

CHAPTER-3

Compliance Audit

Compliance Audit of Government Departments and their field formations brought out several instances of lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs under broad objective heads.

3.1 Non-compliance with the Rules, Orders, etc.

For sound financial administration and financial control, it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authority. This not only prevents irregularities, misappropriation and frauds, but also helps in maintaining good financial discipline. Some of the audit findings on non-compliance with Rules, Orders, etc. are as under.

PANCHAYATI RAJ AND NATIONAL RURAL EMPLOYMENT PROGRAMME (SPECIAL DIVISION) DEPARTMENT

3.1.1 Irregular expenditure

Construction of Grade I and Grade II village road along with Guard Wall beyond the approved scope of work without obtaining revised administrative approval from the Department resulted in irregular expenditure of ₹ 64.98 lakh.

According to rule 123 of Jharkhand Public Works Department (JPWD) code a revised administrative approval is required to be taken where there is modification of the proposals originally approved necessitating the eventual submission of a revised estimate due to material deviation from the original proposals, even though the cost of the same may possibly be covered by saving on other items.

The Secretary, *Panchayati Raj* and National Rural Employment Programme (Special Division) Department (Department), Government of Jharkhand accorded (March 2008) administrative approval for ₹ 2.04 crore for construction of RCC bridge (length 60.48 metre) on turnkey basis across river Khaljore on Thesutoli-Konjoba Road with approach road (6,080 metre) on both sides in Kurdeg block of Simdega District under *Mukhya Mantri Gram Setu Yojana* (MMGSY). Chief Engineer (CE), Rural Development Special Zone (RDSZ), Ranchi technically sanctioned (March 2010) the work for ₹ 2.40 crore including cost of approach road for ₹ 69 lakh and Executive Engineer (EE), Rural Development Special Division (RDSD), Simdega executed (February 2010) an agreement with a contractor to execute the work.

Verification (December 2013) of records at Rural Works Division (RWD), Simdega revealed that construction of above road¹ under different name Baghchatta-Konjoba-Thesutoli with length of 6125 meters was tendered

¹ Thesutoli-Konjoba Road.

(February 2009) under *Pradhan Mantri Gram Sadak Yojana* (PMGSY) by RWD, Simdega and completed (June 2012) at a cost of ₹ 1.56 crore.

Further, test check of records revealed that as the approach road was being constructed under PMGSY, villagers of the surrounding areas requested (September 2011) EE, RDS, Simdega to construct another road connecting the PMGSY road (approx. 460 metre away from the bridge) with five villages in place of the approach road planned along with the bridge. Accordingly, the EE, RDS Simdega prepared (January 2012) a fresh estimate for ₹ 64.98 lakh for construction of 2,682 metre long subsidiary inner village road (Gr I and Gr II²) connecting Manatoli to Kondodihri via Soharaitoli and Kachartoli and guard wall, thereby replacing the estimates for the approach road to the bridge.

CE, RDS, Ranchi on request of the EE, RDS Simdega allowed executing the separate work of road connecting the villages to the bridge with the condition that the expenditure was to be limited to the agreement value. However, no revised administrative approval was obtained from the Department for replacing approach road with subsidiary inner village road. The contractor was paid (December 2012) ₹ 64.98 lakh for construction of village road and guard wall by utilising the funds sanctioned for the approach road.

The entire expenditure of ₹ 64.98 lakh was irregular as the construction of subsidiary inner village road and guard wall, without obtaining revised administrative approval was in violation of Rule 123 of JPWD code. Moreover, these works were also not included in scope of work tendered/awarded.

On being pointed out, EE, RDS Simdega stated (January 2014) that the construction of subsidiary inner village road was necessary to connect the five villages with the bridge. Moreover, the expenditure was incurred with the permission of Chief Engineer, RDS, Ranchi.

Reply is not acceptable as power to sanction the revised AA rests with the Principal Secretary of the Department and construction of subsidiary inner village road was not under the scope of works of MMGSY under which the road was constructed.

Further, in its reply Finance Department, Government of Jharkhand accepted (July 2014) the audit observation and asked the administrative Department to take departmental action against Chief Engineer, Executive Engineer and to blacklist the faulty contractor besides initiating action for recovery of payment made along with interest at the rate of 12 *per cent* thereon.

² Grade I road: providing stone metal grade –I (45 mm to 90 mm) with stone screening materials in road embankment; Grade II road: providing stone metal grade II (45 mm to 63 mm size) with screening materials crushable type such as moorum or gravel in road embankment.

HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

3.1.2 Excess payment

Excess payment of ₹ 28.66 lakh was made to daily wages labourers by Rajendra Institute of Medical Sciences by not following the prescribed rates of variable dearness allowance fixed by the Labour, Employment and Training Department.

The Labour, Employment and Training Department (Labour Department), Government of Jharkhand (GoJ) in exercise of the powers conferred by Section 3 of the Minimum Wages Act, 1948 prescribed (April 2011) rates of minimum wages applicable to daily wage labourers. The rates of Variable Dearness Allowance (VDA) payable on minimum wages were revised by the Labour Department after every six months from 1 April and 1 October of each year.

Further, under Section 6(xv) of the Rajendra Institute of Medical Sciences (RIMS) Act, 2002, RIMS can utilise the collected receipts viz. fees, fines, penalties collected from patients and students, for maintenance and development of RIMS under the directives issued in this regard by the GoJ. The collected receipts are being used by the RIMS for payment to daily wage labourers engaged by it.

Scrutiny of records (May 2013 and May-June 2014) revealed that RIMS appointed during 2007 to 2012, 100 daily wage labourers³ temporarily in different categories for six months with their services extended from time to time for another term. We observed during scrutiny of pay rolls of daily wage labourers that RIMS paid excess VDA amounting to ₹ 28.66 lakh to them on account of payment of VDA at higher rates than the prescribed rates of the Labour Department during the period from April 2011 to April 2013.

On being pointed out (May 2013) in Audit, Director, RIMS stopped the higher rate of payment of VDA with effect from 16 April 2013 and replied (June 2014) that the payment to the daily wage labourers of the Institute would be made as per prescribed rates of the Labour Department.

Thus, as a result, RIMS made excess payment of ₹ 28.66 lakh to daily wage labourers from April 2011 to April 2013.

The matter was referred to Government (July 2014); their reply had not been received (January 2015) despite reminders⁴.

³ Unskilled: 58 nos. (Gr. 'D', laboratory boy, kitchen *sevak*, *mali*, sweeper, carpenter and cook); Semiskilled: 06 nos. (Drivers); Skilled: 21 nos. (anaesthesia technician, athletic coach, computer operator, lift man) and Highly skilled: 15 nos. (x-ray technician, lab. assistant, OT assistant, dresser and AC operator).

⁴ Reminders: Letter Nos. Report (Civil)/AR/2013-14/189 dated 1 September 2014, 229 dated 7 October 2014 and 320 dated 12 November 2014.

