

## **CHAPTER - 4**

### **Execution of Works and Procurement of Supplies**

#### **PANCHAYAT SAMITIS**

##### **4.1 Unproductive expenditure of Rs. 38.86 lakh on auditorium**

Garbeta-I Panchayat Samiti under West Medinipur Zilla Parishad started construction of an auditorium in July 1997 without identifying any source of funds. For this purpose, estimates were prepared by the PS and sanctioned by the Zilla Parishad in four parts for Rs. 52.35 lakh between January 1997 and July 2003. The PS incurred expenditure of Rs. 38.86 lakh as of December 2004 from different sources (including diversion of Rs. 4.64 lakh from JRY/EAS scheme funds). In spite of incurring the above expenditure, the work of auditorium remained incomplete even after a lapse of seven and a half years (period of completion of work originally fixed could not be made available). The PS informed (February 2006) that ‘minor decay due to climatic and natural phenomena had occurred in the unfinished construction. Protective measures could not be taken up due to lack of funds’. The Panchayat Samiti also stated (January 2005) that the items of work like interior decoration, floor works, wood works, sanitary plumbing, electrification, etc. were not yet taken up for want of funds.

Thus the entire expenditure turned unproductive due to commencement of the work without identifying beforehand the source of funds.

This was indicative of faulty planning, budgeting, implementation and monitoring mechanism in the PS.

##### **4.2 Unproductive expenditure of Rs. 32.21 lakh on construction of bus terminus**

Against an estimate of Rs. 95.51 lakh, Ghatal Panchayat Samiti under West Medinipur Zilla Parishad was allotted a total amount of Rs. 22.99 lakh by the Transport Department in three instalments during 1993-94 to 1995-96 for construction of Vidyasagar Bus Terminus along with Commercial Complex at Birsingha. The whole work was divided into three phases.

The Samiti incurred Rs. 22.96 lakh for the 1<sup>st</sup> phase of work. Thereafter it received Rs. 10 lakh in March 1999 for continuing the 2<sup>nd</sup> phase of work and incurred an expenditure of Rs. 9.25 lakh leaving a balance of Rs. 0.78 lakh as unspent. The work was abandoned in April 2002 as no further funds were allotted by the Transport Department, reasons for which could not be made available by the Zilla Parishad. The construction work for Bus Terminus along with Commercial Complex remained incomplete.

In the meantime, it was seen in audit that some unauthorised persons occupied the Administrative Building. The local people were using the concrete pavement for drying boiled paddy. Reinforced Cement Concrete (RCC) structure of the roof of the Administrative Building started decaying for want of protective measures.

Thus, improper planning and commencing execution of work without ascertaining regular flow of funds resulted in unproductive expenditure of Rs. 32.21 lakh incurred by Ghatal Panchayat Samiti.

#### **4.3 Unproductive investment of Rs. 34.30 lakh on Community Hall**

Galsi-II Panchayat Samiti under Bardhaman Zilla Parishad had undertaken the work of construction of a Community Hall at Khatra in December 1998. The Samiti prepared a total estimate of Rs. 41.63 lakh<sup>⊗</sup> in two parts and got it sanctioned by the Bardhaman ZP during 1997-98 to 2002-03. However, target date of completion for the proposed construction work was not fixed. As the Samiti had not identified the source of funds before undertaking the construction, the total expenditure of Rs. 34.30 lakh\* was met from MPLADS, Basic Minimum Services (BMS) and EAS funds. The Samiti did not refer the project to the Artha Sthayee Samiti for sanction.

The construction work remained incomplete and no revenue could be collected from the Community Hall as of September 2004, even after a lapse of about six years, making the expenditure unproductive.

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⊗ Rs. 22.05 lakh in August 1998  
Rs. 19.58 lakh during May 2001 to January 2003  
**Total: Rs. 41.63 lakh**

\* MPLADS: Rs. 21.98 lakh  
EAS: Rs. 10.42 lakh  
BMS: Rs. 1.90 lakh  
**Total: Rs. 34.30 lakh**



**Frontal view of the incomplete Vidyasagar Bus Terminus, Birsingha.**



**The concrete pavement of the incomplete Vidyasagar Bus Terminus is being used for drying boiled paddy.**



Moreover, with the construction remaining incomplete for a long period, the possibility of decay could also not be ruled out.

#### **4.4 Inordinate delay and unproductive expenditure of Rs. 24.72 lakh on construction of Community Hall**

Bardhaman-I Panchayat Samiti under Bardhaman Zilla Parishad prepared an estimate of Rs. 10.65 lakh in September 1997 for construction of a Community Hall at Devandighi. The construction work was started in December 1998 and continued up to November 2003 incurring an expenditure of Rs. 10.42 lakh. Subsequently, the Samiti revised the estimate to Rs. 33.01 lakh for some additional items of works<sup>1</sup> without assigning any specific date for completion.

During November 2003 to May 2004, the Samiti incurred a further expenditure of Rs. 14.30 lakh out of MPLADS fund. Thus, the total expenditure incurred by the Samiti was Rs. 24.72 lakh against the total estimate of Rs. 33.01 lakh but the construction work was not completed even after a lapse of eight years, since receipt of grant in March 1996.

Resultantly, the rural people were deprived of the benefit of the Community Hall even after incurring expenditure of Rs. 24.72 lakh.

#### **4.5 Unauthorised and infructuous expenditure of Rs. 34.29 lakh on water resources**

For providing irrigation facilities to the farmers by augmentation of three traditional water sources, Durgapur-Faridpur Panchayat Samiti was allotted by Bardhaman Zilla Parishad an amount of Rs. 35 lakh in June 2002 from Eleventh Finance Commission grant. The PS incurred expenditure of Rs. 34.29 lakh against the estimated cost of Rs. 35 lakh for execution of the schemes. But from scrutiny of records it was noticed that the plots on which the water sources were located belonged to private owners.

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<sup>1</sup> (i) Construction of Lobby and Balcony.  
(ii) Construction of Ladies and Gents Dressing Room.  
(iii) Construction of Meeting Hall on 1st floor.  
(iv) Construction of Ladies and Gents Toilets.  
(v) Construction of Staircase.

The PS violated the provision of Section 131 of the West Bengal Panchayat Act, 1973, wherein it is stated that if a Panchayat Samiti 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, take steps to acquire the land under provisions of the Land Acquisition Act, 1894. The documents furnished (January 2006) by the PS showed in one case no agreement was done, in another case agreement was done only for reclamation work and in the third case temporary use of the water sources was only for three years but from the date from which the three years were to be reclaimed was not mentioned, thus making the agreement invalid. The PS was unable to even furnish any documentary evidence regarding use of water from the water sources for any agricultural purpose like providing irrigation facilities to the farmers as envisaged.

