

CHAPTER V

Audit of Transactions

5.1 Audit of non-compliance with rules and regulations

ZILLA PARISHADS

5.1.1 Loss of ₹ 1.75 crore due to non-realisation of establishment charges

Six ZPs executed deposit works on behalf of different line departments and suffered loss of ₹ 1.75 crore due to non-realisation of establishment charges from those line departments in violation of the provision of Panchayat Rules

Rule 106 read with Rule 109 of West Bengal Panchayat (ZP and PS) Accounts and Financial Rules, 2003 empowers the ZP to charge an amount not less than five *per cent* of total expenditure actually incurred for the purpose of covering the cost of establishment charge for any work which the ZP undertakes to execute on behalf of any department of the State Government as deposit work. During audit of ZPs, it was noticed that various line departments released funds to ZPs for execution of schemes/ works of those departments. ZPs did not consider those works as deposit works and did not collect even the minimum establishment charges of five *per cent* of total expenditure from the concerned Departments as required under the rules. Instances are given below:

- (i) Murshidabad, Dakshin Dinajpur, Nadia and Purba Medinipur ZPs undertook upgradation of Primary Health Centres (PHCs), construction of boundary wall, main hospital building, residential quarters of Medical Officers and Nursing Personnel and improvement of District Hospital on behalf of Health and Family Welfare Department (H&FW). Scrutiny revealed that the ZPs received ₹ 38.04 crore⁴⁰ and spent ₹ 32.72 crore (₹ 11.83 crore, ₹ 4.41 crore, ₹ 16.11 crore and ₹ 0.37 crore respectively) till January 2014 but did not collect establishment charges of ₹ 1.64 crore.
- (ii) Similarly, Bardhaman ZP executed the work 'Setting up of Polyclinics at Bardhaman' on behalf of Animal Resources Development Department. Scrutiny

⁴⁰ Murshidabad ZP (₹ 13.19 crore); Dakshin Dinajpur ZP (₹ 6.43 crore); Nadia ZP (₹ 18.05 crore) and Purba Medinipur ZP (₹ 0.37 crore).

revealed that the ZP received ₹ 2.94 crore and executed the work at a cost of ₹ 1.53 crore (August 2012) but did not realise ₹ 7.65 lakh towards establishment charge.

(iii) Cooch Behar ZP executed construction of Common Facility Centre (CFC) and dye house of Dinhata and Tufanganj cluster (February 2012) on behalf of the Directorate of Textiles and *Panchanan Barma Sangraha Shala- O-Gabeshana Kendro* at Chengerkuthi Khalishamari, Mathabhanga on behalf of Backward Classes Welfare Department at a cost of ₹ 19.95 lakh and ₹ 51.74 lakh respectively against total receipt of ₹ 1.14 crore, but did not consider establishment charge of ₹ 3.58 lakh from these departments.

When it was pointed out (December 2013 to March 2014), Purba Medinipur ZP stated (December 2013) that considering the overall development strategy for the district, *Artha Sthayee Samiti* did not fix or determine any establishment charges. But provision of minimum charge of five *per cent* was stipulated in Rules. Remaining ZPs did not furnish any reply.

Thus, due to non-adherence to the prescribed rules regarding realisation of cost of establishment charges for deposit works, ZPs suffered loss of own revenue of ₹ 1.75 crore.

ZILLA PARISHADS

5.1.2 Loss of ₹ 32.60 lakh due to unauthorised remission

Bankura and Birbhum ZPs waived ₹ 32.60 lakh from lessees of *bundhs*, roads etc. without taking approval of Director, P&RDD

Rule 13 (1) of West Bengal Panchayat (ZP and PS) Accounts and Financial Rules, 2003 stipulates that any loss of or damages to movable or immovable property shall be brought to the notice of the *Artha Sthayee Samiti* immediately. *Artha Sthayee Samiti* shall make a thorough enquiry of such loss and identify the steps required for recovery and restoration of such loss or damage. Further, Rule 13 (4) *ibid* states that any remission of revenue or rent of leased out land, ferry, pond, gardens, fisheries, tolls on bridges and taxes and fees not exceeding rupees one thousand may be made by the ZP only with the prior approval of the Director, P&RDD, West Bengal in writing.

a) Bankura ZP leased out 92 *bundhs* at an annual fixed rent since 1987-88. Scrutiny revealed that the ZP could not collect rents regularly and there was an arrear demand of ₹ 20.41 lakh up to March 2010. In violation of the rule *ibid*

in January 2013, the ZP had written off all the outstanding rent on the strength of a resolution of *Artha Sthayee Samiti* without taking prior approval of Director, P&RDD.

When pointed out (January 2014), the ZP replied (January 2014) that Commissioner, Directorate of P&RDD was being requested for approval of remission of outstanding rent.

b) Similarly, Birbhum ZP engaged (May 2008) an agency to collect the tax for one year from May 2008 to May 2009 for Rampurhat by pass for a lease amount of ₹ 32 lakh which was further extended up to December 2009 on pro-rata basis. During January 2009, the agency pleaded with the ZP for remission of lease rent as it had failed to collect toll tax due to repair of road and faced financial loss as plying of vehicles remained fully suspended for 139 days. The ZP granted (December 2009) remission of ₹ 12.19 lakh and requested P&RDD to accord necessary sanction for the said remission in November 2011 but no approval was accorded as of January 2013.

Thus, in contravention to the provision of West Bengal (ZP and PS) Accounts and Financial Rules, 2003 two ZPs granted unauthorised remission of revenue of ₹ 32.60 lakh which in turn led to loss of ZPs' own fund.

SOUTH 24 PARGANAS ZILLA PARISHAD

5.1.3 Irregularities of ₹ 69.70 lakh during execution of upgradation of road works

South 24 Parganas ZP incurred excess expenditure of ₹ 46.90 lakh due to non-adherence to instruction issued by PW (Roads) Directorate, Government of West Bengal. It also incurred wasteful expenditure of ₹ 22.80 lakh due to excess execution of WBM Grade III over the subsequent layers

Rule 63 of West Bengal Panchayat (ZP and PS) Accounts and Financial Rules, 2003 envisages that the Executive Engineer should adopt the current Schedule of Rates (SOR) of the Public Works Department (PWD) for building works and construction and that of PWD (Roads) for roads, bridge works etc. Further, Rule 83 also specifies that the rates entered in the estimate shall agree with the SOR adopted by the PWD for similar nature of work unless different rates for different items are prescribed.