3.2 Audit against propriety/Expenditure without justification

Authorisation of expenditure from public funds is to be guided by the principles of propriety and efficiency of public expenditure. Authorities empowered to incur expenditure are expected to enforce the same vigilance as a person of ordinary prudence would exercise in respect of his own money and should enforce financial order and strict economy at every step. Audit detected instances of impropriety and excess expenditure, some of which are given hereunder:

ROAD CONSTRUCTION DEPARTMENT

3.2.1 Avoidable expenditure

Non-provision of Bituminous Macadam (BM) and Semi Dense Bituminous Concrete (SDBC) in original estimates and their subsequent inclusion at higher rates on the requests of the contractors, on the ground of *naxal* problem, resulted in avoidable expenditure of ₹ 1.50 crore.

Strengthening of two roads⁵ was administratively approved (July 2009) for ₹ 30.30 crore by the Road Construction Department (RCD) and technically sanctioned (August 2009) for ₹ 24.11 crore by the Chief Engineer, Central Design Organisation (CDO), RCD. The approved estimates were based on Schedule of Rates (SoR) of 2008 and included bituminous works viz. Built Up Spray Grouting (BUSG), Pre mix Carpeting (PC) and Seal Coat (SC). The Executive Engineer (EE), Road Division (RD), Garhwa executed (October 2009 and May 2010) two agreements for ₹ 24.28 crore⁶ with the contractors for completion of Garhwa-Chinia (GC) Road by February 2012, extended upto November 2012 and of Nagar Untari-Dhurki (ND) Road by April 2011, extended upto March 2013. The contractors completed the works within extended scheduled time and were paid ₹ 29.88 crore⁷ in January and July 2014 against their final bills.

Audit scrutiny revealed that the work sites were in *naxal* affected areas, and the contractors, citing the difficulties in execution of works, requested (February 2012 and April 2012) the EE to replace the agreed bituminous items of BUSG, PC and SC with bituminous Macadam (BM) and Semi-Dense Bituminous Concrete (SDBC) as BUSG, PC and SC were to be executed manually which was time consuming whereas BM and SDBC works could be executed through mechanical means which consume less time. The requests of contractors were accepted (August 2012 and February 2013) by the Engineer-in-Chief (EIC), RCD and the estimates were revised (October 2012 and February 2013) to ₹ 27.21 crore⁸. Rates of BM and SDBC were approved (October 2012 and February 2013) by the Superintending Engineer, Road Circle, Daltonganj on SoR of 2012. The EE entered into supplementary

⁵ Garhwa-Chinia (GC) Road- 26.30 Km: (AA- ₹ 18.99 crore and TS- ₹ 13.39 crore) and Nagar Untari-Dhurki (ND) Road- 24.95 km: (AA- ₹ 11.31 crore and TS- ₹ 10.72 crore).

⁶ Agreement nos.: 01SBD/2010-11 on 25 May 2010 (GC Road) for ₹ 14.52 crore and 02SBD/2009-10 on 23 October 2009 (ND Road) for ₹ 9.76 crore.

⁷ GC Road: ₹ 17.12 crore and ND Road: ₹ 12.76 crore.

⁸ GC Road: ₹ 15.49 crore and ND Road: ₹ 11.72 crore.

agreements with the contractors in November 2012 and February 2013. Accordingly, contractors executed BM and SDBC works and were paid ₹ 8.16 crore⁹ at SoR of 2012.

We observed that if the items of BM and SDBC were included in original estimate at SoR of 2008 and contractors were paid corresponding to their agreed rates at SoR of 2008 along with applicable price adjustment¹⁰, the Department had to pay ₹ 6.66 crore. As such the Department had to incur excess avoidable expenditure of ₹ 1.50 crore as detailed in the Table below:

(Amount in ₹)

| Agreement No. | Item of works | Executed Quantity in cum | Rates per cum as per SoR 2008 | Rates payable ¹¹ | Expenditure liable to be incurred | Rates per cum as per SoR 2012 | Expenditure incurred at the rates of SoR 2012 |
|-------------------------|---------------|--------------------------|-------------------------------|-----------------------------|-----------------------------------|-------------------------------|---|
| 1 | 2 | 3 | 4 | 5 | 6 (3x5) | 7 | 8 (3x7) |
| 01 SBD/ 2010-11 GC Road | BM Gr. II | 4007.19 | 4185 | 4974 | 19931763 | 5780 | 23161558 |
| | SDBC Gr. II | 2026.55 | 6123 | 7278 | 14749231 | 8336 | 16893321 |
| 02 SBD/ 2009-10 ND Road | BM Gr. II | 4181.38 | 4185 | 4417 | 18469155 | 5780 | 24168376 |
| | SDBC Gr. II | 2089.15 | 6123 | 6463 | 13502176 | 8336 | 17415154 |
| Total | | | | | 66652325 | | 81638409 |

Thus, failure of the Department to assess the ground situation and to incorporate BM and SDBC work in the agreement at SoR of 2008 at the time of preparation of original estimates resulted in avoidable excess expenditure of ₹ 1.50 crore.

On this being pointed out, the Principal Secretary, RCD stated (January 2014) that action had been taken on actual field requirement as well as specific case basis and after technical examination by the CDO of the Department.

The reply was not acceptable as the specifications were changed on the ground of *naxal* problem, which was known to the Department and not for technical reasons.

The matter was referred to Government (July 2014); their reply had not been received (January 2015) despite reminders¹².

⁹ GC Road: ₹ 4.00 crore and ND Road: ₹ 4.16 crore calculated at rates of BM and SDBC as per SoR of 2012 excluding carriage charges included in finished rates at which supplementary agreement were executed.

¹⁰ Price adjustment percentage calculated on the basis of price adjustment paid against the work done value.

¹¹ Rates payable have been calculated after considering percentage of agreed rates above/below the BoQ and price adjustment paid over rates of SoR of 2008. GC Road-Agreed rate: 9.05 per cent above BoQ, Price adjustment: 9 per cent. ND Road-Agreed rate: 8.22 per cent below BoQ, Price adjustment: 15 per cent.

¹² Reminders: Letter Nos. Report (Civil)/AR/2013-14/173 dated 25 August 2014, 223 dated 25 September 2014 and 307 dated 31 October 2014.

3.3 Failure of oversight/administrative control

The Government has an obligation to improve the quality of life of the people for which it works, towards fulfillment of certain goals in the areas of health, education, development and upgradation of infrastructure, public service etc. However, Audit noticed instances where the funds released by the Government for creating public assets for the benefit of the community remained unutilised/ blocked and/or proved unfruitful/ unproductive due to indecisiveness, lack of administrative oversight and concerted action at various levels. A few such cases have been discussed below:

HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

3.3.1 Idle expenditure

Due to failure of Department to ensure suitability of site in compliance of Electricity rules, 1956 and subsequent non-shifting of 33 KV electric wires, staff quarters remained unoccupied resulting in idle expenditure of ₹ 1.71 crore.

