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**DIRECTORATE OF AUDIT
4TH LEVEL, 'C' WING, DELHI SECRETARIAT
I.P.ESTATE, NEW DELHI-02**

Subject:- Internal Audit report on accounts of office of the Executive Engineer, Flood Control Division-X, L.M. Bund Office Complex, Shastri Nagar, Delhi-31 for the audit period 2016-19.

INTRODUCTION

The First Internal Audit Report of the accounts of Executive Engineer, Flood Control Division-X, L.M. Bund Office Complex, Shastri Nagar, Delhi-31 for the year 2016-19 was conducted by the field Audit Party No XI comprising of Sh. Dewan Chand, I.A.O., & Sh. Swapan Kumar, A.A.O. The audit was conducted w.e.f. 08-08-2019 to 22-08-2019 (09 Working Days).

GENERAL SET UP AND ACTIVITIES

The main work under the jurisdiction of Civil Division No.X is Remodelling / maintenance of Jahangirpuri Drain from RD 5470 M to its outfall into N.G. Drain, maintenance of right bank of River Yamuna from D/S of Wazirabad barrage to U/s of Old Railway Bridge, maintenance of LM Bund Office Complex. This division has also been entrusted with the work of preparation of schemes of demolishing and reconstruction of General Chaupals at various villages and its execution for which the funds were provided by the Urban Development Department.

Head of Office and DDO

| Name & Designation | From | To |
|------------------------------|------------|--------------|
| Sh. Anil Chaudhry, EE | 01.04.2016 | 30.04.2018 |
| Sh. Manish Agarwal, EE | 01.05.2018 | 05.12.2018 |
| Sh. Pradeep Manohar Naik, EE | 06.12.2018 | 31.07.2019 |
| Sh. Vivek Chauhan, EE | 01.08.2019 | to till date |

CASHIER

| Name & Designation | From | To |
|----------------------------------|------------|--------------|
| Sh. Sanjay Kumar Shrivastav, UDC | 01.04.2016 | 15.12.2016 |
| Sh. Sanjay Kumar, UDC | 16.12.2016 | to till date |

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Budget Allocation and Expenditure

NON PLAN (Rs. In Lakh)

| S.No. | Financial Year | Budget Allocated | Expenditure | Saving (-) Excess (+) |
|-------|----------------|------------------|-------------|--------------------------|
| 1 | 2016-17 | 250 | 164.90 | (-) 85.01 |
| 2 | 2017-18 | 132.18 | 132.08 | (-) 0.1 |
| 3 | 2018-19 | 232 | 231.88 | (-) 0.12 |

PLAN (Rs. In Lakh)

| S.No. | Financial Year | Budget Allocated | Expenditure | Saving (-) Excess (+) |
|-------|----------------|------------------|-------------|--------------------------|
| 1 | 2016-17 | -- | -- | -- |
| 2 | 2017-18 | 10 | 4.37 | (-) 5.63 |
| 3 | 2018-19 | 47 | 6.48 | (-) 40.52 |

Vacancy Position of staff

| S. No. | Name of Post | No. of Post Sanctioned | Filled | Vacant |
|--------|--------------|---------------------------|--------|--------|
| 1. | Group A | 01 | 01 | -- |
| 2 | Group B | 04 | 02 | 02 |
| 3 | Group C | 19 | 08 | 11 |
| | TOTAL | 24 | 11 | 13 |

STATUTORY AUDIT

Statutory audit of accounts of the office of Executive Engineer, Flood Control Division-X, L.M. Bund Office Complex, Shastri Nagar, Delhi-92 has been conducted by the office of A. G. (Audit) for the year 2016-17 and report is placed in the file.

Maintenance of Records.

The maintenance of records of office of the Executive Engineer, Flood Control Division-X, L.M. Bund Office Complex, Shastri Nagar, Delhi-92 for the audit period 2016-19 was found satisfactory subject to observation made in current audit report and in test audit notes.

(DEWAN CHAND)
I.A.O., Audit Party No.XI

Old Audit Report:-

There are 27 Audit Paras outstanding from the previous report involving recovery of Rs.6,139/- /-. The department has stated that owing to flood season and maintenance of office building, the replies to old outstanding paras cannot be submitted. However, on the basis of compliance shown by the department, 1 (one) para has been taken as fresh with NIL recovery. Details are given below:-

(A) DETAILS OF OLD PARAS

| S.No. | Period | Total no. of Outstanding paras | Total no. of Paras settled | Para settled no. | No. of Outstanding para |
|-------|---------|--------------------------------|----------------------------|------------------|-------------------------|
| 1 | 2005-08 | 09 | -- | -- | 09 |
| 2. | 2008-11 | 12 | -- | -- | 12 |
| 3. | 2013-16 | 06 | 01 Taken as fresh | 05 | 05 |
| TOTAL | | 27 ✓ | 01 ✓ | -- | 26 ✓ |

(B) DETAILS OF OLD RECOVERY

| S. No. | Year | PARA NO. | Recovery Amt. | Amt Recovered | Balance Recovery |
|--------|---------|----------|---------------|---------------|------------------|
| 1. | 2005-08 | 01 | 6139 | -- | 6139 |
| TOTAL | | | 6139 ✓ | -- | 6139 ✓ |


(DEWAN CHAND)
I.A.O., Audit Party No.XI



Current Audit Report

During the course of current audit 12 audit memos were issued highlighting various irregularities involving recovery of **Rs.19,573/-**. In compliance of Audit Memos, the department has submitted replies of audit memos which were examined and after careful examination, 02 audit memo involving recovery of Rs.4,069/- has been settled and remaining 10 audit memos converted into 07 Para + 1 NPR Para and 3 TAN along with outstanding recovery of Rs.15,504/- The aforesaid Paras and Tan incorporated in the current audit report- Part-II. The aforesaid Paras and Tan incorporated in the current audit report- Part-II.

| S.No. | Memo No. | Details of Recovery(Amt) | | | Incorporated in Para No. |
|-------|----------|--------------------------|-----------------------|---------|--------------------------|
| | | Raised | Recovered on the spot | Balance | |
| 1 | 02 | 11760 | --- | 11760 | 1 |
| 2 | 04 | 4069 | 4069 | -- | -- |
| 3 | 06 | 3744 | -- | 3744 | 3 |
| | Total | 19573 | 4069 | 15504 | |

The internal audit report has been prepared on the basis of the information / records furnished and made available by HOO, Executive Engineer, Flood Control Division-X, L.M. Bund Office Complex, Krishan Kunj, Delhi-92 for the year 2016-19. Further, the audit disclaims any responsibility for any mis-information and/or non-information on the part of Auditee.


(DEWAN CHAND)
I.A.O., Audit Party No.XI

PART-I

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PART I

**Internal Audit Report on the Accounts of O/o
Ex.Engineer, CD X, Flood Control Department
L.M. Bund Complex, Delhi
For the period 2005-06 to 2007-08**

Para 1

Subject: Performance of the Division

The main work under the jurisdiction of Civil Division no.X is Remodelling / Maintenance of Jahangirpuri drain upto RD 5470m to its outfall into NG drain, Maintenance of Right Bank of River Yamuna from D/S of Wazirabad barrage to U/s of old Railway bridge, maintenance of LM bund office complex including maintenance of cement store of MDIII Division and SEFCI office. The division has also been entrusted the works as per the funds of Urban Development & SCST department. The Budget & Expenditure for the period 2005-06 to 2007-8 is as under:

| Head of Account | 2005-06 | | 2006-07 | | 2007-08 | |
|------------------------------------|---------|--------|---------|--------|---------|-------|
| | Budget | Exp. | Budget | Exp. | Budget | Exp. |
| 4711 Plan Major Drainage Scheme | 163.00 | 162.49 | 56.00 | 55.94 | 8.30 | 8.10 |
| 2711 Non Plan | 123.00 | 122.71 | 110.00 | 109.85 | 70.00 | 69.94 |
| 4711 Non Plan | 20.00 | 20.00 | 30.00 | 29.86 | 30.00 | 29.72 |
| MH- 4217 Plan. Dev. Of Urban VIII. | 10.69 | 5.88 | — | — | 27.80 | 27.80 |
| MH 4225 Imp. Of SC/ST Basties | — | — | 22.00 | 20.85 | 54.00 | 53.98 |

On the basis of the Budget / Expenditure and record furnished, the following shortcomings have been noticed, reasons for the same may be furnished to audit.

[1.1] Expenditure on Casual Labour

[Ref. memo no.4/17-10-08]

During the test check of records / register of casual labour it had been observed that, for other than flood fighting arrangements, the division had also engaged the casual labour i.e beldars for regular and routine works viz., Repair/maintenance of and removal / clearance of hyacinth /floating material from Jahangirpuri Drain at various levels, shifting of office of SEFCI etc. During the audit period the division had incurred the following expenditure on casual labour.

2005-06 : Rs.2,68,457/-
2006-07 : Rs.4,52,884/-
2007-08 : Rs.1,72,593/-

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As per the record, the division has on its strength 35 beldars [work charged]. In response to the memo, the division had not furnished the details of the deployment of these beldars. Reasons for hiring the labour instead of obtaining the services of the work charged staff may be intimated to audit.

[1.2] Expenditure on Structural Designs & Drawings [Ref.Memo No.5]

The division is placing the job orders for preparation and proof reading of the Architectural Drawings & designs for routine nature of work of construction of chaupals. During the audit period the division had incurred the following expenditure on preparation/proof reading of drawings:

2005-06 : Rs.57,100/-
2006-07 : Rs.2,68,344/-
2007-08 : Rs.1,10,000/-

As per records, the division have a drawing section with 1 ASW, 2 Draftsman. In response to the memo, the division had not furnished the details of the deployment of the staff / duties assigned and reasons for getting prepared the drawings from private agencies instead of obtaining the services of the staff. If the requisite services of the technical staff cannot be obtained, their services may be transferred / surrendered to Head office.

[1.3] Delay in final payment [Ref Memo no.7/21-10-08]

As per para 29.2 of the CPWD Manual, the final payment has to be released within six months from the date of recording of completion certificate. As per records, it had been observed that the division is/ has taken more than six months in settlement of final bills without any reasons being recorded on the file. This undue delay on the part of the division may give a chance to the contractor for claiming the interest.

| S.No. | Name of the work | Date of Completion |
|-------|---|---|
| 1 | Remodelling /lining of Jahangirpuri drain from RD 3990 M to 4800M | 5-6-06 & SE issued the completion certificate on 8-8-06. the final bill was still pending at the time of audit |
| 2 | Construction of 2 nd floor on the existing Chaupal building in village Malikpur in North Delhi | 6-11-07 & completion certificate issued by EE on the same day the final bill was still pending at the time of audit |
| 3 | Remodelling of Jahangirpuri Drain From RD 3000 to 3900 M | 5-6-06 the final bill was paid after 1 year |

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In response to the memo the division had not furnished any reasons. Division, may settle the bills as per the provisions to avoid any further legal claim on the bill by the contractor.

[1.4] Expenditure on Drinking Water

[Ref.Memo No.3/17-10-08]

During the test check of records for the audit period, it had been observed that the division is procuring the water from the Private agency and incurring an expenditure of Rs.50,000/-annually. As per the records the division does not have any water connection of Delhi Jal Board, nor the division had taken any efforts to obtain the same. Immediate steps may be taken to get the water connection from DJB, so that the recurring expenditure can be avoided.

Para 2 Subject: Vehicle

[2.]

