

CHAPTER IV

SECTION - A AUDIT REVIEW

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PUBLIC WORKS (ROADS) DEPARTMENT

4.1 WORKING OF PUBLIC WORKS (ROADS) DEPARTMENT

HIGHLIGHTS

The Public Works (Roads) Department is responsible for construction of new roads and bridges as well as improvement and maintenance of existing ones. Budgetary and Expenditure Control in the department was deficient leading to unexplained excess expenditure. Large amount of funds was irregularly diverted from Capital to Revenue head. Inadmissible price escalation on road package work resulted in excess expenditure. Irregular and excess payment on road works were made. Stock accounts were not properly maintained and physical verification of stores was not conducted for more than 10 years. Manpower Management in the department was deficient.

Budget estimates were *ad-hoc* as these were prepared without inputs from the field offices.

(Paragraph 4.1.4.1)

Funds to Local Bodies were released without obtaining utilisation certificates and a sum of Rs 221.04 crore remained parked in Local Fund Accounts.

(Paragraph 4.1.4.3 (i))

Funds of Rs 50.39 crore received during 1997-1998 to 2001-2002 were parked in PW Deposits by two Resources Divisions.

(Paragraph 4.1.4.3 (ii))

Seven divisions (7) diverted Rs 14.85 crore from Capital to Revenue head of account.

(Paragraph 4.1.4.4 (i))

Four divisions incurred unauthorised expenditure of Rs 5.88 crore during 1986-2002 in excess of sanctioned estimates.

(Paragraph 4.1.5.3)

Construction of 3 bridges at remote places without approach road led to unfruitful expenditure of Rs 4.73 crore.

(Paragraph 4.1.6.2)

Inclusion of irregular clause on price escalation on diesel and bitumen contrary to Government instruction led to excess payment of Rs 1.47 crore.

(Paragraph 4.1.6.3)

The abbreviations used in this review have been listed in the Glossary in Appendix 44 (page 192)

Overspecification of tack coat and stabilisation coat resulted in excess consumption of bitumen in road works beyond the norms laid down by Indian Road Congress (IRC) leading to wasteful expenditure of Rs 84.70 lakh.

(Paragraph 4.1.6.4)

Physical verification of stock was not done in 9 divisions for the last 10 to 15 years. As a result, possibility of shortage due to misappropriation, theft etc. could not be ruled out.

(Paragraph 4.1.7.4)

Unproductive expenditure of Rs 2.50 crore was incurred on pay and allowances of 74 idle staff attached to defunct establishments.

(Paragraph 4.1.8.1)

4.1.1 Introduction

Public Works (Roads) Department (PWRD) was hived off (during 1960) from Public Works Department (PWD) for better management of road network and was responsible for execution and construction of new roads and bridges as well as improvement and maintenance of existing roads and bridges under its control. Length of different categories of roads in the State under the control of PWRD as of March 2002 was as under :

I)	National Highway (NH)	-	1,151.80 km.
II)	State Highway (SH)	-	1,160.20 km.
III)	Major District Road (MDR)	-	979.67 km.
IV)	Ordinary District Road (ODR)	-	3203.46 km.
V)	Village Road (VR)	-	4390.90 km.

4.1.2 Organisational Set up

Principal Secretary, PWD is in overall charge of the Department. He is assisted by 6 Chief Engineers (CE) posted at the Directorate. The CEs are assisted by 21 Superintending Engineers (SE) and 69 Executive Engineers (EE) at circle and divisional levels respectively.

4.1.3 Audit coverage

Functioning of the Department during the period 1997-2002 was reviewed in audit between September 2001 and April 2002 through scrutiny of records of 19¹ Divisional Offices, 8² Circle Offices and 3³ CEs Offices. Major audit findings are discussed in the following paragraphs.

¹ Barasat Highway-I&II, Bankura Highway, Bardhaman Highway-I&III, Bardhaman Mech., Dakshin Dinajpur Highway, Hooghly Highway-I, Jalpaiguri Highway, Malda Highway, Mechanical-II, Medinipur Highway-I, Nadia Highway-I, N.H-III&VIII, Resources-I&II, Highway Survey-IV and 24-Parganas Highway.

² Bridge and Planning Circle, Mechanical Circle-II, N.H. Circle-I&II, Resource Circle, State Highway Circle-I&II and State Highway Planning Circle.

³ CE (Roads), CE (NH) and CE & Director (RBRI).

4.1.4 Financial Management

Principal Secretary, PWD was the Controlling Officer who framed Annual Budget Estimates for the department and submitted it to the Finance Department (FD). FD authorised Chief Engineer (CE) to issue Letter of Credit (LOC) as a percentage of the annual budget allocation. Allotment of funds was also made to Circle Offices and Divisional Offices for drawal of fund from treasury to meet expenditure on regular establishment.

4.1.4.1 Preparation of Budget without input from field office

**Public Works
Division/Circles did
not submit/timely
submit budget
estimates**

West Bengal Budget Manual stipulated that Executive Engineers (EEs) were to submit their annual budget estimates to their respective SEs by September 15 each year and Superintending Engineers (SEs) thereafter prepared circle-wise budget estimates based on the reports of EEs and submitted the same to the respective CE by October 1 each year.

Scrutiny revealed that 6⁴ out of 19 Divisions and 6⁵ out of 8 Circles test-checked submitted their budget estimates after expiry of 31 to 545 days of the prescribed dates of submission during 1997-2002. Budget estimates in respect of 3⁶ Divisions and 2⁷ Circle Offices were not at all submitted. Consequently, the PWRD failed to submit its budget proposals to FD within the prescribed time and the FD prepared budget on *ad-hoc* basis. As a result the work programme of the department suffered.

No action was taken by the CE/PWRD/FD to ensure submission of budget estimates in time.

4.1.4.2 Budgetary Performance

Details of Budget Grant vis-a-vis Expenditure during last 5 years ending 31 March 2002 were as under :

Revenue Expenditure

Year	Budget Grant Grant No. 79	Actual expenditure	Excess (+) / savings (-) over budget grant	Percentage of Excess/ savings
(R u p e e s i n c r o r e)				
1997-1998	35.50	36.84	(+) 1.34	3.77
1998-1999	38.33	39.71	(+) 1.38	3.60
1999-2000	44.02	38.31	(-) 5.71	12.97
2000-2001	42.44	38.19	(-) 4.25	10.01
2001-2002	44.51	35.61	(-) 8.90	19.96

⁴ Bardhaman Mechanical, D/Dinajpur Highway, Jalpaiguri Highway, State Highway Survey-IV, Resources-I and 24-Parganas Highway.

⁵ Bridge Planning Circle, Resource Circle, NH Circle-I, State Highway Circle-II, Mechanical Circle-II and State Highway Planning Circle.

⁶ Malda Highway, NH- III & VIII.

⁷ NH Circle-II and State Highway Circle-I.