Hence, the total expenditure of Rs. 34.29 lakh remained unauthorised as well as infructuous.

In reply to audit query (January 2006), the PS informed that the water bodies were being used for irrigation. But still no evidence in support of the statement could be furnished by the PS for verification.

#### **4.6 Irregular purchase of furniture worth Rs. 9.02 lakh for meeting hall**

Suti-II Panchayat Samiti under Murshidabad Zilla Parishad purchased furniture for decoration of the meeting hall of the PS building at a total cost of Rs. 9.02 lakh between September 2001 and April 2002, from Eleventh Finance Commission (EFC) grant. But as per guidelines of the scheme, EFC grant was to be utilised for maintenance of civic services like primary education, primary health centre, safe drinking water etc. and also for community assets. Besides, entry for the furniture purchased was not found traceable in the Stock Register and the certificate regarding supply of stores on the purchase bill was also missing, making physical verification of furniture difficult as there was nothing to compare the stock with the book figure, which was indicative of weak internal control.

Thus, expenditure of Rs. 9.02 lakh incurred by the PS was tantamount to diversion of funds received under EFC grant at the cost of maintenance of civic services and community assets as envisaged in the scheme.

**4.7 Infructuous and irregular expenditure of Rs. 49.09 lakh on wooden bridge out of SGRY funds**

Under SGRY, work of temporary nature was not permitted and the guidelines also specifically prohibited construction of any bridge under the programme. But Nayagram PS under West Medinipur Zilla Parishad, incurred expenditure of Rs. 24.39 lakh during 2002-03 for construction of a wooden bridge at Basraghat on Subarna Rekha River out of SGRY fund. Again, during 2003-04, the PS incurred expenditure of Rs. 24.70 lakh out of SGRY fund for the same type of construction on the same spot, as the bridge constructed in 2002-03 was washed away by the river. Both the constructions were undertaken departmentally. By this, the PS could not create any durable asset as expenditure on such temporary work was of recurring nature. Expenditure of Rs. 24.39 lakh incurred by the PS during 2002-03 was infructuous as, within a year, the bridge was washed away by the river. It was seen in audit that no completion and structural soundness report was prepared. Moreover, expenditure of Rs. 24.70 lakh on the same type of bridge at the same spot during 2003-04 also turned infructuous as within the same year this bridge also was washed away by the river. The expenditure was not even included in Annual Action Plan, violating the provisions of the rules.

Thus, the PS had incurred infructuous and irregular expenditure of Rs. 49.09 lakh in 2002-03 as well as in 2003-04 under SGRY, in disregard of the SGRY programme guidelines, on construction of wooden bridges, none of which were permanent nature.

**4.8 Temporary blocking of funds of Rs. 77.04 lakh due to delayed execution of work**

Panskura Panchayat Samiti under East Medinipur Zilla Parishad started construction of a community hall in January 1996 without any target date for completion and identifying any source of funds. For this purpose, the PS prepared split estimates in five parts, on the basis of funds as and when received, amounting to Rs. 1.02 crore, violating the provisions of the rules. The PS incurred an expenditure of Rs. 10 lakh for the said work during the period January 1996 to June 1997. The work was kept in abeyance for three years thereafter for want of funds.

It was seen in audit that no project report was prepared and got approved. Different time schedules for completion of different parts of the work were indicated in the work order instead of fixing a specific date for completion of the community hall. The work was executed partly departmentally and partly through contractor. Five estimates for Rs. 1.02 crore were sanctioned by the Zilla Parishad (1995, 2000 and 2003) beyond its financial limit, avoiding the approval from the State Government. The work is still going on (July 2004) at a slow pace with the funds being drawn from various sources<sup>0</sup> as and when available. The work was still incomplete leading to temporary blocking of funds of Rs. 77.04 lakh<sup>ψ</sup> in it for an indefinite period, the work having been dragged on by eight and a half years<sup>φ</sup> with the risk of a steep price escalation of the construction cost beyond the original estimate.

This could have been avoided had the PS prepared a project report with a definite time frame for its construction and also ensured specific sources of funds for meeting the cost of the project before its commencement.

#### **4.9 Unproductive expenditure of Rs. 45.92 lakh including interest on construction of Community Hall**

Kalna-II Panchayat Samiti under Bardhaman Zilla Parishad prepared an estimate of Rs. 64.17 lakh for construction of a Community Hall up to roof truss level at Baidyapur Mauza in May 1999. Construction was started in December 2000 by engaging a contractor. The PS incurred a total expenditure of Rs. 38.22 lakh up to August 2004 with funds of Rs. 43.34 lakh, received from different sources<sup>1</sup> leaving a balance of

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<sup>0</sup> MPLADS: Rs. 10 lakh; 10<sup>th</sup> F.C.: Rs. 24.38 lakh; Untied fund: Rs. 16.91 lakh; 11<sup>th</sup> F.C.: Rs. 14.12 lakh; ZP's own fund: Rs. 11.63 lakh.

<sup>ψ</sup> The amount was spent for the work upto July 2004.

<sup>φ</sup> January 1996 to July 2004.

<sup>1</sup> Member of Parliament Local Area Development Scheme	(Rs. 30.00 lakh)
10 <sup>th</sup> Finance Commission funds	(Rs. 5.34 lakh)
11 <sup>th</sup> Finance Commission funds	(Rs. 6.00 lakh)
Bidhayak Elaka Unnayan Prakalpa funds	(Rs. 2.00 lakh)

**Total Rs. 43.34 lakh**

Rs. 5.12 lakh. The work, however, remained incomplete even after a lapse of about four years as of September 2004, whereas it was to be completed by March 2001, i.e., within 90 days from the date of issue of the work order. The PS did not even prepare any estimate for electrification, sanitary and plumbing installations, so far (September 2004).

Thus, due to inadequate planning, execution and failure to identify specific sources of funds before commencement of the work, expenditure of Rs. 38.22 lakh incurred by the PS on the work so far remained unproductive. This also resulted in loss of interest of Rs 7.70 lakh<sup>2</sup> due to locking up of funds from December 2000 to September 2004.

#### **4.10 Unproductive expenditure of Rs. 11.37 lakh on construction of Block Livestock Building and quarters**

(1) Mandirbazar Panchayat Samiti under South 24 Parganas Zilla Parishad received Rs. 4.71 lakh during 2002-04 from Animal Resource Development Department, for construction of Block Livestock Building. The work was started in January 2003 and continued up to June 2004, while the target date of completion was April 2003, i.e., within three months from the date of commencement. Thereafter, the work was abandoned after incurring expenditure of Rs. 4.71 lakh against the approved estimate of Rs. 5.82 lakh as no further funds were allotted for this incomplete work even after one and a half years, as of June 2004.