Hiring of Private Vehicles

[Ref.Memo No.8/21-10-08]

During the audit period, it had been observed that the division is hiring the inspection vehicle for field use on half yearly basis. As per the agreement register, the division has assigned the contract to the same contractor Sonu Travels for the period 2005-06 to 2007-08. On test check of agreement file No.EE /CD X/07-08/4, it had been observed that

1. The Division had not furnished any record which shows that the basic documents required as per the NIT i.e.; the vehicle should be a model not earlier than 2004, should have pollution free certificate, should be a commercial vehicle bearing the series of all India permit etc were verified. The copies of Insurance and Commercial driving licence were also not verified.
2. The contractors letter heads/ bills does not bear the valid registration number of service tax and the registration number of the traveling agency. The division had also not obtained / verified the same.
3. The Travelling agency is operating from 316, Kalyan Vas, Delhi and the location being a Govt. Accommodation the division had not obtained the details of relation of Govt. Servant from whose accommodation the agency is being operated.
4. As per the schedule of quantities Item 1[i] the division had hired the vehicle upto 2000km per month and as per records the allocated limit of 2000km have also not been covered per month. Again vide item 1[iv] the division had included the extra rates for providing vehicle on Sundays/holidays.

Reasons for accepting/ awarding the tender to the Sonu travels in the absence of the above information / documents be intimated to audit and reasons for adding the extra rates at item no.1[iv] when the vehicle was hired per month as per item 1[i] be intimated to audit.

[2.2] Govt. Vehicles

[Ref.Memo No.11/24-10-08]

During the audit period pertaining to Govt Vehicles of the Division, it had been observed that:

1. The vehicles DED 4902 & DL-8C-5253 are being parked at the Gokulpuri Store and at Gopalpur store, resulting in an dead mileage of 18 KM and 24 Km respectively, per day.
2. The Govt. Vehicles were got repaired by placing the job orders with the dealer, but the technical opinion of the Transport department has not been obtained.
3. As per the Log Book of Vehicle DL-4CF8189, the vehicle has not been used after 3-12-07. If the vehicle has rendered its life then the same may be got condemned as per rules.
4. As per records / information furnished, out of 3 drivers, One driver is on diverted capacity with Rural Development department since long.

Reasons for the same may be furnished to audit.

Subject : Irregular Extension of time : non levy of Compensation of Rs.3.67 lakhs

Work : [1] Remodelling & Lining of Jahangirpuri Drain from RD 3000 M to 3900 M – Agreement NO. EE/ CD X/04-05 /11
[2] Remodelling & Lining of Jahangirpuri, Drain from RD 1700 M to 2350 M – Agreement no. EE/ CD X/04-05 /15

The above works were awarded to M/s J & S Constructions & to M/s Ashok K Arora at the tendered cost, stipulated date of start / completion and the actual date of completion of the works as detailed below. As per the agreement, rainy days were included in the time allowed for the work.

In spite of the fact that rainy days were included in the time allowed for the work, the division had allowed the extension of time for the hindrance occurred due to rainy days.

As per the agreement, for undue delay of work, the division had to levy a compensation of 1.5% per month on the tendered cost subject to 10% of the tendered cost.

| S No | Work | Tendered Cost Rs. | Stipulated time for work, DOS / SDOC | Dt of actual completion | EOT allowed for rainy days | Compensation which should have been levied [Rs] |
|------|---|----------------------|--------------------------------------|-------------------------|----------------------------|---|
| 1 | Remodelling/ lining of Jahangirpuri drain from RD 3000 to 3900M | 59,52,010 | 10 months wef 29-12-04 to 28-10-05 | 5-6-06 | 85 days | 2,52,960 |
| 2 | Remodelling/ lining of Jahangirpuri drain from RD 1700 to 2350M | 24,08,873 | 6 months wef 8-2-05 to 7-8-05 | 10-11-05 | 95 days | 1,14,421 |
| | | | | | Total | 3,67,381 |

In this regard,

- [1] Extension of time for rainy days when the same provision was included in the time allowed for the work is irregular
- [2] The amount of compensation of Rs. 3,67,381/- as above may be recovered from the concerned defaulter after due verification of facts and figures or the above irregularity may be got regularized from the competent authority under intimation to audit.

Subject : Blockade of Funds of Rs.10.15 lakhs

Work : Manufacturing and Stacking of 2,50,000 Hydraulic pressed cement concrete tiles of Size 300 X 300 X 50 mm at Gopalpur Store [Agreement No. EE/CDX/04-05/02]

The contract of manufacture of the above tiles which are required for the remodeling and lining of Jahangirpuri drain, was awarded to M/s Sharma Enterprises at the tendered amount of Rs.26,07,500/- i.e @ of 10.43 per tile. As the milestones were not satisfactory the contract was rescinded on 19-8-05 after the manufacture of 142716 tiles.

The balance work of manufacture of 107284 tiles was awarded to M/s Satish Chandra vide agreement no. EE/ CD X/05-06 /7 after fresh call of tenders for Rs.14,21,513/- @ 13.25 per tile on 22-12-05. On 30-3-06, extra item of manufacture of 8000 tiles was approved for a scheme which was proposed to be taken up in the near future. The actual work was 114800 tiles [107284 tiles as per tender + 7516 tiles as extra item] at a cost of Rs.15,21,100/-

On perusal of the related stock register of the Gopalpur store, it had been observed that 76,605 tiles are lying unutilized at the store since 29-5-06 to the date of audit period, resulting in blockade of Rs.10,15,016/- [76605 tiles X Rs.13.25]. Further on the date of approval of extra item on 30-3-06 the department had a store balance of 58,745 tiles.

In this regard, the division may intimate to audit:

- (i) the reasons for awarding the balance work without proper assessment of site works and subsequent approval of extra item though there was sufficient store balance resulting in the blockade of 10.15 lakhs may be intimated to audit.
- (ii) as the plan scheme of remodeling / lining of Jahangirpuri Drain since has been concluded, the further utilisation of these tiles may be intimated to audit. If they are not of any use to the division then the same may be transferred to other work / division for further utilization.

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(26)

(6)

(40)

**Subject: Arbitration Case : Arbitration between Sh. Ashok Kr. Arora
Vs. Ex.Engineer, CD X**

Work: Construction of Jahangirpuri drain from RD 2350 M to 2650 M for its design capacity of 1500 cusecs including relocation of cremation ground coming its alignment [Agreement no. EE / CD X / 01-02 /12]

The above said work was awarded to Sh. Ashok Kr. Arora at the tendered cost of Rs.19.38 lakh with the date of start & completion being 6-1-02 & 5-7-02. The actual date of completion of work was 4-7-02 at a cost of 29.48 lakhs. The Contractor filed a petition under the Arbitration & Conciliation Act, 96. The Arbitrator has given the award in favour of the contractor on 14-12-06. As the award of the Arbitrator is reasoned one and may not stand a challenge in the court, the same was accepted for Rs.7,29,002/- inclusive of interest of Rs.1,41,718/-.

As per the division, the parawise statement and the reasons for not contesting are as under:

1. Payment of extra work for earth work executed beyond the deviation limit of 50% for item no.2 : The provision of the contract stipulate for payment at the market rate for item exceeding the deviation limit. As the rate furnished by the contractor was not refuted by the division within the prescribed period or during the currency of work, the claim for Rs.4,78,115/- went in favour of contractor.
2. Carriage of excavated earth by loading/unloading upto 2km lead [extra item no.6] : On the directions of the division the extra item were executed for carrying the excavated earth from left bank of the drain by mechanical transport of assigned place. The division had not refuted the fact that the work was carried out but denied of having any directions given for the work.
The claim of Rs.53,054/- went in favour of contractor as the division had made the payment for the item in the running bill and later withdrawn. The division had preferred not to contest in the higher appellate authority as the item was a recorded evidence in the MB.
3. Payment for making temporary bridges for carrying and dumping the excavated earth: The claim for Rs.26,115/- for this extra work went in favour of contractor as the dumping of earth was at a particular place. The division had preferred not to contest in the higher appellate authority as the item was recorded evidence in the MB.
4. Litigation Charges & Interest : the litigation charges of Rs.30,000/- and an interest of Rs. 1,41,718/- @ 10% from the final bill 16-8-2004 to the payment of claim amount on 28-2-07 was awarded to the contractor.

18/c (23) (3) 39
With reference to the above, it had been observed that:

[a] As per the record, it had been observed that the increase in quantity of work upto 300% of the scheduled quantity arose due to change in drawing and design of the drain due to coming of a religious place in the alignment of drain.

As per record no survey report was available. The plan /drawing / designs for the said work were approved and was awarded even when there was a religious place temple coming in between. It shows the division had not conducted the survey of site and provided the clear site to the contractor for executing the work resulting in an deviation of upto 300% as at s.No.1 above.

[b] As per record the division had not given proper directions for execution of work resulting in payment for extra item as at S.No.2 & 3 above. Further the officers of the division had provided the copies of MBs out of record to the contractor for which no action has been taken.

[c]- Due to the lapses on the part of the division had to pay a total arbitration amount of Rs. 7,29,002/- including the litigation and interest as at S.No.4 above, but as per records it had been observed that the division has not fixed any responsibility against the delinquent officials.

Reasons for the above lapses may be intimated to audit and action against the officers responsible for the above lapses may be taken under intimation to audit.

Para 6

[Ref.Memo No.13/24-10-08]

Subject: Irregular expenditure of Rs.1.55 lakh on Advertisement

Work: Design including proof checking, fabrication, supply & installation of manually operated gate to be provided at newly constructed RCC structure of Head Regulator at RD 1135 M [Burari Regulator] of Jahangirpuri Drain [Agreement no. EE/CDX/07-08/1]

The estimate of Rs.32.33 lakh for the above said work was technically sanctioned vide letter dated 27-12-05 and the tenders were called during 2/06. As no tenders were received and the work being specialized, the division had relaxed one of the condition for the contractor having satisfactorily completed 3 works of 12.5 lakhs during last 5 years to having completed 2 works of 5 lakhs each during last 5 years. No tenders were received even at the 4th call. At the 5th call the division relaxed the condition of the registration of contractor from only Govt Departments. Two tenders with the lowest being 52.92% above the estimated cost were received and the same was not accepted.

After discussion of the estimates with the Director, Gates, Dte. Of Central Water Commission, the division had revised the rates of item and the revised estimate for Rs.42.68 lakh has been prepared. Though the minutes of the discussion were not available on record, the fact was reflected in the revised estimate proposal. At the 6th call of tender the work was awarded.

In this regard, it had been observed that when the nature of the work was of the specialized then why the division had not considered the eligibility of the contractor and taken the opinion of the Director, Gates before the preparation of estimates itself which could have saved the efforts of manpower and an amount of Rs.1.55 lakh spent on advertising for the tenders. Reasons for the same may be furnished to audit.

Para 7

Subject: No decision on foreclosure of work

**Work: Remodeling & lining of Jahangirpuri Drain from RD 2350 M to 3000M
[Agreement No. EE/ CD X /04-05/10]**

The above mentioned work was awarded to M/s J & S Construction at a tendered cost of Rs.24,55,892/- with stipulated date of start & completion being 11-1-05 & 28-6-05. The contractor was paid a gross amount of Rs.19.66 lakh upto 6th running bill during Aug. 06 after completing the lining work of 500M length out of the total length of 650M length of work from RD 2350M to 3000M.

During the execution of the work, as a rocky strata was encountered in the bed of the drain between 150M length of drain [165M length on Right side and 135 M on left side of the drain] the work had been stopped. The date of last measurement was recorded on 2-2-06 and the Ex. Engineer vide his letter dated 4-9-06 had sought approval of SEFC I for foreclosure of the work wef 2-2-06 as it was not possible to get the work executed in rocky reach within the contract.

