

**CHAPTER IV : WORKS EXPENDITURE**  
**SECTION-A : REVIEWS**

**Public Works Department**

**4.1 Integrated Audit of Public Works Department**

**4.1.1 Highlights**

*The Department had constructed 35082 km road, 9.30 lakh and 28.89 lakh sq. m residential and official buildings upto March 2001. Only 7805 villages out of 19607 villages were connected with roads. No targets for construction of roads and buildings were fixed. Loan of Rs.73.14 crore was sanctioned by National Bank for Agriculture and Rural Development (NABARD) for construction of 33 roads and 62 bridges to be completed by March 2002 of which 18 roads and 44 bridges were completed. The expenditure incurred on surplus staff was Rs.9.61 crore during 1999-2002 and utilisation of departmental plant and machinery was less than 30 per cent resulting in loss of revenue of Rs.1.51 crore.*

- More than 37 per cent Plan allotment remained unutilised during 2001-02. Cheques issued in 9 divisions during 1998-2002 exceeded the LOC by Rs.3.38 crore. Rs.9.29 crore was kept in Civil Deposit to avoid lapse of allotment.

*(Paragraph 4.1.6)*

- Balances of Rs.17.61 crore were not included in the accounts of recipient divisions. Adjustment Memo issued by Accountant General and Miscellaneous Public Works Advances (MPWA) of Rs.26.08 crore were outstanding in 10 Divisions. Expenditure of Rs.6.22 crore in excess of deposit was not recovered from the concerned agencies.

*(Paragraph 4.1.7)*

- 5 works for Rs.6.59 crore were taken up without administrative approval (AA). Expenditure on 27 works exceeded the AA by Rs.5.69 crore of which 19 works were incomplete for want of Rs.3.56 crore .

*(Paragraphs 4.1.9 [i] and [ii])*

- Against the expenditure of Rs.66.90 crore, the Department claimed Rs.57.08 crore for reimbursement from NABARD and only Rs.41.41 crore was reimbursed.

*(Paragraph 4.1.14)*

- **Extra cost of Rs.3.96 crore, substandard work of Rs.3.17 crore, unauthorised aid of Rs.1.33 crore, irregular payment of Rs.5.70 crore, outstanding recoveries Rs.50.32 lakh, embezzlement of Rs.6.07 lakh and material lying idle for Rs.1.13 crore were also noticed in test check.**

*(Paragraphs 4.1.9 [iv] to [ix], 4.1.10 and 4.1.12)*

#### **4.1.2 Introduction**

Chhattisgarh State was created on re-organisation of Madhya Pradesh (MP) on 1 November 2000 and comprises of 16 revenue districts with an area of over 135 thousand sq. km area and a population of 176.15 lakh (1991 census). The Public Works Department (PWD) is responsible for construction of roads, bridges, buildings, and their repair and maintenance.

The total road length in the state was 35082 km (24202 km pucca and 10880 kuccha) as of March 2001. The road density of Pucca and Kuccha roads was 17.75 km and 8.41 km per 100 sq. km against the national average of 42.40 km and 32.50 km per 100 sq. km, respectively.

The Department was also maintaining residential and official buildings having plinth area of 9.30 and 28.89 lakh sq. m, respectively.

#### **4.1.3 Organisational set up**

Chief Engineer (CE), East Zone Raipur was the zonal head for building, roads and electrical, mechanical works while the Superintending Engineers (SE) were the heads of Circles for bridges and national highways in the Chhattisgarh region before formation of Chhattisgarh State. Secretary, PWD is responsible for policy and planning activities. Engineer-in-Chief (E-in-C), as head of the Department is assisted by 3 zonal CEs and 10 SEs with 36 divisions headed by the Executive Engineers (EE).

#### **4.1.4 Audit coverage**

Test check of the records of the CE, Raipur and ten divisions<sup>36</sup> (civil-8, E/M-2) out of 36 were conducted from December 2001 to May 2002. Information was also collected from the office of the E-in-C. Review of the impact of financial and manpower management, maintenance of accounts and execution of works covering the period 1997-2002 was conducted.

#### **4.1.5 Target and achievement**

Targets under Ninth plan (1997-2002) were fixed for undivided Madhya Pradesh. The state was bifurcated on 1st November 2000 but no revision of targets has since been undertaken by Chhattisgarh State.

**No targets for construction of roads, buildings were fixed**

<sup>36</sup> *Bilaspur, Manendragarh, Ambikapur, Raipur, Bijapur, Raigarh, Jagdalpur, Korba, E/M Division Raipur and Bilaspur.*

In all, 376 roads out of 613 were completed (March 2001). 7805 villages out of 19607 were connected. To improve connectivity, 87 bridges were taken up of which 45 were completed (March 2001).

The information regarding building works taken up and completed was not available with the Department.

#### 4.1.6 Budgetary control and financial management

E-in-C exercised budgetary control through CEs.

##### (a) Excess and savings in expenditure over allotment

The position of allotment and expenditure was as follows:

(Rupees in crore)

Year	Non-plan			Plan			Total allotment	Total expenditure	Percentage of expenditure over allotment
	Allotment	Expenditure	Excess(+) Saving (-)	Allotment	Expenditure	Excess(+) Saving (-)			
1997-98	176.59	184.63	(+) 8.04	28.61	30.03	(+) 1.42	205.20	214.66	105
1998-99	92.16	110.70	(+) 18.54	26.19	22.47	(-) 3.72	118.35	133.17	158
1999-00	70.65	63.98	(-) 6.67	32.85	22.44	(-) 10.41	103.50	86.42	89
2000-01 (April 2000 to Oct 2000)	50.28 <sup>37</sup>	39.74	(-) 10.54	13.80	10.81	(-) 2.99	64.08	50.55	32
November 2000 to March 2001	49.47	40.57	(-) 8.90	34.65	28.02	(-) 6.63	84.12	68.59	58
2001-02	128.73	132.05	(+) 3.32	137.56	85.76	(-) 51.80	266.29	217.81	82
<b>Total</b>	<b>567.88</b>	<b>571.67</b>		<b>273.66</b>	<b>199.53</b>		<b>841.54</b>	<b>771.2</b>	<b>92</b>

Analysis of above table revealed the following:

**Non-Plan allotment and expenditure declined up to 1999-2000**

(i) There was continuous decline in non-plan allotment and expenditure till 1999-2000.