Capital Expenditure

Year	Budget Grant Grant No. 79	Actual expenditure	Excess (+) /savings (-) over budget grant	Percentage of savings
	(R u p e e s i n c r o r e)			
1997-1998	141.73	108.00	(-) 33.73	24
1998-1999	215.50	186.27	(-) 29.23	14
1999-2000	418.00	237.95	(-) 180.05	43
2000-2001	486.70	459.30	(-) 27.40	06
2001-2002	612.52	347.83	(-) 264.69	43
Total	1874.45	1339.35	(-) 535.10	

The above tables show substantial savings in all the years under Capital head and during 1999-2001 under Revenue head which were indicative of major deficiencies in preparation of budget. Despite increase in budgetary grant by Rs 125.82 crore during 2001-2002, the expenditure came down substantially resulting in savings of Rs 264.69 crore.

Reasons for such savings and excess were not furnished by the department.

4.1.4.3 Parking of fund

Fund released to local bodies irregularly parked in local fund - Rs 221.04 crore

i) PWD and PWRD released Rs 337.29 crore (separate figures of release by PWRD were not available) in favour of Zilla Parishads/Municipalities/Municipal Corporations as Grants-in-Aid for improvement and strengthening of the roads under the control of both the departments. Out of Rs 337.29 crore drawn by the Local Bodies during 1999-2002, Rs 116.25 crore only was spent up to March 2002 and the balance of Rs 221.04 crore was irregularly parked by the offices concerned in Local Fund Accounts. Though funds were transferred from PWRD to Local bodies for construction of roads, the same were not utilised. Thus, the department had released funds every year without ensuring proper utilisation of funds released during earlier years.

Resources divisions parked Rs 50.39 crore received for procurement of materials in PW Deposits during 1997-2002

ii) Advance of Rs 50.39 crore (vide Appendix 41) received for procurement of materials (cement, steel, bitumen, etc.) during 1997-2002 were not utilised by the Resources Divisions during the respective financial year. The amounts were kept in PW Deposit.

Divisions withdrew fund through self-cheques to avoid lapse of budget grant

iii) Records of 11⁸ divisions revealed that the EEs drew Rs 5.57 crore by drawing self-cheques at the fag end of the year to avoid lapse of budget grant.

⁸ Bankura Highway, Barasat Highway-I, Bardhaman Mech., Bardhaman Highway-III, Dakshin Dinajpur Highway, Hooghly Highway-I, Jalpaiguri Highway, Medinipur Highway-I, Nadia Highway-I, NH-III and 24-Parganas Highway.

4.1.4.4 *Diversion of fund*

i) *Ineffective LOC system*

Seven divisions diverted Rs 14.85 crore from Capital to Revenue head

Scrutiny revealed that 7⁹ divisions incurred revenue expenditure (3054-Other expenditure-non-plan-27-maintenance) of Rs 14.85 crore (1997-1998: Rs 1.82 crore, 1998-1999: Rs 6.53 crore, 1999-2000: Rs 4.50 crore, 2000-2001: Rs 2 crore) on repair and maintenance in excess of the LOC received. The excess expenditure was met by unauthorisedly diverting the fund from the savings under the Capital head (5054-C.O on Roads and Bridges), meant for original work.

ii) *Excess expenditure on Office Expenses*

Six divisions incurred excess expenditure of Rs 11.22 lakh for office expenses by diversion of fund

Review of records revealed that 6¹⁰ divisions incurred excess expenditure of Rs 11.22 lakh during 1997-2001 towards office expenses by utilising funds provided through LOC for execution of work.

iii) *Excess expenditure on Deposit Work*

Seven divisions incurred excess expenditure of Rs 9.46 crore over deposit received

Scrutiny revealed that 7¹¹ divisions incurred excess expenditure of Rs 9.46 crore up to March 2002 in respect of 51 Deposit Works by diverting funds.

4.1.5 *Control over expenditure*

4.1.5.1 *Rush of expenditure in March*

There was endemic rush of expenditure (26 to 42 *per cent* of total expenditure) during March as shown below :

Year	Total works expenditure during the year	Expenditure incurred during March	Percentage of expenditure in March to total expenditure
	(Rupees in crore)		
1997-1998	60.69	15.74	26
1998-1999	74.44	30.96	42
1999-2000	91.68	34.91	38
2000-2001	149.03	45.61	31

Scrutiny further revealed that funds released through LOC during last quarter of the financial year ranged between 30 and 70 *per cent*. Release of fund at the fag end of the financial year was indicative of deficient financial planning.

⁹ Bankura Highway, Hooghly Highway-I, Jalpaiguri Highway, Medinipur Highway-I, Nadia Highway-I, NH-III & VIII.

¹⁰ Barasat Highway-I, (Rs 1.07 lakh), D/Dinajpur Highway (Rs 0.69 lakh), Hooghly Highway-I (Rs 0.06 lakh), Nadia Highway-I (Rs 6.87 lakh), Resources -II (Rs 0.63 lakh) and 24-Parganas Highway (Rs 1.90 lakh).

¹¹ Barasat Highway-I, Bardhaman Highway-III, D/Dinajpur Highway, Malda Highway, Medinipur Highway-I, NH-III and 24-Parganas Highway.

4.1.5.2 Non-reconciliation of CTI and CTR

Certificate of Treasury Issues (CTI) and Consolidated Treasury Receipts (CTR) were to be prepared monthly by EE after reconciliation with the Treasury and the same were to be submitted to the Accountant General (Accounts and Entitlement) along with monthly accounts. Scrutiny revealed that CTI and CTR were not reconciled since January 1973 and March 1972 respectively in 13¹² divisions though the matter was pursued regularly by issuing observation memo on monthly accounts by Accountant General (Accounts and Entitlement) and also through Inspection Reports. Thus, the possibility of fraud, misappropriation, etc. due to non-submission of CTI and CTR could not be ruled out.

4.1.5.3 Excess expenditure over sanctioned estimate

Scrutiny revealed that in 4¹³ divisions, there was unauthorised expenditure of Rs 5.88 crore in excess of sanctioned estimate in respect of 12 works executed during 1986-2002. No action was initiated by EEs to get the excess expenditure approved by higher authorities.

Expenditure of Rs 5.88 crore was incurred by 4 divisions without sanction

4.1.5.4 Non-maintenance of accounts records under Suspense head

i) As per codal provisions, Suspense Register for Purchases, Stock, Miscellaneous Public Works Advance (MPWA), etc. were required to be maintained with item wise details so that outstanding balances under these heads could be watched/monitored properly and cleared by timely adjustment. Scrutiny of records of 14¹⁴ divisions revealed that the EEs did not maintain any such records though there were huge outstanding under Suspense heads during 1997-2001 as shown below :

Suspense head	As on	As on	As on	As on
	31.03.1998	31.03.1999	31.03.2000	31.03.2001
	(R u p e e s i n c r o r e)			
Purchase	27.23	32.75	32.72	32.72
Stock	14.75	13.27	12.09	12.33
MPWA	9.80	10.34	11.77	14.27
CSSA (Old)	3.33	5.34	5.34	5.34
CSSA (New)	1.70	4.56	5.72	5.29

Non-maintenance of Suspense Register resulted in the accounts not being transparent and also led to suppression of irregular expenditure.

