

ANNUAL REVIEW ON THE WORKING OF PUBLIC WORKS DIVISIONS

**FOR THE YEAR
2020-21**



GOVERNMENT OF SIKKIM

PREFACE

This edition of the annual review by the office of the Sr. Dy. Accountant General (A&E), Sikkim is a report on the working of the 41(Forty one) Public Works Divisions rendering units in the State of Sikkim for the financial year 2020-21. The aim of this review is to bring to the notice of the State Government the performance of the Public Works and Forest Divisions in maintenance of their accounts.

After decentralization of payment system of the Government of Sikkim w.e.f 01.08.2003, the Chief Pay and Accounts Officer in each District viz., East, West, North and South district maintain initial and subsidiary accounts and render monthly compiled accounts to the Dy. Accountant General(A&E) Sikkim. This review also highlights the findings of audit of the division conducted by the office of the Accountant General (Audit), Sikkim.

The review also gives recommendations for increasing the efficacy and accuracy of accounts in the divisions.



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GOVERNMENT OF SIKKIM

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HIGHLIGHT

1. **Delay in rendition of accounts (Para 2.2)**

Delay in timely rendition of monthly compiled accounts of Works Divisions by the respective district Pay and Accounts Offices affected the closing of the accounts during 2020-21. The review revealed that in almost all cases the concerned Pay and Accounts Office did not submit the accounts within the scheduled dates in spite of the delay being brought to the notice of concerned authorities regularly. Extent of delay in average for submission of accounts during 2020-21 was as under:-

Sl. No.	Name of accounts rendering units	Extent of delay in average
1.	Headquarters, Gangtok	3.4 days(0-7)
2.	CPAO, East	4.5 days(0-17)
3.	CPAO, West	3.0 days(0-6)
4.	CPAO, South	17.0 days(0-41)
5.	CPAO, North	2.0 days(0-6)
6.	Land Revenue	2.0days(0-6)

2. **Classification in Receipt Accounts (Para 4.2)**

Most of the Pay and Accounts Offices did not mention the complete classification of receipt heads in the monthly accounts in few cases.

3. **Schedule of expenditure not submitted (Para 4.3)**

Schedule of works expenditure in Form 64 was not received from most of the Public Works Divisions except Pay and Accounts Office, West Districts, SNT and Power Division, East District.

4. **List of accounts not submitted (Para 4.4)**

List of accounts in Form-83 in terms of Para 368 of the Sikkim Public Works Code was not found enclosed along with the compiled accounts in respect of few divisional accounts which were rendered by North District.

5. Schedule of Deposit Works not submitted (Para 4.6)

Schedule of deposit works in Form 65 were not received from all other works division except Pay & Accounts under West District.

6. Audit notes not replied to by the Divisions (Para 5.2)

7.

In respect of PWD/Irrigation Divisions

- (i) Total no. of IRs issued : 15
- (ii) Total no. of Paras issued : 108
- (iii) Reply received : 1
- (iv) Reply not received: 14

8. Major irregularities in local audit (Para 6.1)

9.

The number of major irregularities noticed during the audit of various Public Works and Forest divisions are as under:

Sl. No.	Name of the Department	Number of Paras
1.	Roads & Bridges	03
2.	Building & Housing	06
3.	Irrigation Department	03
4.	Rural Dev.Department	07
5.	Urban Development	03
Total:		22

CHAPTER - 1

INTRODUCTION

There are 41 (Forty one) Public Works accounts rendering units under different departments. Consequent upon the decentralization of accounts by the State Government w.e.f 01.08.2003, all the divisional Works accounts except Land Revenue Department are now compiled according to the provisions contained in the Sikkim Public Works Code by the respective Pay & Accounts Office (Works Cell) in the Headquarters and districts and are rendered to the Office of the Senior Deputy Accountant General (A&E), Sikkim, Gangtok. The details are as below:-

