

CHAPTER - 4

Execution of Works and Procurement of Supplies

A number of cases of irregularities including double payment to contractors, idle and doubtful expenditure on purchase of materials, payment for items of work not executed and unauthorised rate preference to contractors were revealed during scrutiny in audit of works and procurement of supplies.

4.1 LOSSES/OVERPAYMENT

4.1.1 Loss of Rs. 15.67 lakh due to double payment of loading, unloading and stacking charges for PCC poles

The District Rural Electrification Committee (DREC), Bankura, in its meeting in December 2002 decided that Pre-stressed Cement Concrete (PCC) poles (8 m-long) would be carried at the work site by engaging transport contractors for speedy implementation of rural electrification work in the district and the transport contractor would be paid loading, unloading and stacking charges including carriage by the ZP and it would be deducted from the works bills of the erection contractors.

Scrutiny of records of Bankura Zilla Parishad revealed that during 2001-02 to 2004-05 transport contractors were paid Rs. 15.67 lakh for 35,383 towards transportation of PCC poles (8 m- long) @ Rs. 44.30 per pole. As the transportation charges were included in the estimate for erection, the charges were shown as the part of the erection charges in the works bills for 2001-2005. But payment made to the transport contractors was not deducted from the bills of the erection contractors.

Thus, the Zilla Parishad paid Rs. 15.67 lakh twice on the same account thereby allowing an undue benefit to the erection contractors.

4.2 IDLE INVESTMENT/BLOCKAGE /DIVERSION/MISUTILISATION OF FUNDS

DHANIAKHALI PANCHAYAT SAMITI

4.2.1 Idle expenditure of Rs. 1.50 crore on bus terminus cum market complex

Dhaniakhali PS under Hooghly ZP made an estimate of Rs. 2.37 crore in June 2003 for construction of a central bus terminus cum market complex without assessing the source of funds for the project as required under Rule 19(2) of West Bengal Panchayat Accounts & Finance Rules 2003. The PS had incurred a total expenditure of Rs. 1.50 crore against a revised estimate of Rs. 2.50 crore, out of EAS, Tenth Finance Commission, SGRY-I, Eleventh Finance Commission and MPLADS funds for construction of the bus terminus cum market complex between June 2002 (before the estimate was prepared) and March 2006. The PS did not fix any definite timeframe for completion of the work. The PS also did not ensure that the balance funds of Rs. 1 crore were obtained and so the work had not been completed till date (October 2006).

Hence, the entire expenditure of Rs. 1.50 crore turned idle due to improper planning and execution.

ITAHAR PANCHAYAT SAMITI

4.2.2 Doubtful expenditure of Rs. 11.45 lakh on purchase of materials

Itahar Panchayat Samiti had shown to have purchased bitumen and cement of Rs. 11.45 lakh* out of different development funds during 2002-03 and 2003-04. Scrutiny in audit revealed the following irregularities in connection with the said purchase:

- (i) Stock Register showing receipt and issue of bitumen and cement was not maintained.
- (ii) No measurement book was found.
- (iii) Statement showing issue of bitumen and cement purchased and their utilisation could not be shown.

* Bitumen: Rs. 9.94 lakh; cement: Rs. 1.51 lakh.

- (iv) Estimate and work order regarding works for which the bitumen and cement were purchased could not be shown.

The PS offered no comments in this regard. Thus, in the absence of the above records/information, the expenditure of Rs. 11.45 lakh remained doubtful.

NANDAKUMAR PANCHAYAT SAMITI

4.2.3 Idle investment of Rs. 9.85 lakh towards construction of Market Complex

Nandakumar Panchayat Samiti under the district of Purba Medinipur incurred expenditure of Rs. 9.85 lakh for construction of two Market Complexes (Rs. 5 lakh for Kalir Hat Market Complex and Rs. 4.85 lakh for Market Complex at Damodarpur consisting of 8 stalls in each) which were completed in September 2003 and October 2003 respectively. But the PS failed to lease out any stall and Artha Sthayee Samiti took a resolution in April 2004 to hand over the complexes to the respective Gram Panchayats. Subsequently a decision was taken that premium @ Rs. 10,000 per stall collected from the lessee would be deposited in the PS fund and rent would be credited to the respective Gram Panchayat funds.

But even after a lapse of 27 months (from October 2003 to December 2005) not a single shop was allotted as there was no demand from potential tenants. Thus, neither the PS nor the concerned GPs could lease out any stalls. This was indicative of the fact that the feasibility of the market project was not analysed properly by the PS before taking up the work resulting in idle expenditure of Rs. 9.85 lakh and loss of revenue of Rs. 1.60 lakh towards premium. The Panchayat Samiti admitted (December 2005) the facts.

