

CHAPTER IV : WORKS EXPENDITURE

SECTION 'A' : REVIEW

PUBLIC WORKS DEPARTMENT

4.1 Review of Public Works Department including Manpower Management

Highlights

The Public Works Department (PWD) is responsible for construction, maintenance and repair of State highways, district and other roads, national highways, border roads as well as construction and maintenance of Government residential and non-residential buildings. A review of the working of the department revealed significant shortfall in construction and poor financial discipline.

The expenditure of Rs.42.86 crore up to March 2002 on 48 road works had become unproductive, since these remained incomplete for periods ranging between one and eight years.

(Paragraph 4.1.12)

Out of 42 road works sanctioned between 1985 and March 1999, there was time overrun of one to over five years in the completion of 29 works resulting in cost overrun of Rs.5.67 crore.

(Paragraphs 4.1.13 and 4.1.14)

Failure on the part of the department in timely finalisation of land acquisition process in respect of land acquired for construction of a road in West Khasi Hills District resulted in extra expenditure of Rs.15.83 lakh.

(Paragraphs 4.1.15 to 4.1.17)

Failure of the department to construct a road under South Jowai Division due to land dispute resulted in unfruitful expenditure of Rs.0.51 crore.

(Paragraphs 4.1.18 and 4.1.19)

Deviation from the estimated provision in execution of earth work of a road resulted in extra expenditure of Rs.17.24 lakh.

(Paragraphs 4.1.20 to 4.1.22)

Deployment of excess muster roll labourers by 11 divisions led to extra expenditure of Rs.1.11 crore.

(Paragraphs 4.1.23 and 4.1.24)

Expenditure of Rs.19.18 crore was incurred on work charged establishment in excess of estimated provision.

(Paragraphs 4.1.31 and 4.1.32)

Introduction

4.1.1 The Public Works Department (PWD) is responsible for construction, maintenance and repair works of State highways, district and other roads, national highways, border roads and roads taken up under North Eastern Council (NEC) funds and Rural Infrastructure Development Fund. The department also undertakes construction, maintenance and repair works of residential and non-residential Government buildings.

4.1.2 Roads, being the only means of communication in the State, play a vital role in speedy socio-economic development of the State. During the Ninth Five Year Plan (1997-2002) the road density in the State increased from 29.90 Km to 33.38 Km (anticipated) *per* 100 Sq.Km as against the All India Standard of 40 Km. The total length of the road in the State increased from 6,707 Km (Surfaced: 3,004 Km; Unsurfaced: 3,703 Km) in April 1997 to 7,488 Km (Surfaced: 3,523 Km; Unsurfaced: 3,965 Km) in March 2002.

Organisational set up

4.1.3 The PWD functions under the administrative control of the Secretary to the Government of Meghalaya. The road works in the State are implemented by two Chief Engineers (CE) through two Additional CEs, six Superintending Engineers (SE) of six Circles, Executive Engineers (EE) of 19 road divisions (other than mechanical) and one Project Engineer. The CE (Building) in-charge of the execution of building works is assisted by one SE and four EEs.

Audit coverage

4.1.4 Functioning of the department was reviewed in audit through test check of records of seven^(a) out of 20 divisions (other than mechanical and one project) in four districts (East and West Khasi Hills, West Garo Hills and Jaintia Hills) as well as the Chief Engineers' offices for the period from 1997-

^(a)

Road sector

(i) Mairang, (ii) Nongstoin, (iii) Mawsynram, (iv) Tura North, (v) Barengapara and (vi) South Jowai.

Building Sector: i) Jowai Building.

98 to 2001-2002 covering 29 *per cent* (Rs.2.13 crore) of the total expenditure during 1997-2002 (Rs.7.40 crore). Results of the review are discussed in the succeeding paragraphs.

Planning

4.1.5 The works programme for completion of roads and bridges during 1997-98 to 2001-2002 as formulated by the department, budget provision, number of new works sanctioned and amount sanctioned were as under: -

Table 4.1

(Rupees in crore)

Year	Number of incomplete schemes/works at the commencement of the year	Amount required for completion of ongoing schemes/works	Budget provision for roads and bridges	Number of new works sanctioned	Amount sanctioned for new works
1997-98	1,017	198.58	59.87	124	54.16
1998-99	869	229.96	69.44	113	37.60
1999-00	654	177.78	74.85	120	30.47
2000-2001	390	153.62	73.62	310	77.48
2001-2002	372	209.42	88.55	92	53.68
Total		969.36	366.33	759	253.39

Source: Information furnished by the Assistant Chief Engineer (ACE), PWD (Roads), Planning Branch.

