

## CHAPTER 3

### AUDIT OF TRANSACTIONS

#### 3.1 Non-compliance with rules and regulations

For sound financial administration and financial control, it is essential that expenditure conforms to financial rules, regulations and orders passed by the competent authority. This not only prevents irregularities, misappropriation and frauds, but helps in maintaining good financial discipline. Some of the audit findings on non-compliance with rules and regulations are hereunder.

#### PUBLIC WORKS DEPARTMENT

##### 3.1.1 Extra cost

**Preparation of defective estimate led to extra cost of ₹ 8.51 crore and irregular execution of Semi-Dense Bituminous Concrete valuing ₹ 6.13 crore**

Under Central Road Fund (CRF), the Government of India (GoI) Ministry of Road Transport and Highways (MORTH) accorded (January 2006) Administrative Approval (AA) of ₹ 12.31 crore for construction and widening including Black Topping (BT) of Jashpur-Asta-Kusumi Road (47.20 kilometre)<sup>1</sup>. Technical Sanction (TS) was accorded (March 2006) by Chief Engineer (CE), Public Works Department (PWD), Bilaspur for ₹ 11.91 crore. Government of Chhattisgarh (GoCG) accepted (August 2006) the lowest rate offered by a contractor which was six *per cent* below Schedule of Rates (SOR 2005) and accordingly work order was issued (September 2006).

Scrutiny of records (July 2013) of Executive Engineer (EE), PWD (Buildings and Roads) Division Ramanujganj revealed that the MORTH specification (Clause 508.1) of providing Semi-Dense Bituminous Concrete (SDBC) over a previously prepared bituminous surface was overlooked and provision for SDBC directly over Water Bound Macadam (WBM) base course was provided in the tender. During the course of execution of the work, the contractor sought (August 2008) clarification on the specification to be followed for BT work as the item provided in the tender was against the MORTH specification. The matter was referred by CE (November 2008) to MORTH which advised (December 2008) to consider change in the specification of SDBC to 20 mm premix carpet with seal coat over the granular base within the approved cost. On this being conveyed (December 2008), the contractor expressed (December 2008) inability to execute the work on the plea that the work of SDBC over WBM was not as per MORTH specification and that the items viz., 20 mm premix carpet and seal coat were not part of the agreement. Subsequently, the contract was terminated (September 2009) by the EE after execution of work

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<sup>1</sup> kilometre 13/2 to 43/6 in Jashpur District and 0 to 16/6 in Surguja District

valuing ₹ 8.97 crore. An amount of ₹ 29.45 lakh was recovered (November 2011) from the contractor against the balance work.

For the balance work, tenders were invited (January 2012) wherein SDBC over granular surface was again provided overlooking the MORTH specifications and instructions. The balance work was awarded (April 2012) to a contractor at 149 *per cent* above SOR (effective from April 2005). The work was completed (June 2014) and final payment totaling ₹ 18.76 crore was made (August 2014).

An amount of ₹ 6.13 crore<sup>2</sup> was incurred on laying SDBC directly over WBM which was not as per MORTH specification and hence irregular. Further, due to execution of the balance work by inviting fresh tenders, the cost of work increased by 155 *per cent* in comparison to previous agreement resulting in extra expenditure of ₹ 8.51 crore<sup>3</sup>.

On this being pointed out, Government stated (September 2014) that the work was executed as per estimate sanctioned by MORTH, GoI and as per instructions received from PWD, GoCG and higher authorities.

The reply is not acceptable as the estimates prepared by the department for both the original and balance works were faulty as they deviated from the MORTH specification.

## PUBLIC WORKS DEPARTMENT

### 3.1.2 Undue benefit to contractors

#### Undue benefit of ₹ 91.77 lakh extended to contractors due to non-adoption of nomenclature of form work provided in Schedule of Rates

Government of Chhattisgarh, Health and Family Welfare Department accorded (September 2007) Administrative Approval of ₹ 68.19 crore for construction of the Medical College complex in Jagdalpur and technical sanction of ₹ 58.65 crore was provided (August 2008) by the Chief Engineer, Public Works Department, Bastar zone on the basis of Schedule of Rates (SOR) effective from November 1999. The Notice Inviting Tender for the work was issued (May and September 2009) by trifurcating the work in three groups<sup>4</sup>. Work order for the construction of College Building (Group 'A') was awarded during September 2009 and New Hospital building (Group 'B') and Residential Hostel Building (Group 'C') were awarded during January 2010. Works are under progress.