**37 per cent allotment under plan remained unutilised during 2001-02**

(ii) The plan allotment was increased substantially from Rs.32.85 crore (1999-2000) to Rs.137.56 crore (2001-2002) without proper planning and assessment of the requirement. Therefore, more than 37 per cent allotment under plan remained unutilised during 2001-02.

<sup>37</sup> Allotment under Non-plan and Plan during the year 2000-01 was Rs.86.20 crore and Rs.23.65 crore, respectively. Proportionate allotment for seven months (April 2000 to October 2000) was taken in Account.

Test-checked divisions<sup>38</sup> revealed the following:

**Cheques issued exceeded the LOC by Rs.3.38 crore**

The cheques issued (*Appendix-XX*) exceeded the LOC by Rs.3.38 crore during the years 1998-2002. The excess was met from savings under other heads. Substantial excess and savings over LOC under different grants, heads and sub-heads were also noticed which negated budgetary and legislative controls.

**LOC exceeded the allotment by Rs.1.52 crore and expenditure of Rs.1.73 crore was incurred without allotment and LOC**

LOC issued under one grant exceeded the allotment by Rs.1.52 crore in Manendragarh (Rs.5.36 lakh) and Ambikapur division (Rs.41.67 lakh) during 1998-99 and Jagdalpur division (Rs.1.05 crore) during 1998-99 and 2001-02. Expenditure of Rs.1.73 crore<sup>39</sup> was incurred by Division-I, Raipur during the year 2000-01 without allotment and LOC.

**(b) Transfer of funds to Civil Deposit to avoid lapse of allotment**

**Rs.9.29 crore was kept in Civil Deposit to avoid lapse of allotment.**

Raipur Division No.2 drew Rs.7.68 crore by debit to Central Road Fund and credit to Civil Deposit, on 30 March 2001 on the basis of orders of the Finance Department.

Similarly, EE, Raipur Division No.1 had kept Rs.1.61 crore (2000-01) under '8443 civil deposit' in contravention of codal provisions to avoid the lapse of allotment. The objective of strict control over expenditure through LOC was thus defeated due to fictitious booking of expenditure.

**(c) Incorrect transfer of funds from Central Road Fund (CRF)**

In compliance of the guidelines for selection of roads under CRF, the CE, Raipur submitted proposals in November 2000 for improvement of 13 roads estimated to cost Rs.58.01 crore. This included 5.8 km city portions (estimated cost Rs.4.17 crore) of Raipur-Bilaspur road and 10.2 km (estimated cost Rs.1.91 crore) of Raipur-Pallari-Baloda-Bazar (RPBB) road.

Audit scrutiny revealed that the CRF was to be utilised on State highways and Major District Roads (MDR). The city portions of these 2 roads were transferred to Raipur Nagar Nigam on 22 December 2000 and yet the proposals were irregularly got approved (January 2001) from GOI under CRF and technical sanctions accorded (March 2001).

On being pointed out, the Department stated that the transfer of roads to Nagar Nigam and funds from CRF were made as per orders of the Government. But orders of the Government were irregular.

---

<sup>38</sup> (E/M) divisions Raipur, Bilaspur, (B/R) divisions Bilaspur, Manendragarh, Ambikapur, Bijapur, Raigarh Jagdalpur and Korba

<sup>39</sup>

Grant No.67/2012	Rajbhawan works	Rs.45.03 lakh.
Grant No.28/2011	Rajy Vidhan Mandal	Rs.53.36 lakh
Grant No.28/2013	Mantri parishad	Rs.74.51 lakh
	Total	Rs.172.92 lakh

#### 4.1.7 Lapses in maintenance of accounts

##### (a) Fictitious increase of revenue

**Untraceable credit balances of Rs.83.07 lakh under MPSSA were incorrectly transferred to revenue.**

Untraceable credit balances of Rs.83.07 lakh under Material Purchase Settlement Suspense (MPSS) Account were irregularly transferred to '0059 Public Works Revenue' through a transfer entry (May 2000) by the EE, Bilaspur division, which was incorrect. These untraceable balances, inter alia, included the material received through Director General of Supplies and Disposal (DGSD) and other divisions for which advance payments had already been made. The fictitious increase of revenue of Rs.83.07 lakh is a loss to Government as no material was recovered.

On this being pointed out in audit, the EE stated (January 2002) that the untraceable balances outstanding since 17 years, were credited to revenue with a view to reduce the balances of purchase suspense. The reply attempted to justify an action not covered under any provision of rules.

##### (b) Non-accounting of balances of closed division

**Suspense balance of Rs.15.51 crore was not included in the accounts of recipient division.**

Division-I, Ambikpur was closed in April 2000 and the work was transferred to Division, Ambikapur. However, the suspense balances of Rs.15.51 crore (MPWA: Rs.7.73 crore, Stock suspense: Rs.0.29 crore, Deposit: Rs.4.04 crore, MPSS Account: Rs.3.14 crore and CSS Account: Rs.0.31 crore) of the closed division were not included in the account of recipient division.

**DGSD claim of Rs.1.80 crore, differences of remittances and cheques of Rs.5.50 lakh and Rs.10 lakh were not included in the accounts of recipient division.**

Besides, 104 claims of DGSD for Rs.1.80 crore and settlement with treasury (Form-51) rendered to Accountant General upto December 1998 having differences of remittance and cheques for Rs.5.50 lakh and Rs.10 lakh, respectively were also not taken into account in recipient division. The adjustment of these balances was doubtful, as the initial records were not available.