Moreover, scrutiny of balance kept under MPWA of Medinipur Highway Division-I revealed that the Division maintained a balance of Rs 43.04 lakh as of March 2002, being sales on credit effected more than 10 years back. The Divisional Officer did not keep proper records for such credit sales which merits investigation.

¹² Barasat Highway-I, Bardhaman Highway-III, D/Dinajpur Highway, Hooghly Highway-I, Highway Survey-IV, Jalpaiguri Highway, Malda Highway, Mech.-II, Medinipur Highway-I, Nadia Highway-I, NH-III&VIII and 24-Parganas Highway.

¹³ Bankura Highway, Mechanical -II, Medinipur Highway -I and National Highway-III.

¹⁴ Bankura Highway, Barasat Highway -I, Bardhaman Highway -III, D/Dinajpur Highway, Hooghly Highway-I, Highway Survey-IV, Jalpaiguri Highway, Malda Highway, Medinipur Highway -I, Nadia Highway -I, NH-III & VIII, Resources-II and 24-Parganas Highway.

4.1.5.5 High Administrative Expenditure

Scrutiny revealed that the department incurred establishment expenditure ranging between 22 and 38 *per cent* of works expenditure during 1997-2002 as detailed below :

Year	Works expenditure	Expenditure on regular establishment	Expenditure on work charged establishment	Total expenditure on establishment	Percentage of total establishment expenditure over works expenditure
1997-1998	177.23.	25.46	41.42	66.88	38
1998-1999	253.83	36.16	40.27	76.43	30
1999-2000	462.02	40.46	62.29	102.75	22
2000-2001	529.14	69.90	94.35	164.25	31
2001-2002	657.03	69.06	77.97	147.03	22

Thus, administrative cost ranged between 22 and 38 *per cent* of works expenditure as against the norm of 10 *per cent*.

4.1.6 Execution of work

4.1.6.1 Award of contracts without inviting tender

Two divisions allotted 196 works valued at Rs 53.02 lakh without calling tenders

Scrutiny revealed that EEs of Bankura Highway Division and National Highway Division-III executed both original and repair works exceeding their powers of Rs 10000 in 196 cases and paid Rs 53.02 lakh between May 1997 and January 2002 without calling tender/quotation and also in violation of prescribed annual limit of Rs 1,00,000 for a division.

4.1.6.2 Unplanned execution of work

Two divisions incurred unfruitful expenditure of Rs 4.73 crore on 3 bridges due to delay in execution of approaches

Scrutiny of records in 2 divisions revealed that construction of 3 bridges were undertaken in remote localities to benefit the villagers to meet their daily needs (Education, Health, Food, etc.). The bridges were completed between June 1997 and September 2000 at a cost of Rs 4.73 crore, but due to non-completion of approaches the benefit of these bridges did not accrue to the villagers.

Sl. No.	Name of Work	Division	Expenditure incurred (Rs in lakh)	Date of completion of bridge proper	Importance of the bridges
1.	Bridge over Bagjola Khal at 10 th km of Lowhati-Bhangar Bazar Road.	Barasat Highway-I	Rs 44.88	June 1997	Main communication link for most interior localities.
2.	Construction of reinforced cement concrete cast in situ bored pile foundation bridge over river Tulai on Mohipaldighi-Udaypur Road.	Dakshin Dinajpur Highway.	Rs 70.53	September 2000	Large number of people of remote villages adjacent to the Border of Bangladesh are delinked from daily necessities of health, medicine and transport.
3.	RCC well foundation bridge over river Punarbhava at Amtalighat on Malda-Balurghat Road.	Dakshin Dinajpur Highway.	Rs 357.13	December 1999	Economic upliftment of the villagers of remote localities.
Total :			Rs 472.54		

Thus, completion of bridges, without approaches, even after lapse of 24 to 63 months of their completion led to unfruitful expenditure of Rs 4.73 crore.

4.1.6.3 *Inadmissible price escalation on road works*

Price escalation of Rs 1.47 crore was allowed due to inclusion of irregular provision for escalation in the tender

Government of West Bengal approved (January 2000) a scheme under loan assistance from the Housing and Urban Development Corporation (HUDCO) for improvement of at least two important (roads) corridors in each district on an urgent basis in such a manner that no maintenance and repair work would be required on those improved roads in next three years. Accordingly, PWRD was directed to act so as to utilise such loan assistance in the best manner for timely completion of the schemes with satisfactory quality. It was categorically stated that no price escalation would be allowed in execution of the work.

In pursuance to above, 5¹⁵ SEs executed (March 2000) six agreements for widening, strengthening and improvement of 5 roads at a negotiated cost of Rs 77.80 crore for completion of works by January 2001. All the works except one were completed in January 2001. The contract provided an escalation clause contrary to Government instruction and as a result the contractors were allowed price escalation of Rs 1.47 crore towards increase in the cost of diesel and bitumen. Divisional Officers stated (April 2002) that payments were made as per provision in the agreement. Reply was not tenable in view of inclusion of escalation clause in the agreement in violation of the Government order.

4.1.6.4 *Wasteful expenditure due to non-adherence to the Indian Road Congress specification*

Four divisions incurred wasteful expenditure of Rs 84.70 lakh for non-adherence to IRC specification

According to IRC specification tack coat should be applied on existing road surface by using bituminous emulsion at the rate of 2.5 kg per 10 sq m (m²) in case of existing bituminous road surface and at the rate of 4 kg per 10 sq m for non-bituminous road surface (WBM surface). Further, stabilisation coat over a low porosity surface viz. Water Bound Macadam (WBM) was required to be laid with 6 to 9 kg per 10 sq m of hot matrix.

Scrutiny revealed that 4¹⁶ divisions executed the item tack coat over an area of 15.30 lakh sq m with straight run bitumen using 5 kg per 10 sq m instead of 2.5 kg per 10 sq m through 61 contractors during 1998-2001 resulting in excess consumption of bitumen valuing Rs 42.07 lakh. Further 3¹⁷ divisions executed the items of stabilisation coat over an area of 3.68 lakh sq m with straight run bitumen using 18 kg per 10 sq m instead of maximum 9 kg per 10 sq m through 51 contractors during 1998-2002 which also resulted in excess consumption of bitumen valuing Rs 42.63 lakh. Thus, utilisation of bitumen in road work in excess of norm laid down by IRC resulted in avoidable excess expenditure of Rs 84.70 lakh.

¹⁵ State Highway Circle-I, II, III, IV & V.

¹⁶ Bankura Highway, Hooghly Highway, D/Dinajpur Highway and Medinipur Highway -I.

¹⁷ Bankura Highway, Hooghly Highway and Medinipur Highway-I.