(2) Similarly, the PS incurred expenditure of Rs. 6.66 lakh out of the funds of 10<sup>th</sup> Finance Commission grant received from District Magistrate, South 24 Parganas, for construction of quarters for Executive Officer and Joint Block Development Officer. The work of the construction commenced from January 2001 and continued till January 2003.

<sup>2</sup>The interest on Rs. 38.22 lakh at the rate of 6.5 per cent per annum for the year 2000-01 = Rs. 0.83 lakh and at the rate of 6 per cent per annum for the year 2001-04 = Rs. 6.87 lakh. Therefore, the total interest on Rs. 38.22 lakh was Rs. 0.83 lakh *plus* Rs. 6.87 lakh = **Rs. 7.70 lakh**. The rates were as applied to Government borrowings during the respective years.

Thereafter, the work was abandoned as no fresh estimate because of hike in price of materials was made for taking up the work again.

Thus, it is evident from the above that the works were taken up without proper planning, monitoring, execution and identifying the sources of funds. This resulted in unproductive expenditure of Rs. 11.37 lakh (Rs. 4.71 lakh *plus* Rs. 6.66 lakh).

#### **4.11 Idle investment of Rs. 13.26 lakh on construction of market complex**

Kanksa Panchayat Samiti under Bardhaman Zilla Parishad undertook the work of construction of a market complex at Ijjatganj in March 2001 as per resolution of Purta Karya Sthayee Samiti held in November 2000. The estimate of the work was Rs. 20.37 lakh. It was decided in the meeting that the construction work would be started with Rs. 5.19 lakh from Tenth Finance Commission grant and the additional funds (Rs. 15.18 lakh) required for construction would be met by collecting premium before starting the construction from 17 allottees to whom shops would be given on rent and the rest would come from own fund of the PS. Starting a work in anticipation of availability of funds violates the financial rules. Moreover, the PS took no initiative to select the allottees. Eventually, after incurring an expenditure of Rs. 13.26 lakh from the funds of X<sup>th</sup> and XI<sup>th</sup> Finance Commission grants, the construction work of the project was stopped in November 2001 because of paucity of funds.

As a result, the entire expenditure of Rs. 13.26 lakh remained infructuous.

#### **4.12 Blockage of funds and unproductive investment in idle construction**

##### **4.12.1 Blockage of Rs. 7.85 lakh in idle construction**

Mangalkote Panchayat Samiti under Bardhaman Zilla Parishad received an amount of Rs. 7.92 lakh from District Magistrate, Bardhaman, in November 2000 for construction of a market complex at Nutanhat Bus Stand under Tenth Finance Commission grant. The Samiti made an estimate of Rs. 13.53 lakh in February 2001 for the construction consisting of 24 stalls and got it sanctioned by the Executive Engineer, Bardhaman Zilla Parishad.

Accordingly, construction of 13 stalls covering an area of 1,354.05 sq. ft. was completed in April 2002 at a cost of Rs. 7.85 lakh leaving the remaining 11 stalls incomplete due to lack of funds.

The Panchayat Samiti fixed up a combined premium of Rs. 1.95 lakh<sup>1</sup> and monthly rent of Rs. 0.39 lakh<sup>2</sup> for the 13 stalls. But the stalls remained undistributed since its completion, as of September 2004, i.e., from May 2002, the reasons for which were not made available.

This resulted in locking up of funds of Rs. 7.85 lakh incurred on construction of 13 stalls remaining idle for over two and a half years from May 2002 to September 2004.

#### **4.12.2 Unproductive investment of Rs. 39.49 lakh on bridge**

Chanchal-II Panchayat Samiti under Maldah Zilla Parishad prepared estimate for Rs. 43.13 lakh for construction work of reinforced cement concrete (RCC) box bridge including approach road at Elangighat over Baromasia river at Dhangara-Bishnupur GP. The estimate was sanctioned by Maldah ZP in March 2000. Work order was issued (November 2000) to a contractor on lowest tender basis (2.95 per cent above) and the work commenced in January 2001, stipulating that it was to be completed by October 2001.

Revised estimate for Rs. 46.26 lakh was prepared due to change of design on the advice of the District Engineer of Maldah ZP and was sanctioned in April 2001.

Even though the approach to the bridge had not been constructed, Rs. 39.49 lakh and security deposit of Rs. 1.86 lakh was paid to the contractor during March 2001 to March 2002. It was seen in audit that as per contents of the resolution of the Artha Sthayee Samiti in July 2002, the bridge was not completed in all respects and remained unusable. In reply to a query, it was stated (August 2005) by the PS that the work of approach road could not be taken up due to paucity of funds.

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<sup>1</sup> Rs. 15000 x 13 shops = **Rs. 1.95 lakh.**

<sup>2</sup> Rs. 300 x 13 = **Rs. 0.39 lakh.**

Thus, due to improper planning and non-identification before starting the work, of clear sources of funds, the work as envisaged could not be completed and the investment of Rs. 39.49 lakh made on the incomplete bridge remained unproductive.

#### **4.12.3 Blockage of funds in idle construction**

Ausgram-I Panchayat Samiti under Bardhaman Zilla Parishad constructed in May 2001, a Market Complex consisting of 40 stalls at a total cost of Rs. 15.31 lakh out of the Tenth Finance Commission grant. On the basis of a decision taken by Artha Sthayee Samiti in a meeting in January 2002, the PS fixed up a combined premium of Rs. 16.43 lakh for 26 stalls and Rs. 3.85 lakh for 14 other stalls and a monthly rent of Rs. 0.07 lakh from 26 stalls. The PS did not fix up any monthly rent for 14 other stalls, for which no reasons were on record.

The PS rented out 11 stalls at a total premium of Rs. 8.39 lakh<sup>1</sup> in October 2002 and earned Rs. 0.08 lakh as rent from June 2001 to June 2004 on five stalls out of 11 and failed to obtain any rent from the remaining 6 stalls. 29 stalls remained undistributed, the reasons for which could not be made available.

This resulted in blockage of funds of Rs. 11.25 lakh<sup>2</sup> incurred on construction of 29 stalls remaining idle for over three years from June 2001 to June 2004.