According to Indian Electricity Rules, 1956 Chapter VIII Clause 80 (1) where a extra-high voltage overhead line passes above or adjacent to any building or part of a building, it shall have on the basis of maximum sag a vertical clearance above the highest part of the building immediately under such line, of not less than 3.7 metres for high voltage line up to and including 33,000 volts and the horizontal clearance between the nearest conductor and any part of such building, on the basis of maximum deflection due to wind pressure, be not less than two metres.

Secretary, Health, Medical Education and Family Welfare Department (Department) accorded (December 2007) administrative approval for ₹ 3.18 crore for construction of hospital and staff quarters of Community Health Centre (CHC), Sarwan, Deoghar under National Rural Health Mission. The Department assigned (February 2008) the work to District Engineer (DE), *Zila Parishad*, Deoghar and Deputy Commissioner (DC), Deoghar issued (February 2008) work order to departmentally complete the work at a cost of ₹ 3.18 crore in eight months. Further, the Chief Engineer (CE), Rural Engineering Organisation, Chhotanagpur and Santhal Pargana, Ranchi technically sanctioned (February 2008) the estimate for ₹ 3.81 crore against which the Department accorded (February 2008) revised approval for ₹ 3.67 crore.

Audit scrutiny (March 2014) of records of Medical Officer (MO) In-charge, CHC, Sarwan, Deoghar revealed that after completion of construction of hospital and staff quarters, buildings were handed over (November 2012) to MO In-charge Sarwan but staff quarters constructed at a cost of ₹ 1.71 crore remained unoccupied (March 2014) as high tension (33 KV) electric wires passing over newly constructed staff quarters posed danger which was informed (December 2012) by MO, In-charge to DC.

On a reference by DC (February 2013), Executive Engineer (EE), Electric Supply Division, Deoghar intimated (February 2013) that 33 KV electric wires were installed there since last ten years and construction of buildings below those wires was illegal. The EE, however, submitted (February 2013) an estimate to MO, In-charge for ₹ 11.00 lakh for shifting of these wires. MO, In-charge again informed (April 2014) the DC that the 33 KV electric wires had not been shifted. We did not notice any initiative taken by the MO, In-charge for requesting the higher authority for sanctioning fund for shifting of 33 KV wires.

Thus, failure of the Department to ensure suitable site in compliance with provision of Indian Electricity Rules for construction of staff quarters, according technical approval to unsuitable site by CE, commencement of construction of staff quarters by the District Engineer, who was fully aware that 33 KV electric wires were passing close over the site and delayed taking up of matter by MO, In-charge only after completion of work resulted in staff quarters remaining unoccupied rendering the expenditure of ₹ 1.71 crore idle.

The matter was referred to Government (June 2014); their reply had not been received (January 2015) despite reminders¹³.

3.3.2 Unfruitful expenditure

Delayed construction/ upgradation of proposed Primary Health Centre building into Community Health Centre building rendered the expenditure of ₹ 1.92 crore unfruitful.

With a view to provide quality health care to the people of the State, the Government of Jharkhand had emphasized on construction/ upgradation of Community Health Centres (CHCs).

The Secretary, Health and Family Welfare Department (Department), Government of Jharkhand (GoJ) initially allotted (October 2005) ₹ 0.20 crore to the Deputy Commissioner (DC), West Singhbhum for construction of Primary Health Centre (PHC) building, Tantnagar in West Singhbhum district. The Department decided to upgrade the proposed PHC into CHC building and again allotted (October 2006) ₹ 1.25 crore to DC. These funds were drawn by DC and kept in the District Reproductive and Child Health Society account operated by Civil Surgeon cum Chief Medical Officer (CS cum CMO), West Singhbhum.

We observed that on the basis of model drawing and design, the Department estimated (January 2007) the cost of building ₹ 1.40 crore¹⁴. Subsequently, the estimate of the CHC building was revised to ₹ 3.18 crore¹⁵ for which the Chief Engineer, Building Construction Department, Ranchi accorded (July

¹³ Reminders: Letter Nos. Report (Civil)/AR/2013-14/98 dated 5 August 2014, 199 dated 10 September 2014 and 290 dated 15 October 2014.

¹⁴ ₹ 1.14 crore for the construction of main building and ₹ 0.26 crore for renovation of administrative and Outdoor Patient Department (OPD) building.

¹⁵ Technical sanction for construction of CHC, Construction of residences for medical and para medical staff, Boundary wall, Community toilet and shelter for waiting, generator etc.

2007) the technical approval. DC selected (September 2007) the District Engineer *Zila Parishad* (DEZP) West Singhbhum as executing agency for departmental¹⁶ execution of work. Accordingly, CS cum CMO, Chaibasa assigned (September 2007) the work to DEZP without prescribing due date of completion of building.

However, the DEZP while issuing work order on 15 September 2007 to concerned Assistant Engineer/ Junior Engineer (AE/JE) fixed the completion date of work as 31 December 2010. The CS cum CMO released ₹ 1.45 crore between September 2007 and August 2008 to DEZP.

Again, DC received ₹ 1.33 crore¹⁷ more from the Department and book transferred¹⁸ (between March 2009 and March 2011) the same to DEZP. Out of ₹ 2.78 crore total available fund, the DEZP advanced ₹ 2.73 crore to JE/AE between September 2007 and March 2011 against which ₹ 1.92 crore was adjusted (March 2011) towards expenditure on work and ₹ 81.41 lakh remained as unadjusted¹⁹ as of June 2014.

We further observed that the Department did not release fund as per the approved estimate of ₹ 3.18 crore as of June 2014. Even the allotted funds were not utilised gainfully as there was no progress in work after March 2011, ₹ 81.41 lakh was lying unadjusted against JE/AE. The lackadaisical attitude of the Department and inefficiency of DEZP and their JE/AE to utilise the available fund resulted in the CHC building remaining incomplete as on June 2014.

CS-cum-CMO replied (January 2014) that despite being reminded several times, DEZP did not complete the work. On a query of audit, the DEZP replied (June 2014) that reasons for incomplete building was not on record and physical progress of work was being ascertained from JE/AE.

Thus, non-release of fund as per revised estimate by the Department, lack of proper supervision by the DC and CS-cum-CMO from the very beginning when work was assigned without fixing time schedule for completing the work and lack of performance by the DEZP resulted in CHC building remaining incomplete even after lapse of more than six years and rendered the expenditure of ₹ 1.92 crore unfruitful defeating the purpose of upgrading the proposed PHC to CHC for providing better health care.

The matter was referred to Government (June 2014); their reply had not been received (January 2015) despite reminders²⁰.

¹⁶ The work was to be executed by the departmental engineer through direct purchase of material and engagement of labourers.