South 24 Parganas ZP undertook work of widening and strengthening of a

road⁴¹ under RIDF-XV in May 2010. During scrutiny of records of the said work, audit observed the following:

The ZP prepared (date not found on record) estimate by incorporating rate of ₹ 731.24 per sqm for execution of brick soling⁴² and floated notice inviting tender (NIT) in February 2010, while the rate was introduced in May 2009 as ₹ 474.30⁴³ per sqm by PWD. But the ZP did not adopt the revised rate and incurred an excess expenditure of ₹ 46.90 lakh⁴⁴.

Further, SOR also specified that any bituminous macadam should be covered with either the next pavement course or wearing course as the case may be.

Scrutiny revealed that, the ZP executed 56,146.44 sqm of stone metal (size 53-22.4 mm) instead of 43,568.47 sqm, as lower layers of wearing courses were executed for 43,568.47 sqm each. Thus, the ZP incurred imprudent expenditure of ₹ 22.80 lakh⁴⁵ due to excess execution of WBM Grade III work.

The ZP incurred total excess expenditure to the tune of ₹ 69.70 lakh in the shape of non-adoption of revised rate and excess execution of stone metal (size: 53 to 22.4 mm) on the same road. No response to the audit observation (December 2013) has been received as of March 2015.

ZILLA PARISHADS

5.1.4 Excess expenditure of ₹ 61.26 lakh

Bardhaman, Nadia and North 24 Parganas ZPs incurred excess expenditure of ₹ 61.26 lakh during execution of road works using higher density bitumen emulsion of 1.05 kg/sqm instead of schedule rates of 0.75 kg/sqm

Schedule of Rates of PWD (Road) 2008-09 and provisions of Indian Road Congress (IRC) stipulate that Water Bound Macadam (WBM) and Wet Mix

⁴¹ Jibantala to Dhuri (0.00 to 11.42 km) in Canning-II PS (up-gradation of PMGSY Road)

⁴² Soling/ dry pavement with brick-on-edge laid in herring bone bond pattern over a single flat soling (thickness 75 mm + 127 mm)

⁴³ ₹ 469.60 + 1% cess= ₹ 474.30

⁴⁴

Area (in sqm)	Rate allowed (in ₹)	Rate admissible (in ₹)	Excess rate (in ₹)	Tender rebate	Total excess payment (in ₹)
18,272	731.24	474.30	256.94	0.10 %	46,90,112.87

⁴⁵ {(56,146.44-43,568.47)* ₹ 179.65} add 1 per cent cess less tender rebate of 0.10 per cent= ₹ 22,79,946.40

Macadam (WMM) surfaces are of low porosity and the quantity of liquid bituminous material required for primer coat is 0.75 kg/sqm. Scrutiny of road works of three ZPs revealed that the ZPs did not adhere to the said stipulation and incurred excess expenditure as discussed below:

Contravening the specifications of SOR (PWD) and IRC, Bardhaman ZP allowed the bitumen emulsion @ 1.05 kg/sqm for laying the primer coat on the WBM and WMM surfaces of 10 roads during 2009-10 to 2012-13 and incurred excess expenditure of ₹ 33.32 lakh towards execution of 3,51,685.80 sqm surface area of those roads (**Appendix XXIII**).

Similarly, Nadia and North 24 Parganas ZPs considered quantity of Bitumen (Cationic emulsion) of 1.05 kg/sqm applicable for surface of medium porosity instead of 0.75 kg per sqm for low porosity in respect of six roads during 2010-11 to 2013-14 and in respect of 20 roads during 2012-13. Consequently, excess laying of bitumen emulsion over 2,62,530.10 sqm (1,39,931.80 sqm + 1,22,598.30 sqm) WBM surfaces led to excess expenditure of ₹ 27.94 lakh (**Appendix XXIII**).

On being pointed out (between November 2013 and February 2014), Nadia ZP stated (March 2014) that the road was busy and there was no possibility of diversion of traffic. The ZP used higher density of bitumen as plying traffic on a newly constructed WBM surface may damage the surface. The ZP also stated that the Detailed Project Report (DPR) was accordingly vetted by competent authority while Bardhaman and North 24 Parganas ZPs did not furnish any reply.

It is evident from the reply that the competent authority did not revise the rates while vetting those works and the ZPs executed the roads with inflated estimates.

Thus the ZPs incurred excess expenditure of ₹ 61.26 lakh due to non-adherence to the provisions of SOR and IRC.

ZILLA PARISHADS

5.1.5 Undue benefit of ₹ 42.19 lakh

Malda and Cooch Behar ZPs did not adopt the revised rate of reinforcement and bitumen and emulsion before execution of roads and bridges and made extra expenditure of ₹ 42.19 lakh and extended undue benefit to contractors

a) Malda ZP undertook construction of four bridges at Chanchol-I, Ratua-I, Ratua-II and Bamongola PSs at a cost of ₹ 13.60 crore by inviting tender

during November 2009. Scrutiny revealed that the ZP prepared the estimates with pre-revised rate of reinforcement by taking the rate of steel as ₹ 40,800.00 per MT when supplied by the Department and ₹ 37,000.00 per MT when supplied by the contractor but did not consider any revision of rate while inviting tender in November 2009 though the rate of steel rods/ bars for reinforcement were reduced to ₹ 35,050.00 and ₹ 31,600.00 per MT respectively from 16 September 2009. The tender selection committee of the ZP decided to issue work order to successful tenderers in February 2010 and work order was issued in May 2010. Thus the ZP had ample scope to adopt the revised rate⁴⁶ before floating NIT and finalising the tender. The ZP accordingly, executed the works with inflated rate and extended undue benefit in the shape of excess expenditure of ₹ 38.73 lakh⁴⁷ by allowing higher rate of reinforcement for 532.139 MT of steel.