4.1.6 Despite shortfall in budget provision even for completion of incomplete schemes/works, new works were sanctioned which not only strained the resource position but also delayed the benefits of works in progress.

Financial management

4.1.7 The budget provisions *vis-à-vis* expenditure during last five years ending March 2002 were as under:

Table 4.2

(Rupees in crore)

Year	Budget provisions ^(b) (Amount surrendered)		Actual expenditure		Savings (Percentage)	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
1997-98	59.61 (2.49)	82.10 (3.81)	52.16	74.88	7.45 (12)	7.22 (9)
1998-99	67.77 (2.93)	94.59 (3.70)	58.86	81.22	8.91 (13)	13.37 (14)
1999-00	71.80 (4.56)	108.59 (5.85)	65.04	97.24	6.76 (9)	11.35 (10)
2000-01	79.78 (1.22)	113.02 (4.78)	72.12	104.34	7.66 (10)	8.68 (8)
2001-02	96.31 (1.66)	106.02 (5.99)	78.83	55.35	17.48 (18)	50.67 (48)
	375.27 (12.86)	504.32 (24.13)	327.01	413.03	48.26	91.29

Source: Appropriation Accounts.

4.1.8 There were persistent savings in all the years 1997-2002 despite surrender of savings. Out of the total savings of Rs.139.55 crore, Rs.36.99 crore only was surrendered during the period. The Chief Engineer did not surrender the remaining savings of Rs.102.56 crore to the Finance Department for utilisation of the same for other purposes, reasons for which had not been furnished.

Physical target and achievement

4.1.9 The target and achievement on construction of roads, bridges and buildings were as under:

Table 4.3

Year	Target				Achievement				Excess (+) Shortfall (-) (Percentage)			
	Roads		RCC Brid- ges	Buil- dings	Roads		RCC Brid- ges	Buil- dings	Roads		RCC Brid- ges	Buil- dings
	Earth work	Black top- ping			Earth work	Black top- ping			Earth work	Black top- ping		
	(in Km.)		(in RM)	(in number)	(in Km.)		(in RM)	(in number)	(in Km.)		(in RM)	(in number)
1997-98	110	120	500	32	110	110	350	24	--	(-)10 (8)	(-)150 (30)	(-)8 (25)
1998-99	150	70	300	31	150	70	300	19	--	--	--	(-)12 (39)
1999-2000	150	100	400	22	150	100	350	8	--	--	(-)50 (12)	(-)14 (64)
2000-2001	150	120	400	13	211	129	679	6	(+)61 (41)	(+)9 (8)	(+)279 (70)	(-)7 (54)
2001-2002	160	110	450	72	160 ^(c)	110 ^(c)	450 ^(c)	8	--	--	--	(-)64 (89)

Source: Information furnished by the Chief Engineer, PWD (Buildings) and ACE, PWD (Roads), Planning Branch.

^(b) Original plus supplementary.

^(c) Anticipated figure.

4.1.10 The details above showed that there was significant shortfall under bridge sector during 1997-98 and 1999-2000 and under building sector in all the years 1997-2002 which ranged between 25 and 89 *per cent*. The shortfall was attributed by the Chief Engineer (CE), PWD (Buildings) to inadequate funds, shortage of stock materials and delay in sanction of the schemes.

Implementation

Irregularities in acceptance of tender

4.1.11 According to the Delegation of Financial Powers Rules, 1981 (as amended in August 1986), the SE and the EE are empowered to accept tenders up to Rs.4 lakh and Rs.1 lakh respectively. Contrary to this, the EE and the SE issued work orders for different works after acceptance of tenders ranging in value from Rs.20.14 lakh to Rs.50 lakh and Rs.22 lakh to Rs.0.77 crore respectively between June 1997 and December 2001 (Appendix XIX).

Unproductive expenditure due to failure in completion of works

4.1.12 From the details furnished by 11 divisions and one project engineer it was noticed that 48 works estimated to cost Rs.39.44 crore sanctioned between February 1991 and September 1999 remained incomplete despite expenditure of Rs.42.86 crore till March 2002. The delay in completion of the works ranged between one and eight years. Details of 48 incomplete works with reasons for delay in case of 18 works are given in Appendix XX. Reasons for failure in completion of remaining 30 works were not on record. Thus, the expenditure of Rs.42.86 crore on these incomplete works remained unproductive so far (March 2002).

