

Chapter-III

Audit of Transactions

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3.1 Suspicious and sub-standard work

Suspicious and sub-standard construction of drain incurring an expenditure of ₹ 4.06 lakh.

Financial rule⁷ provides that payment for all works done which are measurable and for all supplies are made on the basis of measurements recorded in measurement-books (MB). As all payments for work or supplies are based on the quantities recorded in the measurement-book, it is incumbent upon the person taking the measurement to record the quantities clearly and accurately.

The Block Development Officer, Kshetra Panchayat Jarwal (BDO) sanctioned (August 2009) an estimate of ₹ 4.99 lakh for construction of 495 metre (m) long drain⁸ under National Rural Employment Guarantee Scheme (NREGS). According to the estimate 59,184 bricks @ ₹ 3,700 per thousand for ₹ 2,18,981 and 443 bags of cement @ ₹ 280 per bag for ₹ 1,24,040 along with other construction material were required for the work.

Scrutiny of records of BDO revealed (December 2010) that 490 m long drain was constructed (October-December 2009) incurring an expenditure of ₹ 4.06 lakh⁹. The measurement recorded for supply of 20,000 bricks were counted as 40,000 in the first measurement and payment of ₹ 1.48 lakh was made resulting overpayment of ₹ 74,000. The measurement recorded vide MB no. 23 second part page 2 had entries for start and completion of the work as 16.12.2009 and 30.12.2009 respectively whereas the date of measurement had been recorded as 05.12.2009 i.e. date of measurement was before the start of the work. Further, consumption of 46,731 bricks and 383 bags of cement was shown against the actual supply of only 20,740 bricks and 375 bags of cement.

⁷Para 434 and 435(d) of Financial Handbook Volume-VI.

⁸From Masjid to the house of Ram Awadh in Adampur.

⁹Material: ₹ 3,47,627 and labour: ₹ 58,600 [(i) Payment for first running bill for supply of material bricks, brick ballast ₹ 1,63,525, vide MB no. 23 first part page 1-3 dated nil (ii) supply of cement, coarse sand and fine sand ₹ 1,05,654 vide MB no. 23 first part page 4-5 dated nil, (iii) labour charges ₹ 34,300 vide MB no. 23 first part page 6-8 dated 5.11.2009, (iv) supply of bricks and brick ballast ₹ 32,888 vide MB no. 23 first part page 9 dated 24.12.2009, (v) supply of fine sand, coarse sand, cement, 20 mm stone grit, steel bar ₹ 45,560 vide MB no. 23 first part page 10-11 dated nil, (vi) labour charge ₹ 24,300 vide MB no. 23 second part page 2-5 dated 5.12.2009]

Thus, the entries in the MBs and recorded consumption therein of material in excess of supply rendered the executed work suspicious and sub-standard.

On being pointed out in audit, BDO replied (December 2010) that the errors would be corrected. The reply was not tenable as the entries in the MBs were checked by BDO before making the payments.

Hence, an irregular expenditure of ₹ 4.06 lakh was made on suspicious and sub-standard work.

The matter was reported to the Government (February 2011); the reply had not been received (January 2012).

3.2 Irregular Expenditure

Irregular expenditure of ₹ 10.04 lakh on purchase of *Thelia* from Twelfth Finance Commission Grant

Twelfth Finance Commission (TFC) guidelines envisage (June 2005) that the grants released to Panchayati Raj Institutions (PRIs) may be utilised for promotion and maintenance of drinking water and sanitation facilities. But where there were no drinking water and sanitation assets under a Panchayat, the funds could be utilised for the maintenance of other civic amenities¹⁰. However, there was no provision to benefit individuals for any purpose under the scheme.

Scrutiny (December 2010) of records of Kshetra Panchayat Sirauli Gauspur district Barabanki (KP) revealed that KP approved (November 2007) the purchase and distribution of *Thelia*¹¹ to individual beneficiaries of BPL families of Scheduled Caste for disposal of garbage and for earning of their livelihood utilizing TFC grants against the provision and financial rule¹². Further scrutiny revealed that, out of 163 *Thelias* 150 were received through bill no. 11 dated 27.06.2008 and 13 *Thelias* through bill no. 16 dated 20.07.2008. The *Thelias* were distributed to the selected beneficiaries in a function organised on 03 June 2008 i.e. 24 days before the purchase of the *Thelias*.