**Stock balances of Rs.14.70 lakh were not included in Korba Division.**

Similarly, the stock balances of Rs.14.70 lakh pertaining to 3 Sub-Divisions transferred (April 2000) to Korba Division were not included in the account.

##### (c) Non-adjustment of Miscellaneous Public Works Advances (MPWA)

**Rs.17.04 crore was outstanding for recovery or adjustment in 10 Divisions under MPWA.**

MPWA is a suspense head of account to record (i) sale on credit (ii) expenditure on deposit works in excess of deposit received (iii) losses, retrenchment errors etc. and (iv) other items of expenditure, the allocation of which is not known. The EEs and Divisional Accountants are responsible for prompt clearance of the suspense.

(i) Test check of records of 10 divisions revealed that Rs.17.04 crore was lying outstanding for upto 50 years. Of this Rs.1.46 crore and Rs.1.47 crore were outstanding against officials and contractors, respectively.

**Rs.15.31 lakh short accounted in Monthly Accounts.**

(ii) Unadjusted balances under MPWA in monthly account of 2 Divisions<sup>40</sup> fell short of the details available in register by Rs.15.31 lakh. Thus, Rs.15.31 lakh remained out of State account and would escape recovery/adjustment.

**(d) Abnormal delay in adjustment of claims of DGSD**

**AG's adjustment memos for Rs.73.55 lakh were missing out of outstanding Rs.9.04 crore.**

Test check of 8 Divisions revealed that 430 Adjustment Memos issued by Accountant General and worth Rs.9.04 crore received between 1980 and 1999 for verification of receipt of material from DGSD and its adjustment in the accounts were pending. Of these, 56 AG's adjustment memos of Manendragarh Division for Rs.73.55 lakh were missing at sub-division level. Consequently, the possibility of over invoicing, short supply, diversion of supply, fraudulent claims and losses etc. can not be ruled out.

**(e) Improper maintenance of Deposit accounts**

(i) Deposit registers were not maintained properly and closed monthly as a result actual credit balances of deposit were not known to the divisions. The refund of security deposit was also made without verifying the entries in the Deposit Register.

**Expenditure of Rs.6.22 crore in excess of deposit was not recovered from the concerned agencies.**

(ii) An expenditure of Rs.6.22 crore<sup>41</sup> was incurred in excess of deposit received without prior approval of the Government. This amount was also not debited to MPWA as required and no action was taken to realise it from the concerned agencies. Similarly, the EE, Raigarh did not refund the excess contribution of Rs.1.72 crore received from the agencies even after completion of the works.

**4.1.8 Man power management - Expenditure on surplus staff**

**Rs.2.77 crore was incurred on surplus staff during 1999-02.**

The position of sanctioned and regular working staff in the Department given in *Appendix-XXI* indicated that 69, 258 and 261 employees were working in excess of sanctioned posts during the last three years. After adjusting the excess staff of lower posts against the vacant higher posts, wherever possible, an unfruitful expenditure of Rs.2.77 crore was incurred on surplus staff during 1999-2002.

**Rs.6.84 crore was incurred on surplus work charged and daily wages staff.**

Similarly, 407 work charged, contingent employees were working in excess of sanctioned posts resulting in unfruitful expenditure of Rs.5.60 crore. In spite of excessive deployment of regular, work charged and contingent staff 137 daily wage employees were also engaged which further resulted in wasteful expenditure of Rs.1.24 crore during 1999-2002.

---

<sup>40</sup> Rs. 2.43 lakh and Rs. 12.88 lakh fell short in monthly account of (E/M) Raipur and (B/R) Jagdalpur divisions for November 2001 and March 2002 respectively.

<sup>41</sup> Bilaspur: Rs.25.46 lakh, Ambikapur: Rs.114.29 lakh, Raipur No. I: Rs.163.32 lakh and Raigarh: Rs.318.82 lakh.

#### 4.1.9 Execution

##### (i) Works without Administrative Approval and Technical Sanctions

5 works for Rs.6.59 crore were taken up without AA.

The Works Department Manual provides that no work should be taken up until Administrative Approval (AA) and Technical Sanction (TS) was accorded. However, 5 works estimated to cost Rs.6.59 crore were taken up without AA. TS for Rs.5.99 crore for another 4 works were accorded by the EE, Ambikapur beyond his competency. In another case, the EE, Jagdalpur accorded TS for Rs.83 lakh without AA. Further expenditure of Rs.18.94 lakh was incurred on 7 works without Technical Sanction.

##### (ii) Expenditure in excess of AA and TS

Expenditure on 27 works exceeded the AA by Rs.5.69 crore.

Expenditure on 27 works exceeded the AA by Rs.5.69 crore (131 per cent) while in 28 works it exceeded the TS by Rs.7.11 crore (245 per cent). The revised AA and TS were not obtained.

Even after incurring excess expenditure of Rs.4.25 crore, 19 works were incomplete for want of Rs.3.56 crore more.

In 19 out of 27 works, an expenditure of Rs.7.01 crore was incurred against the AA of Rs.2.76 crore. However, the works were still incomplete for 6 to 30 years for want of additional funds of Rs.3.56 crore hampering the socio-economic development of the area.

##### (iii) Irregularities in award of work

EE, Raipur Division No. I, while inviting tenders for 2 works costing Rs.3.67 crore allowed publicity of only 25 and 24 days in 2 State news papers against 45 days in 2 National news papers.

Additional works of Rs.1.40 crore were awarded without tenders against original agreements for Rs.1.22 crore.