When pointed out (January and February 2014), the ZP stated (February 2014) that the revised rate was adopted on or from 2 February 2010 for Malda district and so question for excess payment did not arise. The reply of ZP is not tenable because the revised rate was made effective from 16 September 2009 for the State as a whole.

⁴⁶ Rate of reinforcement (all the value of calculation considered as per the vetted DPR except the cost of steel, binding of steel and rate of reinforcement)

Item as per Errata and 4th Corrigenda of SOR of PW (R) 2008-09 w.e.f. 16 Sep 2009	Mara Mahananda at Swarupganj under Chanchol-I PS	Haria Branch of Purnabhaba at Ashrampur Ghat under Bamongola PS	Baromasia Saraswati at Tutia Debipur under Ratua -I PS	Mara Mahananda at Achintala under Ratua-II PS
Cost (₹ 31,600 *1.05)	33,180	33,180	33,180	33,180
Profit @ 10% of cost	3,318	3,318	3,318	3,318
Carriage @ 10% of cost and 5% wastage as per DPR	2,333.05	2,215.24	2,215.24	20,81.36
Bending and binding rate etc.	7,560	7,560	7,560	7,560
Sub-total	46,391.05	46,273.24	46,273.24	46,139.36
Complete rate with 1% cess	46,854.96	46,735.97	46,735.97	46,600.75

⁴⁷

Name of the bridge	Weight (in MT)	Rate allowed (in ₹/MT)	Scheduled rate (in ₹/MT)	Excess rate (in ₹/MT)	Tender rebate (in %)	Net excess (in ₹)
Mara Mahananda at Swarupganj under Chanchol-I PS	244.481	53,823.96	46,854.96	6,969	0.01	17,03,617.70
Mara Mahananda at Achintala under Ratua-II PS	62.77	53,569.75	46,600.75	6,969	0.01	6,02,479.49
Baromasia Saraswati at Tutia Debipur under Ratua-I PS	102.12	53,704.97	46,735.97	6,969	0.01	7,11,603.11
Haria Branch of Purnabhaba at Ashrampur Ghat under Bamongola PS	122.768	53,704.97	46,735.97	6,969	0.01	8,55,484.63
Grand total	532.139					38,73,184.93

b) Similarly, Cooch Behar ZP did not adopt the revised rate of bitumen as per errata and 4th corrigenda of schedule of rates of PWD (Roads) 2008-09 effective from 16 September 2009 while executing four roads during 2009-10. The ZP invited tender notice of these roads on 24 September 2009 and on 28 October 2009 and extended tender submission date without incorporating the effective rate of bitumen as per the latest corrigendum of SOR. As a result, the ZP allowed the old rate of bitumen (packed) and bitumen emulsion (packed) of ₹ 33,590 per MT and ₹ 28,060 per MT respectively in lieu of bitumen (packed):VG-10 (80/100) from the Haldia Refinery at ₹ 29,898 per MT and bituminous emulsion (packed) MS Type at ₹ 25,691 per MT from Uluberia Refinery. Thus, by allowing higher rate for bitumen and emulsion over the scheduled rate, the ZP made excess expenditure and extended undue benefit of ₹ 3.46 lakh (**Appendix- XXIV**) to the agency.

Reply to the audit comment issued in March 2014 was awaited as of February 2015.

Consequently the ZPs made excess expenditure of ₹ 42.19 lakh and extended undue benefit to contractors.

SAGAR PANCHAYAT SAMITI

5.1.6 Excess expenditure of ₹ 40.42 lakh due to non-adherence to SOR

Sagar PS did not adhere to the provisions of financial rules as well as SOR and incurred excess expenditure of ₹ 40.42 lakh during execution of 10 road works

Rule 63 of West Bengal Panchayat (ZP and PS) Accounts and Financial Rules, 2003 envisages that the Executive Engineer should adopt the current rates specified in SOR of PWD for roads, bridge works etc. Further, Rule 83 also specifies that the rates entered in the estimate shall agree with the SOR adopted by PWD for similar nature of work unless different rates for different items are prescribed.

Scrutiny of records revealed that while preparing estimates for construction of 10 roads from Backward Region Grant Fund (BRGF) in 2010 and Backward Class Welfare (BCW) fund in 2012, Sagar PS did not adopt the rate for the item of soling / dry pavement with brick soling⁴⁸ as prescribed by PW (Roads)

⁴⁸ Brick-on-edge laid in herringbone bond pattern over a single flat soling (thickness 75 mm + 127 mm)

Directorate, Government of West Bengal in May 2009 and June 2011. The District Engineer, South 24 Parganas ZP also did not rectify the rate while vetting these estimates and the PS executed the works with the inflated rate. As a result the PS incurred an excess expenditure of ₹ 40.42 lakh (**Appendix- XXV**).

During the course of audit the PS admitted the facts and stated (April 2013) that the relevant rule could not be followed due to ignorance and that the PS executed these works since those were vetted by the District Engineer, South 24 Parganas ZP.

Thus, the PS incurred an excess expenditure of ₹ 40.42 lakh due to non-adherence to relevant rules and provisions of SOR.

BARDHAMAN ZILLA PARISHAD

5.1.7 Excess expenditure of ₹ 20.41 lakh

While executing road works, Bardhaman ZP did not adhere to the provisions of IRC and incurred avoidable expenditure of ₹ 20.41 lakh towards use of expensive stone metals in lieu of cost effective jhama metal

As per IRC-SP-20-2002, the total design thickness of a road is divided into base and sub-base thicknesses and sub-base is a layer of selected materials placed on the sub-grade which consists of locally available low cost marginal aggregates. IRC also specified that the material to be used for granular sub-base (GSB) shall be natural sand, moorum, gravel, crushed concrete, brick metal and kankar etc.

Bardhaman ZP undertook upgradation of two rural roads⁴⁹ under RIDF-XVI (during 2011-12). Scrutiny revealed that, the damaged pavement / sub-base of those roads were repaired by the ZP with fresh stone metals of WBM Grade III in lieu of IRC specified low cost marginal aggregates like jhama metal (JM).