¹⁷ February 2009: ₹ 68 lakh, October 2009: ₹ 30 lakh and March 2011: ₹ 35 lakh.

¹⁸ Book transfer means the allotment was made to the department and the fund was transferred to the executing agency directly through treasury.

¹⁹ JEs: ₹ 59.40 lakh, AE: ₹ 22.01 lakh.

²⁰ Reminders: Letter Nos. Report (Civil)/AR/2013-14/103 dated 8 August 2014, 212 dated 18 September 2014 and 302 dated 30 October 2014.

ARTS, CULTURE, SPORTS AND YOUTH AFFAIRS DEPARTMENT

3.3.3 Unfruitful expenditure

Non-completion of the work in time relating to Mega Sports Complex resulting in expenditure of ₹ 3.56 crore remaining unfruitful.

Rule 123 of Jharkhand Public Works Departmental (JPWD) Code provides that cases in which it becomes apparent during the execution of the work that the administratively approved (AA) cost will be exceeded by more than 20 per cent owing to increase of rates or other causes, the revised AA of competent authority must be obtained to the increased expenditure without delay, and in the case of modification of the proposal originally approved during construction, without awaiting the preparation of a detailed supplementary or revised estimate.

The Secretary, Arts, Culture, Sports and Youth Affairs Department, Government of Jharkhand (GoJ) accorded (March 2007) administrative approval (AA) and the Chief Engineer (CE), Building Construction Department (BCD) gave (September 2007) technical approval for ₹ 4.83 crore for the construction of Mega Sports Complex at Dhanbad. An agreement with M/s East India Construction Company Bokaro (the contractor) was executed (March 2008) by Building Construction Division (BCD), Dhanbad for ₹ 4.41 crore with completion date prescribed as June 2009.

Scrutiny of records of Executive Engineer (EE), BCD Dhanbad revealed that due to scope enhancement i.e. increase in the size of the field, provision of dormitory for trainees and sports officials etc. which were not in original estimate a revised estimate of ₹ 5.48 crore was technically sanctioned (May 2010) by the CE, BCD and sent (May 2010) to the administrative Department for approval of revised AA. Further, the Deputy Commissioner (DC), Dhanbad also requested (January 2011) the Department for the release of balance funds on the basis of revised technical estimate.

Meanwhile the contractor completed the part works²¹ of the stadium and stopped (May 2012) the work on the grounds of non-approval by the Department to increase in scope of the work, delay in shifting of 33 KV high tension electric line running through site premises, delay in release of payment and increase in rates of material and labour. As such remaining works²² were not completed by the contractor despite several reminders²³. The EE, BCD, Dhanbad rescinded (January 2013) the work and forfeited the security deposit on the ground of lack of interest by the contractor in completing the work. It was observed that an expenditure of ₹ 3.56 crore was incurred on the work.

We further observed that the CE, BCD again revised the estimate to ₹ 6.92 crore due to increase in quantity and cost of the materials and accorded (May

²¹ Super structure of spectator galleries, dormitories, inner plastering and steps to the spectator galleries.

²² Public Health Engineering (PHE) items, electrification, construction of tracks, outer drain and approach road.

²³ EEs letter no. 1907 dated 05 October 2009, 2283 dated 02 December 2009 and 592 dated 17 March 2012.

2013) technical sanction. The EE, BCD sent (May 2013) the revised estimate to the administrative Department for revised AA. DC, Dhanbad also requested (June 2013) Secretary, Arts, Culture, Sports and Youth Affairs Department, for revised AA. However, revised AA to 1st and 2nd revised estimates was not accorded as of June 2014 even after lapse of more than four and one year respectively and work could not be restarted.

On being pointed out the EE stated (July 2013) that the revised technical estimate for ₹ 6.92 crore have been sanctioned and work will be started as and when revised administrative approval will be granted by the administrative Department.

Thus, due to indifferent approach of the Department to accord revised AA, despite being reminded by EE and DC and non-release of funds to complete the work in time the Mega Sports Complex remained incomplete even after lapse of more than four years, rendering the expenditure of ₹ 3.56 crore unfruitful.

The Principal Secretary Art, Culture, Sports and Youth Affairs Department in reply stated (July 2014) that the work was not delayed by the Department as it had received in January 2014 the request from the DC for the approval of revised AA for ₹ 6.92 crore and the documents for approval of revised AA were sent to State Planning Empowered Committee (SPEC) by the Department in May 2014 which was returned (July 2014) to the Department with instructions to incorporate necessary facts as pointed out by SPEC. Further, he stated that utilisation of funds was not for unfruitful work and construction of Mega Sports Complex would be completed very soon.

The reply of Department is not acceptable as the EE, Building Division, Dhanbad sent the first revised estimate for AA to the Department for ₹ 5.48 crore in May 2010 and the DC, Dhanbad also requested the Department for release of funds according to revised estimate in January 2011. Further, the second revised TS for ₹ 6.92 crore was sent by the division and DC to the Department in May 2013 and June 2013 respectively which was yet to be approved as July 2014. Thus, there were no efforts by the Department from May 2010 till January 2014 to accord revised AA leading to a delay of three and half years in between. Moreover, infrastructure was still not ready even after incurring expenditure of ₹ 3.56 crore.

RURAL DEVELOPMENT DEPARTMENT

3.3.4 Unfruitful expenditure

Construction of Industrial Training Institute Building without obtaining revised administrative approval resulted in non-allotment of ₹ 1.03 crore and non-completion of work, rendering expenditure of ₹ 3.49 crore unfruitful.

According to Rule 121 of Jharkhand PWD Code, for every work initiated with the requirements of another department, it is necessary to obtain 'administrative approval' of the department concerned to the proposals before technical sanction to the works is accorded. Rule 123 of the Code ibid further

states that the procedure of administrative approval is also applicable to modification of the proposals when such modification exceeds the amount administratively approved by more than 20 per cent over the approved outlay.

Our scrutiny (February 2014) of records of Rural Development Special Division (RDSD), Saraikela-Kharsawan revealed that Labour, Employment and Training Department (LETD) accorded administrative approval (AA) (December 2008) for ₹ 3.35 crore for construction of Industrial Training Institute (ITI) building at Chandil, with completion date being March 2009. The Chief Engineer, Jharkhand State Housing Board, Ranchi gave technical sanction which was based on model estimate prepared for ITI building, Garhwa. LETD released ₹ 3.35 crore (December 2008 and August 2009) to the RDSD. RDSD executed (between June 2009 and August 2011) the work departmentally as per model estimate. Deputy Commissioner (DC), Saraikela-Kharsawan was responsible for supervision and monitoring of the work.