As per record, it had been observed that:

[i] During the execution of the work, the contractor vide his letter dated 4-6-05 had intimated the site position of rocky stretch between the bed of the drain. And vide his letter dated 3-12-05, the contractor had furnished his rate of Rs.650/-per cum for excavation of the rock. But the division had not taken any decision / action on the issue.

[ii] The Executive Engineer vide his letter dated 4.9.06 had sought the approval of foreclosure of the work wef 2-2-06. And vide his letter dated 19-12-07 had sought approval to rescind the work. In spite of the suggestion for foreclosure the division was according the extension of time for the work till 30-4-08, unilaterally.

In this regard, reasons for extension of time for the work till 30-4-08 unilaterally and not taking any decision on the foreclosure of the work when no work at site was going on wef 22-8-05 and when already approval for the same was sought may be intimated to audit.

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Para 8

[Ref Memo 10, 14 & 17]

Subject: Other Irregularities

7.1 Improper Maintenance of Cash Book ; During the test check of main cash book of the division it had been observed that the details of balance in bank, amount of imprest were not reflected in the closing balance for the test audited months. Neither the division had furnished the bank reconciliation statement, cheque book stock register, register of bills. Further the division had not issued the TR 5 for the receipt on sale of tender documents. In view, the authenticity of the cash book could not be verified.

7.2 Income Tax: During the year 2006-07, excess rebate on account of Tution fee for Rs.21,600/- and interest on NSC for RS.8,630/- has been given to Sh. Braham Singh, AE. As a result the income tax of Rs.6,139/- may be recovered from the concerned after verification of facts & figures ~~and~~ under intimation to audit.

7.3 Purchases & Stock Registers: The general store items have been purchased by placing the supply orders without obtaining quotations. The consumable & non consumable stock registers have not been physically verified. The details of the items procured have not been recorded in the registers.


Para 9

[Ref. Memo 1 & 2]

Subject: Non Production of Record

The division had not furnished the following record, which may be shown to next audit.

- [a] TR 5 stock register/ GPF Broad sheet/Expenditure control register
- [b] Record of Income Tax for the year 2007-08
- [c] Tender file for job orders & purchase files of photocopy/typing papers
- [d] TA/ Conveyance/LTC/OTA/T.Fee/ Medical Reimbursement registers
- [e] Contractor ledger/Material suspense accounts
- [f] fidelity / Indemnity Bond of cashier/ spouse information of staff.


[A.S. KHATTI]
I.A.O.VII

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Internal Audit Report on the Accounts of O/o
Ex.Engineer, CD X, Flood Control Department
L.M. Bund Complex, Delhi
For the period 2005-06 to 2007-08

During the course of test check of records, the following shortcomings have been noticed. Reasons for the same may be intimated to audit.

[Ref.Memo nos.9 & 10]

TAN 1

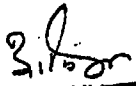
[1] Service Books : Nominations of DCRG, GPF, UTGEGIS and family details of the officials have not been obtained and placed in most of the service books. Leave record in respect of S/Sh. P.K.Jain, AE, A.K.Agor, JE, Vijay Kr.Rawal UDC, Nav Rattan Singh W/C Driver were in incomplete order.

[2] GPF Class IV : Out of the GPF advance of RS.40,500/- in respect of Sh.Karan Singh Beldar, only Rs.40,000/- has been recovered. The balance amount of Rs.500/- may be recovered.

[3] Livries : Prescribed & authenticated stock register has not been maintained. Stock received vide supply orders dt 10-1-07, 23-5-07, 25-7-07 & 18-12-07 though issued to the staff but the stock has not been taken into the stock registers. Total quantity of Stores received, issued and balance stores has not been recorded in the register.

[4] Income Tax:: The proof of savings attached with the records and calculation sheets have not been checked/verified by DDO. Further deduction under section 80C & 80D have been allowed without obtaining the documents in respect of Sh. K Sambamurti, EE : LIC Rs.30,000/- Mediclaim Rs.9128/- for the year 2005-06

[5] Pay Bill Register: Entries of Pay & allowances, advances/withdrawals drawn have not been verified/attested by the DDO. Details of LPC have not been recorded in r/o of officials transferred /posted. Columns of the PBR have not been completed.


[A.S. KHATTI]
I.A.O.VII

13/c (20)

Directorate of Audit, GNCT of Delhi

PART II

Para no 10
PARA No. 01 **(CURRENT AUDIT 2008-09 TO 2010-2011)**

Sub: Security Deposit.

During the course of audit by accounts for the year 2008-09 to 2010-11 in r/o Civil Division No.X. I&FC Deptt., it has been noticed that an amount of Rs. 32,19,618/- has been lying with the division on a/c of Security Deposit as on 31/03/2011. In accordance to para 21.1.3. of the CPWD Manual. the security deposit of the contractor should be refunded by the Executive Engineer after the prescribed period as stipulated in the agreement or after the date on which the final bill has been prepared and passed for payment whichever is later. The Executive Engineer should keep close watch on the delays in the refund of security deposit to the contractors and for this purpose they should periodically review the Register of Security deposit (form CPWA 67), maintained in the division. Further as per section 21.6, in order to avoid the refund of Security deposit, the Divisional Accountant should put up to the Executive Engineer every month, a list of all cases where security deposit becomes due for refund, so that the requisite certificate may be obtained by the D.O. from the SDO concerned and the Security Deposit is refunded without waiting for any formal application from the contractors.

As on 31/03/2011, an amount of Rs. 32,19,618/- is lying as unpaid amount with the division office against the Security Deposit. The Security Deposit may please be refunded to the contractors concerned immediately or deposited into the Govt. Account as 'Lapsed Deposit in the light of 21. 4. of CPWD manual or Rule 189 of the Receipt & payment Rules. Compliance may be shown to audit.

Para no 11
PARA NO. 02

Subject:- Removal of obstruction from the bed of Qudsia Ghat drain from D/S of Regulator of Right Bank of River Yamuna

Ref - CV No. 42 dated 30.6.2009

A proposal was put up seeking the approval of the Executive Engineer for incurring an expenditure of Rs.20000/- for Removal of huge quantity of

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Malba/garbage/plastic bags/silt deposit lying in D/S of Regulator site of R/S or right bank of river Yamuna, since the same was creating hindrance for free flow of water in the drain. It was therefore felt necessary to remove this garbage from said reach by deploying JCB Machine. It was stated in the proposal note that the matter was of urgent nature and subsequently the sanction was accorded.

Audit Observation - Since the huge quantity of Malba/garbage/plastic bags/silt could not have been accumulated in a day or two, then how come this said accumulation escaped sight of the Assistant Engineer II under whose jurisdiction the area comes. He might have been visiting the site under his jurisdiction on daily basis. Indeed garbage/malba/plastic bags come flowing with the drain water and accumulates at narrow spaces but these things are removed on regular basis. Waiting for quite some time to let the garbage accumulate and then declare the matter URGENT is against the spirit of the working of Flood Control Division.

The job was executed on Form CPWA -32. Prior to execution of job on form CPWA 32, it is mandatory on the part of the Assistant Engineer to submit an INDENT to obtain the form CPWA 32. Necessary records for issuance/indents of the form CPWA - 32 was not produce to the audit despite repeated requests. Spot quotations were obtained by the Assistant Engineer on 08.06.2009 and opened by him on the same day and subsequently comparative statement was prepared by the JE and AE. Then analysis of rates was prepared and then the job was awarded. But it is utmost surprising that on 08.06.2009 itself the contractor started the job at 8.00 a.m. and by the time the award letter was delivered to the contractor, 65% of the job was already completed and the Assistant Engineer has Test-checked the same. Clarification in this regard is requested.

As per CPWD Manual, spot quotation can only be resorted to in case of CRITICAL Conditions only. The above situation cannot be termed as 'Critical' and so obtaining of Spot Quotation is irregular. This point needs elucidation.

PARA No. 03 ~~Para No. 12~~

Para-19

Sub: Deposit work.

During the course of audit of account for the year 2008-2011 in r/o Civil Division No.X, I&FC Deptt., it has been noticed that deposit works are being undertaken by this division. But scrutiny of the records reveal that the execution of the works is unnecessary delayed for long periods i.e.

- 11/L (18) 32
- I. This division received Rs. 1,12,91,000/- in Oct. 2007 but till date the job has not been completed (Construction of bridge) MCD Jahangirpuri drain.
 - II. In Nov. 2009 Rs. 500000/- was received from Delhi Jal Board for Replacement & shifting but till date the job has not been initiated.

As per section 3 of the CPWD Manual, before acceptance of any deposit work by the Executive Engineer it is essential that an estimate should be sent to the client Deptt. after fully ascertaining all necessary site details, technical feasibility, topographically details, ownership of land etc.

If according to the above instructions, the estimates were already prepared and approved and other technicalities were ascertained, then how the execution of the deposit works were prolonged unnecessary for long period.

As per Section 3.6(2), the Executive Engineer concerned shall send to this Accounts officer every 654 along with the schedule of deposit work in form 65 for transmission to the concerned client for verification. These statements have not either been prepared or produced to the Audit.

Further as per section 3.6(4&5) the Executive Engineer should send a quarterly report to the client showing the amount deposited & expenditure incurred for settlement of accounts and it is necessary that the Executive Engineer settle their account against the deposit works expeditiously so that the amount in the books of the audit as well as the client does not remain unsettled for long. But scrutiny of the records that such Accounts are not being rendered by the Executive Engineer CD-X. The following accounts are lying with the Division even after the completion of the job.

1. Rs. 51545/- Since April 2008 courts of Gopalpur Chaupal
2. Rs. 65929/- Since April 2009 Supply of Earth
3. Rs. 96132/- Since Oct. 2008 Courts of Boundary wall

Para no 13
PARA No. 04

Para- 13

Sub: Non deduction of TDS+Cess from the repair bill of vehicles.

During the course of test checks of auditable record of O/O CD-X/I&FC Deptt. GNCT of Delhi, for audit period 2008-2011, it came to notice that repair of vehicles have been made from works shops but TDS+cess have not been deducted, while releasing the payments resulting in revenue loss to Govt. Exchequer.

A few instances are as under:-

| Sr. No. | V No. & Date | Amount (Rs.) | Name of the workshop |
|---------|------------------|--------------|------------------------------------|
| 1 | CV/13/26/08/2008 | 3140 | M/S. C. Bros Automobiles (P.) Ltd. |
| 2. | CV/15/26/08/2008 | 3140 | M/S. C. Bros Automobiles (P.) Ltd. |
| 3. | CV/1/23/08/2009 | 1953 | M/S. C. Bros Automobiles (P.) Ltd. |
| 4. | CV/8/15/05/2009 | 16266 | M/S. C. Bros Automobiles (P.) Ltd. |

Similar type of other cases may be reviewed by the Deptt., and TDS/Cess may be deducted and deposited in Govt. Treasury under intimation to audit.

