

8. Internal Control

Internal control mechanism is guided by financial rules of the State Government, PWD codes, etc. Besides this, effective monitoring is an essential practice to strengthen the control mechanism in the department.

It was, however, noticed that internal control mechanism was weak as illustrated below:

- Financial rules provide that no work should be taken up for execution without accord of administrative approval (AA) and technical sanction (TS). Scrutiny showed that 93 works/schemes estimated to cost ₹ 123.69 crore, were taken up by the two PHE Divisions and PWD(R&B) Division, Nowshera without accord of AA/TS whereon expenditure of ₹ 22.68 crore had been incurred during the period. Execution of works without approvals and sanctions is indicative of administrative laxity and absence of internal control mechanism in these departments of the district administration.
- The Deputy Commissioner is responsible for monitoring the progress of implementation of various developmental activities undertaken in the district and ensuring their completion within the stipulated time and within the approved allocations. Audit was informed (June 2009) that Additional Deputy Commissioner, Sub Divisional Magistrate and Chief Planning officer of the District were not authorized to inspect the developmental works and no percentage for inspections had been fixed for the District Development Commissioner. However, 70 per cent of major projects were visited by DDC. Four valuation studies in respect of developmental schemes were required to be conducted each year by the District Statistics and Evaluation Officer. Against 20 studies required to be conducted during the period, only 6 studies were conducted. Results of studies were neither available on record nor had been utilized to better the implementation of developmental programmes.

The works were got executed without administrative approval and technical sanction. The works were not monitored effectively

Recommendation:

A proper internal control mechanism should be set up and all controls provided under financial rules and other departmental regulations adhered to.