4.1.6.5 *Extra payment for non-executed portion*

Excess payment of Rs 34.36 lakh made for non-executed portion of 710 metre of State Highway

In January 2001, SE/SHC-IV entered into an agreement with an agency for “Improvement and Strengthening of Moinaguri-Changrabandha-Cooch Behar Road” under loan assistance from HUDCO (2nd phase) for a length of 31 km in Jalpaiguri and Cooch Behar districts at an agreed cost of Rs 15 crore (at the rate of Rs 48.40 lakh per km) for its completion by May 2001. Out of total length of 31 km, the work for first 18.50 km was entrusted to Jalpaiguri Highway Division and the balance 12.50 km to Cooch Behar Highway Division. The agency completed the work in November 2001 and was paid full contractual amount of Rs 15 crore in March 2002.

Scrutiny revealed that the agency did not have to execute road works for a total length of 710 metre (314 metre for bridge proper, 388 metre previously covered by mastic asphalt and 8 metre for existence of bye-pass). The Divisional Officer allowed the payment for the entire length of 31 km including the non-executed portion of 710 metre which resulted in excess payment of Rs 34.36 lakh recoverable from the agency.

The EE did neither furnish any reply nor initiate any recovery action.

4.1.6.6 *Unreasonable execution of repair works*

Execution of repair works in same stretch during currency of permanent nature of work led to unreasonable expenditure of Rs 10.45 lakh

In April 1999, the SE, SHC-I awarded the work “Widening and Strengthening of Gobardanga-Gopalpurhat Road” (3 to 8.80 km) in North 24-Parganas to two contractors at a total cost of Rs 1.96 crore for completion by March 2000 and the agencies completed the work in time. While the work was in progress, repairing and restoration work on the same stretch of the road was executed through separate tenders between February and March 2000 at a cost of Rs 10.45 lakh through other agencies. As the work of widening and strengthening was composite and permanent in nature, there was hardly any scope for execution of repair work in same stretch by another agency during the pendency of the original contracts. Thus, execution of repair work for Rs 10.45 lakh during strengthening work on the same stretch was doubtful.

Divisional Officer stated (September 2001) that strengthening work was executed after widening of existing road and repair and restoration work was done before strengthening of the road. Reply was not tenable since repairing work was done when the strengthening work was almost completed. Besides, repair and restoration was a pre-requisite to strengthening work covered under original contract.

4.1.7 *Material Management*

Purchase procedure

The Resources Divisions received LOC from the Chief Engineer on the basis of advance payment made by the working divisions for procurement of materials. Bitumen was purchased directly from Indian Oil Corporation Limited (IOCL) and cement through West Bengal Essential Commodities Supply Corporation Limited (ECSCCL), a Government of West Bengal

undertaking. Steel materials are procured from the leading manufacturers through open tender/quotation. Only cationic emulsion was procured by the executing division through open tender as and when required.

4.1.7.1 Holding of excess store

Stock held by 6 divisions was 72 to 7862 per cent in excess of RSL

Review of monthly accounts revealed that in 5 Divisions value of closing stock at the end of each year during 1997-2001 ranged between Rs 30.45 lakh and Rs 2.22 crore against Reserve Stock Limit (RSL) of Rs one lakh to Rs 15 lakh. In one division the stock held ranged between Rs 1.72 crore and Rs 2.79 crore against the RSL of Rs one crore. The details are in Appendix 42.

Besides procurement of materials in excess of requirement at the fag end of the year, non-closing of stock account annually with adjustment of profit and loss for years together played a major role in accumulating such huge balance under stock account. Some instances showing procurement of materials in excess of requirement of the divisions are detailed below:

Name of the Division	Opening Balance as on 01.04.2000				Purchase at the end of 2000-2001				Closing Balance as on 31.03.2001				Total value of Closing Stock (Rupees in lakh)
	Cement	Steel	Bulk Bitumen	Packed Bitumen	Cement	Steel	Bulk Bitumen	Packed Bitumen	Cement	Steel	Bulk Bitumen	Packed Bitumen	
	(in tonnes)												
Burdwan Divn.I	---	27.50	46.45	56.60	---	101.79	61.96	385.69	---	100.92	62.114	90.25	31.85
NH-III Divn. Durgapur	40.90	---	---	0.53	2180	---	---	377.32	188.20	---	---	90.15	15.11
Bankura Highway Division	---	---	---	687.60	---	---	---	796.58	---	---	---	756.78	82.64

In view of such excess procurement the possibility of misappropriation/theft besides damage of materials due to prolonged storage could not be ruled out.

4.1.7.2 Irregular maintenance of Stock Account

Records of 13¹⁸ divisions revealed that the sub-divisions did not send the annual return of stock, consequently the divisional offices also could not close their stock account for more than 15 years. Thus correctness of the value of stock held by the divisions could not be ascertained.

4.1.7.3 Non-maintenance of Priced Stores Ledger

The numerical quantities with their values showing opening balances, receipts, issues and closing balances were to be kept in Priced Stores Ledger (PSL) by the divisions. Posting in ledger was also subject to periodical reconciliation with the Ledger/Bin Cards maintained in the sub-divisions to ensure correctness. None of the 19 divisions maintained PSL. Due to non-reconciliation of balances, errors of misposting/non-posting of receipts/issues of stores, if any remained undetected.

¹⁸ Bankura Highway, Barasat Highway -I&II, Bardhaman Highway-I&III, D/Dinajpur Highway, Hooghly Highway -I, Jalpaiguri Highway, Malda Highway, Medinipur Highway -I, Nadia Highway-I, NH-III and 24-Parganas Highway.

4.1.7.4 *Absence of physical verification of stock and stores*

As per codal provision physical verification including surprise check of divisional stores was required to be conducted once in a year.

Physical verification of stores of nine divisions were not conducted for 10 to 15 years

Scrutiny of records revealed that although stock of materials valuing Rs 11.80 crore were held by 9¹⁹ divisions as of March 2001, the annual physical verification of the same was not conducted for last 10 to 15 years as a result of which the correctness of stock balance could not be ensured and their physical condition also could not be ascertained. Possibility of loss due to theft and pilferage in store could not be ruled out. Proper monitoring at CE and SE level was lacking although this irregularity was being reported regularly through Inspection Reports of Accountant General (LBA).

4.1.7.5 *Non-disposal of unserviceable materials*

Nine divisions did not dispose of survey reported materials worth Rs 67.62 lakh

Old and unserviceable bitumen drums (121391 numbers) in 9²⁰ Divisions test-checked were survey reported long back between September 1987 and March 2001 with their reserve price fixed at Rs 67.62 lakh. But the same were not disposed of by the divisions.

4.1.8 *Human Resource Management*

The manpower of an organisation should be so utilised that optimum output is derived and desired goals and objectives are achieved. The Directorate had a sanctioned strength of 2017 technical staff with men in position of 1765 as of March 2002. Information on sanctioned strength as well as men in position of the Directorate in respect of non-technical staff was not made available. However, review of men in position revealed that 269 technical and 2324 non-technical staff including work charged staff were in the establishment of 17²¹ Divisions as of March 2001. Ratio of deployment in technical and non-technical staff at field level was 1:9 which was very high. Moreover, divisions had a large number of non-technical staff particularly road majdoor and road mate with no work. Thus, it was evident that deployment of staff was not reviewed from time to time on the basis of actual requirement of manpower. Deficiencies in utilisation of manpower has been discussed in subsequent paragraphs.