~~PARA No. 05~~ Para no 14

Para-14

Sub: Variation between the estimates and the Tendered Amount.

| Year | AGR. No. | Estimated Amount | Tendered Amount | Variations |
|---------|----------|------------------|-----------------|------------|
| 2008-09 | 01 | 5,46,728.00 | 3,27,168.00 | (-) 40.16% |
| | 03 | 7,17,771.00 | 3,30,264.00 | (-) 53.98% |
| | 05 | 31,41,217.00 | 54,43,394.00 | (+) 73.28% |
| | 07 | 6,01,246.00 | 3,17,424.00 | (-) 47.20% |
| | 10 | 4,30,880.00 | 6,01,325.00 | (-) 39.55% |
| 2009.10 | 01 | 6,60,000.00 | 1,57,500.00 | (-) 76.13% |
| | 22 | 8,30,121.00 | 5,84,784.00 | (-) 29.55% |
| | 24 | 3,14,720.00 | 4,04,000.00 | (+) 28.36% |
| 2010-11 | 01 | 6,43,482.00 | 4,72,788.00 | (-) 26.33% |
| | 02 | 7,12,923.00 | 1,63,000.00 | (-) 77.14% |
| | 04 | 3,84,672.00 | 2,70,084.00 | (-) 29.60% |
| | 13 | 4,75,194.00 | 3,59,020.00 | (-) 24.45% |

During the course of audit of Civil Division No.X it has been noticed that there is huge Variation between the estimates and the tendered amount. The estimates are prepared by the technically experts Engineers on the basis of prevalent DSR and depending upon the prevailing market rates; but still it has been observed that tenders have been received quoting the rates much below the estimated figure. Today the rates of every commodity are rising spirally, yet the tenders have been accepted below the estimated cost.

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The reasons for the unreasonable variations can be attributed to either wrong assessment of the quantity of items or sketchy estimates prepared in an unprofessional manner. Almost all the works (except a few) have been accepted below the estimated cost. A well defined scope of work and a realistic market rate estimate can prove to be vital input of successful execution of a contract with high standards of quality. The estimates should take into considerations of relevant factors based on the prevailing market price of various inputs. Reasons for the variations to such extent needs elucidation.

PARA No. 06 *Para no 15*

Sub: Irregular expenditure of Rs. 5000/- for the office of Chief Engineer

During the course of test check of auditable record of O/O Executive Engineer CD-X, (I&FC), L.M. Bund, Geeta Colony, Delhi. (Ref cash book Page No. 50) it came to notice that an amount of Rs. 5000/- paid to Sh. Rajiv, on a/c of Typing work, in P&D Branch, Chief Engineer, for the period 01/01/2009 to 31/01/2009, on hand receipt vide voucher No. 02 dated 02/02/2009. The Expenditure has been booked in MH-2711 (NP). The expenditure incurred by the Divisional office on the office of the Chief Engineer is irregular. The same may be got regularized by the competent authority under intimation to audit.

PARA NO. 07 *Para no 16*

Subject:- Construction of boundary wall/retaining wall of both sides of Jehangipuri Drain (File No. 54(500/CDX/Acctt./2008-09)

Estimated cost – Rs.1,51,21,492

Tendered amount Rs.1,38,40,229/-

Work was awarded to M/s.Attri Construction

Dated of start of work 25.03.2009 Stipulated date of completion 24.12.2009

Time allowed - 9 months

The execution of work was started as per scheduled date but till date the work has not been completed ever after a lapse of 31 months against the sanctioned time of 9 months. Till date 8 RA Bills have been submitted by the contractor and have been paid an amount of Rs.1,54,81,245/- upto 31.03.2011. Work is still in progress. The contractor is being granted extension but no Reason has been mentioned in the Extension Letter. The cost of the project has also been escalated by Rs.16 lacs.

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Necessary records related to the Project i.e., Measurement Books, Inspection Reports Statement of Extra Items, Statement of Deviations, Hindrance Book, Material at Site Record have not been produced to the audit.

Audit may be appraised as to whether what action has been initiated against the contractor for delay in completion of the Work as per provision of Section 28 of the CPWD Manual or Clause 2 of the Agreement.

~~PARA No. 08~~ Para no 17

Para-17

Sub: Irregular Expenditure of Rs. 7600/- on purchase of Fax Machine.

During the test check of auditable record for the period 2008-2011 in r/o of O/O Executive Engineer, CD-X/I&FC Deptt., it came to notice that the department has purchased a Fax Machine from M/S SAT Group. B-10, Joshi Colony Extn. Delhi, amounting to Rs. 7600/-

The payment has been released vide U No. 12 dated 05/02/2009 for Rs. 7600/- (HP Model 3608)

As per delegation of financial powers issued by the GNCTD of Delhi, all the Electronic Equipments which attract economy ban must be procured with prior approval of finance Deptt, GNCTD of Delhi, but in this instant case, the approval of finance Deptt. GNCTD of Delhi, has not been obtained.

The expenditure needs regularization from finance Deptt, GNCT of Delhi, under intimation to Audit.

~~PARA NO. 09~~ Para no 18

Para-18

Subject - Hiring of vehicle

During the course of audit of accounts for the year 2008-09 to 2010-2011, it has been noticed that the Division No. X of the I & FC has hired private vehicles from time to time. However scrutiny of the vouchers revealed that the Department has been hiring vehicles from private dealer for the use of Executive Engineer continuously. Year wise details are as under:

2008-09

Limited/Open Tender enquiry was floated in the month of July 2008 to hire a vehicle (car) for office/field use. Neither any letter to any service provider was sent nor was the tender notice placed on the website of the Delhi Govt. The file contains a comparative statement showing the comparison of

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rates of TWO service provider i.e., M/s GAD Taxi services and M/s. Jasjit Tender tours and Taxi services. M/s. GAD Taxi services was awarded the contract for one year i.e., 01.08.2008 to 31.07.2009 @ Rs.225,540/- which comes to Rs.18,795/- per month. The currency of the contract expired on 31.07.2009 but the Division Office kept engaged the vehicle upto Jan 2010 i.e., for 6 months without valid agreement.

2009-10

Tender enquiry was floated in the month of Jan 2010 through web site of the Delhi Govt. The tender enquiry was opened on 21.01.2010 and closed 23.01.2010 (unreasonably short time of two days only was provided). The contract was for 11 months effective from 01.02.2010. Only two responses were received and M/s. Shrimati Savitri Devi was awarded the contract @Rs.156819/- (Rs.14,256/27 per month)

AUDIT OBSERVATIONS-

1. Since the Division X has already maintaining four vehicles (Maruti Gypsy DL 4C F 8189, DL 8C 5253, Jeep-DED 4902 and Ambassador DL 7C K 1637), THERE SEEMS TO BE NO JUSTIFICATION FOR HIRING FURTHER ONE VEHICLE. REASONS FOR HIRING A PRIVATE VEHICLE DESPITE HAVING FOUR GOVT. VEHICLES IN THE DIVISION MAY BE ELUCIDATED TO THE AUDIT.
2. As per instructions on the subject, Two-bid system should be adopted for hiring a private vehicle whereas the Division office did not adopted two bid system violating the instructions
3. Mode of obtaining the quotations for hiring the private vehicle during 2008-09 may be clarified to the audit.
4. Justification for hiring of vehicle wef 01.08.2009 to 31.01.2010 beyond the period of contract may be submitted to the audit.
5. As per instructions on the subject, an Agreement should be executed by both the parties i.e., the Contractor and the Division I&FC on behalf of the President of India before starting of the contract. Reason for non execution of the Agreement may be submitted to the audit.
6. As per letter of Finance Department dated 06.08.2008, monthly expenditure on hiring of vehicle should not exceed Rs.15000/- whereas the Division has accepted tenders exceeding Rs.15000/- per month. Reason the same may be explained to the audit.
7. As per instructions on the subject - The prospective bidder should be registered with DGS&D so as to enable him to submit his bids through e-

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tendering. The Division has not ensured this fact before accepting the tenders and thus the quotations have been accepted from the contractors not registered with the DGS&D. Reasons for non-adhering to the instructions may be communicated to the audit.

PARA No. 10 Para 10

Para-19

Sub:- Unrealistic purchases/work order.

During the Scrutiny of the record it has been noticed that the following purchase/works had been carried out in the Month of June 2009 which took for from realistic.

1. C.V. No. 40/01 dated 30/06/2009 Rs. 9830/-

A note was put up by the Assistant-I on 18/06/2006 seeking approval of the Executive Engineer CD-X, for purchase of pump accorded on EMERGENT BASIS the approval was accorded on 18/06/2009 itself. Nature and kind of EMERGENCY was not DESCRIBED in the note. The Assistant Engineer-I obtained the spot quotations on 18/06/2009 and opened the quotation himself alone and prepared the comparative statement the quotations were obtained from the following there dealers.

M/S Manoj Const. Co.
M/S Tubya Const. Co.
M/S Satish Chand

2. C.V. 40/2 dated 30/06/2009 Rs. 9800/-

Second Note was put up by the Assistant Engineer-I, on 18/06/2006 seeking approval of the Executive Engineer for the purchase of care Baskets, Axes, Gras Cutters, Phawras etc on EMERGENT BASIS The approval was accorded on 18/06/2009 and the quotations were collected by the Assistant Engineer-I on 18/06/2009 Chief and on the same day the comparative statement was prepared and another note was put for approval to place the supply order to the selected tenderer on 18/06/2009. The quotations were obtained through the same dealers.

M/S Manoj Const. Co.
M/S Tubya Const. Co.
M/S Satish Chand

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3. **C.V. 40/3 dated 30/06/2009 to 9600**

Third note was put up by the Assistant Engineer-I, on 18/06/2009 seeking approval of the Executive Engineer for Replacement of damaged planks & fixing men planks on EMERGENT BASIS the approval was accorded by Executive Engineer on 18/06/2009. The A.E.-I collected the quotations from the open market on the same day itself i.e. on 18/06/2009. The comparative statement was prepared on 18/06/2009 and another note was put up for approval to award the work on 18/06/2009. The quotations were obtained from the following dealers
M/S Manoj Const. Co.
M/S Tubya Const. Co.
M/S Satish Chand

4. **CV No. 43/1 dated 30/06/2009 Rs. 19,800/-**

Painting of existing regulators of Jahangir puri drain spot quotations were collected by the Assistant Engineer-I on 16/06/2009 quotations were opened by himself and comparative statement was prepared on 16/06/2009 it self. Quotations were obtained from the following dealers.

M/S Manoj Const. Co.
M/S Tubya Const. Co.
M/S Satish Chand

The job was stated to be done on EMERGENT BASIS.

5. **CV No. 43/2 dated 30/06/2009 Rs. 18,807.00**

Approval was obtained from the Executive Engineer for execution of job " maintenance of wooden karries of various regulator of Jahangir puri drain" on EMERGENT BASIS. Approval was sought on 16/06/2009 and accorded on the same day. Spot quotations were obtained by the Assistant Engineer-I, on 16/06/2009 itself. There statement was prepared on the same day (16/06/2009)

M/S Manoj Const. Co.
M/S Tubya Const. Co.
M/S Satish Chand

- 4/c (11) 25
6. The details of above purchases/execution of job reveal that initiating a proposal for purchases/job execution, obtaining the approval of the competent authority, collecting spot quotations from the market, and opening of quotations, preparation of comparative statement, and again seeking the approval for placing the supply order and job order in a single day i.e. 18/06/209 seems far from possible. It looks quite unrealistic to carry out all the formalities in a single working day.

As per section 5.4.1, spot quotations may be collected only in Critical Conditions such as in the case of break-down of an essential service. Quotations may be collected from reputed and established agencies. Spot quotations can also be obtained in case of a situation where there is a Shortage of a Critical material.

Since the division has been dealing with the control of Flood-line situations, the above purchases/jobs can always be foreseen. So in all the cases,/as/purchases cannot be termed as Critical and thus collecting the spot quotations cannot be termed as VALID. In all the notes, the AE-I has not stated the specific condition for which the purchases were required or the job done.

