque, during the financial year 2022-23 & 2023-24.

An Audit Observation Memo (Memo No. 7 {A}) was issued to the Unit to give the reasons for non-maintenance of Cash Book and reason for not issuing receipt to the payer (Memo No. 7 {B}). In response the Division replied that, Cash Book is not being maintained due to implementation of Tally/FMS and instead of issuing a receipt, copy of challan is being issued by the Division to the payer. The reply of the Division is not convincing/tenable.

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Head of Office may, therefore, take necessary action to maintain the Cash Book & issuance of receipt to the payer, as per Receipt and Payment Rules and show the compliance to the Audit.

PARA NO. 05: - Non-surrender of savings.

(Ref:Audit Observation Memo No. 08, dated 27.11.2024)

As per rule 62(1) of GFRs, 2017, Departments shall surrender all the anticipated savings noticed in the grants or appropriation controlled by them by the dates prescribed before the close of the financial year. The funds provided during the financial year and not utilized before the close of that financial year shall stand lapsed at the close of the financial year.

Further rule 62(2) of the GFRs, 2017 states that the savings, as well as the provisions that cannot be profitably utilized, shall be surrendered to the Govt. immediately they are foreseen without waiting till the end of the year. No savings shall be held in reserve for possible future excesses.

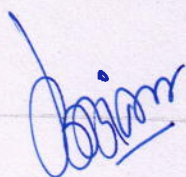
On perusal of information provided by Department, it has been observed that the Department has not utilized the budget granted to its full extent thereby resulting in saving under Capital Head in the financial years 2022-23 & 2023-24. Even, the funds are not found surrendered to the Govt. in time before the close of the financial year. The details are as under:

Financial Year	Head	Budget Allotted (Rs. In Lakh)	Fund allotted (Rs. In Lakh)	Funds used (Rs. In Lakh)	Savings (Rs. In Lakh)	savings/ unutilised funds
2022-23	Revenue Expenditure	196.20	164.26	164.26	31.94	16.28%
	Capital Expenditure	4721.00	441.12	441.12 + 3175.11*	1104.77	23.40%
2023-24	Revenue Expenditure	160.59	146.71	146.71	13.88	8.64%
	Capital Expenditure	2609.15	416.86	416.86	2192.29	84.02%

*Rs.3175.11 lakh was surrendered.

An Audit Observation Memo (Memo No. 08) was issued to the Unit to give the reasons for non-surrender of the savings, but no reply was furnished by the Unit.

The department may, therefore, take necessary steps to follow the rules/instructions issued for surrender of savings and show the compliance to the Audit.

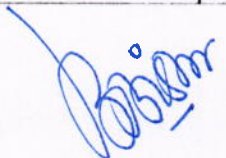


PARA NO. 06: - Excess payment of Non-Productivity Linked Bonus for Rs.2208/-**(Ref:Audit Observation Memo No. 10, dated 27.11.2024)**

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, 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", 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 Rs.7000x30/30.4=Rs.6908/-.

During test check of records for the financial years 2022-23 & 2023-24, it has been observed that the Division had paid Non-Productivity Linked Bonus to its staff @ Rs.7000/- per employee, 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:

S.No.	Name of Employee	Designation	Ex-Gratia paid (Rs.)	Admissible amount (Rs.)	Amount recoverable (Rs.)
1.	Om Prakash	F.A.	7000	6908	92
2.	Prithi Singh	F.A.	14000	13816	184
3.	Satyaveer Singh	F.A.	14000	13816	184
4.	Chhotey Lal	F.A.	14000	13816	184
5.	Renu Chandel	Sr. Assistant	14000	13816	184
6.	Jitender	F.A.	14000	13816	184
7.	Gaurav	F.A.	14000	13816	184
8.	Mohit Kr. Gautam	J.E.	14000	13816	184
9.	Santosh Vishwakarma	J.E.	7000	6908	92
10.	Vishant Kumar	J.E.	14000	13816	184
11.	Shyam Sunder	F.A.	14000	13816	184



12.	Dinesh Chander	F.A.	14000	13816	184
13.	Pappo Rani	F.A.	14000	13816	184
	Total		168000	165792	✓ 2208

An Audit Observation Memo (Memo No. 10) was issued to the Unit to give the reasons for making overpayment of Non-Productivity Linked Bonus but no reply was furnished by the Division.

Head of Office may therefore take necessary action to recover Rs.2208/-, as per details given above, after due verification of facts and figures, under intimation to the Audit.

PARA NO. 07: - Discrepancies/shortcomings in the work "Construction of 0.85 ML Capacity UGR & BPS along with Feeder & Peripheral Mains at Janta Mazdoor Colony (JJC) in AC-67, NE-III."

(Ref:Audit Observation Memo No. 11, dated 27.11.2024)

Work awarded to: M/s Rehman Buildier Pvt. Ltd.