Time and cost over run

4.1.13 From the details furnished by 13 executing divisions and one project engineer, it was noticed that 42 works sanctioned between 1985 and March 1999 at an estimated cost of Rs.31.75 crore were completed at a cost of Rs.41.22 crore (Appendix XXI). Out of 42 works, 29 works estimated to cost Rs.19.03 crore were completed after a delay of one to over five years beyond the scheduled period of completion resulting in 30 *per cent* increase (Rs.5.67 crore) over the estimated cost. The details are as under: -

Table 4.4

Time overrun	Number of works	Estimated cost	Expenditure incurred	Excess expenditure
		(Rupees in lakh)		
1 year to 3 years	14	1073.30	1332.36	259.06
Up to 5 years	6	347.48	404.94	57.46
Over 5 years	9	482.19	732.40	250.21
	29	1902.97	2469.70	566.73

Source: Information furnished by the EEs of concerned divisions.

4.1.14 Reasons for time overrun which resulted in cost overrun of Rs.5.67 crore had not been stated (except 15 cases as mentioned in Appendix XXI).

Extra expenditure due to delay in processing land acquisition papers

4.1.15 For construction of Tyllang-Nongriat Road (0-10 Km), the Secretary (PWD) requested (July 1986) the Deputy Commissioner (DC), West Khasi Hills District to take advance possession of the land and hand it over to the EE, Nongstoin PW Division, along with land compensation estimate. Accordingly, the EE had taken over (August 1986) advance possession of land measuring 1,50,000 sq.mtrs (land value about Rs.5.29 lakh as calculated on Government norms). Though the Revenue Department published (October 1986) the required notification for acquisition of the land under section four of the Land Acquisition Act, the department could not finalise the land acquisition process till July 1998.

4.1.16 In August 1998, the DC, West Khasi Hills submitted the land compensation estimate amounting to Rs.21.12 lakh for the land measuring 1,50,657 sq. m. acquired by the PWD for execution of the said work (completed in March 1992). The amount was sanctioned by Government in March 2001 and placed (August 2001) at the disposal of the DC by the Division.

4.1.17 Inordinate delay in finalisation of land acquisition process resulted in the department incurring extra expenditure of Rs.15.83 lakh in excess of actual cost of acquired land (Rs.5.29 lakh) prevalent during the period of taking possession (August 1986).

Unfruitful expenditure due to failure in completion of work

4.1.18 Construction of a road from Pdengshakap to Borghat via Tarangblang Sec II (9.60 - 24.41 Km) sanctioned in March 1986 was taken up by the South Jowai Division in March 1986 without obtaining technical sanction. Till March 1992, the Division spent Rs.34.84 lakh for execution of work. Of this, Rs.2.03 lakh was placed (March 1988) at the disposal of the DC, Jowai by the Division for payment to the land owners as land compensation. But the work could not be continued beyond 18.875 Km. due to land dispute. During 2000-2002, the Division again spent Rs.15.67 lakh within 18.875 Km. of road length on execution of some items of work, viz., bridges, gravelling, retaining wall and drain.

4.1.19 Thus, failure of the department to construct the road from 18.875 Km to 24.41 Km. led to unfruitful expenditure of Rs.0.51 crore (Rs.34.84 lakh plus Rs.15.67 lakh) since the object of connectivity of villages through road construction had not been achieved fully even after 16 years.

Deviation from the estimate led to excess expenditure

4.1.20 The construction work of Phlangsynnei-Tynger Dewsaw road (8-12.21 Km) estimated to cost Rs.1.22 crore was administratively approved in March 1999. As per detailed estimate of the work, 2,77,023.13 cum of earth work in excavation was to be executed for the entire length of 5,210 m of the road, which was categorised into five grades viz, (i) loose boulders 1,38,513.13 cum (50 per cent), (ii) soft or laminated rock or medium shale 55,404 cum (20 per cent), (iii) hard shale or medium rock 27,702 cum (10 per cent), (iv) very hard shale 27,702 cum (10 per cent) and (v) hard rock 27,702 cum (10 per cent).