Additional works for Rs.1.40 crore were awarded to 13 contractors against the original agreements totaling Rs.1.22 crore in 2 divisions<sup>42</sup> without invitation of fresh tenders. This was irregular and injudicious.

It was further observed that additional work for Rs.46.52 lakh was awarded against the original contract of Rs.69.74 lakh. This exceeded the financial power of the CE and the contractor had also been penalised for non-completion of original work in time. Thus, sanction of additional work was unjustified.

##### (iv) Doubtful execution of work

Payment of Rs.3.06 lakh for SDBC was doubtful.

Contrary to specifications the item of 25 mm thick Semi Dense Bituminous Concrete (SDBC) was allowed to a contractor in renewal work of Jagdalpur-Konta road on a supplementary schedule proposal in February 2002. The open graded premix carpet (OGPC) had earlier been executed between March to July 2001 at a cost of Rs.3.72 lakh. Additional expenditure of Rs.3.06 lakh for renewal of road with SDBC was thus unwarranted and doubtful.

<sup>42</sup> Manendragarh and Raigarh Divisions

(v) **Unwarranted provision of crust**

Improvement of Raipur-Pallari-Baloda Bazar road at an estimated cost of Rs.9.93 crore was awarded at 8.10 per cent below SOR for completion by 27 March 2002. The payment of 13th Running Bill for total value of work done for Rs.3.55 crore was made in February 2002.

**Excess provision of crust resulted in extra cost of Rs.1.32 crore.**

It was observed that required attention was not paid in designing the crust. The provision of additional crust of 150 mm on the already widened portion of road (km 22 to 40) and 175 mm on newly widened portion (42.50 km length) of the road was in excess of required crust of 432 mm. The extra cost involved was Rs.1.32 crore of which Rs.87.26 lakh on one item of 50 mm BM has already been paid to the contractor (February 2002).

EE replied (March 2002) that the work was executed as per requirement and estimate sanctioned by the Chief Engineer. The reply was not tenable as the crust in excess of requirement was provided in the estimate by the Executive Engineer.

(vi) **Superfluous provisions of BM laid over LBM**

Improvement of Bilaspur-Katghora-Ambikapur road at an estimated cost of Rs5.26 crore was awarded (March 2001) at 6 per cent below SOR and was to be completed by January 2002. Payment of Rs.2.41 crore was made in March 2002.

Test check revealed that provision of Lean Bituminous Macadam (LBM) consisting of 45 mm to 90 micron metal in the thickness between 19 and 40 mm was made in the estimate as profile corrective course. The irregularities of 40 to 75 mm road surface can be rectified only by PCC with bituminous macadam materials. Therefore, the provision of LBM and its execution in thickness between 10 and 36 mm was not only contrary to MORT&H specifications but the execution of work is also not beyond doubt as the execution with the materials of grading 45 mm to 90 micron is not possible.

Extra cost of Rs.58.41 lakh was incurred on the quantity provided in the estimate out of which payment of Rs.38.99 lakh was already made to the contractor.

**Unwarranted provision of LBM and BM resulted in extra cost of Rs. 56.71 lakh.**

Further, the existing crust of WBM road can be increased, if required, by providing an additional layer of 75 mm of grading III (53 to 22.4 mm size metal) at the rate of Rs.440 per cu m. It was, however, observed that the crust of WBM road was increased by providing LBM and BM over 20000 sq. m and 61200 sq. m area, respectively. This superfluous provision of LBM and BM over WBM road resulted in extra cost of Rs.56.71 lakh<sup>43</sup>.

<sup>43</sup> Cost of LBM Rs.14.41 lakh and cost of 67,200 sqm BM at the rate of Rs.93 per sqm (Rs.62.50 lakh) minus cost of 4590 cu m (61200 sqm) grading III at the rate of Rs.440 cu m (Rs.20.20 lakh).



**(vii) Execution of unwarranted and richer specifications of works**

**Unwarranted provision of BM on 6 village roads resulted in extra cost of Rs.1.16 crore.**

(a) According to the specifications, the thickness of renewal course should be generally 20 mm. Renewal of 12 village roads of Raigarh division were taken up without verifying the dates of previous renewals and assessing the required crust or deficiencies if any. Thus the execution of base course of 50 mm BM was unwarranted. In addition, 25 mm SDBC in place of 20 mm OGPC was executed in 6 test checked roads. This resulted in extra cost of Rs.1.16 crore.

The EE stated (April 2002) that the works of BM and SDBC were taken up under special directive of the State Government. The reply was not tenable, as the works were executed with unwarranted richer specification.

**Use of costlier moorum resulted in extra cost of Rs.35.57 lakh.**

(b) The CE issued (April 1977) technical circular stating that moorum was to be provided for shoulders in 1 metre width where the road passed through black cotton soil. Contrary to this, EEs, Jagdalpur and Raigarh accorded technical sanctions for construction of hard shoulders in 1.5 metre width on both side and entire road length of 39.60 km of Jagdalpur-Konta road (km 15/4 to km 54) and six village roads of Raigarh division. The works were executed with moorum at Rs.152 per cu m instead of cheaper selected soil available at site at Rs.29 per cu m. This resulted in extra cost of Rs.35.57 lakh in two divisions.

On being pointed out, EE Jagdalpur stated (May 2002) that road was passing through villages, reserved forest and ghat portion where earth was not available or it was not possible to excavate. EE, Raigarh stated that hard shoulders were provided for better maintenance of edges as the existing soil was not of the quality to retain the edges. The replies were not tenable as the construction of hard shoulder in 1.5 metre width (both side) was done contrary to the provision of filling of hard moorum in 1 metre width of either side of the road. Moreover, earth was available on the side of embankment of these roads.

**Use of costlier tack coat on 27 road works resulted in extra expenditure of Rs.14.36 lakh.**

(c) EEs, Bemetara and Rajnandgaon executed 27 road works with costlier tack coat using paving bitumen instead of bituminous emulsion, which resulted in extra expenditure of Rs.14.36 lakh.