We observed that while on the one hand the work was being executed departmentally on the original estimate but on the other hand the Executive Engineer (EE), RDSD Saraikela-Kharsawan prepared a revised estimate on account of changes in SoR, drawing and design on the ground of undulations at the work site, provision of deep bore well, landscaping and gardening etc. to which TS was accorded (February 2010) by the CE, Rural Development Special Zone, Ranchi for ₹ 4.38 crore. Revision in estimate required additional ₹ 1.03 crore (overall cost increase 31 *per cent*) for completion of work.

Scrutiny further revealed that in violation of above codal provisions, the division continued execution of work as per revised estimate instead of original estimate without referring the matter to LETD for approval of revised AA and executed work of value of ₹ 2.79 crore departmentally up to August 2011. However, certain items²⁴ of work valuing ₹ 69.73 lakh were tendered and awarded (between November 2011 and March 2013) to two contractors as the Government had discontinued (October 2010) the departmental execution of work by all departments in the state.

The tendered work was stopped (June 2013) midway after incurring expenditure of ₹ 58.84 lakh as the Principal Secretary, LETD objected (December 2012) to the revision in sanctioned estimate without their concurrence and requested the Rural Development Department for initiating departmental proceeding against EE besides, also refused to release additional amount of ₹ 1.03 crore. Further, LETD sought a detailed technically sanctioned estimate from the division and an inspection report from the DC respectively in May 2012 and June 2013 which were, however, not submitted as of February 2014.

The joint physical verification (June 2014) by audit with the Junior Engineer, RDSD, Saraikela-Kharsawan revealed that the construction of boundary wall, electrification, water supply, internal roads, canteen etc. was yet to be done. The building slated for completion by March 2009, was yet to be finished (July 2014) and handed over to the parent Department for utilisation as ITI.

²⁴ Construction of residual work of ITI building, rolling shutters for the workshops, inside & outside painting of walls, painting of doors & windows.

Thus, execution of work without obtaining revised AA from LETD resulted in non-release of additional ₹ 1.03 crore and non-completion of work rendering expenditure of ₹ 3.49 crore unfruitful.

The matter was referred to Government (June 2014); their reply had not been received (January 2015) despite reminders²⁵.

3.3.5 Wasteful expenditure

Expenditure of ₹ 2.18 crore on Bridge over Beargara River under Mukhya Mantri Gram Setu Yojna (MMGSY) rendered wasteful due to substandard construction and non-completion.

In the light of recommendation of Cabinet Vigilance Department, the Chief Engineer (CE), Rural Development (Special zone) instructed (March 2009) that 100 *per cent* verification of measurement in respect of foundation and reinforcement work need to be ensured by Executive Engineer (EE) and Assistant Engineer (AE) and the verification of measurement done by AE/EE is to be entered in measurement book (MB) along with a certification that the work has been executed as per approved drawing/map. Again as per guidelines issued by the department for implementation of MMGSY, day to day measurement of work executed should be entered in the Measurement Book (MB) by JEs with weekly and fortnightly verification of measurement by AE and EE, respectively. Further, as per clause 25.2 of the contract document, the contractor was made fully responsible for the accuracy of design and drawings of the bridge.

Rural Development Department (RDD), Government of Jharkhand (GoJ) accorded (October 2008) Administrative Approval (AA) for construction of one bridge under MMGSY over Beargara River at Arki in Ulihatu Road, Khunti. Subsequently, Chief Engineer (CE), Rural Development Zone, Ranchi, on the recommendation (December 2008) of Departmental Tender Committee, allotted (January 2009) the work to a contractor on turnkey basis and an agreement with the contractor was executed (February 2009) by the Rural Development (Special) Division (RDSD), Ranchi for completion of work by 10 February 2010 at an agreement value of ₹ 4.15 crore in seven stages²⁶.

Scrutiny (December 2013) of records of EE, Rural Development (Special) Division, Khunti revealed that the contractor completed (March 2011) work up to IV stage²⁷ and was paid ₹ 2.18 crore²⁸. There was no progress in work

²⁵ Reminders: Letter Nos. Report (Civil)/AR/2013-14/111 dated 8 August 2014, 216 dated 18 September 2014 and 306 dated 30 October 2014.

²⁶ Stage I: Approval of detailed design and working drawings, stage II: completion of foundation work up to bed level, stage III: completion of pier cap level, stage IV: completion of 50 *per cent* of deck slab casting, stage V: completion of 100 *per cent* deck slab casting, stage VI: completion of bridges components such as wearing course, railing, approach slab and Stage VII: submission of built drawing and all relevant documents of the project.

²⁷ Work completed upto pier cap level and partial work of deck slab level.

after March 2011 as the contractor intimated (July 2010 and February 2012) the department about the local hindrances due to extremism. However, he did not request for any time extension.

Further, the EE/AE failed to verify the detailed measurement of foundation and reinforcement in violation of instructions (March 2009) of CE, Rural Development (Special zone) for turnkey works in execution of work to substantiate the payment made to the contractor. Further, audit also could not verify the measurement as the payment to the contractor was made on lump-sum basis by recording measurement only on per cent basis.

Subsequently, EE observed (December 2011) that as the depth of pile was not correct, pier no. three of the bridge got damaged and also pier no. six got tilted. The EE instructed (December 2011 and May 2013) the contractor to reconstruct the piers after dismantling the original ones. The contractor failed to take any action either for reconstruction of damaged piers or for completion of bridge in compliance with the contract clause of SBD.

In reply, EE stated (December 2013) that the contractor is being reminded to complete the remaining portion of work and that payment for defective work would be done after rectification of defect. However, the bridge remained incomplete as of July 2014.

Thus, lack of monitoring by the AE/EE in ensuring cent per cent verification of measurement in foundation and reinforcement as per recommendation of Cabinet Vigilance Department, non-adherence to MMGSY guidelines for measurement of work executed and failure to take action against the contractor for non-completion/ deficient construction as per contract clauses not only resulted in substandard work but also rendered expenditure of ₹ 2.18 crore wasteful besides delaying the benefits of uninterrupted road connectivity.

The matter was referred to Government (June 2014); their reply had not been received (January 2015) despite reminders²⁹.

However, reply has been received (July 2014) from the Finance Department which accepted the audit observations and found prima facie Chief Engineer (RDSD Special Zone), Executive Engineer and Contractor responsible and asked the Secretary, (RDSD) to fix the responsibility, take departmental action, and to blacklist the contractor besides initiating action for recovery of payment made along with interest at the rate of 12 *per cent* thereon.

²⁸ Include ₹ 1.08 crore paid (January 2010) by RSRD, Ranchi to the contractor. Thereafter the work was transferred (August 2010) to the RDSD, Khunti. Till that time, the works up to three stages (foundation, 11 piers and one abutment) were complete.

²⁹ Reminders: Letter Nos. Report (Civil)/AR/2013-14/96 dated 5 August 2014, 198 dated 10 September 2014 and 291 dated 15 October 2014.