⁴⁹ i) Haldhi Murutia Majlishpur-Badshai Pucca road to Muradanga via Subipur (0 to 9.1 km) within Ketugram-I PS
ii) Srikhanda Dikbanglow to STKK road (0 to 8.3 km) within Katwa-I PS

As a result, the ZP incurred avoidable excess expenditure of ₹ 20.41 lakh⁵⁰ due to selection of costlier stone metals over cost effective jhama metals. No response of the ZP had been received as of February 2015.

5.2 Audit against propriety/expenditure without justification

JALPAIGURI ZILLA PARISHAD

5.2.1 Unauthorised sale of Market Complex

Jalpaiguri ZP constructed a market complex from RIDF-XV at a cost of ₹ 54.40 lakh and unauthorisedly sold the asset to SHG&SE Department of West Bengal for ₹ 2.40 crore besides treating the sale proceeds as own funds

Jalpaiguri ZP constructed a Market Complex within its premises in November 2010 at a cost of ₹ 54.40 lakh under RIDF-XV funded by a NABARD loan to Government of West Bengal. Besides, the ZP also calculated the cost of land for the complex as ₹ 33.59 lakh.

In April 2012, P&RDD requested District Magistrate, Jalpaiguri to identify land for setting up of district *haat* for Self Help Groups (SHGs) under Swarnajayanti Gram Swarozgar Yojana (SGSY). Accordingly, in May 2012, District Rural Development Cell (DRDC) expressed its willingness to take the market complex on lease basis. But till October 2012 the ZP could not complete the lease procedure. Meanwhile, in September 2012 the ZP decided for sale of the market

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Name of the road	Work executed (sqm)	Rate allowed (₹/sqm)	Rate of jhama metals (JM) (₹/sqm)	Excess rate (₹/sqm)	Excess expenditure (₹)
Haldhi Murutia Majlishpur-Badshai Pucca road to Muradanga via Subipur	20,249.99	99.26*	42.25*	57.01	11,54,451.93
Add 1% welfare cess					11,544.52
Less 0.51% tender rebate					5,946.58
Total excess					11,60,049.87
Srikhanda Dukbanglow to STKK road within Katwa-I PS	18,288.00	95.01**	46.93**	48.08	8,79,287.04
Add 1% welfare cess					8,792.87
Less 0.75% tender rebate					6,660.60
Total excess					8,81,419.31
Net excess					20,41,469.18

* For the first road fresh WBM Grade III @ 30 per cent was utilised.

Cost of 30% fresh JM of 0.11 cum per sqm @ ₹ 850 = ₹ 28.05 (rate as per SOR) + labour rate of ₹ 14.20 = ₹ 42.25

** For the second road fresh WBM Grade III @ 35 per cent was utilised.

Cost of 35% fresh JM of 0.11 cum per sqm @ ₹ 850 = ₹ 32.73 (rate as per SOR) + labour rate of ₹ 14.20 = ₹ 46.93

complex to Self Help Group & Self Employment (SHG&SE) Department against a payment of ₹ 2.50 crore as one time settlement for setting up of a district level training-cum-market complex and an office place for the district SHG&SE office.

Government of West Bengal accorded (February 2013) sanction of ₹ 2.40 crore in favour of SHG&SE Department to defray expenses in connection with the purchase of Training-cum-Marketing Complex. Out of the same, an amount of ₹ 2.00 crore was paid to the ZP in October 2013 and the remaining ₹ 0.40 crore was kept by District Magistrate for further improvement of the building. The ZP kept ₹ 1.50 crore in fixed deposit and the remaining ₹ 0.50 crore was transferred to own fund of the ZP.

Section 175 of West Bengal Panchayat Act, 1973 stipulates that in all cases of acquisition or disposal of immovable property, the ZP shall obtain the previous approval of the State Government. But the ZP did not seek approval from the State Government in this case. Further, the objective of construction of Market Complex under RIDF was to generate revenue. Had the ZP leased out the Market Complex to DRDC, generation of recurring revenue would have been possible. But instead of leasing out or transferring an asset created from government grant, the ZP unauthorisedly sold that to a Government department and Government grant of ₹ 2.00 crore received as sale proceeds was irregularly treated as own fund.

When pointed out the ZP stated (December 2014) that the market complex was disposed of due to lack of demand for stalls and also to avoid recurring expenditure. The ZP also stated that fund sanctioned by Government remained in the hand of ZP, only the custodian was changed. The reply is not tenable because the ZP not only transferred the asset, but sold it and retained the sale proceeds in its account as own fund.

It is also evident that Government had sanctioned funds twice for the same asset, once for creation of an asset for a ZP and the further sanctioned funds for acquiring of the same asset for a Government department.

ZILLA PARISHADS

5.2.2 Avoidable expenditure of ₹ 1.41 crore

Bankura, Bardhaman and North 24 Parganas ZPs did not consider nearest economical source of materials while execution of roads and incurred avoidable excess expenditure of ₹ 1.41 crore

(A) Bankura ZP undertook 'Construction of bituminous road from Dhanjhar More to Karapara (Bansdiha) at Ranibandh between January and December

2012. Rate analysis of the work revealed that the rates of stone metals were considered for supply from Saltora⁵¹ (130 km) and Pakur⁵² (110 km) quarries. However, from the records of the ZP it is revealed that the nearest economical source of stone metal was Puncha quarry with a lead of 77 km. Puncha quarry was also approved by SOR of PWD where all types of required stone metals were available. The ZP considered higher rate of supply from Pakur and Saltora quarries for preparing estimates and executed the work accordingly. This resulted in avoidable expenditure of ₹ 70.43 lakh (**Appendix- XXVI**) due to non-selection of cost effective Puncha variety.

No response to the audit observation had been received as of February 2015.

(B) Similarly, Bardhaman ZP took up two road works viz. widening and strengthening of the road from Molandighi to Raghunathpur road (Motilal Sarak) at Kanksa and upgradation of road from Haldhi Murutia Majlishpur-Badshai Pucca road to Muradanga via Subipur at Ketugram-I during 2009-10 and 2011-12 respectively. The ZP considered Pakur variety stone metals from Durgapur and Bardhaman railway yards for the two roads. However, the rates of the required stone metals of Pachami quarry were more economical than those of Pakur quarry. The ZP executed 2,12,292.52 sqm of road works by selecting higher rate of supply from Pakur quarry and incurred an avoidable expenditure of ₹ 35.59 lakh⁵³.

