

CHAPTER – IV

AUDIT OF TRANSACTIONS

RURAL DEVELOPMENT DEPARTMENT

4.1 Fraudulent drawal/Misappropriation/Embezzlement/Losses

4.1.1 Defalcation and unfruitful expenditure

Violation of provision of JPWA code resulted in defalcation of Rs 49.55 lakh besides unfruitful expenditure of Rs 90.56 lakh

Jharkhand Public Works Account (JPWA) Code provides that when temporary advances are granted by Executive Engineers (EE) to the Assistant/Junior Engineers (AE/JE) for execution of departmental works, adjustment accounts should be rendered within one month. Subsequent advance should not be granted unless previous advance was adjusted. The EE is also primarily responsible for ensuring that the AE/JE receiving the advance maintains a cash book and records all transactions as soon as these occur. Scrutiny of records of Rural Development Special (RDS) divisions of Hazaribagh (February 2004) and Saraikela (April 2005) revealed that the above provisions were not followed by the EEs resulting in defalcation of Rs 49.55 lakh besides unfruitful expenditure of Rs 90.56 lakh as discussed in the following paragraphs:

Rural Development Special Division, Hazaribagh

The EE advanced Rs 1.19 crore to the AE for departmental execution of 12 works between May 2001 and June 2003 (*Appendix 4.1*). The construction works include both purchase of materials and engagement of labourer. Scrutiny revealed that the AE accounted (October 2002) for Rs 83.36 lakh only in his cash book. He died one year later in November 2003, and Rs 35.75 lakh remained unaccounted.

On this being pointed out (February 2004) in audit, the EE constituted (June 2004) a committee for measurement and valuation (June 2004) of the work executed by the AE. The report of the committee revealed that out of Rs 83.36 lakh, works for Rs 81.70 lakh had been undertaken by the deceased AE, leaving Rs 1.66 lakh unaccounted for. Thus, the total unaccounted for amount, which was defalcated by the AE and recoverable from him, worked out to Rs 37.41 lakh. Though the EE sought (July 2004) the permission from the Secretary, Rural Development Department for recovery of the amount, no action was taken by the Department as of August 2005. Besides, Rs 81.70 lakh

incurred on the incomplete works, which could not be put to use since November 2003 were rendered unfruitful.

Rural Development Special Division, Saraikela

The EE advanced Rs 21 lakh to a JE posted in Gamharia block between March and December 2002 for construction of four culverts departmentally. The JE submitted adjustment vouchers for Rs 8.86 lakh and retained the balance of Rs 12.14 lakh. Of Rs 8.86 lakh, the EE adjusted Rs 4.95 lakh while vouchers for Rs 3.91 lakh were not admitted as these were not supported by entries in the measurement books.

The EE relieved (February 2003) the JE from executing the work on the grounds of slow progress and directed him to refund the balance amount. The JE did not refund the amount and an enquiry instituted (September 2003) by the Department found the JE guilty. Before any action could be taken the JE died (February 2004). No further action had been taken by the Government for recovery of the defalcated amount resulting in loss of Rs 12.14 lakh. Besides Rs 8.86 lakh incurred on the incomplete culverts which could not be put to use since February 2003 became unfruitful.

The matter was referred to the Government (July 2005); reply had not been received (November 2005).

FOREST AND ENVIRONMENT DEPARTMENT

4.1.2 Non-recovery of defalcated amount

Inaction on the part of the department resulted in non-recovery of defalcated amount of Rs 33.76 lakh

As per Forest Manual and orders issued from time to time by the Forest and Environment Department and Principal Chief Conservator of Forests, the departmental work is executed by the forest guards and foresters under direct charge of the Range Officers concerned. The Range Officers are sub-disbursers and funds are placed with them by obtaining "Forest Advances" from the Divisional Officers concerned for execution of work.

Scrutiny of records of the Divisional Forest Officer, Social Forestry Division, Chaibasa (January 2005) revealed that a sum of Rs 33.76 lakh paid as "Forest Advances" during the year 1994-95 to the then Range Officer of Jagannathpur Range of the division for execution of plantation work under "Intensive Employment Scheme" (Jawahar Rojgar Yojana) was misappropriated/defalcated by him. On the basis of reports submitted by the Regional Chief Conservator of Forests, Jamshedpur it was decided (February 1996) to conduct departmental proceeding/inquiry into charges leveled against him. Member Board of Revenue, Bihar was appointed (February 1996) as Chairman of the departmental proceeding/inquiry Committee. In the mean time the concerned Range Officer retired from service (March 1999).