4.1.21 Between September 2000 and December 2001, earth work in excavation was executed up to 4,405 m. of the road length through 168 different contractors. It was noticed from the measurements recorded that earth works of three categories, viz., loose boulders, soft or laminated rock or medium shale and hard rock were not executed by the Division. Instead, the entire quantities of earth work were recorded in the measurement books under two categories of work, viz., hard shale or medium rock (2,36,669.20 cum) and very hard shale (20,128.94 cum). This resulted in extra expenditure of Rs.17.24 lakh^(a), as detailed below: -

Table 4.5

Earth work in excavation	Proportionate estimated provision for 4405 m			Executed for 4405 m		
	Quantity	Rate per cum (in rupees)	Amount (Rupees in lakh)	Quantity	Rate per cum (in rupees)	Amount (Rupees in lakh)
Loose boulders	1,17,111.38	14.00	16.40	--	--	--
Soft or laminated rock or medium shale	46,843.50	20.50	9.60	--	--	--
Hard Shale or medium rock	23,421.75	25.00	5.86	2,36,669.20	25.00	59.17
Very hard shale	23,421.75	32.00	7.49	20,128.94	32.00	6.44
Hard rock etc.	23,421.75	38.50	9.02	Nil		
Total	2,34,220.13		48.37	2,56,798.14		65.61

Source: Measurement Books and Vouchers.

4.1.22 Reasons for such deviation from the estimated provision and authority for the same were not on record.

Maintenance and repair works***Extra expenditure due to engagement of excess labourers on muster roll***

4.1.23 According to existing norms, EEs may engage five muster roll labourers per month for maintenance and repair works of eight Kms road

(a)	Amount spent on execution	:	Rs.65.61 lakh
	Less: Amount required as per estimated provision	:	Rs.48.37 lakh
			Rs.17.24 lakh

length. In addition, three labourers may be utilised for maintenance of stores and stock. As *per* Government order of July 1989, any officer violating the norm would be held responsible and any excess expenditure incurred on engagement of excess labourers would be recovered from the pay of the officer concerned.

4.1.24 Scrutiny of records of 11 Divisions revealed that the EEs of the concerned divisions incurred extra expenditure of Rs.1.11 crore on engagement of muster roll labourers during the years 1999-2001, as detailed in Appendix XXII, reasons for which were not on record. Thus, the Government had failed to oversee adherence to prescribed norms by the divisions and to enforce the punitive measures for violation of such norms, nor was the funds restricted for payment of wages to muster roll labourers.

Material management

Holding of excess store

4.1.25 As *per* State Financial Rules, when it is considered necessary that a reserve of stock should be maintained, the maximum limit will be fixed by the CE. It was noticed that closing stock in respect of nine divisions exceeded the reserve stock limit during 1997-2002 as detailed below: -

Table 4.6

(Rupees in lakh)

Name of division	Year	Reserve Stock Limit (RSL)	Closing stock as on March 31 (Average)	Excess	Percentage of excess over RSL
South Jowai	1997-2002	10.00	103.49	93.49	935
North Jowai	-Do-	18.00	126.91	108.91	605
Barengapara	-Do-	7.00	125.90	118.90	1699
NH cum Tura Central	1997-2001	12.00	21.19	9.19	77
NEC, Tura	1997-2002	6.00	83.84	77.84	1297
Tura North	-Do-	20.00	254.77	234.77	1174
Baghmara	-Do-	15.00	204.78	189.78	1265
Nongstoin	-Do-	18.00	118.35	100.35	557
Williamnagar	-Do-	7.00	173.46	166.46	2378

Source: Information furnished by EEs of concerned division.

4.1.26 Though the closing stock exceeded the limit by 77 to 2378 *per cent*, no periodical review was conducted by the higher authorities to investigate the reasons for excessive stock and to take remedial measures. Thus, accumulation of excess stock not only resulted in locking of Government funds but was also fraught with the risk of theft or loss due to deterioration and obsolescence.

Physical verification of stores

4.1.27 As *per* State Financial Rules, physical verification of divisional stores was required to be conducted in full by the sub-divisional officer at least once

in a year. Scrutiny of records of five divisions revealed that physical verification in two divisions (NEC Division, Jowai and Williamnagar Road Division) was not conducted during the last five years ending March 2002, while it was in arrears for two years in three divisions (Barengapara, NH cum Tura Central and NEC Division, Tura).