7. It appears that the Division is known to three dealers only because in all the above cases, these three contractors were available on the spot every time wherever the Assistant Engineer-I needed the quotations and surprisingly everytime M/S Manoj Const. Co. stood lowest, be it painting of regulators or replacement of planks or supply of misc article (Gardening G.I. Pipe).

8. In the case of purchase of pump Accessories, the G.I. clamps and other hardware materials were purchased. When these articles were replaced or fitted, there is no mention regarding replacement of these items. Whether the old parts have been entered in the dead stock register?

The observations of the audit in para 6 to para 08 of the memo needs elucidation.

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PARA No. 11 *Sarai no 20*

Sub: Fidelity Bond/Security Deposit.

As per instructions laid down under GFR 275, every Govt. or Administrator may prescribe according to the circumstances or local conditions in each case and to execute a bond (in GFR 30 or GFR 31). During the course of audit of Civil Division No.X I&FC Deptt. it has been noticed the official dealing with the cash has not executed any fidelity Bond or submitted any Security.

Needful as pointed out may be done immediately under intimation to audit.

PARA No. 12 *Sarai no 21*

Sub: Non production of Record.

Reserve this office memo No. 1 dated 18/10/2011 Audit Memo No.5 dated 20/10/2011. The following records were not shown to the Audit :-

1. Register of works Abstract
2. Register of works order
3. Contractor ledger
4. Register of cheque books
5. Register of receipts books
6. Register of material at site
7. Spouse in formations
8. Files related to Chhath Pooja 2008-201
9. Files related to construction of Harijan Chaupal at Sarai Peepal Thala

(Signature)
(N.K. Mangal)
IAO

TEST AUDIT NOTES**TAN No. 01****Sub: Service Books & Leave Record.**

A test check of service books of the officials of the office of Executive Engineer Division No.X, the following shortcomings have been observed.

1. As per FRSR supplementary rule No. 202, it shall be the duty of every Head of office to initiate action to show the service book to the government servant concerned every year and to obtain their signature therein in token off their service books shows that the officials/officers of this office are not being shown their service books on annual basis.
2. As per rule 32 of CCS pension rules 1972, on a Government servant completing 25 years of service or on his being left with 5 years of service before the date of retirement, whichever is earlier, the Head of office is consolation with the PAO shall verify the service render by such a Government servant, determine the Qualifying service and communicate to him, in form 24, the previous of qualifying service so determined scrutiny of service books revealed the following officials/officers how completed more than 25 years of service but their service have not been verified and communicated to them.

| Sr No. | Name of designation | Date of Joining. |
|--------|----------------------------------|------------------|
| 1. | Sh. S.K. Ray, (Asstt. Engineer) | 11/05/1981 |
| 2. | Mrs. Asha Gupta, (UDC) | 13/05/1981 |
| 3. | Sh. Bir Singh, (UDC) | 31/01/1983 |
| 4. | Sh. Shanker Mandal, (W/C Beldar) | 10/11/1981 |
| 5. | Sh. Amrik Singh, (W/C Beldar) | 15/10/1980 |

In the light of above, similar cases of service books may also be reviewed and necessary compliance may also be shown to audit.

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TAN No. 02

Subject:- **CASH BOOK - Salary**

During the scrutiny of Cash Book (Salary) for the years 2008-09 to 2010-11 in r/o the office of the Executive Engineer, Civil Division No. X, of the I & FC Dept., it has been noticed that "A" series cheques received from PAO concerned have been entered in the Cash Book whereas as per instructions, "A" series should be entered in a separate register - "Register of Cheques Issued (GAR -4).

(N.K. Mangal)
IAO

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PART-II CURRENT AUDIT REPORT
(2013-16)

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Para No. 01(Ref.Memo No. 07 dated 19.07.16)
Subject :- Shortage of Cash Balance in Cash Book

Para-22

Rule 13(iii) of Receipt and payment Rules stipulates that the cash book should be closed regularly and completely checked. The Head of the office should verify the totalling of the cash book or have this done by some responsible subordinates other than the writer of the cash book and initial it as correct.

Further Rule 13(iv) stated that at the end of each month, the Head of the office should verify the cash balance in the cash book and record a signed and dated certificate to that effect. In case the verification of cash balance is not possible on the last working day of a month on account of disbursement of monthly salary and allowances, it may be done on the first working day of the next month before making any transaction on that day.

During test check of Cash Book of Civil Division No. X, I& FC department for the audit period 2013-16, it was observed that the above provisions of Receipt & Payment Rules were not followed while maintaining the Cash Book. The following discrepancies/irregularities were noticed in the maintenance of Cash Book :-

1. The closing balance as per cash book for the month of Nov 2014 has shown as Rs. 59370/- instead of Rs. 73374. Hence an amount of Rs. 14004/- is shown less in the cash balance for the month of Nov 2014.
2. The opening balance of Cash for the month of Dec 2014 has not been shown in the cash book.
3. The closing balance for the month of Dec 2014 has been shown as Rs. 34669/- instead of Rs. 62292/- hence cash balance has been shown less by Rs. 27623/- for the month of Dec 2014.
4. The cash balance certificate has not been found signed by the DDO for the above months.
5. The total of the cash book has not been checked by HOO or any official other than the writer of cash book.

In view of the above discrepancies audit observed a cash shortage of Rs. 27623/- in cash balance for the month of Nov & Dec 2014. The audit vide memo number 7 dated 19.07.16 has asked the reasons for the shortage of cash. The division in its reply dated 22.07.16 stated "that shortage of cash balance is already in notice of their office and higher authorities of the department. Matter will be sorted out as and when the directions received from the competent authority and will be informed to audit accordingly". Necessary action may be taken to re-coup the above shortage of cash under intimation to audit.

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Para-23

Para No. 02 (Ref. Memo No. 06 dated 19.07.16)
Subject : Time barred cheques

As per receipt and payment rule 47(2) a cheque remaining unpaid for six months after the month of its issue for any cause, and not surrendered for renewal should be cancelled, in the manner indicated under the rules with the difference that no acknowledgment of the stop order may be insisted from the bank.

While scrutiny of Form 51 – Schedule of Reconciliation of cheques drawn and remittances and other related records for the month of March 2016, it has been noticed that the division had issued a cheque number 816384 dated 20.08.14 for Rs. 17600/- but not presented for payment till now, hence become time barred. Since this cheque has now more than six months old, because of no claim / dispute there is no possibility of encashment of this cheque. Reasons for its non-encashment or if any fresh cheque was issued in lieu of this cheque may be intimated to Audit. Immediate steps are required to be taken to settle this cheque as per rule, under intimation to Audit.

Para-24

Para No. 03 (Ref. Memo No. 12 dated 21.07.16)
Subject :- Non –refund of performance guarantee

While scrutiny of FDR/Performance Guarantee Register, it was noticed that many works have been completed but the amount of performance guarantee has neither been refunded to the contractor which should have been refunded or renewed as per section 21.1.5 of CPWD on completion of work or after the final bill has been passed for payment

In the following cases FDR/performance guarantee are kept by the DDO/HOO without getting it renewed or refunded it to the contractors :-

| S.No. | S.No. in the register | FDR No. & Date | Firm | Date of maturity | Amount |
|-------|-----------------------|-----------------|--------------------|------------------|--------|
| 1. | 54 | 10128/19.01.11 | Virender Kumar | 19.03.11 | 22500 |
| 2. | 120 | 845305/24.05.12 | Rahul Builders | 24.05.13 | 22850 |
| 3. | 127 | 254430/09.07.12 | Varun Gupta & Co. | 09.07.13 | 257500 |
| 4. | 128 | 845742/10.07.12 | Rahul Builders | 10.07.13 | 256300 |
| 5. | 157 | 31095/18.04.13 | Radhy Shyam Sharma | 03.05.13 | 48000 |

The competent authority may take necessary action as per the provisions of the rule under intimation to audit.

Para-25

Para No. 04 (Ref. Memo No. 04 dated 15.07.16)
Sub :- Work is completed but final payment has not been made.

Section 30..2 (1) of CPWD Works Manual states that Final measurements should be recorded within one month of the completion of work and final payments for works shall be made within two months if the tendered value of works is upto Rs. 45 lacs otherwise the final payment shall be made within three months if the tendered value of works is more than Rs. 45 lacs and up to Rs. 2.5 crore.

During the test audit of C.D. X of Irrigation & Flood Control Department, LM Bund for the period 2013-16, revealed that the following works have been completed but its final payment has not been made within the stipulated period of time as mentioned in the above clause. The details are given as under :-

| Agt. No. | Name of Work | Agency | ADOC | Status of payment |
|------------|--|---|----------|---|
| 33/2013-14 | Restoration of damaged dry portion between RD 0m to RD 1135m & RD 3250m to RD 1600m of Jahangir Puri drain | Sh. Praveen Kumar(Tendered Cost 7201820) | 28.01.15 | Only payment upto 4 th RAB i.e. Rs. 5942003 paid |
| 03/2014-15 | Upgradation/renovation of Seelampur Dispensary in North East Delhi | M/s V2 Associates (Tendered Cost 1481304) | 05.05.15 | Only payment upto 1 th RAB i.e. Rs. 707742 paid |

The ~~reasons for delay~~ in making final payment was asked vide audit memo number 4 dated 15.07.16 but no reply was furnished to audit The un-due delay on the part of the division may give a chance to the contractor for claiming the interest, Division may settle the bills as per the provisions to avoid any legal claim on the bill by the contractor.

Para No. 05 (Ref. Memo No. 09 dated 20.07.16)
Subject : Public Works (Suspense) Deposit.

The Monthly accounts for the month March 2016 of the office of the Executive Engineer, CD-X, Irrigation & Flood Department .L.M. Bund, Delhi shows that a heavy outstanding balance is lying in 8443-Part II, III and V as per the following details :-

| Particular | Amount (in Rs.) |
|------------|-----------------|
| Part II | 42,29,077 |
| Part III | 6,95,58,651 |
| Part V | 37,82,363 |
| Total | 7,75,70,091 |

Taken as fresh in current audit report as Para No.

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PART-III
TEST AUDIT NOTES

Tan 01(Ref. Memo No. 10 dated 20.07.16)
Sub :- Non verification of Qualifying Service

As per provision contained in CCS (Pension) Rule 32 (1), the Head of office in consultation with the Accounts Officer shall verify the service of the government servant who has completed 25 years of service or within 05 years of retirement, determine the qualifying service and communicate to him/her but in the following cases qualifying service of the officials were not verified in consultation with the PAO.

| S.No. | Name of the officials | DOB | DOA | DOR |
|-------|-------------------------|----------|----------|----------|
| 1. | Sh. Ramesh Chand Beldar | 02.10.64 | 01.06.89 | 31.10.24 |
| 2. | Sh. Mehkar Singh Beldar | 15.01.64 | 01.06.89 | 31.01.24 |
| 3. | Sh. Bhagwati Pd.,JE | 01.01.61 | 01.01.87 | 31.12.20 |
| 4. | Sh. Syed Zia Alam,JE | 05.07.62 | 02.05.89 | 31.07.22 |

The same may be verified along with similar cases under intimation to audit.