On completion of departmental proceeding, Member Board of Revenue, Bihar in his inquiry report (July 1999) had certified/confirmed the charges levelled against the Range Officer. On review of inquiry report and after obtaining approval of Bihar Public Service Commission, Patna (November 2001), His excellency Governor of Bihar (February 2003), ordered to recover Rs 33.76 lakh from the then Range Officer from his pensionary benefits, and the balance by filing money suit against him. However, it was seen that even after lapse of two years from the date of issue of the order neither any amount was recovered nor legal action initiated against the Range Officer concerned.

Thus, the inaction of the department against the Range Officer concerned in the light of the order of His excellency Governor (February 2003), resulted in non-recovery of the defalcated amount of Rs 33.76 lakh.

The matter was referred to Government (September 2005); reply had not been received (November 2005).

ROAD CONSTRUCTION DEPARTMENT

4.2 Unfruitful expenditure/wasteful infructuous expenditure

4.2.1 Unfruitful expenditure on non-functional bridge

Unfruitful expenditure of Rs 4.21 crore on non-functional bridge over Damodar river

Construction of High Level RCC bridge over Damodar river between Bokaro and Chandrapura was technically sanctioned (May 2002) and administratively approved (August 2002) for Rs 4.92 crore by the Department. The work was allotted (August 2002) to a contractor by the Chief Engineer on turnkey basis who completed (April 2004) the work at a cost of Rs 4.21 crore.

Scrutiny of records of the Executive Engineer (EE), Road Construction Division, Bokaro revealed (December 2004), that the administrative approval and technical sanction did not include the construction of approach roads to link the bridge to Bokaro on one side and Chandrapura on the other. Scrutiny further revealed that without acquisition of the land measuring 0.24 lakh square feet and constructing the approach roads the bridge was inaugurated in September 2004. The bridge was not being put to use in the absence of approach roads rendering the investment idle.

The Secretary, Road Construction Department (RCD) stated (October 2005) that the decision for construction of approach road was taken by the Government. Reply was not tenable as the State Government did not take any initiative to get the title of the land in favour of RCD from Bokaro Steel Limited, Damodar Valley Corporation and Bharat Coking Coal Limited.

4.2.2 Unfruitful expenditure on River Bridge

Unfruitful expenditure of Rs 1.83 crore was incurred on a river bridge due to taking up the work without possession of private land in the adjacent state

Construction of 124.20 metres span High Level bridge with approach roads falling in Jharkhand and Orissa over Baitarni river at 59 KM of Chaibasa-Jaintgarh road was administratively approved (August 2001) for Rs 2.92 crore by the Department. Without conducting the survey, technical sanction was granted (May 2002) for Rs 2.44 crore. Possession of the land, required for the approach road, falling in Orissa, was also not obtained. The work was awarded (August 2002) by the Chief Engineer to a contractor on turnkey basis at a cost of Rs 1.98 crore for completion by August 2003.

Scrutiny of records (May 2005) of the Executive Engineer, Road Construction Division, Chaibasa revealed that the alignment of the approach road and the sixth pier fell in Orissa on private land. On a complaint case by the land owner following injunction order from the High Court of Orissa, construction of the bridge was stopped (August 2003). The contractor was paid Rs 1.83 crore up to February 2004 for work already done.

Scrutiny further revealed that the quality of bridge work was tested (between September 2003 and December 2003) by a Consultant who reported (December 2003) that the contractor had used cement of sub-standard quality in the construction. Further, locally rolled reinforcement, without quality tests was utilized in the work. The RCD paid Rs 59.99 lakh to the contractor in February 2004 without investigating the points raised by the consultant.

Thus, construction of the bridge without taking the possession of the land led to stoppage of work and unfruitful expenditure of Rs 1.83 crore. Further, the use of sub-standard material as reported by the consultant could not be ruled out.

The Secretary RCD stated (October 2005) that the bridge work was taken up in public interest. The reply was not tenable as possession of the land should have been ensured before commencement of the work. Besides, public interest was not served as the bridge remained non-functional for two years after investing Rs 1.83 crore.

WELFARE DEPARTMENT

4.2.3 Unfruitful expenditure on Birsa Munda Complex at Ulihatu

Due to improper planning and implementation of the project, expenditure of Rs 4.07 crore on Birsa Munda Complex was rendered unfruitful

For imparting education to the poor scheduled tribe boys and girls of Ulihatu, Government of India approved (July 1993) establishment of a residential school campus including village roads, dispensary, centre of Homoeopathy and Naturopathy, museum, drinking water facility etc. at Ulihatu under Centrally assisted Integrated Tribal Development Programme (ITDP). Welfare Department (WD) was the nodal agency for implementation of the project while Building Construction Department (BCD) was the executing agency. The work was administratively approved (AA) (December 1997) for Rs 3.12 crore by the WD and technically approved (TA) (November 2000) by the BCD for Rs 3.60 crore. AA and TA were subsequently revised (July 2003) to Rs 4.39 crore which included construction of school building, hostel building, administrative building and residential quarters.