No response of the ZP has been received as of February 2015.

⁵¹ Stone chips of 13.2 mm and 11.2 mm size.

⁵² Stone aggregates of Grade II (63-45 mm) and Grade III (53-22.4 mm) size.

⁵³

Name of the work	Item	Work executed (sqm)	Rate allowed (₹/sqm)	Admissible rate (₹/sqm)	Excess rate (₹/sqm)	Rebate (in %)	Net excess
Upgradation of road from Haldhi Murutia Majlishpur-Badshai Pucca road to Muradanga via Subipur within Ketugram -I PS	WBM Grade II	34,995.33	195.79	154.2	41.59	0.51	14,48,032.95
	WBM Grade III	34,995.33	196.11	157.7	38.41	0.51	13,37,315.36
	Scarifying (Grade III)	20,249.99	99.26	88.95	10.31	0.51	2,07,712.63
	PMC	34,995.33	134.9	126.56	8.34	0.51	2,90,372.56
	SC	34,995.33	45.72	43.58	2.14	0.51	74,508.07
Total		1,25,235.98					33,57,941.57
Widening/strengthening of road from Molandighi to Raghunathpur road (Motilal Sarak) within Kanksa PS	WBM Grade II	17,413.98	183.62	178.46	5.16	1.35	88,643.08
	WBM Grade III	69,642.62	183.04	181.4	1.64	1.35	1,12,672.01
Total		87,056.60					2,01,315.09
Total							35,59,256.66

Thus, the ZPs incurred avoidable expenditure of ₹ 1.07 crore by ignoring the nearest quarry and hence not availing the more economical rate of stone metals while executing road works.

(C) Scrutiny of records of nine road works undertaken by North 24 Parganas ZP revealed that while evaluating the effective lead for transportation of stone chips and aggregates, the ZP considered distance from Dankuni railway yard to Barasat as 40 km. However, from the records of previously executed road work, the distance between Dankuni railway yard and Barasat was found to be 25 km. Thus, by allowing excess lead of 15 km in nine road works the ZP incurred an avoidable expenditure of ₹ 34.55 lakh (**Appendix- XXVII**).

SOUTH 24 PARGANAS ZILLA PARISHAD

5.2.3 Excess expenditure of ₹ 31.39 lakh on road construction

South 24 Parganas ZP made excess expenditure of ₹ 31.39 lakh on a road works by executing one extra layer in road shoulder

IRC specifies that a shoulder of the road is to be constructed to give adequate side support to the pavement and also to drain off surface water from the carriageway to the road side drain. It also specifies that at least half the sub-base layer thickness subject to a minimum of 100 mm should be extended across the shoulder for proper drainage and the shoulder material should normally be of sub-base quality compacted to a thickness of 100 mm. Further, the construction of shoulders should be done in layers, each matching the thickness of the adjoining layers of Water Bound Macadam (WBM).

South 24 Parganas ZP carried out upgradation of a road from Taldi railway station to Jibantala under RIDF-XVI at a total cost of ₹ 5.19 crore in June 2011. The detailed project report of the road pavement was prepared in conformity with the IRC specifications and the hard crust of the road was executed wherein two layers of 75 mm of WBM Grade II and WBM Grade III was laid. However, while constructing the shoulders of the same road, the ZP allowed three layers of 75 mm (225 mm) of compacted jhama metal consolidation instead of two layers of 75 mm (150 mm). As a result, the ZP incurred an excess

expenditure of ₹ 31.39 lakh⁵⁴ towards the unwarranted execution of one excess layer of 75 mm jhama metals for construction of shoulder.

Thus, non-adherence to IRC specification while executing road shoulder resulted in excess expenditure of ₹ 31.39 lakh.

When pointed out (December 2013), the ZP did not furnish any reply.

BARDHAMAN ZILLA PARISHAD

5.2.4 Avoidable expenditure of ₹ 35.14 lakh

Bardhaman ZP while execution of road works did not adhere to the provisions of SOR of PWD, IRC codes and specifications of MORT&H and incurred an avoidable expenditure of ₹ 35.14 lakh towards use of low capacity machines in lieu of schedule approved cost effective high capacity machines

Panchayat and Rural Development Department (P&RDD) directed (September 2009) that the design and specification of the building/ road or structures etc. should conform to Indian Standard (IS) and Indian Road Congress (IRC) codes and ensure providing it the desired life.

i) SOR of PW (Roads) stipulates that bituminous macadam (BM) mix should be prepared in a Hot Mix Plant (HMP) of adequate capacity and capable of yielding a mix of proper and uniform quality with thoroughly coated aggregates. IRC for rural roads also states that HMP are required for major bituminous works such as bituminous macadam and asphaltic concrete.

Scrutiny of records revealed that while preparing estimates for widening and strengthening of two roads⁵⁵ under RIDF-XVI (in March 2011 and October 2011), Bardhaman ZP considered 40-60 ton per hour (TPH) capacity of HMP for laying 50 mm compacted thickness of bituminous works and 20 mm thick Mix Seal Surfacing (MSS) works. While comparing the rates of using HMP with reference to higher capacity machines, it is seen that the rate of HMP

⁵⁴

Item	Executed thickness	Executed in sqm	Amount paid (in ₹)	Admissible thickness (as per IRC-SP-72-2007)	Required in sqm	Rate (₹/sqm)	Amount admissible (in ₹)
Jhama metal	75 mm x 3 layers = 225 mm	62,715.73	94,41,838.10	75 mm x 2 layers = 150 mm	(62,715.73 ÷ 3) x 2 = 41,810.49	150.55	62,94,569.27
Excess expenditure				₹ 31,47,268.83 less by 0.25% (tendered rebate)= ₹ 31,39,400.68			

⁵⁵ a) Badulia to Khandaghosh (17.45 km) within Khandaghosh PS.

b) 4th Mile to Bardhaman Katwa Road to Bardhaman Suri Road via Palitpur (6.20 km) within Bardhaman-I PS.

having capacity 100-120 TPH is less than the HMP having capacity 40-60 TPH. Had the HMP of higher capacity (i.e HMP of capacity 100-120 TPH) been considered, the ZP could have avoided excess expenditure of ₹ 28.53 lakh⁵⁶.

ii) Further, SOR of PW (Roads) stipulates that concrete should be mixed either in a concrete mixer or in a batching and mixing plant, as per specifications. Further specifications of Ministry of Road Transport & Highways (MORT&H) emphasise that proportioning of materials shall be done in the batching plant by weight, each type of material being weighed separately.