TAN 02(Ref. Memo No. 02,15.07.16)
Sub :- MAS A/c register maintained by JE(HQ)

During the test check of MAS A/c maintained by JE(HQ) in CD-X Division, LM Bund, Delhi the following discrepancies were observed :-

1. It was found that all the stationary, journal articles & even non consumable articles procured by the CD-X during 2013-16 were entered in this register whereas separate registers are required to be maintained for stationary, journal and non-consumable articles. The items related with work are only to be entered into MAS Register. All out refill (journal article-P/No. 22, Camera, Calculator, Cooler chain-Non consumable-P/No. 12,14,61) Noting sheet, Marker Pen-Stationary articles-P.No. 20,16)/
2. No invoice/bill/ challan number with its value is shown against the each article received.
3. No indent for issuing the articles to different divisions or staff are shown to audit nor any receiving of these article by the recipient is shown to audit.
4. As per the GFR 192(1)(2)(3) the physical verification of fixed assets and consumable should be done at-least once in a year but it has been found that the physical verification of stock has not been done.

The competent authority may take necessary action under intimation to audit,

TAN 03 (Ref. Memo No. 08 dated 20.07.16)
Sub :- Non Revision of Technical Sanction

According to section 2.5.2 of CPWD Manual, the Technical Sanction can be exceeded upto 10% beyond which the revised T/S shall be necessary. During the test audit of CD-X of Irrigation & Flood Control Department, L.M. Bund, Delhi for the period 2013-16, it was observed that the work of Construction of 20 Nos. SPS Class Rooms in Govt. Senior Secondary School at Rohini Sector-16, Pocket D, Delhi was awarded to Er. J.Prasad vide agreement number 27 during 2012-13 at the tendered cost of Rs. 1,28,71,227/-. The firm was paid Rs. 1,84,86,907/- upto 8th Running Account Bills. The estimate cost of the above work was Rs. 1,59,59,253 and technical sanction accorded for Rs. 143.37 lacs by the Superintendent Engineer, the competent authority. Since the total expenditure has exceeded over 10% of the original TS amount, a revised technical sanction should have been obtained from the competent authority. However no revised technical sanction have been obtained from the competent authority as per the records provided to audit. However the cost incurred is under the AA&ES therefore it is adviceable to take revised technical sanction from the competent authority under intimation to audit.

TAN No. 04 (Ref. Memo No. 11 dated 20.07.16)
Subject :- Unfruitful expenditure to the tune of Rs. 60,07,985/- lacs
N/W Development and improvement of existing cremation Ground , Azadpur
EC 54,50,275/- TC- 49,80,184/- Agreement No. 29/2013-14

The above work was awarded to M/s Saroha Construction co. with SDOS and SDOC was 09.10.13 & 08.10.14. The scrutiny of the work file revealed that the contractor was paid a total sum of Rs. 60,07,985/- vide Vth and final bill on 26.02.16. During the execution of work the area was found with filled up loose earth and due to raft foundation in place of isolated foundation the total estimate of cost was increased. The division requested the Urban Development Department for providing an additional fund of Rs. 18.00 lakh which was not made available to the division and the work was fore-closed on 20.07.15 due to non availability of the additional fund of Rs. 18.00 lacs. The Section 15.1 of CPWD Manual states as "that before approving Notice Inviting Tender, it is desirable to see the

- **Availability of clear site, funds and approval of building Plans from local bodies**
- Confirmation that material to be issued to the contractor would be available
- Availability of structure drawings for the foundations
- Lay out plan for all services

As the work was fore-closed, the basic purpose of the work could not be materialized. The audit is of the opinion that the division had not accurately studied about the site before approving the NIT resulted in unfruitful expenditure of Rs. 60,07,985/-. In future the competent authority may ensure the availability of clear site before issuing the NIT for execution of work.

(15)

TAN No. 05 (Ref. Memo No. 05 dated 15.07.16)
Sub :- Wasteful expenditure of Rs. 26123/- on advertisement

The section 15.1(2)(i) states that before approval of NIT, it is desirable see the availability of clear site, funds and approval of building plans from local bodies. However during the test audit of CD-X, Irrigation & Flood Control Department, It was observed that Division had not followed the above provision of CPWD Manual and called the tenders for the construction of Boundry Wall between RD 5070m to RD 5470m of Jahangir Puri Drain for the protection of Govt. Land and awarded the agreement No. 01 during 2015-16 to M/s Jai Mata Const. Co. at the Tendered Cost of Rs. 24,85,550/- and incurred Rs. 26123 on advertisement of tender notice in newspaper but the work could not be started for the reason that revenue department had not demarcated the land and later on these work was closed.

Closing of above agreement shows the poor planning of the division, resulting in wasteful expenditure of Rs. 26123/- on advertisement, which is the violation of section 15.1 (2)(i) of the CPWD Manual. In future the competent authority may ensure the availability of clear site before publishing advertisement in newspaper regarding NIT.

TAN No. 06 (Ref. Memo No. 03 dated 15.07.16)
Sub :- Delay in work

According to section 29.1 (1) of CPWD Manual, " At the time of issuing Notice Inviting Tenders for a particular work, the Engineer-in-charge should specify, the time allowed for completion of the work consistent with the magnitude and urgency of the work". 29.1 (2), states that the time allowed for carrying out the work as entered in the contract shall be strictly observed by the contractor, the section 29.1 (3) further specify that the work shall be proceeded with all due diligence on the part of the contractor throughout the stipulated period of the contract (time being deemed to be essence of the contract)

However it was observed during the audit of Division No CD-X, LM Bund, Delhi, I&FC, Delhi that the division had not followed the above provisions while executing the works during 2013-16. A statement regarding the agreement wise detail of SDOC, ADOC produced by the division shows that no work was completed within the stipulated period of time as per the agreement. In some of the work there was a huge delay in completion of work upto 327days. A copy of statement of agreement in which such delay shown is enclosed herewith (Annexure-I). Reasons for such a slow progress was asked vide audit memo number 03 dated 15.07.16, but no reply in this regard was furnished to audit. Strict adherence of the above provisions of the rules is required from the competent authority while executing the work.


(KRISHNAN KUTTY)
IAO-PARTY NO. III

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Annexure-I

LIST OF AGREEMENT W.E.F. 2013-14 TO 2015-16

2013-14

| Agt. | SDOS/ SDOC | ADOC | Delay (in days) |
|------|-------------------|----------|-----------------|
| 1 | 25.4.13/ 24.1.14 | 25.4.14 | 81 days |
| 2 | 30.4.13/ 29.10.15 | - | - |
| 3 | 9.5.13/ 8.9.13 | | |
| 4 | 15.5.13/ 12.8.13 | 30.8.13 | 23 days |
| 5 | 15.5.13/ 12.8.13 | 25.9.13 | 61 days |
| 6 | 5.6.13/ 2.9.13 | 7.1.14 | 127 days |
| 7 | 30.7.13/ 27.9.13 | 27.11.13 | 61 days |
| 8 | 30.7.13/ 26.11.13 | 5.5.14 | 160 days |
| 9 | 30.7.13/ 29.7.14 | 29.7.14 | - |
| 10 | 30.7.13/ 26.11.13 | 29.11.13 | 3 days |
| 11 | 5.8.13/ 2.11.13 | 10.2.14 | 100 days |
| 12 | 5.8.13/ 3.1.14 | 20.12.13 | - |
| 13 | 8.8.13/ 6.10.13 | 16.11.13 | 60 days |
| 14 | 9.8.13/ 6.11.13 | 8.11.13 | 2 days |
| 15 | 7.8.13/ 4.11.13 | 2.11.13 | - |
| 16 | 22.8.13/ 17.2.14 | 25.8.14 | 189 days |
| 17 | 21.8.13/ 9.9.13 | 30.11.13 | 82 days |
| 18 | 12.9.13/ 10.4.14 | 22.8.14 | 134 days |
| 19 | 19.9.13/ 17.11.13 | 20.1.14 | 69 days |
| 20 | 19.9.13/ 17.12.13 | 22.3.14 | 95 days |
| 21 | 24.9.13/ 21.1.14 | 7.1.14 | - |
| 24 | 26.9.13/ 24.3.14 | 30.6.14 | 98 days |
| 25 | 25.9.13/ 23.3.14 | 30.5.14 | 68 days |
| 26 | 3.10.13/ 31.12.13 | 5.4.14 | 95 days |
| 27 | 23.9.13/ 22.9.14 | 22.9.14 | - |
| 28 | 7.10.13/ 4.1.14 | 2.1.14 | - |
| 29 | 9.10.13/ 8.10.14 | 20.7.15 | 285 days |
| 30 | 18.10.13/ 16.3.14 | 9.4.14 | 60 days |
| 31 | 26.12.13/ 24.4.14 | - | - |
| 32 | 21.14/ 21.3.14 | 11.2.15 | 327 days |
| 33 | 11.2.14/ 7.11.14 | 28.1.15 | 82 days |

2014-15

| | | | |
|----|------------------|----------|----------|
| 3 | 2.6.14/ 29.9.14 | 5.5.15 | 218 days |
| 7 | 15.1.15/ 14.4.15 | 22.6.15 | 69 days |
| 8 | 15.1.15/ 14.4.15 | 19.6.15 | 66 days |
| 9 | 20.1.15/ 20.3.15 | 11.5.15 | 52 days |
| 13 | 27.3.15/ 22.9.15 | 31.10.15 | 39 days |
| 14 | 6.4.15/ 4.6.15 | 30.6.15 | 26 days |

PART-II

(12)

PART II
CURRENT AUDIT REPORT
(2016-19)

Para No. 1

Short deduction of CGEIS/UTEGIS Subscription of Group 'C' Employees (Reference Audit Memo No.2 dt.08.08.2019)
Recovery amounting to Rs. 11,760/-

The rate of subscription towards UTEGIS to the erstwhile Group 'D' employees placed in PB-1 with Grade Pay of Rs.1800/- and classified as Group 'C' officer is at Rs.30/- per month w.e.f. 01.01.2011.

During the test check of Pay Bill Registers maintained by Executive Engineer, Civil Division-X, I&FC Deptt., Delhi for the audit period, it has been noticed that, the CGEIS/UTEGIS subscription for some Group 'C' employees has not been deducted at the enhanced rate of Rs.30/- w.e.f. 01-01-2011 or from the date of conversion of their posts in Group 'C' in respect of the following employees.

| Sl.No. | Name and Designation (Mr./Ms.) | Recovery Period | Total months of recovery | Amount of recovery | | Short Deduction | Difference to be recovered |
|--------------------------|--------------------------------|------------------|--------------------------|--------------------|----------------------|-----------------|----------------------------|
| | | | | Deduction made | Deduction to be made | | |
| 1 | B.P.Sharma, LDC | 11/16 to 12/17 | 14 | 15 | 30 | 15 | 210 |
| 2 | Karan Singh MATE | 01/2011 to 05/17 | 77 | 15 | 30 | 15 | 1155 |
| 3 | Sukrem Singh, Beldar | -do- | 77 | 15 | 30 | 15 | 1155 |
| 4 | Krishna Bahadur - do- | -do- | 77 | 15 | 30 | 15 | 1155 |
| 5 | Jagbir Singh, -do- | -do- | 77 | 15 | 30 | 15 | 1155 |
| 6 | Mehkar Singh, -do- | -do- | 77 | 15 | 30 | 15 | 1155 |
| 7 | Ramesh Chand, -do- | -do- | 77 | 15 | 30 | 15 | 1155 |
| 8 | Dinesh Kumar -do- | -do- | 77 | 15 | 30 | 15 | 1155 |
| 9 | Satyavir Singh, -do- | -do- | 77 | 15 | 30 | 15 | 1155 |
| 10 | Manohar Dutt, -do- | -do- | 77 | 15 | 30 | 15 | 1155 |
| 11 | Kamla Devi, Water Woman | -do- | 77 | 15 | 30 | 15 | 1155 |
| Total recoverable amount | | | | | | Rs. | 11760 |

HOO may recover the above short amount from the official concerned and deposit the same into Govt. A/c after due verification of facts and figures under intimation to audit. Other similar cases may also be verified at your level and action be taken accordingly.