Scrutiny of records of the Executive Engineer (EE), Building Construction Division, No.1 Ranchi revealed (August 2003 and July 2005) that Rs 3.97 crore were spent up to March 2004 on construction of the complex. It was seen that residential quarters were not completed. The EE during inspection (September 2004) observed that the completed buildings in the complex were damaged and doors, windows, lavatory items, granite on the statue of Birsa Munda and electrical fittings had been stolen. The WD took over (November 2004) the buildings without ensuring restoration of the damages in the building by the BCD. The WD also neither undertook the required repairs nor the developmental works in the complex to make the buildings functional. The EE, Building Construction Division further made payment of Rs 10.47 lakh in March 2005 for work already done earlier.

Scrutiny further revealed that neither any plan was prepared for enrollment of students nor sanction accorded for posts of teaching, non teaching and administrative staff since the approval of the scheme. Water and electrical supply were not in place in the complex while the health centre and museum on Birsa Munda was not set up.

Thus, failure of the department to plan and implement the scheme properly resulted in unfruitful expenditure of Rs 4.07 crore on idle complex buildings, besides denying the benefits of education to poor tribal children and health services to the people of Ulihatu, the very objectives of the whole programme.

Secretary, WD stated (September 2005) that the Government proposed to involve DAV group of Institutions to run the school. The reply was unacceptable because DAV group was still to accept the proposal of WD as of December 2005.

HEALTH AND FAMILY WELFARE DEPARTMENT

4.2.4 Non-installation of CT scan machine

CT scan machine worth Rs 1.64 crore was not installed at PMCH Dhanbad as exclusive electric supply was not provided by JSEB

Department of Health and Family Welfare, Government of Jharkhand sanctioned (November 2003) Rs 1.70 crore for purchase and installation of a CT scan machine at Patliputra Medical College Hospital (PMCH), Dhanbad during the year 2003-04. Superintendent, PMCH invited (February 2004) tenders for the purchase of the machine and purchase order was issued (March 2004) to M/s Shimatzu, Japan for supply and installation of the machine on 'turnkey' basis. Training to one doctor of the hospital in either Singapore or Japan and one radiologist in India, was to be provided by the supplier at his cost. The supplier was to supply the machine within two months from the date of issue of purchase order.

Scrutiny of records of PMCH, Dhanbad (January, June and July 2005) revealed that Rs 1.64 crore were paid (September 2004) to the supplier and the machine delivered in November 2004. However, the machine could not be installed as exclusive electric supply of 75 KW, required for operating the machine was not provided by Jharkhand State Electricity Board (JSEB), despite protracted correspondence with the Board. Meanwhile, it was found that some cartons containing the machine had been opened (February 2005). Scrutiny also revealed that there were no trained personnel in the Radiology department who would run the CT scan machine. Government intervention in getting the machine installed was also sought for. But the department neither pursued the supply of electricity to the hospital with the Board nor it facilitated the training to the personnel for the use of the machine in the Radiology department.

Thus, CT scan machine worth Rs 1.64 crore remained uninstalled resulting in denial of diagnostic facilities to patients. Further, damage and pilferage of supplied equipments could not be ruled out as the machine was kept idle (November 2005) since its receipt (November 2004).

The matter was referred to the Government (July 2005); reply had not been received (November 2005).

FOOD, SUPPLY AND COMMERCE DEPARTMENT

4.2.5 Wasteful expenditure

Wasteful expenditure of Rs 78.07 lakh on printing of ration cards carrying the photographs of Chief Minister

The Government of Jharkhand decided to distribute 40 lakh APL/BPL/Antodaya ration cards to beneficiaries under the public distribution system free of cost. Accordingly, tenders were invited (March 2004), and agreement was executed (October 2004) with an agency for completion of work within 25 days at the rate of Rs 2.19 per card. The agency printed these cards and delivered them to the district headquarters as per the terms of the agreements. Payment of Rs 78.07 lakh was made to the agency in two instalments (December 2004, January 2005).

Scrutiny of records (June 2005) of Food and Civil Supplies Department revealed that the Chief Minister directed the Department that the photo of the Chief Minister along with the slogan '*Bhay, bhook ewam bhrastachar se mukt jharkhand ke nirman ke liye hum krit sankalp hain*' may be printed at the back page of these ration cards. This was communicated to the agency (September 2004) and accordingly ration cards with the photograph of the Chief Minister was printed and sent to Deputy Commissioners for distribution to the beneficiaries. This was done when the term of the assembly was about to end and state assembly elections were to be announced in a few months time.