BANKURA-II PANCHAYAT SAMITI

4.2.4 Payment of Rs. 8.10 lakh made for items of work not executed

A tank is excavated in different layers with decreasing surface area from upper to lower. The Bankura-II Panchayat Samiti under Bankura Zilla Parishad prepared two estimates for re-excavation of a tank 'Sarobundh' (i) for Rs. 9.54 lakh for first two layers (up to 3 m depth) and (ii) for Rs. 6.57 lakh for the third layer (up to 4.5 m depth). The work was awarded to a contractor with the estimated rate reduced by 41 *per cent* without taking rate analysis for such huge rebate. On scrutiny of records, it was revealed that

surface areas of 18,589 m² (lift^r: 0-2 m), 4,079 m² (lift: 2-3 m) and 18,200 m² (lift: 3-4.5 m) were re-excavated in first, second and third layer respectively. The third (and also final) layer (i.e. the lowest layer) of 18,200 m² was technically not feasible because the surface area of the immediate upper layer was only 4,079 m². The surface area of the lowest layer could not exceed its immediate top layer and should have been less than 4,079 m². If the third layer is taken as equal to second layer (i.e. 4,079 m²), excess payment was made to the contractor for 14,121 m² surface area.

As such, it would be seen from the above that Rs. 2.93 lakh^u was paid to the contractor for a work, which was technically not feasible, i.e. for a fictitious work and thus undue financial benefit was given to the contractor. The PS confirmed (September 2005) all the facts and figures and stated that no probability existed to recover the money from the contractor.

The Panchayat Samiti prepared another estimate for Rs. 4 lakh for re-excavation of 'Nalpa tank' under minor irrigation scheme. The work was awarded to a contractor with the estimated rate reduced by 33.5 *per cent* without asking for rate analysis. As per estimate and tendered schedule, provision of one lead^o of 15 to 30 m was allowed beyond the initial lead of 0 to 15 m. Scrutiny of records (viz. the contractor's bills and measurement books) revealed that 9,032.118 m³ of earth was excavated and dumped within the initial lead of 0 to 15 m. But the PS allowed another lead of 135 to 500 m and Rs. 2.13 lakh was spent for carriage of 8,530.12 m³ earth from the initial lead. There was nothing on record to show how this huge volume of excavated earth was allowed to be removed from the initial lead of 0 to 15 m to a further removed lead of 135 to 500 m bypassing the intermediate lead of 15 to 135 m. From this it would be seen that 9,032.118 m³ of earth was deposited within the 15 m lead and payment of Rs. 2.13 lakh was made for fictitious item of work of carriage of the earth again to another lead to give

^r Lift is the vertical difference in height from the surface of the borrow pit to the surface of the embankment where earth is dumped.

^u 14,121 x 0.703 = 9,927.03 m³ i.e. (surface area x depth of excavation).

9,927.06 m³ x Rs. 50 (i.e. the rate per m³) = Rs. 4,96,380 *less* 41 *per cent* = **Rs. 2,92,864.**

^o Lead is a horizontal straight distance through which the earth can be carried or transported from the sources to the place of spreading.

undue financial benefit to the contractor. The PS admitted (September 2005) the facts and figures.

The Panchayat Samiti prepared an estimate for Rs. 4.76 lakh for re-excavation of ‘Upar Bundh’ tank under minor irrigation scheme. The work was awarded (April 2002) to the contractor with estimated rate reduced by 29.99 *per cent* without taking rate analysis. According to estimate and tendered schedule, only provision of one lead of 15 to 30 m beyond the initial lead of 0 to 15 m was allowed. The contractor excavated 11,391.155 m³ of earth and deposited within the initial lead of 0 to 15 m. But the PS allowed another lead of 135 to 500 m and Rs. 3.04 lakh was spent for carriage of the same earth from the initial lead. There was nothing on record to show how this huge volume of excavated earth was allowed to be removed from the initial lead of 0 to 15 m to a further removed lead of 135 to 500 m bypassing the intermediate lead of 15 to 135 m. From the above, it was evident that the earth was deposited within the initial lead and Rs. 3.04 lakh was paid for fictitious item of work of carriage of the same earth to another lead to give undue financial benefit to the contractor. The PS admitted (September 2005) the facts and figures.