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Para No. 2

**Irregularities in maintaining of Public Works Deposit Registers
(Reference Audit Memo No.3 dt.08.08.2019)**

In terms of Para 15.4.1 of CPWA Code, the balance unclaimed for more than three complete accounting years may be treated as "Lapsed Deposits" and credited to the Government Account as Revenue in the monthly accounts for March every year.



A test check of the monthly accounts of the Division for the Month of March 2019 revealed that an amount of more than Rs.4.8 Cr is lying outstanding under the head "Public Works Deposits" as on 31-03-19, as per details given below:-

| Detail | Amount (in Rs.) |
|----------|-----------------|
| Part-II | 2345313 |
| Part-III | 39716505 |
| Part-V | 5937020 |
| Total | 47998838 |

As per provisions of CPWD Works Manual, the Divisional Accountant should review, all deposits under Part II on monthly basis and refund the security deposits, where due, without waiting for any application from the contractor. Heavy accumulation of Rs.2345313 under deposit Part II indicates that the deposit register was not reviewed at divisional level from time to time. The register should be reviewed and all deposits more than 3 years old where refund is not due should be credited to government account. Further, the amount of deposit register should be matched with the amount reflected in monthly account.

Further, the division office had maintained Register for Part-II up to 03/2013, Part-III up to 23.03.2014 and Part-V up to 06/2017 without working out of balances and reconciling the figure so booked in monthly accounts resulting the figure listed in monthly A/C as Part II, Part III, and Part V could not be verified being the said registers were not maintained with balances from year to year basis not found worked out/carry forward/brought forward as per CPWD manual, which is a serious lapse on the part of Divisional Officer.

The HOO may take necessary action for the above procedural lapses and effective efforts may be taken in this regard to complete the said Registers and get the figure matched with the amount booked in the Monthly account after verification of facts and figures under intimation to audit.

Para No. 3

**Over Payment of Transport Allowance amounting to Rs.3744/-
(Reference Audit Memo No.6 dt.09.08.2019)**

As per Min. of Finance Office Memorandum No. 21(1)/97-E-II(B) dated 3/10/97, Transport Allowance is given to all employees to compensate the cost incurred on account of commuting between the place of residence and the place of duty. From 22/02/2002, this allowance is not admissible, if the Govt. employee is absent from the duty during full Calendar Month(s) due to leave training, tour etc. vide Min. of Fin. O.M. No 21(1)/97/E-II(B) dated 22/02/2002.

On scrutiny of Attendance Registers, Pay Bill Registers & Service Books of officer/officials for the period of audit, it revealed that the following officials have been paid Transport Allowance during absence from duty for the period of leave exceeding full month for which they were not entitled for, as per detail given below:

| S. No. | Name and Designation Ms./Mrs. | Leave Period (Full Month) | Transport Allowance (Rs.) | Total Amount of Recovery |
|---------------------------------|----------------------------------|------------------------------|------------------------------|--------------------------|
| 1 | B.D.Sharma | 08/2017 | 3744 | 3744 |
| Total recoverable amount | | | | 3744 |

Overpayment made on a/c of transport allowance as mentioned above may be got recovered & deposited into Govt. A/c after due verification of facts and figures under intimation to audit. Other similar cases, if any may also be verified at your own level and action be taken accordingly under intimation to the audit as most of the attendance registers and biometric reports for complete period of audit 2016-19 not submitted to audit for scrutiny even installation of the Biometric system of attendance in the division..

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Para No. 4

**Irregularities in Grant of Extension of time.
(Reference Audit Memo No.7 dt.13.08.2019)**

Rule 29.7 (iii) of CPWD Works Manual 2012 stipulates that the items of work affected due to any hindrance should be clearly mentioned in the Hindrance Register and the weightage should be allowed on this basis. Review of hindrance register shall be compulsory at the time of payment of each RA Bill. The net delay on part of department or contractor shall be worked out after considering all the hindrances recorded in the hindrance register.

Clause 5 of CPWD Forms no. 7 and 8 and Clause 4 of CPWD Form no. 9 empower the Engineer-in-charge to grant extension of time for the completion of the work provided :-

- (i) The contractor applies for EOT in writing within 14 days of the date on which such hindrance arose.
- (ii) Such an application must state the grounds that hindered the contractor in the execution of the work within the stipulated time.
- (iii) The Engineer-in-charge must be of the opinion that the grounds shown for the extension of time are reasonable.

During the test check of Tender documents and other related records of the below mentioned works, it was observed that the department did not comply with the provisions for grant of extension of time as per details given below:-

| S.No. | Name of work & Agreement No. & date with Tendered Amount | Name of contractor | Stipulated date of start & Stipulated date of completion | Actual date of start & Actual date of completion | Date on which EOT applied by the contractor | EOT granted without levy of compensation |
|-------|---|-----------------------------|--|--|---|--|
| 1 | Disposal of excavated earth / desilted earth / malba / floating material between RD 0m to RD 3250m of Jahangirpuri drain 03/2016-17 Rs.3,17,104/- | M/s Naraniya Construction | 25.04.2016 08.06.2016 Time allowed:45 days | 01.06.2016 28.06.2016 | 28.09.2016 | 36 days |
| 2 | Construction of damaged boundary wall of Govt. Sr. Sec. School at GTB Nagar (Outram Lane), Delhi 05/2015-16 Rs.91,49,184/- | M/s Mittal Construction Co. | 01.01.2016 27.09.2016 Time allowed:270 days | 01.01.2016 14.03.2017 | 13.04.2017 | 168 days |

No justification for extension of time was given in respect of work mentioned at S.No.1 above by the departmental authorities as EOT applied on 28.09.2016 which is in contravention of Rules mentioned above.

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Further, it was observed that the department extended time for completion of the said work up to 31.03.2017 (S.No.2 above) whereas there was no hindrance at site and the work was finally completed on 14.03.2017 with the delay of 168 days (justified delay 06 days and unjustified delay 162 days) but the department levied 0.125% compensation amounting to Rs.11,436/- for the delay in completion of work as against Rs.1,37,238/- @1.5% as stipulated in the above Clause of terms and conditions.

Rule 29.6 (iii) of CPWD Works Manual 2012 regarding action on belated application for extension of time stipulates that although the contractor is required to seek extension within 14 days from the date of occurrence of hindrance for which the extension is sought, it does not debar the grant of extension sought later, as it is always competent to a promise to waive a delay and accept performance after the stipulated time. However, the extraordinary concession should be refused save in most exceptional circumstances, and for very good causes shown for not seeking it within the period of 14 days. However, it was observed that no action on belated applications for extension of time by the Contractors was being taken by the department.

The Division office could not justify the grounds on which the EOT considered as reasonable and how the EOT granted without levy of compensation instead of with levy of compensation on 0.125% instead of 1.5% being the extra ordinary delay involved in the execution of work.

Audit is of the view that the above cases are fit for levy of compensation as the contractors had applied for the Extension of time only after completion of the work which is in contravention of Rule position referred to above.

The HOO may review the position in reference to the record available and submit the justification for grant of extension of time case without levy of compensation to next audit or recover the amount of compensation in view of the Rule position.

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Para No. 5

**Irregularities in utilization of MLA fund.
(Reference Audit Memo No.8 dt.13.08.2019)**

During the test check of Tender documents and other related records of the below mentioned work, it was observed that the department did not comply with the provisions mandatory for release of funds in accordance with conditions of Urban Development Department, GNCTD as per details given below:-

| | | |
|---|---|---|
| Name of Contractor | : | M/s J.K. Builder. |
| Name of work | : | Installation of open air gym and benches in 6 No. park of AC-20 |
| Agreement No. | : | EE/CD-X/2018-19/11 |
| (i) Estimated Cost | : | Rs. 17,60,934/- |
| (ii) Tendered Cost | : | Rs. 10,34,901/- |
| (iii) Percentage under Clause 12 | : | 41.23 % below |
| (iv) Date of start | : | 16.01.2019 |
| (v) Stipulated Date of completion | : | 15.04.2019 |
| (vi) Time allowed | : | 3 months |
| (vii) Actual Date of completion | : | work in progress |
| (viii) EOT granted without levy of Compensation | : | 60 days |

The sanction Order for release of funds for execution of the above mentioned work under the MLALAD scheme was subject to the condition that the Executing Agency will obtain 'No Objection Certificate' from Land Owning Agency before the award / execution of work and the progress of works would be monitored, both in physical and financial terms on monthly basis by the Executing Agency and quarterly reports would be furnished to UD Department, GNCTD regularly.

However, no NOC from the Land Owning Agency before the award / execution of work could be found on records provided by the department. Further, no report regarding monitoring of the project in physical and financial terms on monthly basis by the executing agency could also be found on records.

Records provided by the department shows that the contractor had only completed 10% of work till the stipulated date of completion i.e. after 03 months from the date of award letter. The department had sanctioned extension from 16.04.2019 to 30.06.2019. The reason behind the granting of extension of time to contractor was indicated by the division only 'to keep the contract alive'. In view of this the delay was totally on the part of contractor hence the EOT was to be granted with levy of compensation for delay in supplies. But the Division had not levied any penalty/ compensation on the contractor for delayed supplies.

In this context, the following points were needed to be clarified to the audit:-

- Why no objection certificate from the Land Owning Agency was not obtained before execution of work.
- Justification for grant of EOT without request from the Contractor.
- Why the amount for slow progress of work was not withheld by the division.
- Why the work continued beyond stipulated date of completion without prior permission for EOT (Extension of time) of competent authority.

The HOO may review the position in reference to the record available and submit the justification for the above mentioned points to next audit.

Para No. 6

**Non Maintenance of various records.
(Reference Audit Memo No.9 dt.13.08.2019)**

i) Deposit Works Register.

As per para 3.4 of C.P.W.D. Works Manual 2012, whenever a deposit work is to be undertaken, the deposit should be realized before any liability is incurred on the work in addition to the 1% of anticipated project cost and departmental charges as prescribed by the Government from time to time in advance. Further, as per Para 3.6. (2) to (4) of C.P.W.D. Works Manual 2012 with regard to the execution of deposit works and settlement of accounts, the Executive Engineer shall send to their Accounts Officer every month the statement of expenditure in Form CPWD 65A along with the schedule of Deposit Works in Form CPWD 65 for transmission to the concerned client after verification.

During scrutiny of Records, it has been noticed that department had neither maintained the liability register for Deposit Works nor statement of expenditure (monthly as well as quarterly) report has been sent to the clients. As a result of non maintenance of record in compliance of above codal provisions, audit could not verify the position of recovery in case of expenditure incurred in excess over deposit received and refund of surplus in case of expenditure incurred less to deposit received on the deposit works undertaken by the division during the audit period 2016-19.

ii) Contractor's Ledger

The accounts relating to contracts/ supplies should be kept in CPWA Form 43 in a bound book known as the "Contractors Ledger". Wherein a personal account should be opened in the ledger for every contractor, whether or not a formal contract has been entered into with him, unless the work or supply entrusted to him is not important and no payment is made to him, except on a First and Final Bill Form CPWA 24 on completion. If only materials are issued to the contractor or any payments are made on his behalf, a ledger account must be opened which should be written up and maintained up-to-date.

The Ledger accounts should be closed and balanced monthly. The closing balance of each personal account should be detailed so as to show in respect of each separate work or account (stock or purchases) the amount outstanding, if any, under each of the three suspense accounts i.e. (i) Advance payments (ii) Secured Advances and (iii) Other transactions.