On a complaint from a political party (September 2004), Election Commission of India observed that ration cards were used as identification instruments in the elections, and such cards with the photograph of the Chief Minister compromised the fairness of the election process and distorted the level playing field provided in elections to all contesting political parties. It further directed the Government of Jharkhand to withdraw all the ration cards carrying the photograph of the Chief Minister and to issue ration cards to the beneficiaries without the photograph of the Chief Minister. Accordingly, these ration cards were withdrawn by the Government (December 2004) and agreement for printing of fresh ration cards was made (January 2005). This resulted in avoidable expenditure of Rs.78.07 lakh on the printing of ration cards with the photograph of the Chief Minister.

On being pointed out (July 2005), it was stated that the ration cards were not to be used as document for identification under Public Distribution System (Control) Order 2001 and as such it was not against any norms to print the photographs of C.M. on the ration card. However, it was withdrawn under the orders of Election Commissioner. The withdrawal of cards does not regularise infructuous expenditure.

The matter was referred to the Government (July 2005); reply had not been received (November 2005).

CIVIL AVIATION DEPARTMENT

4.2.6 *Wasteful expenditure*

Wasteful expenditure of Rs 27.12 lakh on overhauling of engines of the State aircraft

Scrutiny of records (July 2005) of Civil Aviation Department revealed that Rs 27.12 lakh was spent (March 2004) by the department on overhauling of two standby engines of the State aircraft (a Barron B-55 six seater having five engines*). The air-worthiness of these overhauled engines were not certified by the engineers of the DGCA. It was further seen that the State did not have any facility for proper storage of these engines and these engines were lying in crates in the State hanger without being put to any use since July 2003.

Thus, failure to use these overhauled engines resulted in wasteful expenditure of Rs 27.12 lakh. Besides, further damage to these engines for want of proper storage and use cannot be ruled out. Meanwhile, Rs 87 lakh was paid by the State Government during 2001-05 for hiring of chartered aircrafts for its use.

The matter was referred to the Government (August 2005); reply had not been received (November 2005).

WATER RESOURCES DEPARTMENT

4.3 **Avoidable/excess expenditure**

4.3.1 *Excess payment of land compensation*

Excess payment of Rs 82.57 lakh was made to land owners due to delay in finalisation of the land award

Land Acquisition Act, 1894 as revised in 1984 provides for the payment of 12 *per cent* additional compensation on the cost of land and structures from the date of publication of notification for acquisition of land to the date of declaration of award. In view of the delay in finalising award and payment of additional compensation to the landowners in land acquisition cases, Commissioner-cum-Secretary, Land Reforms Department directed (June/July 1991) all the Collectors/Deputy Commissioners to complete the land acquisition proceedings in 630 days. The maximum period stipulated for the proceedings from the date of publication of the notification to the date of award is 540 days on which additional compensation at the rate of 12 *per cent* is to be paid on the cost of land and structures.

Scrutiny (November 2004) of records of the Special Land Acquisition Officer (SLAO), Chandil, revealed that the SLAO took up (June 1999) the work of

* Two engines were used in the aircraft and three were kept as standby.

acquisition of land in the villages Janum and Heben for an area of 459.95 acres and 746.23 acres respectively which were submerged due to construction of Chandil Dam under Subarnrekha Multipurpose Project. An amount of Rs 13.14* crore was received for the purpose from the Executive Engineer, Camp and Stores Division, Chandil. The notification for acquisition of land was published on 31 January 2001 (Janum) and on 3 February 2001 (Heben) and the award was declared on 31 July 2003 and 26 July 2003 for Rs. 5.33 crore and Rs. 5.80 crore respectively. The delay in declaration of award (from the date of publication) ranged from 11 months 22 days to 12 months in the case of Heben and Janum respectively. As a result, the Department had to pay an extra compensation of Rs. 82.57 lakh for the delay in declaration of award beyond 18 months as detailed below:

Name of the village	Cost of land and Structures	Solacium @ 30 per cent	Additional compensation @ 12 per cent p.a.		Total amount	Maximum Additional compensation permissible @ 12 per cent p.a.		Avoidable Compensation (Difference) (A-B)
			Period (in months)	Amount (A) (Rupees in lakh)		Period (in months)	Amount (B) (Rupees in lakh)	
	(Rupees in lakh)		(in months)	(A) (Rupees in lakh)		(in months)	(B) (Rupees in lakh)	
Heben	362.86	108.86	29.75	107.95	579.67	18	65.32	42.63
Janum	332.79	99.84	30	99.84	532.47	-do-	59.90	39.94
Total				207.79	1112.14		125.22	82.57

On this being pointed out in audit (November 2004) the SLAO stated that due to frequent transfer of officers and posting of officers not vested with the powers of land acquisition, the process of acquisition was delayed for nearly one year.