On this being pointed out, the EE, Bemetara stated (May 2002) that use of bituminous emulsion in tack coat was specified on damp surfaces. The EE, Rajnandgaon stated (October 2002) that the work was executed as per sanctioned estimates. The replies were not tenable as use of paving bitumen in tack coat has been dispensed with by MORT&H and its provision in the SOR and estimates was unwarranted and contrary to the specifications.

**(viii) Premature renewal**

**Premature renewal of 10 km of 2 roads resulted in extra cost of Rs.41 lakh.**

The periodicity of renewal of roads is 6 years where renewal is carried out with OGPC. It was seen that renewal of 7 km of Jagdalpur-Konta and 3 km of

Bilaspur-Katghora roads was done after a gap of 6 months to 5 years. This resulted in extra cost of Rs.41 lakh.

On being pointed out, EE Jagdalpur Division stated that OGPC was laid previously but the road was declared a state highway and therefore, the work of improvement and strengthening was done as per specification. This is not tenable, as the life of OGPC is six years for state highways also.

**(ix) Unauthorised aid to contractor**

**(a) Injudicious execution of work**

**Patch repair of a road done after its tender under BOT resulted in unauthorised aid of Rs.38.25 lakh to contractors.**

Tenders for improvement of Bilaspur-Katghora-Korba-Champa (BKKC) road (151 km) with estimated cost of Rs.25.10 crore were invited in September 2001, under BOT scheme. Lowest revised offer of a contractor was accepted by the GOCG on 4th February 2002 and the work awarded at Rs.1.15 crore with the stipulation to complete it within six months. It was, observed that BT patch repair works in km 42 to 77 of this road were invited in November 2001 in 17 groups and awarded at Rs.32.82 lakh on 7th December 2001 to complete the work within fifteen days. Rs.38.25 lakh was paid in January and February 2002. The hurried execution of patch repair when the road was being considered under BOT resulted in unauthorised aid of Rs.38.25 lakh to BOT contractor.

On being pointed out, EE stated (May 2002) that BOT scheme was in process from 1999 and was finalised only in February 2002. Since the road was badly damaged the road was repaired as patch work under pressure from higher authorities and public representatives.

**(b) Non-recovery of performance security**

**Non-deduction of performance security led to unauthorised aid of Rs.94.86 lakh.**

According to the special conditions forming part of the agreements for road works under percentage tender, the contractors were responsible for performance of the work carried out by them for 3 years. Performance security of Rs.94.86 lakh was to be furnished by them in the shape of bank guarantee at the rate of 15 per cent of the contract amount for a period of 36 months from the date of completion of work. Payment exceeding 85 per cent of the amount of contract was to be released only after receipt of bank guarantees. However, the performance security was not deducted from the running bills of 3 works, which resulted in an unauthorised aid of Rs.94.86 lakh<sup>44</sup> to the contractors.

On being pointed out, EE, Raipur Division No. I stated (May 2002) that clarification was awaited from the CE. EE, Jagdalpur accepted that recovery was not made due to oversight and assured to effect the recoveries from subsequent running bills.

---

<sup>44</sup> Agreement No. 52/2000-01(Korba Dn.) Rs.36.11 lakh out of payment of Rs.241.06 lakh (upto 3/02), Agreement No.109/2000-01 (Raipur Dn.I) Rs.52.18 lakh out of payment of Rs.347.90 lakh (upto 2/02), Agreement No.199/2001-02 (Jagdalpur division) Rs.6.57 lakh out of payment of Rs.43.79 lakh (upto March 2002).

#### 4.1.10 Quality control

##### (i) Test reports

Payments of Rs.5.70 crore were irregularly made to contractors without test reports.

According to the specifications, the officer making payments for works was to ensure that all tests at prescribed frequencies were carried out by contractors before making the payments. However, payments of Rs.5.70 crore were irregularly made to the contractors by five divisions<sup>45</sup> without test reports. Nominal penalty of Rs.1.98 lakh was deducted for the works costing Rs.4.46 crore for non-submission of test reports by 3 divisions, whereas no penalty was recovered by 2 divisions for works costing Rs.1.24 crore. Absence of quality control tests may lead to substandard work.

On being pointed out, EEs stated that rectification would be done before final payment.

##### (ii) Execution of sub standard work

Less use of asphalt resulted in sub-standard work of Rs.94.57 lakh

It was observed that formula for execution of SDBC work on Bilaspur-Katghora-Ambikapur road approved from Bhilai Institute of Technology provided for 6 per cent binder bitumen content by weight of mix. However, the test certificates showed that use of bitumen ranged between 4 to 4.33 per cent resulting in substandard work of Rs.50.21 lakh. Payment at full rate of SOR was made to the contractor.

Similarly, 919 drums were shown as used on a work against requirement of 995 drums to achieve 25mm thickness of SDBC. This resulted in sub-standard work of Rs.44.36 lakh.

##### (iii) Substandard work of roads and short recovery of hire charges

Partially rolled WBM led to substandard work of Rs.2.22 crore.

Water bound macadam (WBM) renewal and asphaltting works were executed by 3 divisions at a cost of Rs.2.22 crore for which deployment of 8-10 ton rollers for 1229 days<sup>46</sup> was necessary for consolidation. However, the actual deployment was only for 643 days<sup>46</sup>. Thus 47.68 per cent work was left unrolled or the entire work was partially rolled

Application of lesser rates resulted in short recovery of Rs.16.07 lakh.

It was observed that recovery of hire charges of plants and machinery supplied by the Department was made at different rates by the divisions as shown below:

<sup>45</sup> Ambikapur division paid Rs.178.38 lakh after deducting Rs.0.64 lakh, Raipur-I division paid Rs.94.89 lakh after deducting Rs.0.6 lakh, Manendragarh division paid Rs.173.15 lakh after deducting Rs.0.72 lakh, Jagdalpur and Raigarh divisions paid Rs.43.78 lakh and Rs.8.20 lakh respectively without any deduction.