As per clause 2.027 of Madhya Pradesh Works Department Manual 1983, the rates in an estimate should generally agree with the scheduled rates, and in case the latter is not considered as suitable or sufficient, an analysis for the proposed item of work along with a detailed explanation of the deviation should be given.

<sup>2</sup> executed SDBC quantity of 7945.85 cum @ ₹ 3097 per cum *plus* 149 *per cent*

<sup>3</sup> 155 *per cent* ( six *per cent* below and 149 *per cent* above SOR) of ₹ 5.68 crore (SOR cost of items executed) *minus* ₹ 29.45 lakh recovered = ₹ 8.51 crore

<sup>4</sup> Group A- College building etc, Group B- New Hospital building etc. and Group C- Residential Hostels

During scrutiny of records of office of the Executive Engineer, PWD (B&R) Division No. 1, North Bastar, Jagdalpur (EE), it was noticed that as per the detailed estimate included in the tender documents, the rate of Form Work<sup>5</sup> (add extra) in case of floor II<sup>nd</sup> onwards was classified as a non-SOR item and the rate was fixed at ₹ 15 per square metre. It was however, noticed that form work (add extra) was available in the SOR<sup>6</sup>, vide which it was to be paid for every incremental height of 0.5 metre if the height of form work exceeds four metres measured with reference to both inner floor slabs of building. Evidently, no payment for form work (add extra) was admissible if the height of form work does not exceed four metres.

Scrutiny of the records revealed that the height of each floor (floor slab to next floor slab inside the building) was less than four metres in all the three buildings. However, the provision for payment for form work (add extra) was made in the estimates and accordingly, ₹ 91.77 lakh was paid (March and April 2014) to the contractors, as detailed in **Appendix 3.1**.

On this being pointed out (July 2014), Government stated (August 2014) that the said item of SOR was introduced in the Department on 18 August 2008 whereas the BoQ was sanctioned on 06 August 2008. Government further stated that the observation raised by audit is hypothetical and without consideration to the amendment orders issued by the PWD.

Reply is not acceptable because as per the SOR (November 1999), payment for form work (add extra) was to be made only when the height was more than four metres. Thus, the classification of form work (add extra) as a non-SOR item was irregular which led to an undue financial benefit of ₹ 91.77 lakh to the contractor.

## PUBLIC WORKS DEPARTMENT

### 3.1.3 Undue benefit

#### Undue benefit of ₹ 2.61 crore extended to the contractors due to incorrect calculation of incentive bonus

To promote completion of works/projects in a timely manner, Public Works Department (PWD) had included the clause of incentive bonus for completion of work before the stipulated period by incorporating (September 2005) an amendment in the Work Manual. Accordingly, payment of incentive bonus to the contractors for completion of work before the stipulated period was included under clause 1.13.2 of lump sum (Form-F) contracts. This clause stipulates that “If the contractor completes the contract before the original time allowed for completion (as mentioned in the NIT) the contractor shall be entitled for incentive bonus, which shall be paid at the rate of 0.25 *per cent* of the contract price per week of early completion subject to a maximum of five *per cent* of the contract price”. The period of four months from 16 June to 15 October is

<sup>5</sup> Form work is a temporary structure used to contain poured concrete and to mould it to the required dimensions, till it is able to support itself.

<sup>6</sup> SOR 1999 as well as amended SOR 2008 (Amendment No 27 w.e.f. 18.08.2008)

considered as rainy season period and is not counted as working period, unless specifically mentioned in the contract. The Chief Engineer, PWD, Raipur clarified (October 2009) that work executed during rainy season was not to be included in the completion time for calculating payment of incentive bonus to the contractor, in case of contracts entered into was for 'excluding rainy season'.