Bardhaman ZP while preparing estimates for two works (in February and October 2011) under RIDF-XVI, preferred concrete mixer in lieu of batch mixer for providing and laying cement mix concrete for road works. The rates of using concrete mixer and batching plants were compared by Audit and it was found that the rate of using batching plants was more cost effective. But the ZP executed the work by using concrete mixer and made avoidable expenditure of ₹ 6.61 lakh⁵⁷.

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Item	Area executed (in sqm)	Rate allowed by ZP for HMP of 40-60 TPH (in ₹/sqm)	Rate for using HMP of 100-120 TPH (in ₹/sqm)	Excess rate (in ₹/sqm)	Total excess (in ₹)
	(a)	(b)	(c)	(d) = (b)-(c)	(e) = (a)*(d)
A) Name of the road: Badulia to Khandaghosh (17.45 km) within Khandaghosh PS					
Laying of 50 mm BM	85,639.15	81.10	61.20	19.90	17,04,219.09
Laying of 20 mm MSS	86,165.40	31.70	23.50	8.20	7,06,556.28
Total					24,10,775.37
Add 1% welfare cess					24,107.75
Net excess of 'A' after deducting tender rebate of 21.94%					19,00,669.76
B) Name of the road: 4th Mile to Bardhaman Katwa Road to Bardhaman Suri Road via Palitpur (6.20 km) within Bardhaman-I PS					
Laying of 50 mm BM	33,707.29	81.10	61.20	19.90	6,70,775.07
Laying of 20 mm MSS	33,707.29	31.70	23.50	8.20	2,76,399.78
Total					9,47,174.85
Add 1% welfare cess					9,471.75
Net excess of 'B' after deducting tender rebate of 0.50%					9,51,863.37
Net excess of 'A' and 'B'					28,52,533.13

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Area executed (in sqm)	Rate allowed by ZP for Concrete mixer (in ₹/sqm)	Rate for using Batch mixer (in ₹/sqm)	Excess rate (in ₹/sqm)	Total excess (in ₹)
(a)	(b)	(c)	(d) = (b)-(c)	(e) = (a)*(d)
A) Name of the work: Construction of Concrete pavement from Panagarh-Moregram Road at Ijjatganj to Dak Bunglow via Kanksa BDO office within Kanksa PS				
1,410.20	4,132.00	3,978.00	154.00	2,17,170.80
Add 1% welfare cess				2,171.71
Net excess of 'A' after deducting tender rebate of 0.51%				2,18,223.86
B) Name of the work: Widening and strengthening of the road from Polempur to Bandhgacha within Raina-I PS				
2860.00	4,132.00	3,978.00	154.00	4,40,440.00
Add 1% welfare cess				4,404.40
Net excess of 'B' after deducting tender rebate of 0.49%				4,42,664.66
Net excess of 'A' and 'B'				6,60,888.52

When pointed out (January 2014), the ZP did not furnish any reply.

Thus due to non-adherence to provisions of SOR of PWD (Roads), IRC codes, specifications of MORT&H etc. and non-consideration of schedule approved cost effective machines and batching plants the ZP incurred an avoidable expenditure of ₹ 35.14 lakh.

ZILLA PARISHADS

5.2.5 Excess expenditure of ₹ 29.07 lakh

South 24 Parganas, Bardhaman and Malda ZPs did not consider the provision of SOR and cost effective scheduled rate during execution of road works and incurred excess expenditure of ₹ 29.07 lakh

(A) (i) South 24 Parganas ZP undertook (June 2012) upgradation of Rajarhat - Dighirpar road (0.00-8.00 km) under RIDF-XVII at a total cost of ₹ 5.41 crore. Bill of quantity (BOQ) issued to the contractor specified that Granular Sub-Base (GSB) III (close graded) at the rate of ₹ 1,590.74 per cum was to be used during construction.

Scrutiny revealed that the ZP considered jhama metal consolidation at a rate of ₹ 150.55 per sqm in place of specified GSB-III (close graded) as per BOQ. The rate of jhama metal consolidation was arrived at ₹ 2,007.33 per cum⁵⁸. Accordingly, the rates between jhama metal consolidation and GSB-III were compared by Audit and it was found that the ZP paid at higher rate by ₹ 416.59 per cum. Thus there was an excess expenditure of ₹ 16.17 lakh⁵⁹ due to deviations from BOQ.

When pointed out (December 2013), the ZP replied that there was acute crisis of coarse graded GSB-III material and the item was substituted by jhama metal consolidation (75 mm). The reply is not tenable as after issuing of work order

⁵⁸ Conversion rate from sqm to cum for 75 mm jhama metal consolidation as per SOR

Rate of jhama metal per sqm- ₹ 150.55

Volumetric rate- ₹ 150.55/0.075 = ₹ 2,007.33 per cum

⁵⁹

Jhama metal consolidation		GSB-III (close graded)	Analysis of expenditure		
Area executed	Rate allowed (₹/cum)	Rate as per BOQ (₹/cum)	Difference of rate (₹/cum)	Excess expenditure (₹ in lakh)	Excess expenditure after tender rebate of 10.20% (₹ in lakh)
(i)	(ii)	(iii)	(iv)=(ii)-(iii)	(v)=(i)x(iv)	(vi)=(v)-10.20%
57,648.35 sqm i.e 4323.63 cum	2007.33	1590.74	416.59	18.01	16.17

to the contractor, further consideration of rates may be allowed but that need to be restricted to the BOQ rates as per P&RDD instructions.