Manpower management

Sanctioned strength and men in position

4.1.28 The department did not maintain any consolidated record/register of sanctioned strength and men in position in respect of each category of staff. According to the information made available to Audit, the sanctioned strength *vis-à-vis* men in position in respect of the establishments of CEs, PWD (Roads and Buildings), SE, Building Circle, Shillong, nine EEs^(a) and Project Engineer (PWD), Rongai Valley Irrigation Project during 1997-98 to 2001-2002 were as indicated in Appendix XXIII.

4.1.29 While the non-technical staff in position constituted 54 to 69 *per cent* of the total sanctioned strength during the period, the entertainment of technical staff directly linked with the execution of different works/schemes was between 36 and 44 *per cent* of the total sanctioned strength.

Infructuous expenditure on excess staff

4.1.30 Scrutiny of records of seven divisions revealed entertainment of road roller drivers in excess of actual requirement during 1997-98 to 2001-2002 which ranged between 2 and 18 (Appendix XXIV). Out of these seven divisions, entertainment of road roller drivers in 5 divisions exceeded the sanctioned strength too. Consequently, these five divisions incurred infructuous expenditure of Rs.41.38 lakh on pay and allowances of the excess staff during 1997-98 to 2001-2002. Reasons for entertainment of excess staff were not on records made available to Audit.

Extra expenditure due to entertainment of excess work charged staff

4.1.31 In the estimate of original works, 2 *per cent* of the estimated cost is earmarked for meeting the expenditure on payment to work charged staff by charging directly to concerned work. It was noticed in audit that 19 divisions had incurred expenditure of Rs.26.37 crore on payment of salaries to work charged staff during 1997-98 to 2000-2001 which ranged between 3 and 18 *per cent* of the total estimated cost of the works as indicated in Appendix XXV.

^(a) (i) NEC, Tura, (ii) Barengapara (Roads), (iii) Shillong Central, (iv) NH cum Tura Central, (v) Jowai North, (vi) Jowai South, (vii) NEC, Jowai, (viii) Shillong Building and (ix) Tura Building.

4.1.32 It is evident from Appendix XXV that the excess expenditure of Rs.19.18 crore was incurred due to excess entertainment of WC staff beyond the estimated norms, reasons for which were not on records produced to Audit.

Quality control

4.1.33 The department has one Road Research Laboratory (RRL) for Research work to look into the quality aspects of materials of all works. Although the RRL was manned by one Director (Research), one Research Officer, one Assistant Research Officer, two Scientific Assistants and one Research Assistant, no research work was done during the five years (1997-2002). Further, the RRL had conducted tests of only 577 samples of soil, sand, stone, cement and concrete cubes during last five years against its annual capacity of 240-300 samples, thereby utilising only 38 per cent of its capacity. This brings out the limited extent of quality control of materials used in the various works of the department.

Other points

Underutilisation of road rollers

4.1.34 Working divisions had a fleet of road rollers for construction, repair and maintenance of roads. Records of five^(a) divisions revealed that the road rollers were not utilised in most of the days during 1997-98 to 2001-2002 (considering 240 working days in a year), as under:-

Table 4.7

Year	Number of road rollers in working condition	Total working days during the year (240 x Column 2)	Days utilised	Underutilisation of road rollers during the year (Percentage)	Number of road rollers required for the days utilised
1997-98	59	14,160	1,689	12,471 (88)	7
1998-99	62	14,880	3,013	11,867 (80)	13
1999-2000	58	13,920	2,948	10,972 (79)	12
2000-2001	63	15,120	2,287	12,833 (85)	10
2001-2002	70	16,800	2,401	14,399 (86)	10

Source: Information furnished by the EEs of concerned Divisions and Chief Engineer, PWD (Roads).

4.1.35 The under-utilisation of road rollers which ranged between 79 and 88 per cent during the years 1997-2002 indicated that the divisions procured them

^(a) (i) NH cum Tura Central Division, (ii) NEC Division, Tura, (iii) South Jowai Division, (iv) North Jowai Division and (v) Nongstoin Division.

far in excess of the actual requirement leading to idle outlay of atleast Rs.2.67 crore^(b), reasons for which were not on record.