<sup>46</sup> Jagdalpur, Bijapur, Ambikapur divisions executed works for Rs.180.65 lakh, Rs.9.37 lakh and Rs.32.19 lakh and deployed rollers for 470,47 and 126 days against actual requirement of 785,81 and 363 days respectively

Sl. No.	Name of PWD Division	Cost of work (Rs. in lakh)	Hire charge recovered (Rupees per day)	Short recovery (Rs. in lakh.)
1.	Ambikapur	32.19	620	3.28
2.	Bijapur	9.37	650 & 450	1.27
3.	Jagdapur	180.65	620	11.52
	Total	222.21		16.07

The rate of hire charges at Rs.810 per day (1991) were not revised while the schedule of rates (SOR) was revised in September 1997 and June 2000. This resulted in short recovery Rs.16.07 lakh of hire charges of road rollers.

The EEs stated (May 2002) that the work carried out by the contractors were in accordance with the specifications as the compaction was carried out with private rollers also (Ambikapur & Bijapur). The replies were not tenable, as the partially rolled works could not be treated as the works in conformity with the specifications. The deployment of private rollers was also not on record.

#### 4.1.11 Improvement and maintenance of roads

##### (a) Indiscriminate strengthening of roads

13 roads costing Rs.4.50 crore were taken up for strengthening without approval of Government.

GOMP ordered (1988) that the work of widening and strengthening of roads should be carried out only after obtaining specific approval and conducting condition survey. It was, however, seen that the strengthening and renewal of Jagdalpur-Konta road of Jagdalpur and 12 roads<sup>47</sup> of Raigarh divisions were taken up at an estimated cost of Rs.4.50 crore under annual repair grant without condition survey and prior approval of Government.

Estimates for strengthening of 15 roads costing Rs.19.69 crore were prepared without basic data.

Further, the estimates for strengthening of 15 roads costing Rs.19.69 crore were prepared without collecting the data on traffic intensity, existing crust thickness, California bearing ratio of sub-grade material, ground water table, highest flood level, etc. as required under the specifications.

##### (b) Maintenance and renewal of roads

Details of roads due for renewal, road wise allotment of funds for ordinary repair were not maintained. The norms for maintenance of roads were not prescribed by the Department. Record of six<sup>48</sup> test checked divisions revealed that funds for ordinary repair and renewal were not allotted according to the road length under the divisions. The funds allotted for renewal during 1999-01 were not fully utilised by five divisions (other than Jagdalpur division).

<sup>47</sup> Jagdalpur-Konta (Rs.80.15 lakh), Sarangarh-Sivrinarayan (Rs.28.30 lakh), Sarangarh-Sariya (Rs.69.74 lakh), Jobi-Bargar-Domnare (Rs.22.70 lakh), Raigarh-Kotra-Tarapur (Rs.7.47 lakh), Hatri-Chandmari (Rs.8.80 lakh), Dharamjaigarh-Kharasia (Rs.33.64 lakh), Urdamaa-Bisram Bhawan (Rs.12.69 lakh), Raigarh-Sarangarh (Rs.58.99 lakh), Chapla-Bayong Nandeli -Dabhra-Bispali (Rs.50.85 lakh), Kachar Bhupdepur (Rs.25 lakh), Kharasia Chandarpur (Rs.27.66 lakh) Kelo Chakradhar Nagar Raigarh (Rs.23.88 lakh).

<sup>48</sup> Manendragarh, Bilaspur, Ambikapur, Raigarh, Korba and Jagdalpur divisions

**(c) Improvement of roads from CRF**

**Only 3 out of 15 roads were completed under CRF.**

Administrative approvals for Rs.66.64 crore were accorded by MORT&H for improvement of 15 roads (570.28 km) including 4 national highways (55 km). Though these works were to be completed by April 2002, only 3 works (63.10 km) were completed at a cost of Rs.7.14 crore and four works<sup>49</sup> (232.10 km) were lagging behind.

**4.1.12 Other points of interest****(a) Outstanding recoveries of temporary advances and cost of tools and plant (T&P)**

**Tour advances of Rs.35.69 lakh against 1587 officials and tools and plants worth Rs.14.63 lakh remain un-recovered**

Tour advances of Rs.35.69 lakh irregularly paid to 1587 officials from work cash book of 14 divisions and cost of tools & plant worth Rs.14.63 lakh<sup>50</sup> issued to the sub engineers (as far back as 25 years) remain un-recovered.

**(b) Injudicious procurement of material**

**Materials worth Rs.1.13 crore were lying unutilised.**

(i) Materials worth Rs.59.20 lakh<sup>51</sup> were lying unutilised in stock, MAS and RMR accounts of 13 divisions<sup>52</sup> for periods ranging from 1 to 30 years. The purchase of material without assessing requirement resulted in blocking of Government funds.

(ii) RCC hume pipes costing Rs.1.47 crore were purchased in Ambikapur division during 1995-99, for construction of culverts under Pahari Korba Project, of which, pipes costing Rs.53.90 lakh were still lying unutilised.

**(c) Embezzlement of asphalt**

**Asphalt costing Rs.3.06 lakh was embezzled in Bilaspur Division.**

The EE, Ambikapur, furnished (October 1996) a duly acknowledged copy of Indent dated 25th May 1995, to the EE, Bilaspur for remitting the cost of 230 drums asphalt supplied in June 1995. The asphalt was not appearing in the stock account of Bilaspur division which meant embezzlement of Rs.3.06 lakh.

The EE agreed (January 2002) to verify facts but final reply was awaited (August 2002).