4.3 VIOLATION OF CONTRACTUAL OBLIGATIONS/UNDUE FAVOUR TO CONTRACTORS/AVOIDABLE EXPENDITURE

MALDA ZILLA PARISHAD

4.3.1 Avoidable expenditure of Rs. 1 crore on road works

As indicated in the Rural Road Manual, sand gives comparatively more effective drainage to pavement and is recommended to be used as cost effective sub-base course^Σ material for construction of roads where annual rainfall is over 1000 mm. But Malda Zilla Parishad executed four road works under Rural Infrastructure Development Fund (RIDF)-VI using stone dust priced at Rs. 749/m³ to Rs. 941/m³ for the sub-base course, ignoring the relatively cheaper and locally available sand priced at Rs. 207.64/m³.

^Σ From the lowest to the uppermost course of a road the courses are arranged as follows: (1) sub-grade course, (2) sub-base course, and (3) base course.

Thus, the use of costly stone dust of 14,814.589 m³ in lieu of sand unnecessarily escalated the cost of works by Rs. 1 crore and put an extra burden on the exchequer since it was received under RIDF-VI from National Bank for Agriculture and Rural Development (NABARD) by the State Government. The ZP confirmed (December 2005) the facts and figures.

MALDA ZILLA PARISHAD

4.3.2 Extra expenditure of Rs. 91 lakh for avoidable item of work

According to Rural Road Manual, execution of bituminous macadam layer in base course need not be undertaken for a road which is not used as arterial road, is of narrow width (3 m or less) and is not having regular traffic. In case of such road, execution of 20 mm premix carpet in surface course instead of bituminous base course is sufficient. Malda Zilla Parishad constructed five roads under Rural Infrastructure Development Fund (RIDF)-VI through Authorised Executive Engineer (AEE), Malda Highway Division, with layer of bituminous macadam, along with 12 mm premix carpet. Scrutiny of Detailed Project Report (DPR) revealed that (i) none of these roads were arterial roads having regular traffic (ii) the roads were falling under the categories of paved roads for rural connectivity and were of narrow width (3 m). Thus, according to the Rural Road Manual, the layer of bituminous macadam with 12 mm premix carpet was an avoidable item that could have been dispensed with which resulted in an extra expenditure of

Number of roads	Quantity of stone dust used (in m ³)	Cost of stone dust (in Rupees)	Quantity of sand that could be used in lieu of stone dust (in m ³)	Cost of sand (in Rupees)	Excess cost that could have been saved (in Rupees)
4	14,814.589	1,31,17,771	14,814.589	30,29,340	1,00,88,431

Rs. 90.96 lakh[↓] and thereby also added to the debt burden as the RIDF loan was taken from National Bank for Agriculture and Rural Development (NABARD) by the State Government.

MALDA AND PASCHIM MEDINIPUR ZILLA PARISHADS

4.3.3 Allowance of unauthorised rate preference without tender resulting in loss of Rs. 95.29 lakh

According to an order issued (January 1999) by Panchayat and Rural Development Department, it is mandatory to invite tenders for work with an estimated cost exceeding Rs. 20,000.

Malda Zilla Parishad constructed three roads during 2002-05 at a cost of Rs. 6.74 crore under Rural Infrastructure Development Fund (RIDF)-VI created by the State Government after taking loans. The works were entrusted to M/s Mackintosh Burn Ltd. at 8 per cent premium without inviting any tender. According to Finance Department notification issued in October 1991, M/s Mackintosh Burn Ltd. was to be allowed 10 per cent preference in rate vis-à-vis other organisations engaged in similar activities, but prior approval from Government of West Bengal was to be obtained. The question of 8 per cent preference in rate given to the company should not have arisen since the ZP had neither invited any tender nor was any prior approval from the Government taken.

Thus, due to unauthorised negotiation with M/s Mackintosh Burn Ltd. by the ZP and allowance of irregular premium, it had to bear an extra expenditure of Rs. 58.75 lakh