Injudicious creation of divisions

4.1.36 According to the existing norms, a division must have two to three sub-divisional units thereunder with minimum annual expenditure of Rs.4 crore on works. It was noticed that in respect of three divisions the average annual expenditure on works during 1997-98 to 2001-2002 fell short of the norms, as detailed below: -

Table 4.8

Name of Division	Number of sub-divisions under the Division	Total expenditure on works	Yearly expenditure (average)	Shortfall in fulfilment of norms (per cent)
		(Rupees in crore)		
NEC, Jowai	4	11.40	2.28	1.72 (43)
Jowai Building	1	4.61	0.92	3.08 (77)
NEC, Tura	3	12.03	2.41	1.59 (40)

Source: Information furnished by SE, PWD (Roads) Building Branch and EE, Jowai Building Division.

4.1.37 Reasons for continuation of these divisions without having sufficient work load were not on records produced to Audit.

Outstanding balances under the suspense head

4.1.38 The transactions under the suspense head “Miscellaneous Public Works Advances” (MPWA) represent value of stores sold on credit, expenditure incurred on deposit works in excess of deposit received, losses, etc.

4.1.39 It was noticed that in respect of four divisions the balances amounting to Rs.0.99 crore placed under the head MPWA were lying un-recovered/unadjusted as of March 2002. The division-wise details are given below: -

^(b) Taking into account the minimum number of road rollers with the division (58) and maximum number of road rollers required (13) at the minimum cost of one road roller (Rs.5.93 lakh) during the period (58 – 13, i.e., 45 x Rs.5.93 lakh = Rs.2.67 crore).

Table 4.9

Divisions	Period of transactions		Balance remaining unadjusted (Rupees in lakh)
	From	To	
Jowai South	July 1975	June 1998	12.00
Mawsynram	September 1970	December 1987	4.62
Tura North	May 1959	February 1981	81.91
Jowai Building	December 1992	September 1994	0.73
			99.26

Source: Information collected from the records of the concerned divisions.

4.1.40 The delay in clearance of balances under the suspense head of accounts is fraught with the risk of loss to Government owing to their becoming irrecoverable with the passage of time and possibility of misappropriation and fraud.

Monitoring and evaluation

4.1.41 Though the programmes were monitored through the quarterly progress reports received from the executing divisions, no evaluation studies had been conducted by the department to co-relate the progress of construction of roads, bridges and buildings with the expenditure incurred and to ensure that the benefits of such investments had percolated down to the people.

4.1.42 The matter was reported to Government in August 2002; reply had not been received (November 2002).

Recommendations

4.1.43 On the basis of the shortcomings and deficiencies pointed out in the foregoing paragraphs, the following recommendations are made: -

- Financial controls in the department need to be strengthened.
- Execution of works needs to be undertaken after proper planning and investigation to avoid delay in completion.
- The executing divisions should strictly adhere to the norms fixed for engagement of muster roll labourers.
- Functioning of RRL needs to be streamlined to ensure quality control of materials used in different works.

SECTION ‘B’ : PARAGRAPHS

PUBLIC HEALTH ENGINEERING DEPARTMENT

4.2 Unfruitful expenditure on water supply scheme

Failure to protect Government properties resulted in unfruitful expenditure of Rs.0.63 crore on a water supply scheme, besides frustrating the objective of providing drinking water to the villagers.

4.2.1 The State Government accorded (December 1989) administrative approval for implementation of ‘Hollaidanga Water Supply Scheme’ to provide drinking water to seven ‘Not covered’ category villages of West Garo Hills District at an estimated cost of Rs.44.92 lakh, with the stipulated date of completion as March 1993. The estimated cost was revised to Rs.0.63 crore in March 1994. The execution of the scheme was completed in March 1996 at a cost of Rs.0.63 crore after laying 61,800 running metres (RM) of GI (28,900 RMs) and PVC (32,900 RMs) pipes of different sizes varying from 50 mm to 100 mm diametres.

4.2.2 Test check (March 2001) of records of Public Health Engineering (PHE) Division, Tura revealed that despite completion of work (March 1996) the scheme failed to function since April 1998 due to theft of the laid 25 RMs GI pipes (Cost: Rs.0.06 lakh) and 110 RMs PVC pipes (Cost: Rs.0.07 lakh) between December 1993 and September 1997. No reasons for not replacing the length of stolen pipes costing merely Rs.0.13 lakh even after eight months (May 1998) of last theft of pipes (September 1997) as well as for not taking effective measures to protect the laid pipes, were made available to Audit (March 2001). Consequently, stealing of pipes laid under the scheme had become a regular phenomena resulting in a further theft (26 cases) of GI/PVC pipes^(a) worth Rs.4.06 lakh between June 1998 and March 2000. Though the Division lodged 30 First Information Reports with the police during the period from December 1993 to March 2000, outcome of Police investigation for all the cases was awaited till the date of audit. The department had not reported the loss to the Accountant General as required under the State Financial Rules.