The matter was reported to the Government (June 2005). Government stated (October 2005) that in both the cases, awards were declared within the prescribed time limit of two years as per Land Acquisition Act. Hence, there was no case of excess payment. The reply was not tenable as even though the award was declared within the stipulated period of two years but after the revised time frame of 540 days which resulted in payment of avoidable additional compensation of Rs 82.57 lakh.

ROAD CONSTRUCTION DEPARTMENT

4.3.2 Excess expenditure on road

Failure to execute the agreement within the stipulated period after award of work resulted in excess expenditure of Rs 59.78 lakh in the widening and strengthening of Hata – Chaibasa road in km 0-42

Widening and strengthening of Hata–Chaibasa road in km 0-42 was administratively approved (February 2004) for Rs 15.30 crore and technically sanctioned (December 2004) for Rs 12.32 crore by the Road Construction Department (RCD). The work was awarded (October 2004) to a contractor at 7.90 per cent below the estimated cost at Rs 10.43 crore. While awarding the

* Rs 7.65 crore on 31 March 1999 and Rs 5.49 crore on 31 March 2000.

work, the Departmental Tender Committee (DTC) ordered that agreement should be drawn with the contractor within 15 days failing which the tender should be cancelled.

Scrutiny (May 2005) of records of the Executive Engineer (EE), Road Construction Division, Chaibasa, however, revealed that the agreement was executed (December 2004) with the contractor by the EE after a delay of two months from the finalisation of tender without recording any reason. In the mean time, on the request of the EE, the Chief Engineer (CE), RCD ordered (November and December 2004) departmental execution of profile corrective course and repair work for Rs 59.78 lakh in the same stretches of road (km 8–31) before the commencement of original work by the contractor. Scrutiny further revealed that after the execution of agreement the contractor again executed Built Up Spray Grouting (BUSG) work at a cost of Rs 1.51 crore up to March 2005 over the entire stretch where repair works for Rs 59.78 lakh had been executed departmentally by the EE. Thus the departmental execution of work in the same stretch which was already awarded to the contractor pending finalisation of agreement led to extra expenditure of Rs 59.78 lakh.

The EE stated that the repair work was executed to maintain the road from damage during the intervening period between finalisation of tender (October 2004) and execution of agreement (December 2004). The reply was untenable because the extra expenditure of Rs 59.78 lakh was avoidable had the agreement been executed within 15 days from the date of finalisation of tender by following the DTC's order. Further, the CE being the Chairman of the DTC was to ensure the timely agreement between the EE and the contractor. Instead, the CE sanctioned the repair works violating the orders of DTC.

The matter was referred to the Government (July 2005); their reply had not been received (November 2005).

4.3.3 Avoidable expenditure due to delay in allotment of work

Inordinate delay in allotment of work resulted in extra expenditure of Rs 44.50 lakh in widening and strengthening of Dumka-Rampurhat road

Widening and strengthening of Dumka-Rampurhat road from KM 0 to 50.161 was technically sanctioned (August 2002) for Rs 19.75 crore by the Chief Engineer (CE), Central Design Organisation, Road Construction Department (RCD), Ranchi and administratively approved (January 2003) by the RCD, Ranchi. After tendering (April 2003) the work was allotted to the contractor at his lowest rate of 15 *per cent* below the estimated cost of Rs 20.06 crore. The offer was valid upto October 2003; 180 days from the date (April 2003) of opening of the tender.

Scrutiny (March 2005) of the records of the Executive Engineer (EE), Road Construction Division, Dumka revealed that while the tenders were opened in April 2003 for evaluation, the Departmental Tender Committee (DTC) took four months for granting approval (September 2003) for which no reason was on record. It was further seen that the CE communicated (November 2003) the

decision of DTC to the contractor after expiry of additional 55 days from the date of decision of DTC for which again no reason was on record.

The contractor refused to execute the work as the validity period of his offer had expired and the price of bitumen and steel had increased. This was accepted (January 2004) by the Department and the tendered cost was enhanced from Rs 17.05 crore to Rs 18.10 crore increasing the cost of work by Rs 1.05 crore .

An agreement for Rs 18.10 crore was executed (February 2004) by the EE with the contractor for completion of the work in 18 months. The agency executed the work and received the payment for Rs 10.66 crore as of March 2005. The payment included Rs 44.50 lakh on account of extra expenditure on bitumen and steel. Further work was in progress (March 2005).

Thus, delay in allotting the work within the validity period of the offer resulted in extra expenditure of Rs 44.50 lakh as of March 2005. Had the tender been finalized and work allotted in time, this extra expenditure could have been avoided. Further, no responsibility was fixed for the avoidable expenditure.