Sl.No	Name of the Departments	Monthly Compiled Accounts rendering units					
		HQs. Gtk.	CPAO (East)	CPAO (West)	CPAO (South)	CPAO (North)	TOTAL
WORKS DIVISION							
1.	Roads & Bridges	-	1	1	1	1	4
2.	Buildings & Housing	-	1	1	1	1	4
3.	RMDD	-	1	1	1	1	4
4.	PHE	-	1	1	1	1	4
5.	Education Eng. Cell	-	1	1	1	1	4
6.	Irrigation & FC	-	1	1	1	1	4
7.	Health & Family Welfare	-	1	-	-	-	1
8.	UD&HD	-	1	-	1	-	2
9.	Power	-	1	1	1	1	4
10.	Land Revenue*	-	1	1	1	1	4
11.	Animal Husbandry	1	-	-	-	-	1
13.	Civil Aviation & Tourism	1	-	-	-	-	1
14.	Horticulture	1	-	-	-	-	1
15.	Food Security & Agri.	1	-	-	-	-	1
16.	Fisheries	-	1	-	-	1	2
TOTAL		4	11	8	9	9	41

* Land Revenue Department being a works department is still functioning as a self-cheque drawing department. The concerned department prepares the monthly compiled accounts by itself and renders them directly to the Office of the Sr. Deputy Accountant General(A&E), Sikkim, Gangtok

CHAPTER – II

2. Submission of Monthly Accounts

2.1 Codal provision regarding submission of Accounts

Each Pay & Accounts Office (Works Cell) forms an accounting unit under the charge of the Chief Pay & Accounts officer who is responsible for the up-to-date and proper maintenance of initial accounts of Public Works transactions. It is the duty of the Chief Pay & Accounts Officer to ensure submission of the monthly accounts in a complete shape to the Office of the Sr. Deputy Accountant (A&E), Sikkim, Gangtok by the 10th of the following month (except 15th for March accounts) to which the transactions relate.

2.2 Delay in submission of Accounts

Delay in timely rendition of monthly compiled accounts by the Pay & Accounts Office (Works Cell) results in delayed closure of monthly accounts and in some cases, even exclusion of these accounts as a result of which monthly civil accounts compiled and submitted by this office to the State Government do not give a true and correct picture of the financial position of the State. Non-submission of monthly accounts by the due date also upsets the time schedule laid down by the Comptroller & Auditor General of India for finalizing the Finance & Appropriation Accounts of the State.

The table in **Annexure-II** gives the dates on which the monthly accounts for various Public Works under different departments were received in this office. It will be seen that the delay in submission ranged from **00 to 41** days.

The extent of delay in rendition of monthly compiled accounts was as under:-

Sl. No.	Name of accounts rendering units	Extent of delay in number of days during 2020-21
1.	Headquarters, Gangtok	00 to 07 days
2.	CPAO, East	00 to 17 days
3.	CPAO, West	00 to 06 days
4.	CPAO, South	00 to 41 days
5.	CPAO, North	00 to 06 days
6.	Land Revenue	00 to 06 days

2.3 **Wanting vouchers**

There are no record of voucher which are awaited for the year 2020-21

CHAPTER – III

3. RECONCILIATION OF ACCOUNTS

3.1 Reconciliation of accounts.

The departmental officers are required to verify the figures of the monthly accounts as submitted by each CPAO offices with those booked in the Office of the Sr. Deputy Accountant General (A&E), Sikkim to ensure the correctness of accounts in all respect.

3.2 Rectification of misclassification

During the year 2020-21, a total of 29 transfer entries were initiated for annual book adjustment and rectification of the misclassification noticed at the time of reconciliation from respective divisions. Details are as below:-

Name of Departments	No. of Transfer Entries adjusted					Total	Amt. involved in(₹) Rupees
	HQ	East	West	South	North		
Land Revenue	3	2	1	2	-	8	1178652698
Roads & Bridges	-	3	1	2	3	9	671622361
Lotteries	1	-	-	-	-	1	75000000
PHE	-	3	-	1	-	4	4844250
Irrigation	-	1	-	-	-	1	699457
Education	-	1	-	-	-	1	340000
UDHD	-	3	-	-	-	3	285118
Power	-	-	-	-	1	1	86707
Animal Husbandry,V.S	1	-	-	-	-	1	405
	Total					29	1931530996

CHAPTER-IV

4. DEFECTS IN THE PREPARATION OF MONTHLY ACCOUNTS

4.1 Monthly accounts (SPWD Form 80)

In terms of Para 354 of the Sikkim Public Works Code, monthly compiled accounts are required to be prepared in Form 80. It was observed from the schedule of monthly accounts that certificates of temporary advances lying unadjusted were not recorded in Form 80 in respect of the maximum numbers of Public Works submitted by the Chief Pay and Accounts Office.