The Divisional Accountant is responsible for correctness of entries in the Contractors' Ledger and balances at the closing of the month. All the personal accounts in the Ledger should be examined to see that:

- (i) the balances do not remain outstanding for a long time without justification, and
- (ii) the bills are prepared at reasonable intervals in the case of running accounts.

It has been observed that department had not maintained the Contractor's Ledger. As a result of non maintenance of record in compliance of above codal provisions, audit could not verify the amount outstanding under each of the three suspense accounts i.e. (i) Advance payments (ii) Secured Advances and (iii) Other transactions.

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iii) **Record regarding Secured Advance to contractors**

The Divisional Officers can sanction the secured advance up to an amount not exceeding 90% of the value of the materials as assessed by the Engineer-in-charge, or an amount not exceeding 90% of the material element cost in the tendered rate of the finished item of work, whichever is lower or otherwise.

It has been observed that department had not maintained the Contractor's Ledger. As a result of non maintenance of record in compliance of above codal provisions, audit could not verify that whether any such advance has been allowed to a contractor on the security of any material and whether any such advance is recoverable on account of the materials used.

iv) **Interest Bearing Register**

It has been observed that department is not maintaining Interest Bearing FDRs Registers in the absence of which refunds of Security Deposits and Performance guarantee submitted in that form with its validation could not be verified in audit.

v) **Bank Guarantee Register**

It has been observed that department is not maintaining Bank Guarantee Register in the absence of which, recovery due to non compliance of Terms and Conditions of Agreement for all demurrage, wharfage and other losses could not be ensured alongwith its validity period.

The HOO may arrange to get the above said record/Register maintained in compliance with the Rule provisions of CPWD Manual referred to above and the same may be shown to next Audit.

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4-13

Audit Para No. 07:- Irregularity in respect of contingency expenditure charged under works head. (Work Contingency).
(Ref. Memo No.12 dated 27.09.2019)

As per Finance Department, GNCT of Delhi order No. F-1(9)/2015-16/Fin.Exp.-4/Infra/6277-6416 dated 22.12.2015, it is mentioned that the provisions of contingency is meant for unforeseeable and unidentifiable items which cannot be included anticipated while preparing the estimate for the work/project and personal claim on account of including conveyance office contingency shall not be charged on work.

The Department provided the record of bill/vouchers for the period 2016-2019. On the scrutiny of the records provided by the Executive Engineer, it has been observed that during said period the contingency expenditure has been incurred for the purchase of office stationery, repair of vehicles, purchase of miscellaneous items, payment of conveyance etc. had been charged to the work contingency, which is irregular. The detail of few bill/vouchers on the basis of test audit as given below:-

| S.N. | C.V. No. | Date | Amount | Purpose of Expenditure | Name of work for which charge to/H.O.A |
|------|----------|------------|--------|--|--|
| 1. | 08 | 08.03.2017 | 4776 | Purchase of stationary etc. | 2711 Non Plan |
| 2. | 13 | 24.03.2017 | 4500 | Purchase of Brief Case | 2711 Non Plan |
| 3. | 30 | 29.03.2017 | 4556 | Purchase of stationary etc. | 2711 Non Plan |
| 4. | 31 | 31.03.2017 | 10576 | AMC of Photocopier | 2711 Non Plan |
| 5. | 39 | 31.03.2017 | 4955 | Computer items repairing & Photocopy | 2711 Non Plan |
| 6. | 40 | 31.03.2017 | 4855 | Computer items repairing | 2711 Non Plan |
| 7. | 49 | 31.03.2017 | 47211 | Repairing of Vehicle | 2711 Non Plan |
| 8. | 06 | 05.03.2018 | 5161 | Repair of computer items | 2711 Non Plan |
| 9. | 11 | 15.03.2018 | 4717 | Purchase of stationary & Electricity prepaid bill | 2711 Non Plan |
| 10. | 12 | 19.03.2018 | 4950 | Repair of computer items & AC repairing | 2711 Non Plan |
| 11. | 15 | 23.03.2018 | 4847 | Repairing of Vehicle | 2711 Non Plan |
| 12. | 16 | 24.03.2018 | 5000 | Repairing of Vehicle & Purchase of stationary items | 2711 Non Plan |
| 13. | 33 | 28.03.2018 | 9535 | AMC of Photocopier | 2711 Non Plan |
| 14. | 34 | 28.03.2018 | 10647 | -do- | 2711 Non Plan |
| 15. | 35 | 28.03.2018 | 10247 | -do- | 2711 Non Plan |
| 16. | 01 | 01.03.2019 | 4795 | Purchase of stationery items etc. & mobile phone reimbursement | 2711 Non Plan |
| 17. | 13 | 12.03.2019 | 4915 | Purchase of stationery items & postage charges | 2711 Non Plan |
| 18. | 18 | 20.03.2019 | 4918 | Purchase of stationery items | 2711 Non Plan |
| 19. | 24 | 26.03.2019 | 27800 | Chartered Accountant charges | 2711 Non Plan |
| 20. | 25 | 26.03.2019 | 17800 | Purchase of printer | 2711 Non Plan |
| 21. | 34 | 28.03.2019 | 4590 | Conveyance charges & purchase of stationery items | 2711 Non Plan |

The H.O.O. may take necessary steps to get the above expenditure regularized from the Competent Authority i.e Finance Department, Govt. of Delhi being expenditure incurred on contingent items and booked under Work head of Account 2711-Non Plan. contravention to the instructions of Finance Department, Govt. of Delhi, under intimation to Audit.

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Para No. 7

Non production of records.
(Reference audit record memo no.1(a) to 1(g) dt.08.8.2019)

During the course of audit for the period 2016-19, the following records were not provided to audit as per detailed below:

1. Attendance Registers of Sub Division offices./Bio Metric attendance record.of Division as well as Sub Divisional Offices.
2. Property Register
3. Transfer Entry Register
4. MAS/T&P Register.
5. Register for dismantle items.
6. Log Book & History Sheet of Vehicles

HOO is suggested that the above mentioned record be traced out and the same may be shown to next audit for scrutiny.

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(DEWAN CHAND)
I.A.O.Audit Party No.XI

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TEST AUDIT NOTE
2016-19

TAN -1

Shortcomings in maintenance of Pay Bill Registers.
(Reference Audit Memo No. 01 dated:-08.08.2019)

During the test check of Pay Bill Registers of office of the Executive Engineer, Flood Control Division-X,L.M. Bund Office Complex, Shastri Nagar, Delhi.for the audit period 2016-19, the following irregularities have been noticed:-

1. The mandatory information's /details of the employees (which was required to be written on the upper part of each page) were also not found filled up completely in any of the PBR's. Apart from the name, Date of Joining, and other details like pay scales (Basic pay and grade pay) address of government accommodation and details of loan/advances/refunds installments numbers etc were not written in the PBR's. which should be completed in all respect as prescribed.
2. Past information of the employees who are transferred in, to this unit were not recorded in the PBR, from their LPC's (which is later on required for income tax purposes etc). Copy of LPC also not found pasted in the PBR, which is irregular.
3. Each and every entries recorded in the PBR should be verified by the DDO of the office as token of correction which not found in any of the PBR.
4. Numerous cuttings and overwritings were also noticed in the PBRs which were also not attested by the DDO, in any of the PBR's maintained by the unit, which is irregular.
5. Separate Pay Bill Register for the employees who Joined Government Service on or after 01-01-2004 was also not being maintained by the school being NPS contributory employees.
6. Calculation of Gross total Income not found worked out in the PBR and in some cases, the tuition fee/Leave Encashment on LTC etc. not found entered in the PBR which is also irregular.
7. Mandatory Page count Certificate on first page of PBR not found recorded in any of the PBR.
8. GAR 18 (Abstract of Pay Bills) not found completed in any of the PBR, which is a serious lapse on the part of DDO/HOO

The HOO is advised to comply with the above mentioned provisions for maintenance of Pay Bill Registers under intimation to audit and the compliance may be shown to next audit.

TAN -2

**Irregularities in maintenance of Service Books.
(Reference Audit Memo No. 05 dated:-08.08.2019)**

During the test check of Service books maintained by the office of Executive Engineer, Civil Division -X, I&FC Department , LM Bund Office Complex, Shastri Nagar, Delhi, the following irregularities have been noticed

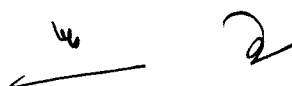
As per Rule -257 of GFR, the service book of all the Government servants should be maintained in duplicate. One copy should be retained and maintained by the H.O.O. and the second copy should be given to the Govt. Servant for safe custody. In January every year, the Govt. Servant shall hand over his/her copy to his/her office for up-dating which should be returned within 30 days of its receipt.

As per Rule, the Service Book of the officials/officers , who have completed 18 years of regular service or left five years of service before retirement, will be verified by the PAO concerned and service verification certificate issued by the PAO, will be pasted on the service book. The following officers/officials, who have completed 18 years of service or left 5 years of service, but their service book not got verified by PAO:-

| S.No | Name of Employee | Design. | DOB | DOA | DOR |
|------|------------------|-------------|------------|------------|------------|
| 1. | B.D.Sharma | LDC | 25.09.1963 | 28.02.1994 | 30.09.2023 |
| 2. | Kamla Devi | Water Woman | 15.12.1960 | 30.05.1990 | 31.12.2020 |

As per DOPT O.M. No. Z-20025/9/2014-Estt. (AL) dated 3rd November, 2014, all the department may ensure that the Aadhar Number of all the Govt. employees should be recorded in his S/Book but it has been observed that Aadhar Number has not been recorded in any of the service book. Further, GPF Account No. , Permanent Account Number of Income Tax and Employee id No. of all the employees may invariably be mentioned in the Service Book with the entry of PRAN in respect of NPS employees.

HOO is advised to comply with the above mentioned provisions for maintenance of service books under intimation to audit and compliance may be shown to next audit.



TAN -3

①

Improper Maintenance of Cash Book (Govt. A/c).
(Reference Audit Memo No. 1 dated:-16.08.2019)

During the test check of Cash Book maintained by the office of the Executive Engineer, Civil Division-X, Irrigation & Flood Control Department, LM Bund, Shastri Nagar, Delhi, the following irregularities have been noticed:-

1. An amount of Rs.72/- and Rs.401/- has been found certified as closing Balance of cash Book as on 31.03.2016 and 31.03.2019 respectively by the Head of Office. No imprest / permanent advance shown as sanctioned/ balance as on date in the Closing Balance.
2. Rule 13(iii) of R&P Rules stipulates that the Cash Book should be closed regularly with verifying the totalling by some responsible subordinates other than the writer of the Cash Book and initial it as its correctness which has not been found done which is irregular.
3. The totaling of the cash Book has been written in pencil during the entire period of audit and without initials of the any responsible officer which is serious lapse on the part of DDO as in absence of final total, correctness of the balance could not be certified/ascertained.
4. The Cash Book has been found written in casual way and without showing classification of charges in column no.12 in absence of which the correctness of booking of expenditure in monthly could not be verified.
5. There are so many Cuttings/ overwritings in Cash Book which are not found attested by DDO at many places which is irregular.
6. Paging certificate was also not found recorded on the opening page of the Current Cash Book under the signature of DDO/HOO.

The HOO may take necessary action to get the above shortcomings removed at the earliest after due verification of facts and figures under intimation to audit and it may be ensured that Agreement No./Work Order/Supply Order against which the payment had been released be mentioned in the Cash Book to avoid duplicacy in payment etc.

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(DEWAN CHAND)
I.A.O.Audit Party No.XI
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