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Name of road	Bituminous Macadam (50 mm)		Premix Carpet (12 mm)		Total cost actually incurred (in Rupees)	Cost of 20 mm Premix Carpet which could have been used	
	Executed quantity (in m ²)	Cost involved (in Rupees)	Executed quantity (in m ²)	Cost involved (in Rupees)		Quantity required for execution (in m ²)	Cost involved (in Rupees)
1	2	3	4	5	6	7	8
Baburhat More to Himmat Nagar	3906.65	393024	3906.65	159347	552371	3906.65	225188
Kaliachak Chowringee to Narayanpur Health Centre	20574.72*	2353394	20818.38	965457	3318851	20818.38	1365669
Jalalpur-Mahadipur	4885.25	446496	4885.35	177484	623986	4885.35	252383
Jalalpur-Mahadipur	8490.90	775847	8490.90	308398	1084245	8490.90	438544
Jalalpur-Mahadipur	10786.36*	1135056	10804.36	451935	1586451	10804.36	678622
Danga-Mosimpur	9646.26	1165457	9646.26	584552	1750009	9646.26	584553
Bahadurpur -Sultanganj	38905.25*	4483706	39164.96	1824320	6308026	39164.96	2582725
					Total		
					1,52,23,939		61,27,684

Therefore, the extra expenditure involved: Rs. 1,52,23,939 minus Rs. 61,27,684 = **Rs. 90,96,255.**

*(Note: The surface area of the layer shown here differs with the area shown in column 4, which could not be explained by the ZP.)

which also put an extra burden of debt on the State Government to that extent.

Malda Zilla Parishad undertook another work of extension and renovation of Zilla Parishad building in October 2000 with an estimated cost of Rs. 1.02 crore. The ZP did not prepare any detailed estimate. The work was awarded to M/s Mackintosh Burn Ltd. at 10 *per cent* premium without inviting any tender. The question of 10 *per cent* preference in rate to the company should not have arisen as no rate was invited from other organisations through tender for the said work. But the ZP made payment to M/s Mackintosh Burn Ltd. Rs. 1.26 crore in September 2003 inclusive of 10 *per cent* premium of Rs. 11.07 lakh. Thus, the violation of Government orders resulted in loss of Rs. 11.07 lakh.

In reply, ZP stated that the cause of not inviting of tenders was that the then Sabhadhipati wanted to get the work done exclusively by M/s Mackintosh Burn Ltd. and rate quoted by the firm was accepted by the DM, Malda and Executive Officer, Malda Zilla Parishad. The reply is not acceptable in audit as the stance of the above authorities was not permissible under the financial rules.

Similarly, Paschim Medinipur Zilla Parishad undertook the construction of reinforced cement concrete (RCC) bridge over river Kubai with an estimated cost of Rs. 2.10 crore under Rural Infrastructure Development Fund (RIDF)-IV provided by National Agricultural Bank for Rural Development (NABARD). The work was commenced in March 2001 without detailed estimate and administrative approval.

The work was awarded to M/s Mackintosh Burn Ltd., a State Government undertaking, @ 12.5 *per cent* above the estimated cost without inviting tender. The guidelines of RIDF envisages that selection of agencies was to be made by competitive bidding and if for exceptional reasons works were required to be distributed to State Government undertakings on negotiation basis, prior approval from P&RDD was to be taken explaining clearly the reasons for such distribution. The question of 12.5 *per cent* preference in rate to the company should not have arisen since no rate was invited from other organisations through tender nor was prior approval taken from P&RDD before

awarding the work. But the ZP made payment of Rs. 2.29 crore during October 2001 to May 2005 to the company inclusive of 12.5 *per cent* additional payment on the total claim submitted by the company.

Thus, Rs. 25.47 lakh[†] was paid in excess to M/s Mackintosh Burn Ltd., in violation of the rules and guidelines. In addition to this, such excess payment also burdened the State Government as it has to repay loans along with interest as RIDF works were solely loan-assisted.

MALDA ZILLA PARISHAD

4.3.4 Extra payment to contractor resulting in loss of Rs. 10.18 lakh on construction of road

A road consists of three layers placed one over the other starting from the sub-grade layers. These are (i) sub-grade layer, (ii) sub-base layer and (iii) base layer. The area of an upper layer is to be equal to or less than the lower layer. Malda ZP constructed (July 2005) a road from Vikahar to Nalagola (5.3 km–7.8 km) at a cost of Rs. 92.58 lakh under Rural Infrastructure Development Fund (RIDF)-VI. Scrutiny of relevant records revealed that after execution of two sub-base layers of 15,767.567 m² each with mixture of brickbats and sand, five successive layers of base course were placed one after another. The lowest layer was executed with jhama metal consolidation for 10,878 m². The decrease in area may be taken as normal with reference to the area of sub-base layer as indicated above. Among four upper layers (from downward to upward) two layers with stone metals for 12,168 m² and 11,917 m², along with one primer coat for 11,723 m², one layer of bituminous macadam for 13,315 m² and finally one surface layer with mixture of stone chips, stone dust and bitumen for 13,387 m² (all measurements rounded off) were shown to have been executed.