Scrutiny of records of four<sup>7</sup> bridge divisions revealed that 18 works were awarded with stipulated period of completion ranging from eight to 24 months excluding rainy season. But the contractors executed substantial portion of works (in four works 30 to 41 per cent, in another three works 21 to 29 per cent and in remaining 11 works three to 20 per cent) during rainy season. Contrary to the provision of the agreements and instructions in force at the time, the ineligible days for calculation of incentive bonus were not deducted before payment of incentive bonus to the contractors. This resulted in the following irregularities:

**(i) Inadmissible payment of incentive bonus totalling ₹1.24 crore**

It was observed that nine works (*Appendix-3.2*) were allotted with stipulated period of completion excluding rainy season and incentive bonus of ₹ 1.24 crore was paid to the contractors. However, calculation of incentive bonus was made for 28-140 days without excluding the days of rainy season in which work was executed. The days of rainy season availed in these works ranged from 31-245 days due to which no incentive bonus was payable in any of these works. Non-deduction of the days of rainy season availed therefore, resulted in inadmissible payment of ₹ 1.24 crore as incentive bonus to the contractors.

**(ii) Undue benefit due to non-deduction of days of rainy season availed by the contractor from entitled days of bonus**

Similarly, nine works were completed by the contractors by availing rainy season ranging from 29-183 days. But calculation of incentive bonus was made for 42-189 days without excluding the above period. Since the contractors had availed the rainy season, they were entitled to incentive bonus with less number of days as mentioned in the *Appendix-3.3*. This resulted in inadmissible payment of ₹ 1.37 crore as incentive bonus to these contractors. It may be mentioned here that the Department was well aware of the fact and in two cases had affected recovery even after payment of incentive bonus. In these two cases against admissible amount of ₹ 8.65 lakh, contractors were paid ₹ 33.98 lakh as incentive bonus without deducting the period of rainy season. Consequently, as per the instruction of competent authority, ₹ 25.51 lakh had been recovered from two contractors. However, in above mentioned 18 cases, no deductions were made indicating lack of uniformity in application of the rules.

Thus, non-exclusion of days of rainy season availed by the contractor for execution of works in calculation of period eligible for incentive bonus in

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<sup>7</sup> Executive Engineer, Bridge division, Raipur, Executive Engineer, Bridge division, Jagdalpur, Executive Engineer, Bridge division, Ambikapur, Executive Engineer, Bridge division, Rajnandgaon.

violation of clauses in the agreement and instructions in force resulted in extension of undue benefit of ₹ 2.61 crore to the contractors.

During exit conference, Principal Secretary, PWD stated (November 2014) that although the works were allotted with a specific stipulated period excluding rainy season, the starting date and completion date of each work have been fixed. He added that the bonus was paid as per provisions of the agreement for which the contractor was entitled to be paid.

Reply is not acceptable as the work orders in the above cases were issued with specific period excluding rainy season for completion of work. Therefore, the payment of ₹ 2.61 crore to the contractors as incentive bonus without deducting days of rainy season utilised in the work was in contravention of clarification of the CE.

## PUBLIC WORKS DEPARTMENT

### 3.1.4 Undue benefit

#### Undue benefit of ₹ 38.54 lakh extended to the contractors due to use of re-rolled steel in construction works

As per note to Chapter 3 (Cement Concrete) of Schedule of Rates (SOR), steel used in Reinforced Cement Concrete (RCC) works shall conform to mild steel and medium tensile bars conforming to IS:432 (Part I-1982)<sup>8</sup>, high strength deformed steel bars conforming to IS:432 (Part II-1982)<sup>9</sup> and Thermo Mechanical Twisted (TMT) bars conforming to IS:1786:1985<sup>10</sup>. All steel shall be procured from original producers i.e. Steel Authority of India Limited (SAIL), Rashtriya Ispat Nigam Limited (RINL) and Tata Iron and Steel Company (TISCO) and no re-rolled steel should be used in the work. TMT steel should be verified on elongation basis as per IS: 1786 of 2008.