<sup>49</sup> Gandri-Salhotekari, Simga-Kharora-Rani Sagar-Arang, Bilaspur-Katghora-Ambikapur, Rajnandgaon-Antagarh roads.

<sup>50</sup> Manendragarh-Rs.1.94 lakh, Ambikapur-Rs.1.93 lakh, Korba-Rs.3.14 lakh, Raigarh-Rs.3.27 lakh, Bijapur-Rs.4.35 lakh

<sup>51</sup> Stock (Rs.48.93 lakh) material at site account (Rs.7.85 lakh) and road material return account (Rs.2.42 lakh).

<sup>52</sup> (B/R) divisions, Manendragarh, Ambikapur, Bilaspur, Raipur-I, Bijapur Pendra Road, Raigarh, Korba and Jagdalpur. (E/M) divisions Bilaspur and Jagdalpur, NH and Bridge divisions Jagdalpur.

**(d) Fraudulent payments**

**Payment of Rs.3.01 lakh was made fraudulently for material not accounted for.**

It was observed that payment of Rs.3.01 lakh was made to the contractors for supply of material without recording the measurements in the Road Material Return Account of the concerned road. This indicated that fraudulent payment of Rs.3.01 lakh was made without receipt of material.

**4.1.13 Poor performance of Electrical and Mechanical wing**

**Department did not prepare any action plan for deploying plants and machinery.**

The administrative control, operation, repair and maintenance of departmental plants and machinery, was entrusted to the Electrical and Mechanical (E/M) wing from March 1991. However, the Department did not prepare any action plan for utilisation of departmental plants and machinery.

**Utilisation of DRR in 3 divisions was less than 30 per cent and resulted in a loss of Rs.1.51 crore.**

The information regarding utilisation of diesel road rollers (DRR) made available by 3 divisions revealed that the DRR remained idle for 20828 days (50.58 per cent) against the total working days of 41180 during 1998-2002 for want of work, which resulted in loss of Rs.1.51 crore<sup>53</sup>. The staff engaged for operations of DRR also remained idle resulting in unfruitful expenditure of Rs.42.79 lakh during 1998-2002 on their wages.

**Hire charges of Rs.6.14 crore were outstanding against civil divisions.**

It was also observed that recovery of hire charges of Rs.6.14 crore for the years 1991-96 was outstanding against the civil divisions for the plants and machinery provided by E/M divisions for departmental works.

In view of above the need for continuing with E/M wing needs to be reviewed.

**4.1.14 NABARD<sup>54</sup> loan for construction of roads and bridges**

**(i) Selection of roads**

**Selection of roads for NABARD loan was not evenly made.**

33 out of 38 roads were selected from only five districts without recording reasons for according such disproportionate priority.

**Injudicious selection of a road without forest clearance resulted in unfruitful expenditure of Rs.28.57 lakh.**

Loan of Rs.53.35 lakh was sanctioned by NABARD during 1997-98 for construction of Palak-Bhoramdev Road which passes through forest area. Injudicious selection and commencement of work without prior clearance of Forest Department led to abandoning the work resulting in unfruitful expenditure of Rs.28.57 lakh.

---

<sup>53</sup> Idle period and loss of revenue for Manendragarh Ambikapur and Raigarh and Rajnandgaon divisions was 6454, 5587, 5104 and 3683 days and Rs.40.69 lakh, Rs.35.17 lakh, Rs.41.70 lakh and Rs.33.65 lakh during the years 1998-2002 respectively.

<sup>54</sup> National Bank for Agriculture and Rural Development.

**(ii) Poor physical and financial progress**

**Only 55 per cent of roads and 71 per cent of targeted bridges were completed.**

Loan of Rs.88.62 crore was sanctioned by NABARD during 1997-2001 for construction of 38 roads and 71 bridges in 4 phases. Of these, 33 roads and 62 bridges sanctioned at a cost of Rs.73.14 crore were to be completed by March 2002. However, only 18 roads and 44 bridges were completed.

**Due to slow progress 15 roads remained incomplete.**

Though Rs.8.65 crore was spent on the remaining 15 roads, these remained incomplete due to slow progress by contractor.

**27 per cent inadmissible claims were not reimbursed by NABARD.**

Against the total expenditure of Rs.66.90 crore incurred upto March 2002, the Department claimed Rs.57.08 crore for reimbursement of which only Rs.41.41 crore (73 per cent) was reimbursed, rest being inadmissible.

**4.1.15 Monitoring**

The implementation of schemes was to be monitored to ensure targets relating to time, cost, services, social and economic benefits were achieved. However, no targets for construction, improvement, and renewal of roads, connectivity of the villages with road etc. were laid down by the department. The information was also not available with the E-in-C, Raipur.

It was also seen that in 1698 villages with 8.28 lakh population out of 13.60 lakh (census 1991) in three divisions were not connected with road. Information in respect of 22 divisions was not furnished.

The points referred above were Report to the Government (September 2002); reply had not been received (February 2003)

## SECTION-B : AUDIT PARAGRAPHS

### Public Health Engineering Department

#### 4.2 Premature investment on Naila Janjgir Water Supply Scheme

**Expenditure of Rs.82.53 lakh on intake well, treatment plant and purchase of pipes was premature, as other components were not got ready.**

Government of Madhya Pradesh (GOMP) approved (February 1994) execution of Naila Janjgir Water Supply Scheme for Rs.49.90 lakh to provide 3.36 million litres daily (MLD) of water to a projected population of 30000 by the year 2011. The work started after a delay of 3 years in September 1997 and the scheme was executed by Korba Division upto August 1999 and thereafter by Champa Division as Deposit work on behalf of Nagar Palika Parishad with 70 per cent loan and 30 per cent grant-in-aid. Even after incurring an expenditure of Rs.82.53 lakh upto January 2002 against the deposit of Rs.85.47 lakh (loan: Rs.66.77 lakh and grant-in-aid: Rs.18.70 lakh), the scheme remained incomplete. There has been no progress in the work since January 2001 and in the mean time, the Chief Engineer accorded (March 2000) revised technical sanction of Rs.2.64 crore for the scheme which was administratively approved only in October 2002.