The Secretary RCD stated (October 2005) that due to increase in price of bitumen the estimate had been revised. The reply was not tenable because the extra expenditure on account of bitumen and steel had been made due to non finalization of tender within the validity period of 180 days.

BUILDING CONSTRUCTION DEPARTMENT

4.3.4 Unauthorised aid to contractor

Excess payment of Rs 23.07 lakh on inflated rates on RCC work, Steel rods and Sand

The Building Construction Department (BCD) administratively approved (August 2002) the construction of Collectorate building at Pakur at a cost of Rs 5.55 crore. Technical sanction was not granted. The work was awarded (September 2002) to National Building Construction Corporation (NBCC) at a cost of Rs 5.15 crore. An agreement for construction of the building (excluding electrification & sanitation) was executed (December 2002) with the agency for completion of the work by December 2003.

Scrutiny of records (August 2004 and July 2005) of Executive Engineer (EE), Building Construction division (BCD), Sahebganj, revealed that on the recommendation (March 2003) of the Chief Architect (CA), Jharkhand, the EE changed (March 2003) the structural design whereby the entire reinforcement in cement concrete (RCC) structure was to be executed by M20* instead of M15** .

* M20: Mix of cement, sand and stone chips in the ratio of 1:1.5:3

** M15: Mix of cement, sand and stone chips in the ratio of 1:2:4

- While the changed specifications affected only the rates of RCC work in stair-case, roof slabs, lintel, plinth and foundation, the EE on the direction (October 2003) of the CE prepared and paid claims for entire RCC work including columns, beams and chhajja (window projection), though these were to be executed by M 20 even as per the approved agreement. This resulted in excess payment of Rs 4.64 lakh.
- As per measurement book *** 298.33 MT TOR steel valued at Rs 50.95 lakh was used in the work. Against this, payment of Rs 59.98 lakh was made by the EE at inflated rate resulting in excess payment of Rs 9.04 lakh between November 2003 and February 2004.
- A lead of 52 km was sanctioned by the SE for procurement of sand at the rate of Rs 327.88 per cubic metre (M³) against the prevailing rate of Rs 301.41 per M³ resulting in excess payment of Rs 6.70 lakh at the rate of Rs 26.47 per M³ for 25299.625 M³ sand.
- A claim of Rs 2.69 lakh for construction of roof slabs approved (November 2004) by the SE at higher rate was disallowed later (March 2005), but no recovery had been made (June 2005).

All these inadmissible payments on inflated rates resulted in excess payment of Rs 23.07 lakh to the contractor and were recoverable.

On being pointed out in audit (July 2005), the Department accepted (October 2005) that excess payment on RCC work and on procurement of steel and sand had been made for which recovery would be made.

CIVIL AVIATION DEPARTMENT

4.3.5 Extra expenditure

Extra expenditure of Rs 40.61 lakh due to irrational awarding of tender for hiring helicopter to meet the travel needs of dignitaries

To meet the travel needs of dignitaries of the State, it was decided to hire a double engine helicopter on wet lease¹ basis. Tender for hiring the helicopter was invited (April 2001) by the Civil Aviation Department, and three companies² responded to the tender (August 2001). The contract was awarded to OSS Aviation Private Limited, Bhopal and an agreement was executed (November 2001) to provide helicopter till 31 March 2002. Subsequently, it was noticed (July 2002) by the Department that the agency did not have the non-scheduled operator permit from DGCA, required as one of the credentials. Ignoring this fact, the contract was extended from time to time till August 2004.

*** Measurement book no: 639 page no: 1-22

¹ Wet lease basis means apart from providing helicopter the lessor would incur some expenditure towards fuel, crew, maintenance etc. too.

² Deccan Aviation Private Ltd, OSS Aviation Private Ltd, Ramond Ltd.

Scrutiny of records (July 2005) of the Secretary, Civil Aviation Department, revealed that OSS Aviation Private Limited was stated to be the lowest tenderer, as it quoted lower fixed charges (15 lakh) in comparison to Deccan Aviation Private Limited (18 lakh). However, it had also stipulated 35 hours of minimum guaranteed flying hours per month at the rate of Rs 28000 per hour besides mobilisation charges and boarding and lodging charges of crew members while no such minimum guaranteed flying hour was stipulated by Deccan Aviation Private Limited. Its rate Rs 26000 per hour was lower than OSS Aviation Private Limited. The average flying hours per month of the hired helicopter from 15 October 2001 to August 2004 was approximately 22 hours. (Details of flying hours enclosed in *Appendix-4.2*). Thus, awarding contract to OSS Aviation Private Limited instead of Deccan Aviation Private Limited resulted in extra expenditure of Rs 40.61 lakh.