¹⁰Approach road, Primary education, Primary health, Street light, Maintenance of community assets such as Kabristan and Crematorium.

¹¹Trolley with three cycle wheel.

¹²Purchase for ₹ one lakh and above was to be made through tender process.

On being pointed out in audit, BDO accepted (July 2011) that the purchase of *Thelias* was not permissible. Thus, an irregular expenditure of ₹ 10.04 lakh was incurred by the BDO defying the TFC guidelines.

The matter was referred to the Government (October 2011), reply had not been received (January 2012).

3.3 Unfruitful expenditure

Unfruitful expenditure of ₹ 9.53 lakh on construction of incomplete road

Ayukt Gram Vikas, Uttar Pradesh (AGV), vide his circular (October 2006) had directed that there should be provision for at least two 900 mm hume pipe culverts for every one Kilometer (Km.) of village roads as per IRC:SP-20 standards. Scrutiny (July 2010) of records of Kshetra Panchayat Bangra, District Jhansi (KP) revealed that technical sanction for an estimate for ₹ 9.59 lakh from State Finance Commission Grants for construction of 3.30 Km. long link road from Deori Singhpura along the river Sukhnai to Jyor-Jatara Tigaila was accorded (October 2006) by the Executive Engineer, Rural Engineering Services, Division Jhansi (EE). While according the sanction, the EE put the condition that work of three culverts, which were said to be under construction under Sampurna Gramin Rojgar Yojna as stated in report of the estimate, would necessarily be completed before coming rainy season so that the link road would not be damaged. Administrative and financial sanction was accorded (November 2006) by the Block Development Officer (BDO) and the work order to the lowest tenderer was issued (November 2006). The earthwork on the road was completed by December 2006. However, the culverts were not constructed till July 2010 and later. The BDO stated (July 2011) that there was no need for construction of the said culverts. Thus, the road was constructed in contravention of the directions of AGV as well as the conditions specified by the EE, i.e. without constructing any culvert as against the required six culverts as per norms. In absence of the culverts, the road was incomplete and could not be utilized in all seasons for the purposes (transportation of farmers' produces to market as stated in the report) for which its construction was conceived.

Thus, the expenditure of ₹ 9.53 lakh incurred on construction of incomplete link road was unfruitful.

The matter was reported to the Government (February 2011); the reply had not been received (January 2012).

3.4 Avoidable expenditure on construction of rural link roads

Non-observance of PWD specification prescribed for construction of rural link roads resulted in avoidable expenditure of ₹ 14.24 lakh.

Uttar Pradesh Public Works Department (PWD) specified (June 2007) that if provision is made for premix carpeting (PC) for rural link roads, PC and seal coat will be executed directly applying prime coat¹³ over top coat / Water Bound Macadam (WBM) surface i.e. first coat painting (P-1) will not be required.

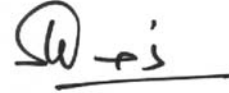
Scrutiny of records of Zila Panchayat Kaushambi (ZP) revealed (December 2010) that five rural link roads with total surface area of 15,414 square meter were constructed between June 2009 and June 2010 by laying P-1 between WBM and PC in contravention of PWD specification. The total expenditure incurred on P-1 was ₹ 18.80 lakh whereas execution of prime coat as per PWD specifications would cost ₹ 4.56 lakh. Thus the ZP incurred an avoidable expenditure of ₹ 14.24 lakh defying the specifications (*Appendix-3.1*).

On being pointed out in audit, the Apar Mukya Adhikari stated (December 2010) that P-1 was laid as per the earlier prevalent norms but now specification of only prime coat over WBM for PC roads is being adopted. The reply is self explanatory that ZP did not follow the PWD specification, effective during the construction of the roads, and incurred avoidable expenditure of ₹ 14.24 lakh. Thus, non-following the revised specification prescribed by PWD for the construction of rural link roads by the ZP, resulted in avoidable expenditure of ₹ 14.24 lakh.

¹³With low settling emulsion in specified quantity (75 kg per 100 square metre). As the rate of low settling emulsion which is generally less than the rate of maxphalt was not available because the unit did not take supply of low settling emulsion, value of required low settling emulsion was calculated at the rate of maxphalt used in the work.

The matter was referred to the Government (September 2011); reply had not been received (January 2012).

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