¹⁹ Bankura Highway, Barasat Highway -I, Bardhaman Highway -I, Hooghly Highway-I, Malda Highway, Medinipur Highway -I, Nadia Highway -I, NH-III and 24-Parganas Highway.

²⁰ Barasat Highway-II, Bankura Highway, Bardhaman Highway-III, D/Dinajpur Highway, Jalpaiguri Highway, Malda Highway, Nadia Highway-I, National Highway-VIII, 24-Parganas Highway.

²¹ Barasat Highway-I & II, Bardhaman Highway - I & III, Bardhaman Mechanical, D/Dinajpur Highway, Hooghly Highway-I, Jalpaiguri Highway, Malda Highway, Mechanical-II, Nadia Highway, NH-III & VIII, Resources-I & II, State Highway Survey-IV and 24-Parganas Highway.

4.1.8.1 Unproductive expenditure on idle staff

Retention of sub-divisions and sections without work resulted in unproductive expenditure of Rs 1.81 crore on pay and allowances of idle staff

(a) National Highway Divisions were entrusted with construction and maintenance of National Highways (NHs) in West Bengal. Scrutiny revealed that National Highway Authority of India (NHAI) took charge of some stretches of NH held by one Sub-Division in 1998-1999 and two Sections in 2000-2001 under NH Division-III and NH Division-VIII respectively. Consequent upon such transfer of works, NH divisions continued to retain establishment of those offices without any work for years together instead of winding up the same and thus incurred an unproductive expenditure of Rs 1.81 crore up to March 2002 on pay and allowances of 65 idle staff.

Unproductive expenditure of Rs 68.83 lakh towards pay and allowances of staff attached to condemned HMP

(b) Ministry of Road Transport and Highways provided a Parker Hot Mix Plant (HMP) to the PWRD, (Medinipur Mechanical Division), for construction and maintenance of National Highways in West Bengal. The HMP stopped functioning from 1997 due to major breakdown. The Chief Engineer decided to dispose off the HMP as it had outlived its economic life, but it was not disposed off till July 2002 for want of willing purchaser at the minimum reserve price. The department also incurred expenditure of Rs 4.72 lakh from 1997-1998 to 2001-2002 for its security.

Thus, expenditure of Rs 68.83 lakh on pay and allowances of 9 idle staff attached to the idle plant during the period from March 1997 to March 2002 was infructuous.

4.1.9 Poor utilisation of road rollers

PWRD had a fleet of road rollers for construction, repair and maintenance of roads. Test check of log books of 117 road rollers of 11²² divisions revealed that the road rollers were underutilised. Considering 240 working days in a year the under utilisation of road rollers ranged between 71 to 73 per cent during 1997-2001 as detailed below :

Year	Number of road-rollers	Total working days	Days utilised	Number of days each road-roller used	Percentage of under utilisation
1997-1998	80	19,200	5214	65	73
1998-1999	116	27,840	7393	64	73
1999-2000	137	32,880	9503	69	71
2000-2001	136	32,640	9130	67	72

During this period 5²³ divisions incurred an unfruitful expenditure of Rs 7.08 lakh on account of fuel and lubricants for idle run of road rollers for their proper upkeep besides pay and allowances of one driver and one cleaner.

From the above it was noticed that PWRD did not properly utilise road rollers which was due to lack of planning and improper management. Moreover,

²² Bankura Highway, Bardhaman Highway-III, D/Dinajpur Highway, Hooghly Highway, Jalpaiguri Highway, Malda Highway, Medinipur Highway-I, Nadia Highway -I, NH-III&VIII and 24-Parganas Highway.

²³ Barasat Highway -I, Bankura Highway, Hooghly Highway-I, Medinipur Highway -I and NH-III.

allowing executing agencies to utilise their machinery further reduced the prospect of proper utilisation of departmental road-rollers.

4.1.10 Quality Control Management

4.1.10.1 Poor utilisation of services of Road and Building Research Institute (RBRI)

The RBRI headed by a Director in the rank of Chief Engineer was established in 1952 at Kolkata for quality control/assurance, investigation study, research and development work and to impart training to field engineers and technical personnel. The institute had also test laboratories for soil, road construction materials, chemical and bitumen.

Records disclosed that during 1997-2002 the institute conducted 145 tests and collected fees Rs 15.75 lakh. In order to achieve objectives of quality control and also to enhance the activities of the State Laboratories, Director of Central Roads Research Institute, New Delhi (CRRI) advised (November, 2000) that certain percentage of tests be made mandatory for contractors to get conducted through State Research Laboratory by incorporating necessary changes in the Contract Clauses. Till date no such clause for compulsory tests in RBRI has been inserted in the contract document by PWRD.

The institute had the annual capacity for imparting training to 180 trainees in 6 courses during a year. But during 1997-2002 it could train only 244 field staff and 20 Engineering students in 7 training courses. Thus, the institute could utilise only 30 *per cent* of its capacity for imparting training.

Moreover, no Research Project was undertaken by the institute. The institute had a post of Chief Research Officer (CRO) whose services were utilised merely as a DDO.

Thus, the objectives of the institute were not achieved even after incurring expenditure of Rs 3.34 crore.

4.1.11 Monitoring and Evaluation

4.1.11.1 Absence of monitoring in execution of work

Monitoring Cell was created in 1980 to assist the CE in dealing with matters relating to budgets and to keep and update records of activities of the department and also to monitor the overall performance.

The Monitoring cell is headed by one SE, one Assistant Engineer and one Sub-Assistant Engineer besides non-technical staff like stenographer, computer operator, etc.

Scrutiny revealed that the monitoring cell only collected data regarding physical and financial progress of the schemes/projects and compiled statistical data of different roads and bridges under the department. Monitoring in the field level was not done. Evaluation on impact of implementation of schemes/projects was also not done. Hence the purpose of creation of

Monitoring Cell was defeated although an average expenditure of more than Rs 10 lakh per annum was being incurred on establishment towards collection and maintenance of data.

4.1.11.2 Inadequate inspection by Supervisory Officers

SEs and EEs did not conduct periodical inspection of divisions/ sub-divisions

SEs and EEs were required to conduct annual inspection of divisions and sub-divisions under their control. Divisional Accountants (DA)/Divisional Accounts Officer (DAO) were also required to inspect the sub-divisional offices each year. Test check revealed that out of 15 test-checked divisions only one division was inspected by SE and remaining 14 Divisions were not inspected during the period varying from 2 to 18 years although expenditure incurred by these divisions was Rs 614.28 crore during 1997-2002. Similarly, out of 49 sub-divisions under 15 divisions, 6²⁴ sub-divisions were not inspected by the EEs as well as by DAOs since inception. Twenty eight (28) sub-divisions were not inspected during a period ranging from 6 to 17 years and only 15 sub-divisions were inspected during 1997-2002.