(ii) Similarly, the ZP undertook (August 2012) upgradation of Gokorui More-Jhaldaba road (0.00-4.965 km) under RIDF-XVII and executed 35,182.05 sqm of jhama metal consolidation (75 mm) at a cost of ₹ 48.16 lakh instead of the specified GSB-III (close graded) in BOQ. The rate of jhama metal consolidation was arrived at ₹ 1,825.07⁶⁰ per cum. Accordingly, the rates between jhama metal consolidation and GSB-III (close graded) were compared by Audit and it was found that the ZP incurred excess expenditure of ₹ 2.82 lakh⁶¹.

When pointed out (December 2013), the ZP did not furnish any reply.

(B) (i) Bardhaman ZP undertook (February 2010) construction of road from Sakanara to Dharan under RIDF-XV. The ZP executed 3,211.83 cum of GSB-II (close graded) at the rate of ₹ 1,402.95 per cum in lieu of the scheduled rate⁶² of ₹ 1,104.53 per cum. As a result the ZP made excess expenditure of ₹ 9.47 lakh⁶³ due to non-adherence to the rate prescribed in SOR.

When pointed out (December 2013), the ZP did not furnish any reply.

⁶⁰ Conversion rate from sqm to cum for 75 mm jhama metal consolidation as per SOR

Rate of jhama metal per sqm- ₹136.88

Volumetric rate- ₹136.88/0.075 = ₹1,825.07 per cum

⁶¹

Jhama metal consolidation		GSB-III (close graded)	Analysis of expenditure		
Area executed	Rate allowed (₹/cum)	Rate as per BOQ (₹/cum)	Difference of rate (₹/cum)	Excess expenditure (₹ in lakh)	Excess expenditure after tender rebate of 20.13% (₹ in lakh)
(i)	(ii)	(iii)	(iv)=(ii)-(iii)	(v)=(i)x(iv)	(vi)=(v)-20.13%
35,182.05 sqm i.e 2638.65 cum	1,825.07	1691.08	133.99	3.54	2.82

⁶²

Stone materials (size in mm)	Requirement per cum	Rate (₹/cum)	Amount per cum (in ₹)
37.5	0.192	1,303.50	250.27
22.4	0.128	1,368.50	175.17
11.2	0.128	1,261.50	161.47
5.6	0.153	1,027.50	157.21
Sand	0.677	310.00	209.87
Add: Labour rate per cum			139.60
Add: Cess @ 1%			10.94
Consolidated rate for stone materials per cum			1,104.53

⁶³

Volume executed (in cum)	Rate allowed (₹/cum)	Scheduled Rate (SOR) (₹/cum)	Difference of rate (₹/cum)	Excess expenditure (₹ in lakh)	Excess expenditure after tender rebate of 1.05% (₹ in lakh)
(i)	(ii)	(iii)	(iv)=(ii)-(iii)	(v)=(i)X(iv)	(vi)=(v)-1.05%
3,211.83	1,402.35	1,104.53	297.82	9.57	9.47

(ii) Similarly, Malda ZP undertook (May 2012) improvement of road from Malir Bandh Forest through Jagannathpur and Madna Bridge to Fatepur under RIDF-XV. Rate analysis of items for construction of GSB and scrutiny of relevant records revealed that the ZP executed 3,438.52 cum of GSB-III (close graded) with brick bats and medium sand at the rate of ₹ 1,101.10 cum in lieu of the scheduled rate of ₹ 1,083.40 per cum which led to excess expenditure of ₹ 0.61 lakh⁶⁴.

When pointed out, the ZP admitted (February 2014) the facts and stated that as the DPR was vetted by P&RDD, the rate was left unchanged.

Thus the ZPs substituted the component specified in BOQ but did not consider revision of rate in view of provisions of SOR and also failed to adhere to the scheduled rate and thereby incurred excess expenditure of ₹ 29.07 lakh.

5.3 Persistent irregularities

ZILLA PARISHADS, PANCHAYAT SAMITIS AND GRAM PANCHAYAT

5.3.1 Idle investment of ₹ 14.75 crore

Developmental works undertaken in 10 PRIs either remained unutilised after completion or incomplete even after a period ranging from one to four years involving total expenditure of ₹ 14.75 crore

Completion of a project within scheduled time requires fulfillment of activities like identification of sources of funds, clear site, preparation of plan, design and estimate and the necessary infrastructure as envisaged in West Bengal Panchayat (ZP and PS) Accounts and Financial Rules, 2003.

(A) Completed works not put to use

(i) Malda ZP constructed (December 2012) a market complex for letting out to local traders at Tulshihatta at a cost of ₹ 19.66 lakh from RIDF-XII scheme fund. Scrutiny revealed that the ZP did not even assess the monthly rent to be recovered till January 2014 and investment of ₹ 19.66 lakh remained unproductive. When pointed out (January 2014), the ZP did not furnish any reply.

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Volume executed (in cum)	Rate allowed (₹/cum)	Scheduled Rate (SOR) (₹/cum)	Difference of rate (₹/cum)	Excess expenditure (₹ in lakh)	Excess expenditure after tender rebate of 0.05% (₹ in lakh)
(i)	(ii)	(iii)	(iv)=(ii)-(iii)	(v)=(i)X(iv)	(vi)=(v)-0.05%
3,438.52	1,101.10	1,083.40	17.70	0.61	0.61

(ii) Barabazar PS constructed (October 2012) a market complex at Majiramdih at a cost of ₹ 8.77 lakh. Scrutiny revealed that the PS was unable to generate any revenue from the market complex due to improper selection of site and lack of basic facilities like supply of drinking water, electricity and sanitation in the complex. As a result, traders were not interested and the entire investment of ₹ 8.77 lakh turned idle. When pointed out (October 2013), the PS admitted the facts and stated that they were planning to convert the complex into an agricultural store.

(iii) Khatra PS constructed (October 2010) a Tribal Culture Training Institute at a cost of ₹ 14.20 lakh. Till December 2013 the PS did not take any initiative to utilise the Institute for the intended purpose. When pointed out (December 2013), the PS did not furnish any reply.