BUILDING CONSTRUCTION DEPARTMENT

3.3.6 Unfruitful expenditure

Provision of unsuitable land for construction, delay in revision of estimate and failure to accord revised administrative approval resulted in non-completion of sub-jail leading to unfruitful expenditure of ₹ 1.61 crore.

According to Rule 121 of Jharkhand Public Works Departmental (JPWD) Code, technical feasibility approval of a work is a token of acceptance by the competent authority and it should be taken as technical approval (TA) for the purpose of the scheme to be considered for Administrative Approval (AA). After getting AA, the technical sanction (TS) of the detailed estimate is required before actual commencement of the works. Further Rule 123 of JPWD Code states that cases in which it becomes apparent during the execution of the work that the amount of AA will be exceeded by more than 20 per cent owing to increase of rates or other causes, the revised AA must be obtained to the increased expenditure without delay.

On the model estimate of ₹ 6.08 crore technically approved (November 2003) by the Chief Engineer (CE), Building Construction Department (BCD), Ranchi, the Secretary, Home Department, accorded (September 2004) AA for ₹ 6.08 crore for construction of Sub-jail for 300 prisoners at Madhupur, Deoghar.

Scrutiny revealed that the CE, BCD, Ranchi awarded (July 2006) the work to a contractor at an estimated cost of ₹ 6.86 crore without availability of land and detailed designs. The Deputy Commissioner (DC), Deoghar provided the land in December 2007 and the Superintending Engineer (SE), Building Design Circle provided (January 2008) the foundation design to EE, BCD. Accordingly, an agreement with the contractor was executed (May 2008) at a cost of ₹ 7.13 crore after a delay of 22 months from award of work with completion date being August 2009.

We observed that the land provided for construction was undulating in nature but the model estimate and foundation design were for levelled land. As such the contractor requested repeatedly³⁰ to the EE to provide directions and design according to the nature of the land made available. Engineer-in-Chief and CE, BCD during their inspection (October 2009 and November 2009) of the site also admitted that the land was undulating in nature and instructed (April 2010) the EE to prepare and submit to the BCD a revised estimate and design as per work site. However, no further design was made available to the contractor.

³⁰ Dated: 11 July 2008, 05 March 2009, 17 April 2009, 17 August 2009, 02 September 2010 and 04 April 2011.

Subsequently, the EE rescinded (May 2011) the agreement on the ground of slow progress of work as the contractor completed only the part work³¹ despite being reminded³² several times by the Division and paid (June 2011) ₹ 1.61 crore to the contractor.

Scrutiny further revealed that the estimate was revised and modified TS was accorded (June 2013) by the CE, BCD, Ranchi for ₹ 19.89 crore after more than two years of rescinding the work. However, revised AA was awaited from the Home Department as such fresh tender was not invited as of July 2014 for completion of the remaining work.

Thus, commencement of work on model estimate which was not suitable for undulating land, delay of 22 months in executing agreement, delay in revision of estimate for balance works by the BCD and failure of administrative Department to accord revised AA as per modified TS resulted in non-completion of sub-jail leading to unfruitful expenditure of ₹ 1.61 crore on incomplete work.

In reply, the Principal Secretary, BCD stated (November 2014) that delayed availability of land by the administrative Department and undulating nature of land resulted in revision of estimate and non-completion of sub-jail. Further, he stated that NIT would be issued for the remaining works after receiving revised AA on modified TS from the administrative Department.

The fact remains that the sub-jail remained incomplete even after five years.

3.4 Persistent and pervasive irregularities

An irregularity is considered persistent if it occurs year after year. It becomes pervasive when it prevails in the entire system. Recurrence of irregularities, despite their being pointed out in earlier audits, is not only indicative of non-seriousness on the part of the Executive, but is also an indication of the lack of effective monitoring. This, in turn, encourages wilful deviations from the observance of rules/regulation and results in weakening of the administrative structure. A few such cases have been discussed below:

RURAL WORKS DEPARTMENT

3.4.1 Incomplete construction of road

Due to commencement of work without administrative approval and non-availability of funds, work remained incomplete for more than four years after incurring expenditure of ₹ 1.49 crore besides creating liability of ₹ 91.48 lakh.

Rule 123 of Jharkhand Public Works Department (JPWD) Code 2012 stipulates that if the revised estimates exceed the amount administratively

³¹ Administrative building: completed Lower roof casting; Male barrack (1&2): completed ground floor roof casting and brick work up to lintel level in first floor part; Hospital building: roof casted, no finishing; Kitchen for hospital: roof casted, no finishing; Perimeter wall: masonry work done in 1245' length and Peripheral watch tower: construction of two nos.-peripheral watch tower (part).

³² EE's Letter no. 125 dated 19 July 2008, 371 dated 15 June 2009, 1145 dated 01 October 2010 and 236 dated 12 March 2011.

approved by more than 20 per cent owing to increase of rates or other causes, the revised administrative approval of competent authority must be obtained to the increased expenditure without delay.

Rural Development Department (RDD) accorded (March 2008) the administrative approval (AA) for ₹ 2.52 crore under Minimum Needs Programme for upgradation of 7.81 km road from Bahirgram to Pathatgatta, upto Bengal border, for which technical sanction (TS) was accorded (September 2008) by the Chief Engineer (CE), RDD, Chotanagpur and Santhal Pargana on the basis of Schedule of Rates (SoR) 2007. The Executive Engineer (EE), Rural Works Division (RWD), Pakur invited (March 2008) tender but it was cancelled due to single tender. Subsequently, the EE revised (September 2008) the estimate to ₹ 3.24 crore on fresh SoR³³ and also increased the length of Guard wall³⁴ from 110 meters to 355 meters to which the CE, RDD gave TS in September 2008.

Audit scrutiny of records revealed (November 2013) that in violation of Rule 123 of JPWD Code, EE again invited (September 2008) the tender on revised estimate for ₹ 3.24 crore without obtaining revised AA from the Department and executed (February 2009) an agreement with a contractor for ₹ 3.07 crore³⁵ with completion date being February 2010. Further, it was observed that against sanctioned length of 7.81 km, the contractor completed (May 2010) earth work, sub base and Grade II³⁶ work in 7.81 km, Grade III³⁷ in 5.0 km, Premixing and Seal coating in 2.5 km, pavement of cement concrete in 2.4 km and construction of nine cross drainages for ₹ 2.40 crore for which he was paid ₹ 1.49 crore and balance amount of ₹ 0.91 crore remained unpaid due to non-release of funds by the Department. In absence of payment, no further work was executed by the contractor and the work remained incomplete³⁸ as of July 2014.

Thus, tender/award of work by the EE without Departmental sanction for revised AA in violation of codal provision resulted not only in non-release of adequate funds and incomplete work even after lapse of more than four years but also rendered expenditure of ₹ 1.49 crore unfruitful and created liability of ₹ 0.91 crore. Besides, erosion in quality of already constructed and uncovered WBM surface due to weather and traffic may not be ruled out.