The execution of the above four layers of base course (12,168 m², 11,917 m², 13,315 m² and 13,387 m²) along with one primer coat (11,723 m²) can, however, not

[†] Rs. 229.24 lakh (actual payment) *minus* Rs. 203.77 lakh (payment which should have been made: Rs. 229.24 lakh x 100/112.5) = **Rs. 25. 47 lakh.**

exceed the total area of jhama metal layer (10,878 m²) and ought to be restricted to equal or less than that of jhama metal layer. But the ZP executed the successive layers after jhama metal layer more than the required quantum of area and thus had given an undue advantage to contractor by allowing extra payment of Rs 10.18 lakh[◇].

HIRBANDH PANCHAYAT SAMITI

4.3.5 Avoidable expenditure of Rs. 6.07 lakh on Guniada bridge

Construction of Guniada bridge over river Silabati at an estimated cost of Rs. 11.05 lakh was undertaken by Hirbandh Panchayat Samiti in April 1995. The target date of completion of the work was not available on record. The work was discontinued (March 1997) after incurring an expenditure of Rs. 3.74 lakh from the Employment Assurance Scheme fund.

The PS again decided to undertake the work in March 2002 after a lapse of about 7 years. Revised estimate for the remaining work was prepared (March 2002) for Rs. 14.15 lakh, without any change in the original items, against the original estimate of Rs. 7.31 lakh* for the same. However, the bridge was completed in July 2003 after incurring a total expenditure of Rs. 13.38 lakh[⊕].

Thus, improper planning without having any target date of completion and non-compliance with the provision of the West Bengal Panchayat (Zilla Parishad and Panchayat Samiti) Accounts and Finance Rules, 2003, according to which any work was to be undertaken only after ensuring specific source of funds, led to an abnormal delay of 8

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Item of work	Executed quantity (in m ²)	Admissible quantity (in m ²)	Inadmissible quantity (in m ²)	Amount involved (Rupees in lakh)
Jhama metal Consolidation	10,878.48	10,878.48	Nil	Nil
Stone metal Consolidation (63-45 mm)	12,167.78	10,604.256	1,563.524	1.58
Stone metal Consolidation (53-22.4 mm)	11,916.79	10,330.008	1,586.782	2.02
Primer Coat	11,722.71	10,055.76	1,666.95	0.19
Bituminous macadam	13,315.135	10,055.76	3,259.375	4.56
Mix seal surfacing	13,387.135	10,055.76	3,331.375	1.83
			Total	10.18

* Original estimate Rs. 11.05 lakh *minus* work done in 1st phase Rs. 3.74 lakh = **Rs. 7.31 lakh.**

⊕ EAS fund: Rs. 3.74 lakh; Untied Fund: Rs. 9.64 lakh.

years and 4 months[⊗] in completing the work. This had also resulted in avoidable extra burden of expenditure of Rs. 6.07 lakh* on the PS exchequer.

BARABAZAR PANCHAYAT SAMITI

4.3.6 Issue of excess bitumen valued Rs. 5.71 lakh

Barabazar PS undertook construction of Barabazar-Sarberia-Bhalukdihi Road departmentally under Sampurna Grameen Rozgar Yojana in March 2003. According to Schedule of Rates for Rural Works (Revised in December 1999) actual bitumen required for the construction of the road was 17.01 tonnes^Ω but bitumen issued for the above mentioned work was 57.30 tonnes, which was over three times the requirement. Thus, there was excess issue of bitumen of 40.29 tonnes* valuing Rs. 5.71 lakh[†]. The reasons for such excess issue could not be indicated by the PS.

In reply, PS admitted the facts and figures (December 2005).

4.4 EXCESS PAYMENT/WASTEFUL EXPENDITURE/INFRACTUOUS EXPENDITURE

DAKSHIN DINAJPUR ZILLA PARISHAD

4.4.1 Extra expenditure of Rs. 51.03 lakh on earth work

Dakshin Dinajpur Zilla Parishad undertook construction of a rural road from ‘Buniadpur to Daulatpur’ in November 2002 under Rural Infrastructure Development Fund (RIDF)-VII. According to Detailed Project Report (DPR), the earth required for the construction work would be available from the borrow pit[†] to the extent of 1,28,518 m³. The total quantity of earth actually executed was 1,13,515.97 m³ which was within the

[⊗] From April 1995 to July 2003.