4.1.11.3 Lack of response to outstanding Inspection Reports and Paragraphs

Audit observations on financial irregularities of a division noticed during local audit were communicated to the heads of the offices and to the next higher authorities through Inspection Reports while serious irregularities were reported to the Government through Audit Reports. The position of outstanding paragraphs of Inspection and Audit Reports at the end of the year 2001-2002 was as under :

As on 31 December, 2002

A	Numbers of Inspection Reports (IR).	285
B	Number of IR paragraphs.	835
C	Number of Audit Report paragraphs for which reply not received. (1 of 1985-1986 , 2 of 1999-2000 and 4 of 2000-2001)	07

Only 6 Audit Committee meetings were held by the Principal Secretary, Public Works Department during the last 5 years (1997-2002). 835 paragraphs contained in 285 IRs could not be settled for want of specific reply from Chief Engineer and Government as of December 2002.

²⁴ Baguihati Highway Sub-Divisions, Barasat Bridge Sub-Division, Balurghat Highway Sub-Division, Buniyadpur Highway Sub-Division, Krishnanagar Highway Sub-Division-I & II.

SECTION – B
AUDIT PARAGRAPHS

IRRIGATION AND WATERWAYS DEPARTMENT

4.2 Extra expenditure due to delay in payment of land compensation

Failure of the Chief Engineer to provide fund for payment of land compensation within due date of award led to increase in market value of land and payment of accumulated interest at higher rate resulting in avoidable extra expenditure of Rs 63.83 lakh.

Land Acquisition Collector (LA Collector), North 24-Parganas acquired (April 1977) 6.305 acres of land in Mouza-Bisarpara and Gouripur in North 24-Parganas district under West Bengal Land (Requisition and Acquisition) Act, 1948 (West Bengal Act-II of 1948) for Executive Engineer (EE), Urban Drainage Division for construction of a branch channel in connection with Nowi Basin Drainage Scheme. The acquisition was notified in July 1985. LA Collector assessed (December 1994) compensation at Rs 27.71 lakh (value of land – Rs 12.75 lakh, interest – Rs 10.52 lakh and requisition compensation – Rs 4.44 lakh) based on the date of notification for payment to the land owners. The Department sanctioned the estimate of compensation in January 1995 but the EE could not make payment as Chief Engineer (CE) did not provide requisite fund till March 1997 despite repeated requests (July 1995 to August 1996) from EE and the Superintending Engineer. Payment of compensation by March 1997 was crucial because tenure of West Bengal Act-II of 1948 was due to expire by that time and the rate of compensation was likely to increase under the new Act. CE did not take any action in the matter although Deputy Secretary of the Department had categorically informed (August 1996) him about expiration of the validity of Act-II in March 1997.

As the LA case was not settled within the currency of Act-II, LA Collector issued fresh notification in March 1997 under the provision of the new Act called Land Acquisition (West Bengal Amendment) Act, 1997 which, *inter alia*, stated that settlement of land will be governed by the Act prevailing at the time of payment of compensation. Compensation payable was computed afresh taking the new uniform rate of interest at 12 *per cent* from the date (April 1977) of acquisition to April 1999, which worked out to Rs 1.66 crore. The land value had gone up to Rs 55.15 lakh with interest element mounting to Rs 1.11 crore. The compensation was paid in three instalments between February 2000 and August 2000.

Meanwhile another amendment called the Land Acquisition (West Bengal Amendment) Act, 1999 came into force and the amount of compensation was computed afresh in compliance with the Hon'ble High Court's order (September 2001) as Rs 91.54 lakh (12 *per cent* interest on current land value from the date of notification to date of handing over + 12 *per cent* additional

compensation on land value from date of possession to day before issue of notification).

Chief Engineer stated (April 2002) that due to inadequacy in budget provision, Executive Engineer could not be provided with the fund. The reply was not tenable since Appropriation Accounts for 1996-1997 revealed saving of Rs 5.02 crore under different drainage schemes under Plan Sector.

Lack of seriousness of CE in arranging fund in time delayed payment of compensation resulting in avoidable extra expenditure of Rs 63.83 lakh.

The matter was referred to the Chief Engineer in June 2001. No response has been received from him. The matter was also referred to Secretary, Irrigation and Waterways Department demi-officially in April 2002. No reply has been received (December 2002).

4.3 Undue financial aid to a contractor

Executive Engineer, Malda Irrigation Division provided unjustified additional lead for carrying boulders in Ganga Anti-erosion Works leading to extra expenditure of Rs 28.42 lakh in the shape of undue financial aid to a contractor.

Chief Engineer-II awarded (April 2001) two anti-erosion works – one for re-modelling of marginal embankment for repelling spur of 300 metre length (Work No.1) and another for protection of spur No.18 from its tagging point with marginal embankment towards nose-point of 200 metre length (Work No.2) at Panchanandapur of Malda district to Mackintosh Burn Limited (a Private Company) after negotiations at an aggregated cost of Rs 7.85 crore (15 per cent premium over the aggregate estimated cost of Rs 6.82 crore). The works were to be completed within 30 June 2001. The works were completed in August 2001 at an aggregate cost of Rs 6.40 crore.

The scope of the two works, mainly included execution of stone boulders pitching (3263 cum) on the top and slope of entire bank and laying of boulder filled in wire-netted sausages (10199 cum) over boulder dumped apron (58955 cum) along the bottom line of the bank slope.

The contract provided supply of stone boulders at work site (Rs 712.90 per cum) for a quantity of 54119 cum in respect of Work No.1 and 18298 cum in respect of Work No.2, alongwith a provision of five and three additional leads respectively of 30 metre each or part thereof (Rs 9.20 per cum) for carrying the boulders from stacking point to working point. Executive Engineer (EE), Malda Irrigation Division stated (May 2002) that the additional leads were provided in the estimates in consideration of average working distance. The EE paid Rs 26.01 lakh for work No.1 and Rs 4.80 lakh for work No 2 for five and three additional leads against supply of 49159 cum and 15136 cum boulders respectively.

Audit scrutiny revealed that the labour charges for dumping in apron and filling in sausages were inclusive of charges for carrying boulders by head load upto a distance of 100 metre. Since the average working distances of Work No.1 and 2 were 150 metre and 100 metre respectively, the additional leads were admissible for the proportionate quantity utilised beyond the initial lead of 100 metre. As such, the contractor was to be allowed one additional lead for 9675 cum and two additional leads for 6450 cum in respect of Work No.1 and no additional lead in respect of Work No.2. Payment towards additional leads of Rs 30.81 lakh by the EE against the admissible amount of Rs 2.39 lakh for dumping in apron and filling in sausages was, therefore, an undue financial aid to the contractor.

Wrong application of leads by the EE, thus, resulted in extra expenditure of Rs 28.42 lakh.

The above matter was referred to the Chief Engineer in May 2002. The matter was also referred to Secretary, Irrigation and Waterways Department demi-officially in June 2002. No reply has been received (December 2002).

4.4 Excess payment due to faulty estimates

Executive Engineer, Alipurduar Irrigation Division adopted higher rate of royalty and cess charges in the supply rate of stone boulders during estimation of flood damage repair/restoration works resulting in excess payment of Rs 30.76 lakh.