4.2.3 The Commissioner and Secretary (C&S), PHE Department stated (June 2002) that the scheme was commissioned in December 1994 and was fully functional for about four years till large scale theft took place in March 1998 and that steps had been initiated to revive the scheme replacing the stolen pipes. But the fortnightly functioning report of the water supply

^(a) 100 mm GI Pipe: 914.4 RM; 80 mm GI Pipe: 24.6 RM; 110 mm PVC Pipe : 1,354 RM; 90 mm PVC Pipe : 1,301 RM; 50 mm PVC Pipe : 252 RM.

scheme for January and July 1995 submitted to the Chief Engineer (CE) (PHE) by the Sub-Divisional Officer, Phulbari Sub-Division showed partial completion of the scheme. Further, the EE informed (January 2001) the CE (PHE) that the scheme was completed during 1996. It is, thus, not clear as to how the scheme had been functioning fully since December 1994 before its completion. Moreover, functioning of the scheme merely for four years as stated by the C&S against the life span of 15 years of a water supply scheme and discontinuance of water supply to the villages on the ground of theft showed lack of commitment of the department to provide drinking water.

4.2.4 Thus, failure to complete the scheme in time and keep the departmental material secured resulted in an unfruitful expenditure of Rs.0.63 crore as the intended benefit could not be extended to the villages, besides, loss of Rs.4.19 lakh being the value of stolen pipes.

PUBLIC WORKS DEPARTMENT

4.3 Extra expenditure due to award of work without finalising drawings

Enhancement of rates for delay in handing over the site of work and drawings, etc. resulted in extra expenditure of Rs.25.03 lakh.

4.3.1 Construction of Auditorium, Art Gallery, etc. in the Art and Cultural Complex at Brookside Compound, Shillong was awarded by the Chief Engineer (Building) (September 1994) to a contractor at the tender value of Rs.1.72 crore on item rate basis with the stipulation to complete the work by September 1997. Due to some alteration to the items pertaining to civil work and award of additional items of work to the same contractor through supplementary agreement of 1997-98 valued at Rs.41.76 lakh, the tender value was enhanced to Rs.1.97 crore.

4.3.2 Test-check (May 2001) of records of the Building Division, Shillong revealed that the possession of a portion of the site of the work and layout of the building were given to the contractor after a delay of 7-8 months in April-May 1995. Further, the architectural and structural drawings for the basement and the plan of the Auditorium with details of doors and windows were handed over to the contractor in November 1995 and April 1997 respectively. Due to such delay on the part of the department, the contractor claimed (November 1996) 50 *per cent* enhancement of rates on the ground that he had been incurring heavy losses because of increase in cost of labour and materials

due to slow progress of work for want of layout, drawings, etc. Against this, the department allowed (March 2000) 40 *per cent* enhancement involving Rs.42.40 lakh on the balance work to be executed beyond September 1997 (Rs.1.06 crore^(a)). Though the period for completion of the work was extended up to June 2002, the work had not yet been completed (August 2002). The value of work executed and paid up to March 2002 was Rs.1.76 crore (excluding supplementary items) which included Rs.25.03 lakh as payment at enhanced rate of 40 *per cent*.

4.3.3 Thus, delay on the part of the department to hand over the work site and drawings, etc. led to delay in execution of the work. Additional expenditure of Rs.25.03 lakh had been incurred by the department till physical achievement of 98 *per cent* of the work allotted to the contractor (March 2002); besides, committed extra liability of Rs.17.37 lakh. The objective of providing cultural complex had also remained unfulfilled. Responsibility for delayed action which taxed the State finances had not been fixed.

4.3.4 The matter was reported to Government in August 2001 and July 2002; reply had not been received (November 2002).

4.4 Extra expenditure due to change in classification of soil

The department incurred extra expenditure of Rs.8.97 lakh by allowing higher rates to the contractors for excavation of soft rock without using explosives.