During scrutiny (May 2014) of records of Executive Engineer, Public Works Division, Kondagaon (EE) it was noticed that in 12 contractual works executed during year 2013-14, the contractors were allowed to use 293.88 Metric Tonnes (MT) of re-rolled steel amounting ₹ 1.08 crore in the RCC works which was prohibited as mentioned above. Further, even though it was provided in SOR that steel from original producers i.e. SAIL, RINL and TISCO were to be procured, it was observed that steel was bought by contractors from the local retailers at lower rates. Had the steel been bought from the original producer viz., TISCO or SAIL, the rate of steel of different diameters would have ranged from ₹ 46,600 to ₹ 51,450 per MT. As against this, contractors bought re-rolled steel from the local retailers or producers at the rate which ranged from ₹ 33,626 to ₹ 41,260. Thus, use of low priced re-rolled steel instead of steel from original producers as envisaged in SOR not only resulted in execution of below specification work, it

<sup>8</sup> IS:432 (Part-I)-Indian Standard specification for Mild Steel & Medium tensile steel bars

<sup>9</sup> IS:432 (Part-II)-Indian Standard specification for Mild Steel & Medium tensile steel bars and Hard-drawn steel wire for concrete reinforcement

<sup>10</sup> IS:1746-Indian Standard specification for High strength deformed steel bars & wires for concrete reinforcement

also resulted in extension of undue benefit of ₹ 38.54 lakh (**Appendix-3.4**) to the contractors. Further, it is also possible that the strength and duration of life of the construction works can also be affected adversely due to usage of non-specified steel.

On this being pointed out, Government stated (September 2014) that apart from SAIL, RINL and TISCO, there are other original producers like GK-TMT, Prakash Industries Limited etc., which manufacture TMT Bars with the use of raw material tested billet and tested ingot as per BIS norms. Regarding the steel being used is not re-rolled steel is ensured through the test certificates provided by the manufacturer and verified by the Department. The steel are certified to the extent that it fully conforms to IS: 1786-2008. Thus, the question of using re-rolled steel does not arise at all.

Reply of the Government is not acceptable because EE had earlier admitted (May 2014) that re-rolled steel was used in the work due to non-availability of SAIL, RINL and TISCO steel in the local market.

### **3.2 Audit against propriety and cases of expenditure without adequate justification**

Authorisation of expenditure from public funds is to be guided by the principles of propriety and efficiency of public expenditure. Authorities empowered to incur expenditure are expected to enforce the same vigilance as a person of ordinary prudence would exercise in respect of his own money and should enforce financial order and strict economy at every step. Audit detected instance of impropriety and extra expenditure.

## **HEALTH AND FAMILY WELFARE DEPARTMENT**

### **3.2.1 Avoidable excess expenditure**

#### **Up-gradation of Linear Accelerator with Image Guided Radiation Therapy system by inviting fresh tender and overlooking the available valid rate led to avoidable excess expenditure of ₹ 52.88 lakh**

Director Medical Education (DME), Raipur invited online tender (September 2008) for establishment of Linear Accelerator<sup>11</sup> (LA) in Radiotherapy Department of Dr. Bhim Rao Ambedkar Memorial Hospital (DBRAMH), Raipur. As only one firm participated in the first tender (system tender 22), another tender (system tender 34) was invited (January 2009) but again the same firm only quoted for it. On the request of the firm, the technical bid submitted for system tender 22 was validated for the system tender 34 also. As per Technical Specification enclosed in above tender document, rate was also to be quoted by the bidders for future upgradability of the LA with Image Guided Radiation Therapy<sup>12</sup> (IGRT). The rate so offered was to be valid for two years from the date of commissioning of machine.

<sup>11</sup> A linear accelerator is a device used for external beam radiation treatment for patients with cancer by delivering high energy x-rays to the region of the patient's tumor.

<sup>12</sup> Image guided radiation therapy is the process of frequent two and three-dimensional imaging during a course of radiation treatment.