* Total expenditure on remaining work: Rs. 13.38 lakh (actual expenditure) *minus* Rs. 7.31 lakh (original estimate) = **Rs. 6.07 lakh.**

^Ω According to Schedule of Rates for Rural Works:

Bitumen required for premix work: 6150m² (area for pre-mixing work) x 1110 kg/450m² (consumption as per schedule: 1110 kg per 450 m²) = 15.17 tonnes; bitumen required for seal coat: 6150m² x 30 kg / 100 m² (consumption as per schedule: 1110 kg per 450 m²) = 1.84 tonnes. Therefore, total bitumen required: 15.17 tonnes *plus* 1.84 tonnes = **17.01 tonnes.**

* Bitumen issued to works: 57.30 tonnes *minus* bitumen actually required 14.01 tonnes = **40.29 tonnes.**

[†] Value of excess bitumen: 23.08 tonnes @ Rs. 13573/tonne = Rs. 3.13 lakh;

17.21 tonnes @ Rs. 15000/tonne = Rs. 2.58 lakh;

Total = Rs. 5.71 lakh

[†] Borrow pit is a pit resulting from the excavation of material for use in embanking etc.

estimated quantity of earth available from borrow pit. The rate for earth collected from borrow pit was to be allowed at Rs. 56.73 per m³ but the ZP allowed Rs. 110.92 per m³ which was irregular and unauthorised. The rate was in excess of Rs. 56.73 by Rs. 54.19. This resulted in excess payment of Rs. 51.03 lakh^x to the contractors.

In reply to the audit observation, the ZP stated that such rate was allowed on the basis of a fresh survey. The reply was not tenable as no survey report could be produced and nothing was on record in support of the decision on allowance of the excess rate.

MALDA ZILLA PARISHAD

4.4.2 Infructuous expenditure of Rs. 31.56 lakh on road out of RIDF-VI

Malda ZP undertook in September 2002 the work of construction of a road from Babuhatmore to Himmatnagar on National Highway-34 in Kaliachak Block for an estimated cost of Rs. 1.05 crore with scheduled date of completion in May 2003. The work was awarded in two parts to two contractors. Both the works were started in September 2002. After partial execution (earth work and consolidation with stone dust) at a cost of Rs. 31.56 lakh under Rural Infrastructure Development Fund (RIDF)-VI, the work remained suspended since May 2003 due to reasons which were not specified. Finally, the work was formally treated as closed (July 2005) by Authorised Executive Engineer (AEE), Malda Highway Division (MHD).

Thus, the expenditure of Rs. 31.56 lakh on the work turned infructuous.

SILIGURI MAHAKUMA PARISHAD

4.4.3 Excess payment of Rs. 23.58 lakh to contractor on construction of road

Siliguri Mahakuma Parishad, under Rural Infrastructure Development Fund (RIDF)-VI scheme, engaged a contractor in January 2002 for the construction of an approach road for bridges over Upper Boon and Dumuria rivers with a view to delivering

[□] P.W.D. Schedule of rates 2000-01:

Rs. 40x100/92 (According to schedule of rates: 100 m³ of borrowpit soil is to be taken as 92 m³ of compacted soil, while evaluating the cost) = Rs. 43.48 per m³

Add Royalty paid = Rs. 13.25 per m³

Total = Rs. 56.73 per m³

^x 1,13515.97m³ (Actual execution) x Rs. 54.19 per m³ being the excess allowance on rate (i.e. Rs. 110.92 minus Rs. 56.73) = Rs. 61.51 lakh less by 17.05 per cent (as agreed in accepted tender) = **Rs. 51.03 lakh.**

the benefit of trade and transport to the rural people. This involved carrying of earth from the river side within a distance of 2 km. The rate analysis revealed that the contractor engaged for the construction was allowed a higher rate for 4 km lead (i.e., distance covered for carrying earth) amounting to a total excess payment of Rs. 23.58 lakh^{II}. No reply explaining the basis for allowing the higher rate for 4 km lead was given to Audit.

MALDA ZILLA PARISHAD

4.4.4 Excess expenditure of Rs. 21.27 lakh on purchase of materials

According to Rules, it is mandatory to invite tenders for works or supplies with an estimated cost exceeding Rs. 20,000. Malda ZP purchased 258 pumps and 38,266 m pipes of different sizes from M/s West Bengal Agro-Industries (WBAI), without inviting any tender, for use in minor irrigation schemes financed by Rural Infrastructure Development Fund (RIDF)-V. Audit enquiry revealed that the rates of pumps and pipes of Malda (Agri-Irrigation) Resource Division of Water Resource Development Directorate were less than those of West Bengal Agro-Industries. The ZP neither enquired about the rate from the Resource Division nor purchased the materials from it. The entire purchase done at a higher rate from the WBAI resulted in excess expenditure of Rs. 21.27 lakh[▶] incurred by the ZP and put an extra burden of debt on the State Government on account of loans for RIDF taken from NABARD.