The matter was referred to Government (June 2014); their reply had not been received (January 2015) despite reminders³⁹. However, Secretary of the Finance department, Government of Jharkhand asked (July 2014) the Secretary, RWD for initiating action against the EE.

³³ Applicable from 21 May 2008.

³⁴ All other quantities remained same.

³⁵ Agreement No. 28F2 2008-09 dated 09 February 2009.

³⁶ Grade II: Providing stone metal (45 to 63 mm size) with screening materials type in road embankment.

³⁷ Grade III: Providing stone metal (22.40 mm to 53mm size) with screening materials crushable type such as moorum or gravel in road embankment.

³⁸ Grade III: 0.41 km and premix & seal coat: 2.91 km.

³⁹ Reminders: Letter Nos. Report (Civil)/AR/2013-14/107 dated 8 August 2014, 214 dated 18 September 2014 and 304 dated 30 October 2014.

3.4.2 Non-recovery of government money

Excess payment to contractor and non-levy of penalty/liquidated damages resulted into non-recovery of ₹ 1.03 crore.

As per clause 53.1 of Standard Bidding Document (SBD), if a contract is terminated because of a fundamental breach of contract by the contractor, the engineer shall issue a certificate of value of the work done and materials ordered less liquidated damages⁴⁰, if any, less advance payment received upto the date of the issue of the certificate and less the percentage to apply to the value of work not completed as indicated in the contract data⁴¹. If the total amount due to the employer exceeds the payment due to the contractor, the difference shall be recovered from the security deposit and performance security. If any amount is still left un-recovered, it will be a debt payable to the employer.

Further, clause 38.1 of SBD stipulates that the contractor shall submit to the Engineer fortnightly/monthly statements of the value of the work executed supported with detailed measurement of the items of work executed. The Engineer shall check the Contractor's fortnightly/ monthly statements and certify the amount to be paid to the contractor and pay the amounts certified within 14 days of such certification.

Scrutiny of the records of Rural Works Division, Gumla revealed (January 2014) that the Chief Engineer (CE), Rural Works Department (RWD) awarded (March 2007) the work of 'Improvement of road from Kumhar More to Sahijana Road' having a total length of 29.60 km at a cost of ₹ 4.42 crore⁴² to a contractor. Executive Engineer (EE), Rural Works Division executed (March 2007) an agreement with the contractor to complete the work by September 2008.

We observed that the EE rescinded⁴³ (April 2011) the contract on the grounds of fundamental breach as the contractor showed no interest in continuing the work and stopped the work midway and also did not resume it despite several reminders⁴⁴ and press notices. Further, the contractor had not submitted statements of the value of the work executed for certifying the amount to be paid by EE and consequently, Assistant Engineer (AE)/EE did not certify the amount to be paid to the contractor. The division took (May 2012) final measurement of the work done and material issued and found that ₹ 0.50 crore⁴⁵ was paid in excess to the contractor which was recoverable from him.

Audit scrutiny further revealed that as per agreement the division had not yet calculated (January 2014) the recoverable dues from the contractor due to penalty and excess payment on termination of contract as per clause 53.1 of

⁴⁰ 10 per cent in the present case.

⁴¹ 20 per cent in the Instant case.

⁴² 0.25 per cent below quoted rates.

⁴³ As per clause 3(a) of the contract vide. Letter no. 480 dated: 20 April 2011.

⁴⁴ Letter no :275 dated 13 March 2010, 487 dated 19 April 2010, 684 dated 18 May 2010 and 1570 dated 4 November 2010; Press notes: 838 dated 10 June 2010 and 152 dated 19 February 2011.

⁴⁵ ₹ 49.996 lakh (excess payment): ₹ 225.769 lakh (Value of work paid to contractor)- ₹ 175.773 lakh (Value of work as per final measurement).

SBD. As per conditions of contract audit had calculated ₹ 1.47 crore recoverable from the contractor as given in Table below:

| (₹ in crore) | | | | | | | | |
|-----------------|--------------------|-------------------------|--|-----------------------------|------------------------------|--|-------------------------------------|--|
| Agreement value | Value of work done | Value of remaining work | Deductions on account of Security Deposit, IT, ST, Royalty | Gross payment to contractor | Excess payment to contractor | 20 per cent of value of work not completed | Liquidated Damages 10 per cent of A | Recoverable amount as per contract conditions upon termination (F+G+H) |
| A | B | C | D | E | F | G | H | I |
| 4.42 | 1.76 | 2.66 | 0.43 | 2.26 | 0.50 | 0.53 | 0.44 | 1.47 |

We observed that the contractor had submitted ₹ 0.22 crore as Earnest money and initial security deposit in the form of post-office passbook and security deposit of ₹ 0.22 crore was deducted from contractor's running bills which had not been forfeited as of July 2014. Thus, a sum of ₹ 1.03 crore⁴⁶ remains to be recovered from the contractor.

The EE replied and stated (July 2014) that the available security is being adjusted. For the recovery of balance amount necessary steps will be taken.

The reply was not acceptable because the Division made excess payment of ₹ 0.50 crore due to non-adherence to the contract clauses. Although the contract was rescinded three years back (April 2011) and last measurement taken in May 2012, the division was yet to either forfeit the security deposit or recover the excess payment.

Thus, irregular excess payment and no follow up action subsequent to rescindment of the contract to recover the amount due from the contractor resulted in non-recovery of ₹ 1.03 crore.

The matter was referred to Government (June 2014); their reply had not been received (January 2015) despite reminders⁴⁷. However, Secretary, Finance department, Government of Jharkhand directed (July 2014) Secretary, RWD for taking action against the EE.

3.4.3 Unfruitful expenditure on incomplete roads

Failure to take timely action resulted in unfruitful expenditure of ₹ 1.87 crore on incomplete road.

According to paragraph 4.8.2 of the standard specification of Water Bound Macadam (WBM) of Indian Road Congress, the base course is to be provided with bituminous surfacing. The latter shall be laid only after the WBM course is completely dry and before allowing any traffic on it. Further, as per Chief Secretary's instructions issued in March 1982 all types of works should be started simultaneously on a limited length and that length should be completed first and after that successive length should be taken up.

Scrutiny of records (December 2013) of Executive Engineers (EE), Rural Works Divisions, (RWD) Ranchi and Hazaribag revealed that in two cases

⁴⁶ ₹ 1.47 crore (Amount due from contractor) - ₹ 0.44 crore (Earnest money and Security deposit available with the Division).