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<sup>1</sup>10 shops at Rs. 7.55 lakh and one shop at part payment of Rs. 0.84 lakh i.e. (Rs. 7.55 lakh plus Rs. 0.84 lakh) = **Rs. 8.39 lakh.**

<sup>2</sup>The total cost of 40 stalls = Rs. 15.31 lakh. Therefore, the proportionate cost of remaining 29 stalls = Rs. 15.31 lakh / 40 x 29 = **Rs. 11.25 lakh.**

## ZILLA PARISHADS

### 4.13 Blockage of funds and loss due to deterioration of work

Birbhum Zilla Parishad started construction of “Raipur-Habrapahari” road (0-4.11 km) in February 2002 from Rural Infrastructure Development Fund-VI provided by NABARD against an estimated cost of Rs. 90.25 lakh. The work remained suspended since May 2003 due to showing of erroneous quantity of 6165 m<sup>2</sup> of *laterite chelly* spreading instead of 61650 m<sup>2</sup> in the tender estimate. The anomaly was pointed out by the contractor in May 2002 and amendment was sought for the work order so that there might not be any difficulty in the execution of work and subsequent receipt of payment for the work executed by him. But the ZP failed to rectify the work order and take fresh approval from the NABARD through P&RDD. In the meantime, the agency executed 41000 m<sup>2</sup> of *chelly* spreading in place of 6165 m<sup>2</sup> of scheduled quantity and did not execute the remaining 20650 m<sup>2</sup> for want of amendment of work order by the ZP.

Thus, the work costing Rs. 36.78 lakh (Rs. 25.38 lakh already paid; Rs. 11.40 lakh yet to be paid) remained abandoned since May 2003 due to inadequate planning, monitoring and internal controls in execution of works. In the meantime, stonemetal valued at Rs. 4.33 lakh got damaged and washed away due to non-protection of stone metal consolidation.

In reply, the ZP admitted (September 2005) the fact of wastage and said that the matter had been rectified in the revised estimate and sent to the P&RDD for approval. But this was not corroborated by the ZP with any supporting document and no reply from the P&RDD could also be shown.

### 4.14 Unauthorised expenditure under SGRY

#### 4.14.1 Unauthorised expenditure of Rs. 1.03 crore on engagement of contractor

According to guidelines of Sampoorna Grameen Rozgar Yojana (SGRY), no contractor was allowed to be engaged for any work and the work was to be done departmentally.

Uttar Dinajpur ZP incurred expenditure of Rs. 1.03 crore for execution of 18 works under SGRY engaging contractors during the period 2003-04 (as detailed in

**Appendix XXXIII).** The expenditure was unauthorised, and frustrated the objective of the programme. Had the work been executed departmentally according to guidelines, 99,677 mandays<sup>x</sup> could have been generated for the rural people.

#### **4.14.2 Unauthorised expenditure of Rs. 44.30 lakh on engagement of contractor**

Similarly, Maldah ZP incurred expenditure of Rs. 44.30 lakh for execution of 19 road works under SGRY engaging contractors during the period from July 2002 to August 2004, which was unauthorized. Had the works been executed departmentally according to guidelines, 42,870 mandays<sup>∅</sup> could have been generated for the rural people under SGRY.

#### **4.15 Excess expenditure on purchase of brass jacketed strainer**

Dakshin Dinajpur Zilla Parishad purchased from a contractor 19,188 metres of brass jacketed strainer @ Rs. 885 per metre for use in minor irrigation schemes from Rural Infrastructure Development Fund VII at a cost of Rs. 1.70 crore in September 2001 and November 2001. The ZP purchased 2,502 metres of the strainer @ Rs. 746.20 per metre, through Water Resources Development Directorate (WRDD), from Maldah Resource Circle during 2000-01. Audit enquiry revealed (February 2005) that the rate of strainer supplied by Maldah Resource Circle was the same during 2001-02 also. The ZP neither enquired about the rate from WRDD during 2001-02 nor purchased the strainer from WRDD. The entire purchase done at a higher rate (Rs. 885 per metre in place of Rs. 746.20 per metre offered by WRDD) from the contractor resulted in excess expenditure of Rs. 26.63 lakh<sup>↓</sup> incurred by the ZP.

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<sup>x</sup> 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. 1.03 crore x 60 per cent/62 = **99,677 mandays**).

<sup>∅</sup> 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. 44.30 lakh x 60 per cent/62 = **42,870 mandays**).

<sup>↓</sup> 19,188 metre x Rs. 138.80 = **Rs. 26,63,294.40**.

#### 4.16 Avoidable expenditure of Rs. 2.09 crore on road works

Uttar Dinajpur Zilla Parishad executed three road works viz. (a) ‘Barduary to Vitihar’ (b) ‘Kesordighi to Simuldangi’ and (c) ‘Hat-Kaliyaganj to Majhipur’ under Pradhan Mantri Gram Sadak Yojana (PMGSY) in October 2002. While, as per Rural Road Manual, medium sand was to be used as drainage layer\* in sub-base^ course particularly in areas having annual rainfall more than 1000 mm, like Uttar Dinajpur, costlier River Bed Material (RBM) was used by the ZP in the drainage layer work for the roads. Cost of spreading and consolidation of RBM for three roads was Rs. 73.70 lakh, Rs. 86.73 lakh and Rs. 109.79 lakh respectively according to payment records of the ZP whereas cost of spreading and consolidation of medium coarse sand was Rs. 17.53 lakh, Rs. 20.04 lakh and Rs. 23.73 lakh respectively according to Public Works Schedule of Rates revised in 2001.

Thus, use of costlier RBM for 22,520.65 m<sup>3</sup> in lieu of medium coarse sand in the drainage layer of sub-base course resulted in avoidable expenditure of Rs. 2.09 crore\*, which could have been used for other developmental work.

#### 4.17 Excess payment of Rs. 11.85 lakh on construction of shopping complex

Maldah Zilla Parishad undertook the construction of Pabitra Sen Gallery cum Shopping Complex at Brindabani Math in August 2001 with an estimated cost of Rs. 1.40 crore. The plan and estimate of the construction submitted in August 2001 to Englishbazar Municipality remained unapproved (as of March 2005).

The work was awarded to M/s Mackintosh Burn Ltd.(a State Government undertaking) without inviting tender. According to Finance Department notification

\* The main objective of drainage layer is to prevent early damage of the pavement due to entry of excess of water intercepting rapid removal of seepage of surface water (Para 6.1 of IRC:SP: 20-2002).

^ Sub-base is a layer of selected material consisting of locally available, relatively low strength inexpensive materials. The function of the sub-base is to distribute the stresses over a wide area of the sub-grade imposed by traffic (para 5.3.2 of IRC:SP:20-2002).