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Name of the bridge	Quantity of earthwork executed		Rate allowed for 4 km. lead of earthwork (in Rupees/m ³)		Rate for 2 km. lead of earthwork (in Rupees/m ³)		Excess rate (in Rupees/m ³)		Excess expenditure incurred (Rupees in lakh)	
	OMC (Optimum Moisture Content) (in m ³)	Non-OMC (in m ³)	OMC	Non-OMC	OMC	Non-OMC	OMC	Non OMC	OMC [Ix7]*	Non OMC [2x8] *
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Dumuria	37461.788	8303.23	210.90	183.10	177.42	149.62	33.48	33.48	12.54	2.78
Upper Boon	28631.058	Nil	210.90	183.10	177.42	149.62	33.48	33.48	9.59	Nil

* Total excess expenditure (a) Rs. 12.54 lakh plus Rs. 2.78 lakh = Rs. 15.32 lakh reduced by 8.01 per cent as per agreement = Rs. 14.09 lakh (b) Rs. 9.59 lakh reduced by one per cent as per agreement = Rs. 9.49 lakh.

▶ Total: (a) + (b) = Rs. 23.58 lakh.

Item	Rate of Resource Division	Rate of WB Agro Ind (in Rupees)	Excess rate (in Rupees)	Quantity procured	Excess expenditure (in Rupees)
5 HP LDTW.	10565	32545	21980	75 Nos.	1648500
12.5 HP MDTW.	18510	53555	35045	5 Nos.	175225
5 HP STW	10565	11166	601	178 Nos.	106978
200 mm pipes	195	203	8	11998 m	95984
140 mm pipes	93	97	4	23748 m	94992
110 mm pipes	62	64	2	2520 m	5040
Total					2126719

KHEJURI-II PANCHAYAT SAMITI

4.4.5 Infructuous expenditure of Rs. 9.83 lakh out of Tenth Finance Commission grants on bus stand

Khejuri-II Panchayat Samiti under Purba Medinipur Zilla Parishad constructed a bus stand, with boundary wall, at Boga in March 2003 at a cost of Rs. 9.83 lakh with Tenth Finance Commission grants. But the said bus stand could not be put to use as of December 2005 (i.e. after a lapse of 3 years and 7 months) as its ground level was low. This was due to (i) preparation of estimate without considering actual site condition ('due to ignorance' as stated by the PS), (ii) less execution of earth filling than that which was actually required and (iii) non-execution of some items of works (brickbat consolidation and *morum* consolidation) which were not contemplated in the original estimate. Thus, due to preparation of erroneous estimate, technical sanction to which was accorded by the Executive Engineer of Purba Medinipur ZP, the expenditure was rendered infructuous. The PS admitted (December 2005) the facts and stated that an estimate of Rs. 6.07 lakh had been prepared by the PS in December 2005 to execute the additional items but the funds were not available at present.

RAIPUR-I PANCHAYAT SAMITI

4.4.6 Unfruitful expenditure of Rs. 9.99 lakh on market complex

Raipur-I PS under Bankura ZP prepared in September 2000 an estimate of Rs. 22.25 lakh for construction of a market complex with 24 stalls. The estimate was vetted by the District Engineer, Bankura ZP in September 2002. A total sum of Rs. 10 lakh was allotted to the PS by the Bankura ZP in July 2002. The PS could not indicate under which scheme the funds were allocated. The work was started in October 2002 and the PS incurred an expenditure of Rs. 9.99 lakh up to August 2003 for construction of 16 stalls (out of 24) up to roof level pending construction of 8 more stalls. According to the decision taken in the meeting of the PS, Rs. 0.30 lakh from each prospective allottee of the stalls would be collected as a one time premium but no rent per stall was fixed for which the reasons were not on record. No further funds could be mobilised for completion of the work as of August 2005.

According to Rule 19(2) of The West Bengal Panchayat (Zilla Parishad and Panchayat Samiti) Accounts and Finance Rules, 2003, no expenditure should be incurred in anticipation of future availability of funds. Thus, in violation of the Rules, the PS not only failed to generate total revenue of Rs. 7.20 lakh¹ from the stalls as one time premium but also turned the expenditure of Rs. 9.99 lakh so far incurred by it unfruitful.