Work Order No & date: 01 (2023-24) 06/06/2023

Estimated Cost (Civil): Rs.2,65,70,012.00

Estimated Cost (E&M): Item Rate

Quoted Rate (Civil): Rs.3,44,10,823.00

Quoted Rate (E&M): Rs.1,22,96,370/- (Negotiated)

Total Award Package Cost: Rs.4,67,07,193.00

Date of Start of Work: 21/06/2023

Completion Period: 12 months

Date of completion of Work: 20/06/2024

Actual date of Start of Work: 17/07/2023

Actual date of Completion of Work: Work is still in progress.

On examination/scrutiny of the records/information provided by the Division, in r/o of the above-mentioned work, it has been observed as under: -

01- Delay in Start of Work: -

As per Clause 10.4 of the GCC of Delhi Jal Board, "the execution will commence from the 10th calendar da or such time period as mentioned in Work Order, Where the Contractor commits default in commencing the execution of the Work, the Employer shall, without prejudice to any other right or remedy available in law, be at liberty to forfeit the Earnest Money & Performance Guarantee absolutely.

As per the Work Order, the said work was to be started w.e.f. 21/06/2023, whereas, as per information given by the Division the Actual Date of Start of Work is 17/07/2023 i.e. almost one month later from the stipulated date of start. No action, as per ibid rule, was taken by the Division, against the Contractor.

02- Delay in Completion of Work: -

As per Clause No. 4.1 General Conditions of Contract, the site shall comprise the real estate described in Special Conditions of Contract in r/o which the right of way shall be provided by the Employer to the Contractor. The Employer shall be responsible to the Contractor: -

- (v) Acquiring and providing physical possession of the Site free from all encroachments and encumbrances and free access thereto for the execution of the Contract; and
- (vi) Prior environment clearance for the Site as per the Environment Impact Assessment Notification 2006 under the Environment (Protection) Act 1986, wherever applicable.

Department had to ensure, before award of the work, that all sites are free from all encroachment/disputes/hindrances.

Division has further informed that there has been delay, in timely execution of the work, on the part of the contractor as well.

As per Clause 10.3.1 of GCC, " In the event the Contractor fails to maintain the required progress in terms of clause 10.4 or to complete the works and clear the site on or before the Stipulated Date of Completion, he shall, without prejudice to any other right or remedy available under the law to the Employer, on account of such breach, pay as agreed compensation the amount calculated at the rates stipulated below or as the Engineer-in-Charge (whose communication in writing shall be final and binding) may communicate on the Contract Price for every Completed day/month (as applicable) that the progress remains below that specified in clause 10.4 or that the Works remains incomplete.

Compensation for delay of works shall be 1.5% of Contract Price, for each month of delay to be computed on per day basis.

Provided always that the total amount of compensation for delay to be paid under this condition shall not exceed 10% of the Contract Price or the Contract Price of the item or group of items of Works for which a separate period of completion is given.

On examination of record/ information provided by the Division, it was observed that date of completion of work was 20/06/2024, but the said work is still in progress and only 5% of the total work has been completed till date. As such, there has been an inordinate delay in completion of work and moreover no approval for extension of time was found recorded anywhere in the record provided to the audit. Thus, there is a delay of 133 days as on 31/10/2024.

Therefore, compensation of delay is calculated as under: -

Amount of penalty: Rs.4,67,07,193.00 @ 1.5% for each month of delay for 133 days (21/06/2024 to 31/10/2024) = Rs.31,06,028.00.

As per clause 10.3.2 of GCC, the amount of compensation may be adjusted or set-off against any sum payable to the Contractor under this or any other Contract with the Employer. In case, the Contractor fails to achieve a particular milestone mentioned in Special Conditions of Contract, or the rescheduled milestone in terms of clause 10.4 the amount shown against that milestone shall be withheld, to be adjusted against the compensation to be levied for the final grant of extension of time. Withholding of this amount, on failure to achieve milestones, shall be automatic and without any notice to the Contractor.

An Audit Observation Memo (Memo No. 11) was issued to the Unit to give the reasons for the above noted anomalies. In response, the Division informed that the delay in execution of work has been due to not obtaining permission from the Forest Department. The reply furnished by the Division is not tenable, as the Department had to ensure, before award of the work, that the site is free from all encroachment/disputes/hindrances.

Therefore, it is advised to take action as per the observations of the Audit, under intimation to the Audit. It is further advised that, the Division should adhere to all terms & Conditions/guidelines/rules, while executing tenders.

Para No. 08: Non-production of Records

The Unit was requested to provide records/information through various Audit Record Memos. In spite of that, following records/information was not provided to the Audit. The same may therefore be produced to next audit.