Executive Engineer (EE), Alipurduar Irrigation Division issued 43 work orders to different contractors between March 2000 and January 2001 for repair and restoration of the damaged embankments of different rivers of Jalpaiguri district during flood of 1999 and 2000 at a total tendered cost of Rs 3.32 crore. The works were completed between September 2000 and March 2001 at a total cost of Rs 3.26 crore.

The estimate of the works prepared by the EE and approved by the Member (Execution), North Bengal Flood Control Commission (NBFCC), mainly included different items of laying of loose stone boulders (30 kg to 40 kg) and wire netted boulder sausages in apron at top and slope of the embankment at the rates ranging from Rs 295 to Rs 711 per cum. While computing the composite rate of each item, the EE considered it in three parts : (1) cost of boulders, comprising quarrying, loading to truck at quarry site, unloading and stacking at work site and royalty and cess charges payable to the Land and Land Reforms (L&LR) Department of State Government, (2) variable cost of carriage of boulders from quarry site to work site and (3) labour charges for execution of the item of work. The contractors, in all, supplied 48969 cum boulders for execution of works and were paid Rs 2.43 crore (inclusive of labour charges).

Scrutiny in audit revealed (June 2001) that the EE included royalty and cess charges at Rs 88 in cost of each cum of boulders, although the contractors were required to deposit only Rs 25.18 per cum to L&LR Department towards royalty. This led to excess payment of Rs 30.76 lakh to the contractors for supply of 48969 cum boulders.

Executive Engineer/Member (Execution), NBFCC could not furnish any reason for faulty preparation of estimates disregarding the appropriate rate of royalty and cess.

The above matter was referred to the Chief Engineer in August 2001. No response has been received. The matter was also referred to Secretary, Irrigation and Waterways Department demi-officially in August 2002. Reply is awaited (December 2002).

4.5 Overpayment to the contractor and additional liability

Overpayment of Rs 1.61 crore to M/s. Makintosh Burn Limited due to acceptance of higher rate, faulty analysis of unit rate and also non-revision of rate following deployment of high yielding excavator.

The Superintending Engineer (SE), Metropolitan Drainage Circle (MDC) awarded (February 2001) the work of re-excavation from 24.384 km to 28.956 km of Nowi Khal in the district of North 24-Parganas by mechanical dredger as a part of the 'Development of Comprehensive Drainage System in Calcutta Metropolitan Areas', to Makintosh Burn Limited (MBL) at their offered rate of Rs 6.77 crore finalised through negotiation without observing any tender formalities. As of July 2002, the MBL re-excavated 262628 cum of silted earth for which the company was paid Rs 4.01 crore till March 2002.

The mutually agreed rate of earth work estimated for re-excavation of 443634 cum of silted earth was Rs 152.55 per cum. The rate included hire charges of mechanical dredger and its operation and maintenance cost, disposal of dredged material at a distance of 600 metres, onetime mobilisation and demobilisation cost of machineries and all incidental charges plus 12 *per cent* overhead and profit.

Audit scrutiny revealed that the MBL while analysing the rate (Rs 152.55 per cum) included onetime fixed expenses for mobilisation of machines with monthly variable expenses. SE, MDC without scrutinising the rate analysis recommended the rate to Government for acceptance.

The monthly variable cost component in the accepted unit rate was Rs 133 per cum and onetime fixed cost component was Rs 19.53 per cum. The analysed rate was rounded off to Rs 152.55 per cum. to arrive at the accepted unit rate. The fixed cost component in the unit rate should have been Rs 5.33 per cum considering the total estimated volume of work (443634 m³). This fixed cost component per cum would further decrease, if the volume of work exceeds

estimated quantity. But the payment was allowed on the accepted unit rate (Rs 19.53 per cum) resulting in overpayment of Rs 37.29 lakh on work executed and paid for, with an additional liability of Rs 25.70 lakh for the balance unexecuted tendered quantity.

Further, variable cost component (Rs 133 per cum) was arrived at considering engagement of JCB-3D excavator having excavation capacity of 27 cum per hour per machine, operational cost being Rs 850 per hour. However, as per contractual provision MBL would charge higher operational cost of Rs 1350 per hour if Tata Hitachi/Poclain excavator having excavation capacity of 48.6 cum per hour per machine, was deployed. Scrutiny revealed that MBL executed earth work (186586 m³) with the help of one Tata Hitachi and one Poclain. As excavator with higher excavation capacity was used, variable cost per cum came down to Rs 86 per cum. But EE, urban Drainage Division allowed payment at the accepted rate of Rs 133 (variable cost) without any revision for use of higher capacity excavator which resulted in overpayment of Rs 1.23 crore.

Thus, acceptance of higher rate without proper scrutiny and non-revision of rate for deployment of higher capacity excavator led to overpayment of Rs 1.61 crore besides liability of Rs 25.70 lakh on the left over work.

The above matter was referred to the Chief Engineer in May 2002. No response was received. The matter was referred to Secretary, Irrigation & Waterways Department demi-officially in August 2002. Reply is awaited (December 2002).

PUBLIC WORKS DEPARTMENT

4.6 Inadmissible price escalation on road works

Executive Engineer, Barasat Division irregularly paid Rs 91.24 lakh on account of variation in price of bitumen and diesel due to inclusion of escalation clause in the tender in contravention of the government order.

Superintending Engineer (SE), Eastern Circle awarded (May 2000) the work of strengthening/improvement of Barasat-Basirhat-Hasnabad road for a stretch of 55 km in North 24-Parganas district to M/s. A at the tendered cost of Rs 16.41 crore for completion by January 2001. The work was in progress and the contractor was paid Rs 18.26 crore which included Rs 91.24 lakh for price variation on diesel and bitumen as of November 2002.

Audit scrutiny revealed (February 2002) that the contract provided an escalation clause contrary to the Government instruction that no price escalation would be allowed in execution of work, and as a result the Executive Engineer (EE), Barasat Division allowed (November 2002)

payment of Rs 78.22 lakh and Rs 13.02 lakh on account of variation in price of bitumen and diesel respectively.

Thus, inclusion of escalation clause in the tender in contravention of Government order and payment of Rs 78.22 lakh and Rs 13.02 lakh towards variation in price of bitumen and diesel respectively, was irregular.

The above matter was referred to the Chief Engineer in March 2002. No response was received. The matter was referred to Secretary, Public Works Department demi-officially in May 2002. Reply is awaited (December 2002).

4.7 Avoidable extra expenditure

Execution of unnecessary item, use of excess quantity of material and extra payment resulted in avoidable extra expenditure of Rs 33.68 lakh.

Superintending Engineer (SE), South Western Circle, Medinipur awarded (February 2000) the work of strengthening and upgradation of Bankura-Durgapur Road for a length of 42 km to M/S. Amrita Lal Chatterjee for completion at a negotiated price of Rs 10.43 crore by January 2001. Specification accepted for the work was to conform to MORT&H¹ norms. The work was completed in April 2001 and the contractor was paid Rs 9.93 crore as of June 2002.