\* Total spreading and consolidation cost of RBM: Rs. 73.70 lakh plus Rs. 86.73 lakh plus Rs. 109.79 lakh= Rs. 2.70 crore; Total spreading and consolidation cost of medium coarse sand: Rs.17.53 lakh plus Rs. 20.04 lakh plus Rs. 23.73 lakh= Rs. 61.30 lakh; Therefore, total avoidable expenditure: Rs. 2.70 crore minus Rs. 0.61 crore = **Rs. 2.09 crore.**

issued in October 1991<sup>∅</sup>, M/s Mackintosh Burn Ltd. was to be allowed 10 per cent preference in rate vis-à-vis other organisation engaged in similar activities. No question of 10 per cent preference in rate to the company should have arisen as no rate was invited from other organisations through tender for the said work. But the ZP made payment of Rs. 1.30 crore during August 2001 to February 2005 to the company inclusive of 10 per cent additional payment on the total claim submitted by the company.

In reply to an audit query, the ZP stated that 'such payment was made according to financial rules'. The reply was not tenable as the existing financial rules provided 10 per cent preference in rate to the company over the rate offered by other organisation engaged in similar activities and the latter rate may only be ascertained through inviting tenders. But tenders were not invited in the instant case at all. Thus, Rs. 11.85 lakh<sup>⊕</sup> was paid in excess to M/s Mackintosh Burn Ltd., in violation of the rules.

#### **4.18 Irregular expenditure of Rs. 56.20 lakh under PMGY-GA**

According to 'Pradhan Mantri Gramodaya Yojana (PMGY)–Gramin Awaas' guidelines, a Zilla Parishad was to decide the number of houses to be constructed by a GP as implementing authority, which would select the beneficiaries from the BPL list in consultation with the Gram Sabha.

But Maldah ZP sub-allotted Rs. 86.20 lakh<sup>♦</sup> in February 2004 to 14 PSs, itself selecting 431 beneficiaries for construction of houses by adopting a resolution in the meeting of Purta Sthayee Samiti in December 2003, instead of selecting them through the concerned Gram Panchayats who were in turn to consult the respective Gram Sabhas. Moreover, the ZP selected 281 beneficiaries (out of 431) not belonging to BPL category, violating the provisions of guidelines resulting in Rs. 56.20 lakh<sup>\*</sup> having been spent for non-BPL category, frustrating the objective of the scheme.

In reply to an audit observation, the ZP admitted the fact (March 2005).

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<sup>∅</sup> Amending West Bengal Financial Rules Volume I.

<sup>⊕</sup> Actual payment Rs. 130.27 lakh *minus* actual claim Rs. 118.42 lakh.

<sup>♦</sup>No. of beneficiaries for new construction:431; allotment for each beneficiary for new construction: Rs. 20,000; total amount: Rs. 20,000x431=**Rs. 86.20 lakh.**

<sup>\*</sup>Allotment for each beneficiary for new construction: Rs. 20,000; total amount: Rs. 20,000x281 = **Rs. 56.20 lakh.**

#### **4.19 Avoidable expenditure of Rs. 42.85 lakh on stone metal**

Uttar Dinajpur Zilla Parishad undertook the road works namely (i) FCI More to Bangalbari and (ii) Thakurbari to Kanchumoha under Rural Infrastructure Development Fund-VII (RIDF-VII) during December 2002 to June 2003. In course of execution, the *Pakur* variety of stone metal was used for consolidation of base course instead of using the relatively cheaper and locally available North Bengal Variety (NBV) of stone metal, which was being used by Uttar Dinajpur Highway Division in road works taken up by it for execution. Use of NBV stone metal for construction of base course of roads was authorised in PW (Roads) schedule 1998-99 and addenda and corrigenda to it for 2001-02 effective till date (February 2006). This resulted in extra expenditure of Rs. 42.85 lakh<sup>o</sup> incurred by the ZP.

RIDF-VII road works are solely loan assisted, where Government has to repay loan along with interest. The injudicious selection of stone metal caused extra expenditure of Rs. 42.85 lakh, which could have been avoided.

#### **4.20 Loss of Rs. 60 lakh due to non-recovery of the cost of bitumen from contractors at procurement rate**

To strengthen the process of decentralised planning for uplift of people in the rural areas, the Government introduced in November 1999 the 'Line Department' system by devolving the powers and responsibilities upon the ZP for formulation and execution of schemes along with transfer of necessary funds from the Line Departments. As per guidelines<sup>o</sup>, for payment of bills, the authorised Executive Engineers (AEE)/Drawing and Disbursing Officers (DDO) of the line department are to request the ZP through a requisition for drawal of a cheque equivalent to the amount payable to the contractor/agency. Requisition for payment was to be supported by an authenticated

<sup>o</sup> Actual consolidation cost for *pakur* variety:

FCI More to Bangalbari: Rs. 152.01 lakh; Thakurbari to Kanchumoha: Rs. 188.89 lakh; Total cost of consolidation: Rs. 152.01 lakh *plus* Rs. 188.89 lakh = Rs. 340.90 lakh.

Consolidation cost for NBV (based on PW (Roads) schedule 2001-2002): FCI More to Bangalbari: Rs. 136.31 lakh; Thakurbari to Kanchumoha: Rs. 161.74 lakh; Total cost of consolidation: Rs. 136.31 lakh *plus* Rs. 161.74 lakh = Rs. 298.05 lakh; Extra expenditure: Rs. 340.90 lakh *minus* Rs. 298.05 lakh = **Rs. 42.85 lakh.**

<sup>o</sup> Guidelines for Line Department issued by P&RD Department.

copy of the bill. No consumable materials to be used in the works were to be supplied to any contractor for any work by the line department or the ZP. Suitable provision was to be made in the agreement for making own arrangement by the contractor for supplying all consumable materials required for executing the work.

But, it was seen in audit that 2,298.91 tonnes of bitumen worth Rs. 2.91 crore\* was procured by Hooghly Highway Division-I and Hooghly PWD Division (executing agencies) for which payment was made by the ZP during 2001-02 to 2003-04. The materials were issued to contractors in contravention of the provisions of guidelines. The ZP irregularly allowed recovery of the value of the bitumen from the contractors at the rate of Rs. 10,000 per tonne while bitumen was procured at the rate of Rs. 12,654 per tonne. Thus, by recovering at a lower rate than the procurement rate, avoidable loss of Rs. 60 lakh\* was incurred by the ZP. This also constituted delivering undue benefit to the contractor, through procurement of bitumen for making supply to the contractor in contravention of the provisions of the guidelines.