4.2 Classification of receipts

While reviewing the monthly accounts, it was noticed that proper classification of receipt heads was not recorded by the Pay and Accounts Office of all the districts.

4.3 Schedule of works expenditure not submitted

In terms of Para 297 and 365 of the Sikkim Public Works Code, Schedule of Works expenditure are required to be prepared in Form 64 separately for expenditure relating to each of the Major Heads in respect of works on which expenditure has been incurred. Such schedules were found to be wanting in respect of all the departments functioning under the Public Works system except Pay & Accounts Office, West district and Power department under East district PAO.

4.4 List of accounts accompanying the monthly accounts

In terms of Para 368 of the Sikkim Public Works Code, a list of accounts accompanying the monthly compiled accounts is required to be submitted in Form 83.

(Specimen copy enclosed as Annexure I).It was observed that only Pay & Accounts Office, West have submitted in prescribed form so far. The Officers who are responsible for submission of monthly compiled accounts are required to be more particular and should exercise proper checks of the monthly accounts before their submission to the office of the Sr. Dy. Accountant General(A&E), Sikkim, Gangtok.

4.5 Schedule of deposit works not submitted

In terms of para 365 of the Sikkim Public Works Code, the schedule of deposit works should be prepared in Form 65 showing the name of work, head of accounts, opening balance, credit & debit, expenditure during the month and progressive expenditure at the end of the month are required to be submitted to the Office of the Sr. Dy. Accountant General (A&E), Sikkim along with compiled accounts. Such schedules were not submitted in respect of all the Public Works departments except under Pay & Accounts Office, West district.

CHAPTER-V

5. COMMON TYPE OF IRREGULARITIES NOTICED IN AUDIT OF VOUCHERS

5.1 Particulars of Audit observations noticed for the period 2020-21 during the audit of vouchers for which no replies have been received:

Department	Nature of Observation
Energy & Power	Irregular purchase of Government vehicle amounting to ₹ 9.85 lakh
	Irregular payment amounting to ₹ 197.91 lakh
Road & Bridges	Irregular payment amounting to ₹ 37.24 lakh

5.2 Compliance to Inspection Reports(IRs) not received in respect of Public Works Divisions

- | | | |
|-------|-----------------------------------|-----|
| (i) | Total Inspection Reports issued : | 15 |
| (ii) | Total paras issued : | 108 |
| (iii) | Reply received : | 1 |
| (iv) | Replies not received : | 14 |

CHAPTER-VI**IMPORTANT IRREGULARITIES NOTICED IN THE LOCAL AUDIT****INSPECTION OF PUBLIC WORKS/IRRIGATION DIVISIONS.**

IR No:	Para No:	Nature of Irregularities
09/20-21 Secretary, Rural Development Department, Gangtok	01	Irregular Grant of interest free mobilization advance and loss of interest of ₹ 10.89 crore thereof.
	02	Avoidable expenditure of ₹109.81
	03	Undue benefit to contractor of ₹ 49.10 crore
19//20-21 Pradhan Mantri Gram Sadak Yojana (PMGSY)	01	Loss of Government revenue
	02	Unwarranted inclusion of WBM-III
	03	Excess expenditure and undue financial benefit to the contractors ₹68.69 lakh
	04	Non-recovery of mobilization and equipment advance of ₹50.39 crore
52/20-21 National Rural Drinking Water Programme, (NRDWP)	01	Due to non-installation of pressure filters resulted in loss of ₹1.33 crore
54//20-21 PCE-cum-Secy., Water Resource Department	01	Irregular execution of works without obtaining administrative approval and technical sanction of ₹1.15 crore and unsatisfactory survey ₹6.86 lakh
56/20-21 Divisional Engineer, Water Resources Department, Jorethang	01	Non-deduction of contractor's profit from works executed departmentally for ₹55.27 lakh
57/20-21 PCE-cum-Secy., Building and Housing Department	01	Avoidable cost escalation of ₹3.22 crore in Construction of Stairway to Heaven at Daramdin, West Sikkim besides loss of stock materials worth ₹81.34 lakh
	02	Avoidable extra expenditure of ₹67.96 lakh
	03	Defalcation of stick materials in Tadong Store ₹1.59
	04	Avoidable extra liability due to award of work at higher tender rate- ₹83.48 lakh
	05	Construction of livelihood school and observations thereof
	06	Undue financial benefit to the contractor besides loss of interest