Scrutiny of the records of Director, Medical Education, Chhattisgarh, Raipur (DME) revealed that the rates offered for LA by the firm of ₹ 7.98 crore was finalised (March 2009) as it was the sole bidder. The firm also offered rate (₹ 2.46 crore) for upgradability of IGRT which was valid for two years from the date of commissioning of the LA. Accordingly, supply order for the LA was issued (March 2009). Payment totaling ₹ 7.98 crore was released to the firm (January 2010) and the machine was installed (March 2010) at DBRAMH. Since permission for commissioning of the LA was provided by Atomic Energy Regulatory Board during May 2010, the rate for upgradation of the LA with IGRT was thus valid till May 2012.

For upgrading the LA with IGRT, the purchase committee constituted by DME in its meeting (February 2011) recommended for IGRT of the same firm (Varian Medical Systems) considering its compatibility with the already installed LA. Though valid rate was available, tenders<sup>13</sup> were however, invited (February 2011 and May 2011) within the validity period for the upgradation of the LA. The sole bid offered by the firm (through its local dealer) was accepted at the price of ₹ 2.99 crore and accordingly supply order for the same was issued (February 2012). After installation (October 2012) of IGRT, payment totaling ₹ 3.46 crore was released (February 2013) to the agency which was inclusive of cost of other accessories.

Thus, invitation of fresh tender and award of work of upgradation of LA to the same firm at higher rate even when its valid lower rate was available, resulted in avoidable excess expenditure of ₹ 52.88 lakh<sup>14</sup> on the IGRT.

On this being pointed out (June 2014), Government quoted (November 2014) the clarification of the firm wherein it was stated that the validity of the rates expired in September 2010. It was also clarified that configuration for upgrade was quoted in 2008 and final decision taken in 2012 is different which increased the cost of upgrade. It was also stated that cost of upgrade increased due to upgrade of both hardware and software with change of many parts/components, computer work stations etc., as well as change in exchange rates of US Dollar. Government stated that tender for IGRT was invited three years after the issue of supply order for LA and considering the above reasons, there was no loss to Government.

Reply of the Government is not acceptable. In the tender for LA, the specifications of the upgrade was neither called for by Department nor offered by the firm. Only rates for future upgrade with IGRT was called for and accordingly quoted by the firm which was to be valid for two years from the date of commissioning of the equipment i.e., upto May 2012 in the instant case. The Government simply quoted the explanation of the firm without any consideration on their part. Moreover, asking for a clarification from the firm post audit observation indicates that the proposal of calling the tender was not examined properly. As regards the firm's contention of changing many parts/components, it is obvious that the rates offered for upgradation would cover all the future technological advancements as well as cost inflations during the validity period.

<sup>13</sup> As only single bid was received for system tender 106, system tender 108 was invited

<sup>14</sup> ₹ 52,87,500 (₹ 2,99,25,000 – ₹ 2,46,37,500)

Fact remains that even though valid lower rates for upgradation of the LA was available with the Department, the same was overlooked and higher rate was accepted resulting in avoidable excess expenditure.

### 3.3 Failure of oversight/administrative control

The Government has an obligation to improve the quality of life of the people for which it works towards fulfilment of certain goals in the area of health, education, development and upgradation of infrastructure and public services etc. However, audit noticed instances where funds released by Government for creating public assets for the benefit of the community remained unutilised/blocked and/or proved unfruitful/ unproductive due to indecisiveness, lack of administrative oversight and concerted action at various level. A few cases have been discussed below:

## TECHNICAL EDUCATION DEPARTMENT

### 3.3.1 Idle expenditure

**Procurement of laboratory equipment and software without assessing the requirement and without ensuring the availability of necessary infrastructure to utilise the equipment resulted in idle expenditure of ₹ 8.62 crore**

Rule 9 of Chhattisgarh Finance Code (Part-I) stipulates that expenditure should not exceed the actual requirement. It therefore follows that expenditure/procurement should only be made after assessing the actual requirement and receipt of demands/indents from the subordinate units/offices.