Scrutiny of records revealed that the expenditure of Rs.82.53 lakh on intake well, treatment plant in progress and purchase of pipes was premature as other components of the scheme such as raw/clear water pumps and mains, service reservoirs and distribution system were not taken up and the population continues to be without the facility of drinking water.

The Executive Engineer while admitting (February 2002) that there was delay in finalising the executing agencies stated that other components were not taken up as the cost of work in progress exceeded the sanctioned cost and availability of fund was not certain. The provision of Rs.1.75 crore in the budget for 2002-03 remains un-utilised (December 2002). This indicates improper planning and poor monitoring.

The matter was reported (April 2002) to Government; reply had not been received (February 2003).



## Public Works Department

### 4.3 Acceptance of higher tender rates and substandard work

**Injudicious acceptance of tenders at higher rates resulted in extra cost of Rs.12.55 lakh and undue benefit of Rs.6.68 lakh to the contractor besides avoidable expenditure of Rs.26.90 lakh on repair and maintenance of the substandard work.**

Government of India (GOI) vide notification of 6 January 1999 declared Raipur-Bilaspur-Sarangarh-Raigarh road (300 km) as National Highway-200 after which the Chief Engineer (CE) NH issued (June 1999) instructions to complete all ongoing works before their transfer to NH. However, the road was transferred only in April 2000.

Meanwhile Executive Engineer (EE), Division No. 2, Raipur invited (May 1999) tenders in five groups for black topping (BT) and renewal of 12 km of Raipur-Bilaspur road estimated to cost Rs.98.93 lakh. The lowest tender for km 6&7 (group-I) at 9.9 percent below SOR was accepted (13 May 1999) by the Superintending Engineer (SE), PWD Circle, Raipur. However, lowest tenders for other 4 groups (between km 17 and 33) at 19.01 to 19.79 per cent above SOR were accepted on 31 May 1999 on the ground that the prevailing trend in Bilaspur Circle on this road was 34.90 per cent above SOR. This variation was not justified as a tender at 9.9 per cent below SOR had been accepted a fortnight earlier. Despite higher rate the work was left incomplete and resulted in extra cost of Rs.12.55 lakh due to variation in tender rates.

In the above work bitumen macadam (BM) work valued at Rs.46.08 lakh was executed upto July 1999. This was not followed immediately by a wearing coat of semi dense bituminous concrete (SDBC) or seal coat as per requirement and the unfinished road was opened to traffic in violation of the specifications. This not only resulted in substandard work but also in premature damage to the road besides undue benefit of Rs.6.68 lakh to the contractor for the seal coat work not done.

As a result, NH Division, Raipur to whom the road was transferred had to incur an avoidable expenditure of Rs.26.90 lakh on repair and maintenance during 2000-2002.

The EE stated (October 2001) that the tenders were accepted by the competent authority (CE) after considering the reasonability of rates. He further stated that BT work was not possible during rains and Government imposed financial ban on payment from October 1999.

The reply was not tenable because the Department failed to consider the lowest rate obtained in the first group while accepting the tenders of other 4

groups in the same vicinity at higher rates. The BM work was not followed by wearing/seal coat work, necessitating premature repair and maintenance costing Rs.26.90 lakh.

The matter was reported to Government in June 2002; reply had not been received (December 2002).

## General

### 4.4 Failure of senior officials to enforce accountability and protect the interests of Government

Accountant General arranges to conduct periodical inspection of the Government departments to test check, the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. When important irregularities are detected and are not settled on the spot, IRs<sup>55</sup> are issued by the Accountant General to ensure rectificatory action in compliance of the prescribed rules and procedures. The Heads of Offices and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report their compliance to the Accountant General. Serious irregularities are also brought to the notice of Heads of the Departments by the Accountant General. A half-yearly report of pending IRs is sent to the Principal Secretary/Secretary of the Department to facilitate monitoring of the audit observations in the pending IRs.

Inspection Reports issued upto December 2001 pertaining to 203 divisions/offices of WR, PW, PHE<sup>56</sup> and Forest Departments under Government of Chhattisgarh disclosed that 5523 paragraphs relating to 1282 IRs remained outstanding since 1990-91 to the end of June 2002. Department wise position of the outstanding IRs and paragraphs were as under:

Sl. No.	Department	Number of Inspection Reports	Number of Paragraphs	Number of Auditee Units	Amount (Rupees in crore)
1.	Water Resources	541	2290	79	761.71
2.	Public Works	283	1578	42	524.45
3.	Public Health Engineering	205	812	26	317.11
4.	Forest	253	843	56	123.98
	<b>Total</b>	<b>1282</b>	<b>5523</b>	<b>203</b>	<b>1727.25</b>

Of these, 101 IRs containing 550 paragraphs had not been settled for more than 10 years. Even the initial replies, which were required to be received from the Heads of the Offices within six weeks from the date of issue were not

<sup>55</sup> *Inspection Reports.*

<sup>56</sup> *WR : Water Resources, PW : Public Works, PHE : Public Health Engineering*

received as of June 2002 in respect of 66 divisions/offices for 67 IRs and 452 paragraphs issued upto December 2001.

The Principal Secretaries/Secretaries of the Departments, who were informed of the position through half yearly reports, also did not ensure that the concerned offices of the Department take prompt and timely action.

Inaction against the defaulting officers facilitated the continuance of serious financial irregularities and loss to the Government, though these were pointed out in Audit. It is recommended that Government should re-examine the system to ensure proper response to the audit observations in the Department and action to recover loss/outstanding advances/overpayments in a time bound manner and revamp the system.