

PARA FOR THE REGISTER OF AUDIT ACTIVITIES

No.

Unit: Madurai Division

Date: .11.2021

Sub: **Non-cancellation of Purchase Order when the materials indented are no longer required**

Based on the indent received from Mechanical Department, Stores Department placed a purchase order for supply of 3 Nos. of pre-fabricated toilet blocks at MDU, TEN, TN for a value of ₹14,04,197.64. The above item was proposed to provide facilities under passenger amenities from ERW funds. The firm did not supply the required materials indented despite the dates of delivery modified twice. In the meantime, a proposal for provision of pre-fabricated toilets at 200 stations over Southern Railway on CSR mode sponsored by NLC was received and Madurai Division was allotted with 55 fabricated toilets at 55 stations. The work was completed at MDU, TEN & TN with CSR funds sponsored by NLC. Though the work was completed with CSR funds the purchase order for supply of the same out of ERW funds already made was not cancelled. On this being pointed out by Audit, the Mechanical Department took up the matter with Stores Department and the purchase order was finally cancelled vide their cancellation advice dated 01.10.2021 at the instance of Audit, thus saved ₹14,04,197/-.

(Case detected by Shri.S.Senthilnathan, AAO/Madurai Division)

Authority: -

1. Copy of TA Note Part I No.SAX.17/MDU/TAN-I/2021-22/Purchase Order/Mechl/285 dated 20.09.2021
2. Sr.DFM/MDU letter No.P.117/MDU/R&E/TAN-I/2021-22/ Purchase Order/Mechl/285 dated 05.10.2021
3. Copy of the DMM/MDU cancellation advice dated 01.10.2021

Senthilnathan

Sr.DAuO/MDU

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3.11.21

EDP may note this.

Polys
Sr.AuO/PA/MAS

Efforts of the audit team is appreciated. Incidentally it may be seen whether damages were recovered or EMD forfeited.

It is not always recovery is to be made. Presenting unnecessary expenditure is also audit achievement. At least notify this in our office website

Director/Administration
01/11/21