⁴⁷ Reminders: Letter Nos. Report (Civil)/AR/2013-14/107 dated 8 August 2014, 214 dated 18 September 2014 and 304 dated 30 October 2014.

road works⁴⁸ were not taken up in a phased manner to complete a particular length of road in all aspects. The WBM for the Grade II/III surfaces⁴⁹ of incomplete lengths of these roads were not covered with bituminous layers and were left open to traffic and weather for varying lengths of time ranging between one and two years and these works were not completed as of August 2014 as detailed in Table below:

| Executing Agency | Date of commencement and due date of completion of work | Date of stoppage of work | Work completed upto | | | | Agreement value (₹ in lakh) | Payment made (₹ in lakh) |
|------------------|---|--------------------------|---------------------|---------|-----------------------------|-------------------------|-----------------------------|--------------------------|
| | | | Gr.II | Gr. III | Premix carpet ⁵⁰ | Seal coat ⁵¹ | | |
| RWD, Ranchi | February 2011 November 2011 | August 2012 | 69% | 54% | Nil | Nil | 90.71 | 47.93 |
| RWD, Hazaribag | October 2011 April 2013 | July 2013 | 94% | 31% | Nil | Nil | 251.96 | 138.57 |

In reply to audit query, the EE, RWD, Ranchi stated (December 2013) that owing to non-availability of land due to local disturbances, the work was not progressing and requested (July 2014) the Chief Engineer, RWD to foreclose the work who in turn requested (July 2014) to Engineer-in-Chief, RWD to foreclose the agreement. Similarly, EE, RWD, Hazaribag stated (December 2013) that due to tardy implementation of work by the contractor, work could not be completed and process for rescinding the work had been initiated.

Thus, bituminous work was not executed after WBM though it was necessary as per specification and the respective divisions failed to enforce the codal provisions regarding phased part length construction in all aspects. This resulted in rendering expenditure of ₹ 1.87 crore incurred on construction of roads unfruitful as it will not serve the purpose of providing all weather connectivity.

The matter was referred to Government (July 2014); their reply had not been received (January 2015) despite reminders⁵².

ROAD CONSTRUCTION DEPARTMENT

3.4.4 Nugatory expenditure

Failure to provide work and to utilise the services of the staff gainfully resulted in nugatory expenditure of ₹ 8.28 crore on staff along with idle plant and machinery worth ₹ 1.71 crore.

(i) Road Mechanical Division, Sahebganj

The Secretary, Road Construction Department (RCD), Government of Jharkhand (GoJ) issued (January 2002) an instruction that bituminous work within a radius of 40 km of the already installed Hot Mix Plant (HMP) would be done departmentally through existing HMP and no tender would be called

⁴⁸ (i) Kocho to Harihar Mela Road, length of 2.4 km road in Ranchi (ii) Sukulkatha to Dudhigarha Road, length 9.00 km in Hazaribag under State Sponsored Scheme.

⁴⁹ These are the parts of WBM and the size of stones used for Grade-II ranges between 45 mm to 63 mm and for Grade- III ranges between 22.40 mm to 53 mm.

⁵⁰ **Premix**-The Bitumen shall be heated in boilers of suitable design approved by the engineer-in-charge to the temperature appropriate to the grade of Bitumen.

⁵¹ **Seal coat**- This work shall consist of the application of the seal coat for the sealing the voids in the bituminous surface laid to specified level, grade and cross fall (camber).

⁵² Reminders: Letter Nos. Report (Civil)/AR/2013-14/190 dated 1 September 2014, 228 dated 7 October 2014 and 321 dated 12 November 2014.

for. The work would be done by the respective Mechanical Divisions of the Department unless they express their inability to execute the job.

Scrutiny (July 2013) of records of Executive Engineer (EE), Road Mechanical Division, Sahebganj revealed that the Division had two Hot/Drum Mix Plants and allied machinery worth ₹ one crore. These Plants and machinery were lying idle for want of works as only two works⁵³ were allotted (2009-10 and 2010-11) to the Mechanical Division, Sahebganj during the period 2008-13 on which the Division incurred an expenditure of ₹ 2.19 crore.

Further, we observed that there were 48 to 68 staff working in the Mechanical Division, Sahebganj during 2008-09 to 2012-13. As only two works were allotted during five years, they remained largely idle and an amount of ₹ 8.28 crore was spent towards their salary. The expenditure on salary of staff and value of idle plant was about four times that of work done by the division.

On this being pointed out (July 2013), EE, RCD, Sahebganj accepted the fact and stated that the Department was aware of idle manpower, as works were not allotted to the division.

Thus, non-allotment of work and non-utilisation of services of idle staff by the Department resulted in nugatory expenditure of ₹ 8.28 crore on salary of staff. Besides, we also noticed that idle machinery were also in need of major and minor repairs.

(ii) Road Mechanical Circle, Ranchi

Audit scrutiny (December 2013) of records of Superintending Engineer (SE), Mechanical Circle, Ranchi revealed that the Road Construction Department (RCD) accorded (September 2006) Administrative Approval for ₹ 73.03 lakh for purchase of two sets of quality control/measuring equipment⁵⁴ and allotted (September 2006) the funds to SE. The equipment and allied articles were procured at a cost of ₹ 71.17 lakh⁵⁵ (September and October 2006).

We observed that equipment and allied articles were not used for any quality control/testing work till May 2011 after their procurement even though more than four years had lapsed. Later on, the Engineer in Chief (EIC), RCD ordered (May 2011) the SE to use the procured equipment 'Roughometer' for checking the roughness of 10 roads of Road Division, Ranchi. However, as stated (August 2014) by the SE, RCD, Road Mechanical Circle, only five roads could be checked and thereafter roughometer became damaged. Subsequently, SE Mechanical Circle Ranchi made several requests to the suppliers for rectifying the damaged roughometer but supplier failed to make it in running condition as of July 2014.

⁵³ Special repair of Dumka-Hansdiha Road and only PCC work of Special Repair of Barhait- Barharwa Road.

⁵⁴ 1. ARRB Roughometer (Australia), 2. Transtech Pavement Quality Indicator (USA), 3. Kamekura Concrete test hammer (Japan), 4. AND Infrared thermometer, 5. TAISEI Quality control kit, 6. Non-contact mini infrared thermometer, 7. Scorpio STD, CRDE vehicle and 8. HP make laptop with all accessories.

⁵⁵ Laptops- ₹ 1.15 lakh, Equipment- ₹ 56.42 lakh and Scorpions- ₹ 13.60 lakh.

Thus, non-utilisation of equipment for quality control rendered expenditure of ₹ 71.17 lakh unfruitful on equipment lying idle, beside non-achievement of its objective of quality testing even after lapse of seven years since their procurement.

The matter was referred to Government (June 2014); their reply had not been received (January 2015) despite reminders⁵⁶.

**Ranchi,
The**

**(MRIDULA SAPRU)
Principal Accountant General (Audit)
Jharkhand**

Countersigned

**New Delhi,
The**

**(SHASHI KANT SHARMA)
Comptroller and Auditor General of India**

⁵⁶ Reminders: Letter Nos. Report (Civil)/AR/2013-14/109 dated 8 August 2014, 215 dated 18 September 2014 and 305 dated 30 October 2014.