During the year 2007-08 to 2013-14 equipment valuing ₹ 39.80 crore were procured by Directorate of Technical Education (DTE) and Government Engineering Colleges (GECs)/Government Polytechnics (GPTs). During the year 2007-08 to 2009-10, procurement of equipment was made by the DTE by assessing the demand after receipt of the same from GECs and GPTs and also on the basis of estimation of equipment required for ensuring similar facilities in all the GECs and GPTs. During the year 2010-11 to 2013-14, procurement of laboratory equipment were however made by the GECs and GPTs.

Scrutiny of records and joint physical verification of two GECs<sup>15</sup> and seven GPTs<sup>16</sup> revealed that various laboratory equipment and software for different branches of the GECs and GPTs valuing ₹ 4.19 crore (*Appendix 3.5*) and ₹ 4.43 crore (*Appendix 3.6*) respectively were procured during 2006-07 to 2013-14. GEC and GPT-wise observations are discussed in following paragraphs:-

(a) Audit observed that the DTE supplied 62 numbers of equipment to the GECs without receiving any demand/requirement from the GECs and also without ensuring availability of necessary infrastructure such as space and trained faculty to install and use the equipment. Above equipment were lying idle for five to seven years due to non-availability of user's manual, lid, sufficient space and trained technical staff. Though the fact was brought (August 2012 and February

<sup>15</sup> Raipur and Jagdalpur

<sup>16</sup> Durg, Dhamtari, Kanker, Raigarh, Gariyaband, Mahasamund and Korea



2013) to the notice by the GEC, Raipur, no remedial action was however taken by the DTE.

During the joint physical verification (May 2013) of laboratory equipment in GEC, Raipur, it was noticed that a high value equipment named 'Shake Table'<sup>17</sup> costing ₹ 1.47 crore was purchased by the DTE in 2007-08 for civil engineering branch. The equipment was to be supplied in eight cartons, out of which only five cartons were supplied (March 2008) and remaining three cartons were still not supplied to GEC, Raipur (December 2013) by the DTE even after lapse of more than five years. Due to non-supply of the complete items, the equipment could not be installed and consequently the warranty for one year carried by the equipment as mentioned in the terms and conditions of purchase order lapsed even before its installation. It was also observed that the payment for above equipment has been made to the supplier well before its installation. Further, another high value equipment 'SOIP'<sup>18</sup> costing ₹ 1.90 crore purchased (January 2008) for electronics and telecommunication branch of GEC, Raipur was lying idle since 2007-08 due to non-availability of trained faculty. It is worth mentioning that the 'Shake Table and SOIP' was not in the purview of the courses of studies prescribed by the Technical University either in theory or in practical.

Audit also observed that 150 application software valuing ₹ 26.45 lakh purchased by the GEC, Raipur itself were also lying idle in the central store of GEC, Raipur because of non-installation by the supplier. It was further observed that full payment was made to the supplier by GEC, Raipur before successful installation of above software. In this regard no concrete effort was found to have been made by the GEC to get the software installed which implied that the software was purchased without immediate requirement by any of its branches.

(b) Audit observed that the DTE supplied 187 numbers of equipment to the GPTs without receiving any demand/requirement from them and also without ensuring availability of necessary infrastructure such as space and trained faculty to install and use the equipment. As a result, these equipments were lying idle for one to five years. Audit also observed that five digital library software<sup>19</sup> valuing ₹ 3.53 crore supplied by the DTE to five GPTs<sup>20</sup> were lying idle ever since the same were received during 2008-10.

It is evident from the above that laboratory equipment and software procured were not being used and lying idle for one to seven years. Operational condition of these equipment was deteriorating due to passage of time and the warranty period had also lapsed. It is also observed that scant attention was given by the DTE to sort out problems intimated by the GEC and GPT regarding functioning of the equipment. As a result, benefit of the equipment could not be extended to the targeted students resulting in idle expenditure of ₹ 8.62 crore.

<sup>17</sup> An equipment used to determine if a component/structure will withstand an earthquake

<sup>18</sup> Storage over internet protocol, the products that are designed to support transparent interoperability of storage devices based on fiber channel.