#### 4.21 Avoidable expenditure of Rs. 27.25 lakh on transportation of stone metal

In January 2004, Hooghly Zilla Parishad undertook the road work 'Mandalgathi to Saora' in three parts (a) Mandalgathi to Bhadu, (b) Bhadu to Vikdas and (c) Vikdas to Saora under Pradhan Mantri Gram Sadak Yojana (PMGSY). The estimated rate<sup>✓</sup> for supplying, spreading and consolidation of stone metal (*Pakur* variety) was considered from Pakur in Jharkhand to work site via Dankuni railway head (RH). The distance from

\* Total procurement by Hooghly Highway Divn. 992 tonnes x Rs. 12654= Rs. 125.53 lakh.  
PWD Divn. 1306.91 x Rs. 12654= Rs. 165.37 lakh; Therefore, total procurement Rs. 125.53 lakh plus Rs. 165.37 lakh= **Rs. 290.90 lakh.**

Division	Bitumen procured (In tonnes)	Procurement rate per tonne (In Rupees)	Recovery rate per tonne (In Rupees)	Difference (In Rupees)	Bitumen consumed (In tonnes)	Loss involved (Rs. in lakh)
(1)	(2)	(3)	(4)	(5) (col.3-col.4)	(6)	(7)
Hooghly Highway Division	992.00	12654	10000	2654	992	26.32
Hooghly PWD Division	1306.91	12654	10000	2654	1306.91	34.68
<b>Total</b>						<b>60.00</b>

<sup>✓</sup> Based on Addenda and Corrigenda for 2001-2002 to the Schedule of Rates of 1998-1999 of Public Works (Roads) Directorate.

Pakur to Dankuni RH was 244 km and railway freight was Rs. 406.55 per cubic metre of stone metal whereas distance from Pakur to Bardhaman RH was 162 km and railway freight was Rs. 295.90 per cubic metre<sup>□</sup> of stone metal. The distance from Dankuni RH to work site was 75 km but from Bardhaman RH was 50 km according to Public Works Division (Highway) road map. In spite of this, Hooghly ZP considered the rate of carriage of stone metal from Pakur via Dankuni RH to work site at a higher rate than that from Pakur via Bardhaman RH to work site.

Had the rate from Bardhaman RH been considered, the ZP could have avoided extra expenditure of Rs. 27.25 lakh\* on carriage of stone metal to the work site.

<sup>□</sup> According to Public Works Schedule of Rates revised in 2001.

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Scheme	Area covered (supplying, spreading & consolidation of stone metal)	Rate of stone metal as per estimate (considering Dankuni RH) (per m <sup>2</sup> )	Rate considering Bardhaman RH as per rate analysis of stone metal based on Schedule of Rates for National Highway Works (Roads & Bridges) 2000-01 (per m <sup>2</sup> )	Difference of rate (per m <sup>2</sup> )	Excess amount paid (Rs. in lakh)
(1)	(2)	(3)	(4)	(5)	(6)
				(col.3-col.4)	(col.2xcol.5)
(a)	16922.36 m <sup>2</sup>	313.00	270.00	43.00	7.28
(b)	14504.77 m <sup>2</sup>	313.00	271.00	42.00	6.09
(c)	27216.10 m <sup>2</sup>	313.00	262.00	51.00	13.88
<b>Total</b>					<b>27.25</b>

**4.22 Blockage of funds for injudicious purchase and infructuous expenditure on procurement**

**4.22.1 Blockage of funds of Rs. 8.56 lakh due to injudicious purchase**

Dakshin Dinajpur Zilla Parishad purchased 50 sub-mersible pumps along with accessories like motor, starter and cable in December 2001 at a cost of Rs. 8.56 lakh without assessing the requirement. The pumps with their accessories were lying in the ZP's godown for more than three years as of March 2005. Moreover, guarantee period (one year from the date of purchase) for all those materials has already lapsed.

Thus, due to injudicious purchase of materials, Rs. 8.56 lakh remained blocked for 40 months resulting in loss of interest of Rs. 1.71 lakh\* on this. The ZP in reply stated (March 2005) that, since the purchase was made on 'ad hoc basis', materials remained unutilised.

This shows inadequate planning and procurement controls in the ZP.

**4.22.2 Purchase on 'ad hoc basis' resulting in blockage of funds of Rs. 1.13 crore**

Dakshin Dinajpur Zilla Parishad purchased irrigation pumps and pipes<sup>+</sup> worth Rs. 5.59 crore on 'ad hoc basis', as stated by the ZP, out of grant of Rural Infrastructure Development Fund (RIDF), Minor Irrigation and Basic Minimum Service (SC/ST) during 2000-04 without any requisition against detailed project reports. The materials worth Rs. 4.46 crore were distributed among different blocks, Agri Irrigation Department and Block Beneficiary Committees during the period without obtaining any utilisation accounts from them (March 2005). Materials worth Rs. 1.13 crore were lying in stock undistributed as of February 2005.

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\* Calculated at the average rate of interest (6 per cent per annum) at which the Government borrowed money during 2001-02 [Rs 8,56,000 x 6 per cent x  $\frac{40}{12}$  = **Rs. 1,71,200**].

<sup>+</sup> (i) Diesel pump 5 HP: Rs. 1.08 crore; (ii) 80 mm brass strainer: Rs. 1.70 crore; (iii) Electric pump 5HP: Rs. 0.36 crore; (iv) Electric pump 3HP: Rs. 0.12 crore and (v) GI pipes: Rs. 2.33 crore. Total: Rs. 5.59 crore.

Thus due to injudicious procurement of irrigation materials without assessing the requirement resulted in improper utilisation of Rs. 4.46 crore and blockage of funds of Rs. 1.13 crore.

#### **4.22.3 Avoidable expenditure and unpaid liability of Rs. 18.27 lakh on rent**

Dakshin Dinajpur Zilla Parishad incurred expenditure of Rs. 13.21 lakh for payment of rent (October 2001 to April 2003) and Rs. 5.06 lakh remained unpaid liability towards rent (May 2003 to May 2004) for keeping irrigation materials like pump, strainer, GI pipes in State Warehouse. The materials were purchased without (i) any detailed project report (ii) approved scheme and (iii) assessing the requirements. Expenditure on purchasing the materials was met from grants under minor irrigation, Rural Infrastructure Development Fund-VII and Tenth Finance Commission.

Materials valued at Rs. 4.46 crore out of Rs. 5.59 crore of total purchase were transferred during 2001-02 to 2004-05 to different Panchayat Samitis and Agri Irrigation Department without obtaining any requisition and utilisation certificate from them.

This resulted in avoidable expenditure and unpaid liability of Rs. 18.27 lakh<sup>⊕</sup>. The ZP admitted the fact (March 2005) and stated that henceforth attempts would be taken to avoid such expenditure.