The Department failed to evaluate clearly the conditions of tender as well as minimum flying hour requirement which resulted in extra expenditure of Rs 40.61 lakh.

The matter was referred to the Government (August 2005); reply had not been received (November 2005).

RURAL DEVELOPMENT DEPARTMENT

4.4 Idle investment/idle establishment/blockage of funds

4.4.1 Blockage of funds

Non-identification of beneficiaries and non-fixation of market rent resulted in blockage of Government money (Rs 1.67 crore) by way of construction of market complex

District Rural Development Agency (DRDA), Godda allotted Rs 2.39 crore during 2000 to 2004 under the Swarnjayanti Gram Swarojgar Yojana (SGSY) for construction of 36 market complexes, comprising of 5-12 shops each in eight³ blocks of Godda district. The work was to be executed through Blocks, Zila Parishad, National Rural Employment Programme (NREP) division and Rural Development Special (RDS) division.

Scrutiny of records of the DRDA, Godda (May 2005) revealed that the construction of 27 shopping complexes were completed at a cost of Rs 1.85 crore by the executing agencies during the years 2000-04. Only three complexes were allotted by the Block Development Officer (BDO), Sunderpahari, for Rs 200 per shop per month without fixation of market rent by the SDO and the approval of DRDA. No attempt was made by the DRDA to allot the remaining 24 complexes comprising 284 shops to the beneficiaries.

³ Boarjori, Godda, Mehgama, Meharna, Pathergama, Poraiahat, Sunderpahari, Thakurgangti.

Neither the beneficiaries were identified nor Sub-Divisional Officer (SDO), Godda was approached for fixation of market rent of those shops.

Though the Deputy Development Commissioner (DDC), Godda, directed (July 2005) all the BDOs of the district to approach the SDO for fixation of market rent, identify the beneficiaries and forward their names to DRDA for approval, yet it was not done (October 2005).

Thus, failure to ensure timely identification of beneficiaries and fixation of market rent resulted in blockage of Government money amounting to Rs 1.67 crore as well as denial of benefits to the beneficiaries under SGSY.

The matter was referred to the Government (June 2005); the reply had not been received (November 2005).

ANIMAL HUSBANDRY DEPARTMENT

4.4.2 *Nugatory expenditure on idle staff*

Expenditure of Rs 1.36 crore on bull attendants proved nugatory as no bulls were supplied by the department

With the objective to elevate the socio-economic status of farmers/labourers through rearing of high yielding milk cattle, a scheme aimed at upgradation of the genetic traits of milk cattle for artificial insemination was formulated by Government of India during the First Five Year Plan. To rear and nourish such bulls, 94 posts of bull attendants were sanctioned by the Government.

Scrutiny of records (July 2004 and July 2005) of nine⁴ Key Village Offices, five⁵ District Animal Husbandry Offices, one⁶ Regional Director Animal Husbandry, four⁷ Veterinary Hospitals and one⁸ Artificial Insemination centre revealed that 51 to 61 bull attendants were posted in these offices during the period 2000-05 (*Appendix-4.3*). However, no bulls for rearing were provided to these offices by the Department since 1996. Thus, the bull attendants remained without any work during the period 2000-05 and expenditure of Rs 1.36 crore (August 2005) incurred on their pay and allowances proved to be nugatory.

In reply it was stated (July 2004 and July 2005) by the Regional Directors (RD)⁹, Animal Husbandry Department that the bull attendants remained idle as no bulls or semen was provided by the Department.

⁴ Chaibasa, Chakradharpur, Daltonganj, Dhanbad, Hazaribagh, Jamshedpur, Khunti, Lohardaga and Simdega.

⁵ Chaibasa, Dhanbad, Giridih, Hazaribagh and Palamu.

⁶ Hazaribagh

⁷ Daltonganj, Chaibasa, Dhanbad and Hazaribagh

⁸ Gumla

⁹ Regional Director, South Chotanagpur, Ranchi and North Chhotanagpur, Hazaribagh.

Thus, the failure of the Department to utilise the services of the bull attendants resulted in nugatory expenditure of Rs 1.36 crore.

The matter was referred to the Government (June 2005); the reply had not been received (November 2005).

HUMAN RESOURCES DEVELOPMENT DEPARTMENT

4.4.3 Idle investment

Basic knowledge of computer could not be provided in +2 schools inspite of incurring an expenditure of Rs 1.22 crore due to lack of basic infrastructure

For imparting basic knowledge in computer education in 12 higher secondary schools of seven districts¹⁰, the Department of Primary and Secondary Education sanctioned (December 2001), Rs 2.32 crore (Rs 19.37 lakh per school). The Deputy Commissioners (DCs) of these districts were responsible for the overall implementation of the scheme. The scheme was to be implemented before January 2002.