4.5 REGULARITY AND OTHER ISSUES

JHALDA-I PANCHAYAT SAMITI

4.5.1 Unauthorised expenditure of Rs. 21.21 lakh on creation of private tanks

Jhalda-I PS under Purulia District incurred Rs. 21.21 lakh during 2002-03 out of Employment Assurance Scheme (EAS) fund for excavation of 48 private tanks, which resulted in creation of private assets at the cost of public money.

The PS violated the provision of Section 131 of the West Bengal Panchayat Act, 1973 wherein it is stated that if a PS requires to carry out any work on a private land, it may negotiate with the person having interest in the said land, and if it fails to reach an agreement, it may approach the Collector for the acquisition of the land, who may, if he is satisfied that the land is required for a public purpose, take steps to acquire the land under provision of the Land Acquisition Act, 1894. But the PS did not take any such initiative nor entered into any agreement with the private owners to utilise the land.

Thus, the total expenditure of Rs. 21.21 lakh stood unauthorised. Moreover, no supporting evidence regarding use of water from the water resources for any agricultural purposes like providing irrigation facilities to the farmers could be furnished by the PS.

GANGAJALGHATI PANCHAYAT SAMITI

4.5.2 Inadmissible expenditure of Rs. 15.89 lakh out of EAS fund

According to guidelines of Employment Assurance Scheme (EAS) issued in November 1999, no contractor should be engaged in the execution of the works by implementing agencies.

¹ Total revenue for 24 stalls @ Rs. 0.30 lakh (Rs. 30,000 x 24) = **Rs. 7.20 lakh.**

But Gangajalghati PS irregularly undertook a work for construction of a Reinforced Cement Concrete (RCC) bridge over Sali river with an estimated cost of Rs. 35.39 lakh (December 1997), technical approval to which was accorded by the Executive Engineer of Bankura ZP. A total amount of Rs. 15.89 lakh was spent by the PS from EAS fund for construction of RCC bridge over Sali river which was executed by the contractor during 1997-98 to 2002-03.

Moreover, the construction of RCC bridge, which was not a labour intensive work as prescribed in the scheme, was not admissible under EAS. The PS could have ensured generation of 15,377 mandays[√] for the rural poor under EAS, had a labour intensive work been taken up by the PS in compliance with the guidelines.

PASCHIM MEDINIPUR ZILLA PARISHAD

4.5.3 Irregular expenditure of Rs. 15.28 lakh on augmentation of water sources

For providing irrigation facilities to the farmers by augmentation of 34 traditional water sources, Paschim Medinipur Zilla Parishad sub-allotted to 16 Panchayat Samitis[⊙], an amount of Rs. 1.74 crore during 2001-02 to 2004-05. Out of 16 Panchayat Samitis, two Panchayat Samitis incurred expenditure of Rs. 15.28 lakh[⊙] for execution of two schemes. On scrutiny of records, it was noticed that the plots on which the water sources were located belonged to private owners.

The provisions under Section 131 of the West Bengal Panchayat Act, 1973, prescribe that if a Panchayat Samiti requires to carry out any work on private land, it may

[√] Calculated on the basis of prevalent rate of wages of Rs. 62 per day per head and prescribed percentage of 60 to be spent for wages out of the total funds available (Rs. 15.89 lakh x 60 per cent / Rs. 62) = **15,377 mandays.**

1) Salboni	5) Nayagram	9) Jhargram	13) Medinipur Sadar
2) Narayangarh	6) Keshiyari	10) Garbeta-I	14) Garbeta-II
3) Garbeta-III	7) Binpur-I	11) Gopiballavpur-I	15) Gopiballavpur-II
4) Chandrakona-II	8) Sankrail	12) Keshpur	16) Jamboni

⊙

Name of scheme	Expenditure (Rupees in lakh)
(1) Re-excavation of Hatia Bundh water sources at Garbeta-II	5.28
(2) Re-excavation of Dorjimongalpot Boral Bundh water sources at Garbeta-I	10.00
Total	15.28

negotiate with the person having interest in the said land, and if it fails to reach an agreement, take steps to acquire the land under provisions of the Land Acquisition Act, 1894. But neither the ZP nor the PSs took any such steps nor entered into any agreement with the private owners to carry out works on their land.

Hence, the total expenditure of Rs. 15.28 lakh remained irregular.