#### **4.22.4 Infructuous expenditure of Rs. 17.92 lakh on procurement of bitumen**

It was seen in audit that 139.20 tonnes of bitumen at a total cost of Rs. 17.92 lakh was procured by the Executive Engineer, PWD (Road), of Diamond Harbour Division, for which payment was made by South 24 Parganas ZP during 2000-02. The bitumen was lying idle in the stock of concerned Executive Engineer for more than three years as of August 2004. The said bitumen got damaged as it lost its shelf life since three years had already elapsed after the date of its purchase during 2000-02.

It was evident that the ZP allowed the Executive Engineer to procure the bitumen much in excess of the requirement for the year 2000-01 and 2001-02, rendering the expenditure of Rs. 17.92 lakh infructuous.

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<sup>⊕</sup> Rs. 13.21 lakh towards rent paid *plus* Rs. 5.06 lakh towards unpaid liability towards rent.

**4.23 Loss of materials worth Rs. 8.72 lakh from stock**

(1) Dakshin Dinajpur Zilla Parishad placed order in August 2001 to a contractor for supply of 212 tonnes of 80 mm and 45 tonnes of 150 mm G I pipe and payment of Rs. 64.40 lakh was made in October 2001 for the above materials. As the materials were purchased for supply to Agri Irrigation Department, the contractor was instructed to deliver the materials direct to Agri Irrigation Department. But the stock ledger of Agri Irrigation Department and statement furnished by Agri Irrigation Department revealed that against the payment made for 212 tonnes of 80 mm G I pipe, the stock entry of this item was done for 23,243 metres, i.e., for 198.66 tonnes only ( $23,243/117^3=198.66$  tonnes). This resulted in short entry into stock by 13.34 tonnes (212 tonnes *minus* 198.66 tonnes=13.34 tonnes) valued at Rs. 3.32 lakh.

(2) From the records, it was further seen that there was a shortage of 31,589.83 kg of mild steel (MS) rod, which was detected during physical verification of stock made by the District Engineer of the ZP in June 2001. The items found short were also excluded from the stock account and the quantities actually found physically had been taken into account in the stock ledger since then. The shortage of 31,589.83 kg MS rod was valued at Rs. 5.40 lakh. The Zilla Parishad admitted (March 2005) the fact and stated that necessary steps would be taken to discuss the matter in the finance committee meeting.

Thus, loss due to short stock entry and material found missing from stock amounted to Rs. 8.72 lakh (Rs. 3.32 lakh *plus* Rs. 5.40 lakh) resulting from poor stock management and weak internal controls. Follow-up action for recoupment of the materials had not yet been initiated (March 2005).

**4.24 Non-recovery of cost of rod and cement from contractor resulting in loss of Rs. 5.13 lakh**

The stock register revealed that Dakshin Dinajpur Zilla Parishad issued 50.85 tonnes of mild steel (MS) rod and 5,960 bags of cement to a contractor during the period 1999-02 for construction of Kantabari Boropile bridge under Member of Parliament

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<sup>3</sup> 117 metres = 1 tonne (as indicated in the invoice).

Local Area Development Scheme. The scheme did not permit award of any such work to any private contractor as done in this case. The materials were issued without entering into any formal agreement on terms and conditions with the contractor before execution of the work. Against the issue of the materials, cost of only 39.85 tonnes of rod and 4,100 bags of cement were recovered from the contractor's bill and the balance for 11 tonnes of rod and 1,860 bags of cement was not recovered from him although final payment for the work had already been made to the contractor along with release of security deposit (January 2004). This had escaped notice of the ZP due to non-recording of the relevant entries in the concerned measurement book and also non-maintenance of the Contractor's Ledger which was an essential document. This resulted in loss of Rs. 5.13 lakh<sup>1</sup> to the ZP.

The ZP admitted (March 2005) the fact and stated that attempts would be taken to recover the money from the contractor, if 'possibility exists'.

This indicated weak internal controls in the area of inventory management and maintenance of record.

#### **4.25 Locking up of funds of Rs. 22 lakh**

The Dakshin Dinajpur Zilla Parishad started construction of Ananta Bhawani Setu in May 1999 under Basic Minimum Services (BMS) at an estimated cost of Rs 26.46 lakh as per 'rough estimate' prepared by it. Before taking up the work, the ZP did not prepare any detailed estimate and did not fix any target date for its completion, as prescribed in the rules. The work was not completed as of March 2005. A detailed estimate was prepared for Rs. 47.24 lakh only in February 2005, without indicating the source of additional funds required. The ZP failed to submit year-wise and up-to-date cost incurred for construction of the Setu, volume of work executed and yet to be executed. However,

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Item	Quantity issued	Recovery effected	Quantity issued but not recovered	Rate/tonne (Rs.)	Total amount not recovered (Rs.)
Rod	50.85 tonnes	39.85 tonnes	11 tonnes	17,000	1,87,000
Cement	5,960 bags	4,100 bags	1,860 bags	3,500	3,25,500
			<b>Total</b>		<b>5,12,500</b>

from the Measurement Book, it was seen that the value of work executed as of February 2005 was Rs. 22 lakh only.

Thus, irregularly taking up of the work without any detailed estimate and drawing to facilitate assessment of exact requirement of funds ultimately led to inordinate delay in its completion and locking up of funds of Rs. 22 lakh for over five years.

This indicated poor planning, monitoring and inadequate controls in execution of the works in the ZP.

#### **4.26 Unauthorised expenditure of Rs. 73.71 lakh on commercial venture**

According to the guidelines of Eleventh Finance Commission grants\*, no panchayat body was to invest or apply in any manner any part of these funds for any commercial venture which is dependent on market fluctuations and requires regular transactions with a large number of customers. No scheme was to be taken up necessitating engagement of any new category of regular or seasonal employees on any terms and conditions during its execution or after the completion of the scheme.

But, out of Eleventh Finance Commission grant, West Medinipur Zilla Parishad paid Rs. 73.71 lakh\* to (i) Bengal Dairy Ltd., a joint venture of West Bengal Milk Federation and Medinipur Milk Union, and (ii) Medinipur Co-operative Milk Producers Union Ltd. for creation of assets for development of dairy activities. Both of these were commercial ventures falling under the above category which was kept outside the purview of the guidelines for utilisation of grants.

Thus, the ZP spent Rs. 73.71 lakh from the grants unauthorisedly, deviating from the purpose for which the grants were released.

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\* Guidelines for Local Bodies grants recommended by Eleventh Finance Commission (2000-01 to 2004-05) issued by State Government in March 2001.

\* Rs. 23.71 lakh (March 2003); Rs. 50 lakh (February 2004).