65/20-21 Commissioner-cum-Secretary, Roads and Bridges Department	01	Loss of Government Money- ₹1.51
	02	Extra Financial burden to State Exchequer- ₹2.01 core
35/20-21 North Easter State Roads Investment Programme, Roads and Bridge Department	01	Loss of Government Revenue
45/20-21 Secretary, Urban Development Deptment	01	Unfruitful expenditure ₹1.01 crore
	02	Infructuous expenditure of ₹1.96 crore
	03	Setting up of Solid Waste Treatment Plant and Scientific Landfill Facility at Rindang, North Sikkim-Observation thereof

Annexure – I**Form-83****(Referred to in Para 4.4)****LIST OF ACCOUNTS TO BE SUBMITTED TO THE OFFICE OF THE
SR.DEPUTY ACCOUNTANT GENERAL (A&E)**

FORM NO.	NAME OF DOCUMENT
80	MONTHLY ACCOUNTS
46A	SCHEDULE OF REVENUE REALISED
74	CLASSIFIED ABSTRACT OF EXPENDITURE
64	SCHEDULE OF WORKS EXPENDITURE
61	SCHEDULE DOCKETS(FOR EACH WORK) WITH TRANSFER ENTRY ORDERS, VOUCHERS
73	STOCK ACCOUNT
69	SCHEDULE OF CREDIT/DEBIT TO PURCHASE SUPPORTED BY TEOs
70	SCHEDULE OF MISC. PUBLIC WORKS ADVANCES
76	SCHEDULE OF CREDIT/DEBIT TO MISC. HEAD OF ACCOUNTS
79	SCHEDULE OF DEPOSITS
65	SCHEDULE OF DEPOSIT WORKS

ANNEXURE – II

Sl. No	Name of the accounts rendering units	Due date of receipt	Actual date of receipt of monthly compiled accounts from Treasury, Pay & Accounts Office (Works Cell)											
			April'20	May'20	June'20	July'20	Aug'20	Sept'20	Oct'20	Nov'20	Dec'20	Jan'21	Feb'21	Mar'21
1.	PAO HQ	10 th of the following month	14.05.20	17.06.20	10.07.20	14.08.20	16.09.20	13.10.20	13.11.20	10.12.20	13.01.20	10.02.21	10.03.21	22.04.21
1.	CPAO, East	--do--	27.05.20	10.06.20	10.07.20	14.08.20	15.09.20	12.10.20	13.11.20	10.12.20	19.01.20	11.02.21	10.03.21	19.04.21
2.	CPAO, West	--do--	15.05.20	16.06.20	10.07.20	14.08.20	14.09.20	12.10.20	13.11.20	10.12.20	13.01.20	10.02.21	11.03.21	24.04.21
3.	CPAO, South	--do--	21.05.20	16.06.20	20.08.20	20.08.20	15.09.20	15.10.20	13.11.20	10.12.20	15.01.20	17.02.21	12.03.21	26.04.21
4.	CPAO, North	--do--	10.05.20	16.06.20	10.07.20	12.08.20	10.09.20	10.10.20	10.11.20	10.12.20	11.01.20	10.02.21	10.03.21	15.04.21
5.	Land Revenue	--do--	10.05.20	16.06.20	10.07.20	11.08.20	10.09.20	10.10.20	11.11.20	10.12.20	11.01.20	10.02.21	10.03.21	19.04.21

* *Due date for submission of March accounts is 15th of the following month.*

* *Issues on delay in rendition of monthly compiled accounts by the Pay & Accounts Office(Works Cell)/P.W Divisions, if any were brought to the notice of the Pr.Secretary, Finance Department vide Pr.Accountant General's demi-official letter.*