<sup>19</sup> Software which contains 500 e-books of various engineering subjects and facilitates learning, internal test, evaluation etc

<sup>20</sup> Durg, Dhamtari, Raigarh, Gariyaband and Korea

On this being pointed out (between May 2013 and June 2014), the Principals of two GECs and six GPTs while accepting the facts had stated that no demand was sent to the DTE for the equipment supplied. Government in its reply stated (November 2014) that detailed instructions have been issued to the GECs and GPTs concerned for installing the equipment reported idle and to make use of them for teaching purposes. A monthly review mechanism has been put in place so that use of laboratory equipment and other resources may be optimised. Physical verification of machines, equipment, furniture software etc., has also been initiated on state-wide basis. Instructions have been issued to all GECs and GPTs to procure the equipment as per syllabus prescribed by the State Technical University.

The reply furnished by the Government indicates that the DTE supplied the equipment without assessing the requirement of the GEC and GPTs and also without ensuring the availability of necessary infrastructure and requisite faculty to utilise the equipment.

## PUBLIC HEALTH AND FAMILY WELFARE

### 3.3.2 Idle investment

#### Supply of equipments without ensuring availability of infrastructure resulted in idle investment of ₹ 17.57 lakh

As per rule 9 of Chhattisgarh Finance Code (Part-I), expenditure should not exceed the actual requirement. Procurement should only be made after assessing the actual requirement and receipt of demands/indents from the subordinate departments/offices.

Chief Medical and Health Officer (CMHO), Rajnandgaon had purchased (March 2007) equipments and supplied (April 2007) to Block Medical Officer (BMO), Dongargarh for establishing blood storage centre.

Scrutiny of records (October 2013) of BMO, Dongargarh revealed that equipments supplied to Community Health Centre (CHC), Dongargarh for setting up a blood storage centre were not put to use due to non-availability of blood bank building. Subsequently, eight equipments were transferred (April 2013) to CHC, Chhuikhadan as per order of Director Health Services (April 2013). The details of equipment are as detailed below:

**Table 3.1: Table showing details of equipment**

Sl. No	Name of equipment	Quantity retained in CHC, Dongargarh	Quantity transferred to CHC, Chhuikhadan	No of Equipment	Per unit cost (including VAT) (in ₹)	Total Cost (in ₹)
1	Blood donor couch	1	1	2	361900	723800
2	Blood bank refrigerator	0	1	1	400600	400600
3	Blood collection monitor	1	1	2	176414	356928
4	Blood bag sealer	0	1	1	199680	199680
5	Instrument cabinet	3	3	6	7600	51600
6	Temperature recorder	0	1	1	24440	24440
<b>Total</b>		<b>5</b>	<b>8</b>	<b>13</b>		<b>1757048</b>

*Source: Information furnished by department and compiled by audit*

Audit scrutiny revealed that equipments were procured and supplied by CMHO, Rajnandgaon without assessing the actual requirement and receipt of demands from the subordinate offices. However, it was noted that the equipments in CHC,

Dongargarh and Chhuikhadan were lying idle resulting in idle investment of ₹ 17.57 lakh for more than seven years.

On this being pointed out (July 2014), Chief Medical and Health Officer, Rajnandgaon stated that in 2006-07, the CHC, Dongargarh was designated as First Referral Unit (FRU) where blood was to be collected and stored. So equipments were purchased for storing the blood. However, as the post of Gynecologist and Anesthetist were vacant, FRU was not started and the equipments remained idle. Subsequently CHC, Chhuikhadan was also designated as FRU and the equipments were thus transferred to it.

The fact remained that the equipments were supplied without ensuring required infrastructure which led to idle investment for more than seven years. The matter was brought to the notice of the Government (July 2014), reply is awaited.



(BIJAY KUMAR MOHANTY)

Accountant General (Audit), Chhattisgarh

Raipur

The

8 APR 2015

*Countersigned*



(SHASHI KANT SHARMA)

Comptroller and Auditor General of India

New Delhi

The

15 APR 2015