(B) Works remaining incomplete for years

(i) Purba Medinipur, Birbhum and Paschim Medinipur ZPs undertook construction of five bridges from RIDF-XV during April to November 2010 with a target to complete those bridges between December 2011 and September 2013. Scrutiny revealed that three bridges remained incomplete though the ZPs spent ₹ 3.91 crore⁶⁵ till December 2013. Work on two bridges over river Kassai and Dunia Khal of Purba Medinipur ZP was not even started till December 2013.

When pointed out (between December 2013 and February 2014), Purba Medinipur ZP admitted (December 2013) the facts and stated that the bridge over Soadighi canal was nearing completion. Remaining ZPs did not furnish any reply.

(ii) Howrah ZP undertook (January 2010) construction of road from Chandrapur Bazar to Mahishaguha from RIDF-XV at an estimated cost of ₹ 3.28 crore. Scrutiny revealed that the ZP spent ₹ 2.63 crore and placed proposal to P&RDD in January 2014 for additional funds of ₹ 83.86 lakh to complete the work. No fund was received till February 2014 and the road remained incomplete. Similarly, Bardhaman ZP spent ₹ 7.58 crore for implementation of Mini Water Supply Scheme during 2008-09 and demand for additional fund of ₹ 3.26 crore was placed before P&RDD in December 2009 for completion of the project. No fund was sanctioned till December 2013 and the scheme remained incomplete.

⁶⁵ Purba Medinipur ZP (₹ 75.26 lakh for bridge over Soadighi khal); Birbhum ZP (₹ 1.64 crore for bridge over river Kopai at Adityapur) and Paschim Medinipur ZP (₹ 1.52 crore for bridge over river Kapaleswari).

When pointed out (February 2014 and December 2013), ZPs did not furnish any reply.

Bolpur Sriniketan PS installed 15 electric submersible pumps at a cost of ₹ 27.23 lakh in June 2012. Scrutiny revealed that only four pumps were electrified and put to use till September 2013 and the remaining pumps installed at a cost of ₹ 19.97 lakh remained inoperative due to non-electrification of those pumps. When pointed out, the PS stated (September 2013) that fund for the electrification work had been sought from the department but no fund was received till September 2013.

Thus lack of proper planning and improper assessment of the requirement of funds resulted in non-completion of developmental projects. Expenditure of ₹ 14.75 crore remained unfruitful for one to four years in 10 PRIs, depriving the rural people of the intended benefits from these projects.

5.4 Failure of Oversight / Governance

ZILLA PARISHAD AND PANCHAYAT SAMITI

5.4.1 Blocking and subsequent surrender of government grant of ₹ 3.85 crore

Paschim Medinipur ZP and Nalhati-I PS failed to utilise government grant of ₹ 3.72 crore and ₹ 0.13 crore respectively. Grants were surrendered after remaining blocked in the hands of PRIs

A) Paschim Medinipur ZP received (December 2008) ₹ 6.50 crore from the District Welfare Officer, Backward Classes Welfare (BCW) Department, Paschim Medinipur for construction of 1,000 low cost 'Lodha' houses in the district. The ZP decided to construct those houses at ₹ 1 lakh each under convergence with IAY. The ZP started construction of 'Lodha' houses in 2009-10 and by October 2013, could construct only 428 houses. Thus, ₹ 3.72 crore i.e. proportionate share of remaining 572 houses remained blocked in the ZP's hand for five years and the ZP earned interest of ₹ 38.64 lakh on these funds. In July 2012, the ZP decided to refund the balance funds along with interest to BCW Department. In March 2012 and December 2013 the ZP refunded ₹ 3.89 crore including interest to the extent of ₹ 0.18 crore.

When reasons for failure in implementation were enquired (December 2013), the ZP did not furnish any reply.

B) Nalhati-I PS received (February 2010) a sum of ₹ 10.60 lakh for implementation of 'Paddy procurement scheme' through the Self Help Groups (SHGs). The scheme envisaged procurement of paddy and conversion of paddy to rice. The PS could not utilise the funds and refunded the entire amount in December 2010. On a previous occasion also the PS had refunded another sum of ₹ 2.25 lakh in January 2007 without being able to utilise the same.

In reply the PS stated (September 2013) that the funds could not be utilised and was finally refunded as no effective response was received from SHGs.

BUNDWAN PANCHAYAT SAMITI

5.4.2 Unfruitful expenditure of ₹ 23.95 lakh

Expenditure of ₹ 23.95 lakh incurred by Bundwan PS turned unfruitful due to its failure in executing sub-grade of the road while construction of the Bundwan bypass, as the road needed repairing within two years of life

IRC-SP-20-2002 stipulates that sub-grade is an integral part of the road pavement structure as it provides support to the pavement as its foundation. The main function of the sub-grade is to give adequate support to the pavement and for this the sub-grade should possess sufficient stability under adverse climatic and loading conditions. Further, the same also specifies that in rural roads, sub-grade should be well compacted to utilise its inherent strength and prevent permanent deformation due to additional compaction by traffic.

Bundwan PS undertook (March 2010) construction of Bundwan bypass by providing only stone metal consolidation without considering construction and compaction of sub-grade of this existing road. The work was completed in December 2010 at a cost of ₹ 23.95 lakh.

Records revealed that the said road did not sustain up to its design life of 10 years and in January 2013 the PS decided to repair the road. Accordingly, the PS estimated cost of ₹ 8.00 lakh for repairing work. The work was entrusted to the same agency in March 2013 and completed in July 2013 after incurring expenditure of ₹ 7.81 lakh.

When enquired, the PS admitted the facts and stated (May 2013) that the sub-grade construction and compaction were not done due to inexperience and lack of knowledge. Thus in the absence of required strength in the shape of sub-

grade construction, the road lost its designation life and required repairing within two years.



(SITANGSU KUMAR GUHA)

Examiner of Local Accounts

West Bengal

Kolkata

The 26 May, 2015

COUNTERSIGNED



(MADHUMITA BASU)

Principal Accountant General

(General and Social Sector Audit)

West Bengal

Kolkata

The 26 May, 2015