#### 4.27 Shortage of bitumen worth Rs. 77.21 lakh

Scrutiny of records revealed that West Medinipur Zilla Parishad issued 1,706.80 tonnes of bitumen to different departments/works\* out of total receipt of 2,282.08 tonnes<sup>+</sup> (including opening balance 615.98 tonnes) of bitumen during 2002-03. But, according to stock register, quantity of bitumen as on 31 March 2003 was found to be only 1.32 tonnes while the actual balance should have been 575.28 tonnes<sup>^</sup>. Thus, there was a shortage of 573.96 tonnes\* of bitumen in stock valued at Rs. 77.21 lakh<sup>^</sup> as at the end of 2002-03.

The ZP did not furnish any satisfactory reasons for the shortage. The shortage was indicative of poor inventory management.

#### 4.28 Extra payment to contractor resulting in loss of Rs. 10.31 lakh on construction of road

A road consists of three courses placed one over the other starting from the sub-grade course. These are (i) sub-grade course, (ii) sub-base course and (iii) base course. The area of an upper course is to be equal to or less than the lower course. Dakshin Dinajpur Zilla Parishad constructed (January 2004) a road from Buniadpur to Daulatpur (11.75 km to 18.76 km) at a cost of Rs. 1.29 crore. Scrutiny of Measurement Book and bills revealed that the spreading and consolidation of sub-base course layers by brickbats and sand (60:40) was done for 20,010.64 m<sup>2</sup>. But records revealed that the executions of all the successive layers<sup>x</sup> of base course over the sub-base course were more than the required quantum of area of the sub-base course of 20,010.64 m<sup>2</sup>. Thus, the Zilla

\* 1. RIDF-V: 53.94 tonnes; 2. RIDF-VI: 408.31 tonnes; 3. RIDF-VII: 23.79 tonnes; 4. ZP's own works: 58.84 tonnes; 5. PWD/Kharagpur Highway: 136.16 tonnes; 6. PWD (Roads): 753.45 tonnes; 7. PWD/Jhargram: 190.62 tonnes; 8. PWD/Medinipur Sadar: 81.69 tonnes.

<sup>+</sup> Opening balance (1 April 2002): 615.98 tonnes *plus* procurement during 2002-03: 1,666.10 tonnes = **2,282.08 tonnes**.

<sup>^</sup> Total receipt: 2,282.08 tonnes *minus* issued during 2002-03: 1,706.80 tonnes = **575.28 tonnes**.

\* Actual balance should be 575.28 tonnes *minus* 1.32 tonnes = **573.96 tonnes**.

<sup>^</sup> 573.96 tonnes x Rs. 13,452 per tonne = **Rs. 77.21 lakh**.

<sup>x</sup> i) Spreading and consolidation of 100 mm compacted thickness 1<sup>st</sup> class brickbats: 22,719.39 m<sup>2</sup>; ii) stone metal (45 mm) consolidation: 22,385 m<sup>2</sup>; iii) stone metal (37.5 mm) consolidation: 22,736 m<sup>2</sup>; iv) laying of bituminous primer of base course: 22,736.98 m<sup>2</sup>; v) laying of 20 mm thick premix carpet: 22,760.05 m<sup>2</sup>; and vi) laying of 6 mm seal coat (over base course): 22,760.05 m<sup>2</sup>.

Parishad had given an undue advantage to contractor by allowing extra payment of Rs. 10.31 lakh on account of this.

In reply, the ZP stated (March 2005) that, between chainages 143 m to 637 m and 5860.8 m to 6400.8 m, two stretches measuring 369.3 m<sup>2</sup> and 409.3 m<sup>2</sup> made of brickbats and sand in the sub-base course had already existed. Therefore, the area of sub-base course actually executed had been less compared to base course layers. But the reply of the ZP was not tenable because no documentary evidence, like estimates, measurement book etc., was there to show that the above stretches already existed and that no road metals were picked up from these stretches.

#### **4.29 Extra avoidable expenditure of Rs. 6.46 lakh on construction of road**

Dakshin Dinajpur Zilla Parishad constructed (January 2004) a road from Buniadpur to Daulatpur (11.75 km – 18.76 km) at a cost of Rs. 1.29 crore. From the records, it was seen that 2,366.65 m<sup>3</sup> of road metals (both brickbats and jhama metals), were recovered from existing portion of the above road. The spreading and consolidation of sub-base course layer to 150 mm compacted thickness was done for 22,719.39 m<sup>2</sup> by using brickbats and sand. Against the total requirement of 2,499.13 m<sup>3</sup> brickbats for the work, there was an availability of road metals of 2,366.65 m<sup>3</sup> brickbats/jhama metals and only 132.48 m<sup>3</sup> of brickbats was to be purchased (2,499.13 m<sup>3</sup> minus 2,366.65 m<sup>3</sup>=132.48 m<sup>3</sup>). But instead of purchasing 132.48 m<sup>3</sup>, the contractor purchased 709.48 m<sup>3</sup> of brickbats, which was 577 m<sup>3</sup> in excess over the required quantity. The cost of the excess quantity was Rs. 1.96 lakh<sup>4</sup>.

Another 481.74 m<sup>3</sup> of stone metals were recovered from 2,408.73 m<sup>2</sup> area. The total requirement of stone metals for the above road was 2,273.69 m<sup>3</sup>. As 481.74 m<sup>3</sup> was already available, actual quantity required to be purchased was 1,791.95 m<sup>3</sup> in lieu of 2,273.69 m<sup>3</sup> (2,273.69 m<sup>3</sup> minus 481.74 m<sup>3</sup>=1,791.95 m<sup>3</sup>). But the ZP allowed the contractor to purchase 2,273.69 m<sup>3</sup> of stone metal. Therefore, there was excess purchase of stone metals by 481.74 m<sup>3</sup> valued at Rs. 4.50 lakh<sup>5</sup>.

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<sup>4</sup> (2,276.39 m<sup>3</sup> of brickbats and 90.26 m<sup>3</sup> of jhama metals).

<sup>5</sup> 577 m<sup>3</sup> x Rs. 340 = **Rs. 1,96,180.**

<sup>6</sup> 481.74 m<sup>3</sup> @ Rs. 933.06 per m<sup>3</sup>=**Rs. 4,49,492.**

Thus, total undue advantage given to the contractor was Rs. 6.46 lakh (Rs. 1,96,180 *plus* Rs. 4,49,492 = Rs. 6,45,672) allowing excess purchase of brickbats and stone metals and accepting his claim for the amount. The ZP furnished no reply (March 2005). This indicated poor planning and weak internal controls in procurement.