1. Information regarding number(s) of Bank Account(s), being maintained by the Division during the financial year 2022-23 & 2023-24.
2. Information regarding Closing Balance of all Bank Accounts as on 31/03/2023 & 31/03/2024, along with Monthly Bank Reconciliation Statements, for the period from 01/04/2022 to 31/03/2024.
3. Information regarding as to whether all Bank Accounts, being operated by the Division up to 31/03/2023, have been closed or not and if not. Reasons for the same and if yes. Status of the Closing Balance, along with the supportive documents.
4. Information regarding when & how many times the budget is allocated to the Division in a financial year, along with the Budget Allocation Letter.
5. Information regarding confirmation and detail of closed Bank Accounts 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. Information regarding as to whether the amount of Allocated Budget is deposited in the Bank Account(s) of the Division immediately after its allocation or deposited on the demand raised by the Division.



PART – III

TEST AUDIT NOTES

(2022- 2023
&
2023-24)

TEST AUDIT NOTES

(2022-23 & 2023-24)

TAN No.01: -Improper maintenance of Pay Bill Register/ECR.

(Ref: Audit Observation Memo No. 03, dated 22.11.2024)

During test-check of PBR/ ECR for the audit period 2022-23 &2023-24, the following discrepancies have been noticed: -

1. The mandatory page counting certificate to be recorded on the first page of the PBR/ECR has not been recorded/signed by Head of Office.
2. The mandatory information/details of the officials (which were required to be written on the upper part of each page) were also not found filled completely in many cases. Details like details of loan/advances/refunds, detail of Govt. Accommodation, spouse information, Aadhar No., etc., have not been recorded in the PBR/ECR.
3. Cutting and overwriting noticed in the PBR/ECR and the same have not been attested by the Competent Authority.
4. Past information of employees, who have been transferred into the unit, was not found recorded in the PBR/ECR (required to be entered from LPC). This information is required for calculation of Income Tax, GPF/NPS contribution etc.
5. Signatures of competent authority were not found on entries.
6. Grand total of each employee at the end of the year, required to assess the Income tax liability, was not found in the PBR/ECR.

Therefore, necessary steps may be taken by the Department to remove the above said shortcomings/deficiencies and compliance be shown to the next Audit.

TAN No. 02: - Shortcomings in maintenance of Service Books

(Ref: Audit Observation Memo No. 04, dated: 25.11.2024)

During the test check of Service Books provided by the Division, the following deficiencies/shortcomings are observed: -

- (i) As per instructions circulated by the Pr. Secretary (Finance), Finance Department, Govt. of NCT of Delhi, vide No.F.3(03)/2015/T-I/Pr. AO/2017-26 dated 10/09/2015, entry of Aadhar Number has not been made in Service Books.
- (ii) 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 be issued to him in the prescribed form (Form 24). However, it has been observed that the service has not been got verified in any case.



- (iii) Under LTC scheme, 'Hometown Declaration' is to be kept in the Service Book of the Govt. Servant. However, it has been seen that Hometown Declaration has not found in Service Book in many cases.
- (iv) GPF Account Number is to be entered on the right-hand top of page no. 01 of the Service Book, as soon as the official is admitted to GPF. However, it has been observed that GPF A/c number is not mentioned in any Service Book.
- (v) Instructions/ guidelines contained on the inner cover pages of the printed Service Book should be followed. In addition, name of the employee 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.
- (vi) Verification of Services will be completed annually along with pay slip for the month of April every year and certificate of verification recorded in the Service Book after ensuring correctness of the entries.
- (vii) In case of transfer, a 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.
- (viii) Before submitting pension papers to the Pension Sanctioning Authority, verification will be completed for the remaining period of service up to date of retirement.
- (ix) 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 are not affixed or are very old.
- (x) First page of Service Book, having details of the employee, should be filled up properly and completely. It is observed that many details are formed blank such as Fingerprint, Caste, identification marks etc.
- (xi) Order of pay fixation on promotion and up-gradation not found written or pasted in some of the Service Books.
- (xii) Entries of verification of character and the antecedents of the employees, not found in the Service Books.
- (xiii) Documents in r/o declaration of nominees in gratuity & pension are not found attached in the Service Books.
- (xiv) Leave records in Service Books were neither maintained in a proper manner nor found signed by the HOO.
- (xv) Forma-3 under Rule 54 (12) i.e., Details of Family has not been found in the Service Book in many cases.

Therefore, necessary steps may be taken by the Department to remove the above said shortcomings/deficiencies and compliance be shown to the next Audit.



TAN No.3:- Non-filling up of the vacant posts of Group- B & C employees.

(Ref: Audit Observation Memo No. 09, dated: 27.11.2024)

As per information provided by the Unit/Division, the following sanctioned posts are laying vacant as on date: -

Sl. No.	Group of post	No. of posts sanctioned	No. of posts filled	No. of posts vacant
01.	Group-B	09	05	04
02.	Group-C	14	08	06

Therefore, necessary steps may be taken by the Department to fill-up the mentioned vacant posts of Group-B & Group-C employees, under intimation to the Audit.