4.4.1 The work “Construction of DT Road connecting Mawhati including major bridge over river Umiam (0 – 7.5 km)”, estimated to cost Rs.2.16 crore, was administratively approved by Government in March 1998. Technical sanction to the work was also accorded by the Chief Engineer in March 1998. The estimate of the work provided *inter alia* execution of earth works in formation cutting (93,079 cum : Rs.26.06 lakh) involving excavation of different rocks, *viz.*, hard shale (17,345 cum), very hard shale (38,085 cum), soft shale (15,517 cum), soft or laminated rock (13,677 cum) and hard sand stone (8,455 cum). The earth works were awarded to 225 different contractors after a delay of one year from the date of sanction in March 1999, reasons for which were not on records produced to Audit.

(a)	(Rupees in crore)
Tender value excluding supplementary items	1.55
Deduct	
Value of work executed up to September 1997	0.49
	1.06

4.4.2 According to standard norms adopted by the department after detailed analysis, 0.75 kg and 1.25 kgs of Gelatine are required for excavation of 10 cum of hard and very hard shale respectively. Test check (October 2001) of records of Executive Engineer (EE), Shillong North Division, Nongpoh revealed that during execution of earth works (March 1999 to March 2001) the contractors excavated 1,36,676.33 cum of both hard (92,264.35 cum) and very hard (44,411.98 cum) shale against 55,400 cum as provided in the estimate by utilising 406 kgs of Gelatine. Payments totalling Rs.37.30 lakh were made to the contractors between October 1999 and June 2001 without any test check of the measurements recorded in the Measurement Books being conducted by the EE at sites.

4.4.3 Item-wise quantity of hard and very hard shale excavated by utilising 406 kgs of Gelatine had not been furnished by the EE. With the use of 406 kgs of Gelatine, the contractors could at best excavate either 5,413.33 cum^(a) of hard shale or 3,248 cum^(a) of very hard shale. Other methods, if any, adopted by the contractors for excavation of hard and very hard shale were not indicated in the records made available to Audit. This revealed that though different classes of rock were excavated without using explosives, payments were made to contractors by changing the classification of soil to higher side (hard and very hard shale) involving explosives. Reasons for such irregular action and also for deviation from the estimated provision had not been furnished (August 2002).

4.4.4 Similar comment in respect of execution of Umshning – Jagi Road by this Division was made in Paragraph 4.2.7.1 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1998. On the department's assertion that the contractors resorted to conservative method of hot and cold system due to irregular supply/shortage of explosives, the Public Accounts Committee (PAC) observed that the explosives were being used for different purposes and that instead of using the explosives on construction of roads, the contractors resorted to more expensive method of hot and cold^(b). The Committee also recommended that the department should find out the main agent for regular supply of explosives. Recurrence of the irregularity was indicative of the fact that no action had been taken by the department in accordance with the PAC's recommendation.

^(a) Hard shale: 406 kgs of Gelatine x 10 cum ÷ 0.75 kg = 5,413.33 cum
Very hard shale: 406 kgs of Gelatine x 10 cum ÷ 1.25 kg = 3,248.00 cum

^(b) Thirty-third Report of the PAC presented to the Assembly on 30th June 2000.

4.4.5 Thus, computed at the rate of Rs.20.50 *per* cum allowed by the Division for excavation of soft or laminated rock, the Division incurred an irregular extra expenditure of at least Rs.8.97 lakh^(c) on execution of earth works.

4.4.6 The matter was referred to Government in February and April 2002; reply had not been received (November 2002).

^(c) Quantity excavated:	1,36,676.33 cum		
Excavated capacity of 406 kgs of Gelatine utilised –			
Hard shale: 203 kgs of Gelatine @ 0.75 kg <i>per</i> cum:		2,706.66 cum	
Very hard shale: 203 kgs of Gelatine @ 1.25 kgs <i>per</i> cum:		1,624.00 cum	
Amount paid for 1,36,676.33 cum of earth works:			Rs.37.30 lakh
Less: Amount admissible –			
2,706.66 cum of hard shale @ Rs.25 <i>per</i> cum:		Rs.0.68 lakh	
1,624 cum of very hard shale @ Rs.32 <i>per</i> cum:		Rs.0.52 lakh	
Balance 1,32,345.67 cum at lower rate of			
Rs.20.50 <i>per</i> cum:		<u>Rs.27.13 lakh</u>	<u>Rs.28.33 lakh</u>
Extra expenditure:			<u>Rs. 8.97 lakh</u>