Scrutiny of records (July 2005) of Director of Secondary Education, Government of Jharkhand, Office of Deputy Development Commissioner (DDC), Hazaribagh and schools in seven districts revealed that in most of the schools computers were purchased but not installed, installed but not being used for want of instructors, electric supply, infrastructure etc. The details are given in the table below:

Sl. No.	Name of the district	Name of the school	No. of computer purchased/date of purchase	Purchase and installation cost	Remarks
1	Ranchi	(i) Zila School, Ranchi (ii) Rajkiya High School, Kanke (iii) Girls High School, Bariatu	15/30.4.2003 15/30.4.2003 15/30.4.2003	37.52 lakh	1. Non deployment of Instructor, Electricity disconnection (April 2005) 2. Lack of infrastructure and Electricity (April 2003) 3. Problem in UPS. Non deployment of instructor. 4. Balance amount of Rs.20.59 lakh was lying in the bank account.
2	Hazaribagh	(i) Zila School, Hazaribagh (ii) Rajkiya Balika High School	14/3.9.2004 14/3.9.2004	29.81 lakh	1. Non-Installation of computer. 2. Non-deployment of Instructor. 3. Balance amount of Rs.8.93 lakh was lying in the bank account.
3	Palamu	(i) Rajkiya High School (ii) Rajkiya Girl's High School	Not purchased -do-	Not purchased -do-	As the earmarked schools were already provided with computers, DDC proposed that the Government identify some other schools for installation of the computers but this was not done. The available fund was lying idle with the DDC.
4	West Singhbhum	(i) Zila School, Chaibasa (ii) G. R. M. School, Jagannathpur	16/3.8.2004 16/3.8.2004	28.47 lakh	1. Computers purchased & installed in October 2004, but no Instructor was deployed. 2. Balance amount of Rs 10.27 lakh was lying in the bank account.

¹⁰ Dumka, Dhanbad, Hazaribagh, Palamu, Ranchi, Saraikela and West Singhbhum.

5	Saraikela	(i) N. R. +2 High School, Saraikela	15/28.6.2003	10.46 lakh	1. Computers were not installed. 2. Balance amount of Rs 8.91 lakh was lying in the bank account.
6	Dumka	Zila School, Dumka	14/3.4.2002	15.76 lakh	1. No instructor was engaged during 2003-05. 2. Balance amount of Rs 3.61 lakh was lying in the bank account.
7	Dhanbad	Rajkiya Uchha Vidyalay, Dhanbad	Not purchased	Not purchased	No funds were provided to the school under the scheme.

It could be seen that instructors were not deployed although outsourcing was permissible and funds were also available which resulted in denial of basic computer education to the student.

Thus, though the scheme was to be implemented by January 2002, the same had not been implemented (October 2005) in any of the targetted districts even after incurring an expenditure of Rs 1.22 crore.

The matter was referred to the Government (June 2005); the reply had not been received (November 2005).

HOME DEPARTMENT

4.4.4 Diversion of Police Modernisation Fund

Un-authorised diversion of Rs 15.70 crore from Police Modernisation Fund

A proposal for the purchase of vehicles for raising the security carcade (cavalcade) and their use by the Governor, Chief Minister and other dignitaries was submitted (December 2004) by the Additional Director General of Police, Jharkhand to the Home Department, Government of Jharkhand. The State Level Empowered Committee (SLEC), headed by the Chief Secretary, Government of Jharkhand sanctioned (March 2005) Rs.15.70 crore for the purchase of 88 vehicles of different make/brand.

Scrutiny of records (July 2005), of the Director General of Police (DGP) and Home Department, Jharkhand revealed that the carcade (cavalcade) should have been raised from the funds of Cabinet Coordination. Instead, it was seen that Rs 15.70 crore was diverted irregularly from the Police Modernisation Fund without the approval of the cabinet. As per the state plan, this fund was intended for the construction of Deoghar and Lohardaga police lines and replacement of condemned vehicles of district fleet.

Besides the SLEC had accorded a sanction for the purchase of only 15 Maruti Baleno cars. Against this, 21 Balenos were purchased (March 2005) for which no approval was on record.

Thus, un-authorised diversion of Rs 15.70 crore in violation of the principles of budgetary control and in contravention of the guidelines of Police Modernisation Fund resulted in denying the benefit of housing to policemen of Deoghar and Lohardaga districts. Further, while the stated purpose was to raise the carcade (cavalcade) for VIP security, vehicles like Maruti Baleno and Ford Endeavour were purchased, which did not figure in the list of cars for carcade (cavalcade).

The matter was referred to the Government (September 2005); reply had not been received (November 2005).