Scrutiny of records revealed inadmissible and extra payment of Rs 33.68 lakh to the contractor as mentioned below :

i) Cleaning of the road surface was necessary before application of tack coat preparatory to bituminous construction over it. As per PWD Schedule of Rates item rate for tack coat included cost of cleaning and no separate payment was admissible for cleaning. But, SE allowed payment of Rs 1.32 lakh.

ii) Clause 503 of MORT&H specification provided for use of liquid bitumen emulsion/cut back at the rate of 2.5 kg to 3 kg per 10 Sqm. area for tack coat but the contractor used hot bitumen at 5 kg/10 Sqm. area for tack coat on :

(a) road surface (220155.66 Sqm.) before laying lean bituminous macadam (LBM), (b) LBM surface (220108.406 Sqm.) before spreading bituminous macadam (BM) and (c) BM surface (220052.036 Sqm.) before semi-dense bituminous carpet was laid and was paid at Rs 9 per Sqm. area against the rate of Rs 6.15 per Sqm. area for 3 kg bitumen emulsion/10 Sqm.

Again, according to the said clause 503, tack coat on freshly laid bituminous course was not needed when another bituminous course was overlaid

¹ MORT&H - Ministry of Road Transport and Highways.

immediately. As the execution of the work was carried on continuously, laying tack coat on LBM surface by the contractor before applying BM was superfluous.

Use of higher quantity hot bitumen in tack coat than necessary and application of unnecessary tack coat binder on LBM surface resulted in avoidable extra payment of Rs 32.36 lakh besides an extra liability of Rs 3 lakh (Rs 2.94 lakh for tack coat and Rs 0.06 lakh for cleaning) for the remaining work.

Government stated (August 2002), *inter alia*, that cleaning work as provided in the estimate was a thorough and special cleaning of existing old surface by use of mechanical device. Regarding use of higher quantity of bitumen, Government further stated that straight non-bitumen at the rate of 5 kg per 10 Sqm. was used considering non-availability/restricted availability of cationic emulsion in bulk from open market. Besides, difference in the cost of 3 kg bituminous emulsion per 10 Sqm. and 5 kg straight run bitumen per 10 Sqm. was either very negligible or nil.

The reply was not acceptable since the rate provided in the Schedule of Rates (SOR) included thorough cleaning of surface. So no separate item for cleaning should have been accepted while approving the estimate. Regarding difference in the cost of 3 kg bituminous emulsion and 5 kg straight run-bitumen per 10 Sqm., the rates were Rs 5.70 and Rs 9.10 per Sqm. respectively and the total extra payment involved was Rs 33.68 lakh.

4.8 Wasteful expenditure due to non-observance of IRC guidelines beyond the terms of the contract

Superintending Engineer, North Bengal Construction Circle No. II accepted the specification of the contractor for road works in violation of the contractual terms and allowed him to use excess bitumen in work resulting in wasteful expenditure of Rs 65.68 lakh.

Superintending Engineer (SE), North Bengal Construction Circle No.II engaged (March 2000) a contractor for the work of strengthening/improvement of 55 km long Fulbari (Siliguri)-Jalpaiguri-Moinaguri Road based on schedule of work and specification submitted by the contractor at the tendered cost of Rs 19.21 crore for completion by January 2001. The work was completed in July 2001 and the contractor was paid Rs 18.75 crore till April 2002 (final bill was yet to be finalised).

According to the contract, mode of execution of the work was to conform to current IRC² guidelines. But in disregard of these guidelines contained in 'Specification for Road and Bridge work (Third Revision)' effective from August 1995, the contractor adopted the specification with use of higher quantity of bitumen. The SE without consulting the IRC guidelines accepted

² IRC – Indian Road Congress.

the tenders based on that specification. Use of higher quantity of bitumen led to wasteful expenditure of Rs 65.68 lakh as detailed below :

Sl. No.	Item of work	As per IRC Specification	As per Specification accepted	Quantity executed	Extra payment made to the contractor (Rs in lakh)
1.	Application of tack coat before laying 50 mm thick lean bituminous macadam as profile corrective course.	3 kg per 10 m ² of bitumen emulsion/cut back @ Rs 5.70 per m ²	5 kg per 10 m ² hot bitumen @ Rs 9.10 per m ²	378311 sqm.	12.86
	Application of tack coat before laying 70 mm thick bituminous macadam as binder course.			373978 sqm.	12.72
	Application of tack coat before laying 20 mm thick semidense bituminous concrete as wearing course.			373712 sqm.	12.70
2.	75 mm thick bituminous macadam as binder course.	3 to 3.5 per cent by weight of total mix	4 per cent by weight of total mix	373978 sqm.	27.40
				Total :	65.68

Thus, acceptance of specification of work with higher quantity of bitumen in disregard of IRC specification resulted in wasteful expenditure of Rs 65.68 lakh.

The above matter was referred to the Chief Engineer in February 2002. No response was received from him. The matter was referred to Secretary, Public Works Department demi-officially in May 2002; reply is awaited (December 2002).

PUBLIC HEALTH ENGINEERING DEPARTMENT

4.9 Undue favour to contractor due to irregular revision of rate

Unjustified cancellation of tenders and revision of rates by the Executive Engineer, Eastern Mechanical Division led to undue favour of Rs 34.24 lakh to the contractor.

Executive Engineer (EE), Eastern Mechanical Division entrusted (July 2000) the work of operation, maintenance and guarding (O&M) of 369 pump motors of 253 water supply schemes of North 24-Parganas, Nadia and Murshidabad districts for one year, for the period from August 2000 to July 2001, at a total tendered cost of Rs 2.17 crore. The cost was based on departmental rate of Rs 154 per day for each pump motor plus contractual premium.

The three Superintending Engineers (SE) of Mechanical Wing of the department decided in July 2000 to enhance the rate of O&M to Rs 226 per day in pursuance of the departmental instruction enhancing the prevailing rate of daily wage of contractors' labour from Rs 48 to Rs 65.

In order to implement the departmental decision, EE terminated (August 2000) all the contracts from September 2000 and entered into fresh agreements for 370 pump motors with the same contractors at an aggregate tendered cost of Rs 3.15 crore for the period from September 2000 to August 2001 through fresh tenders.

Scrutiny in audit revealed that the departmental rate of Rs 154 per day for O&M included daily wages and bonus for two labourers respectively at Rs 48 and Rs 4 each. But during revision of the rates, the SEs did not only enhance daily wages and bonus as per departmental instruction but also increased other components like inspection and supervision charges and lump sum cost of minor repair though increase in the rates of these components was not envisaged in the departmental order and, therefore, revision of their rates was not called for. The actual revised rate thus worked out to Rs 196. As the initial contracts were valid up to July 2001, the rates of daily wages and bonus could well have been revised within the scope of the contracts and, therefore, cancellation of original contracts was not necessary.

Unjustified cancellation of original contracts with irregular revision of the rates of some items thus led to undue favour to the contractors to the tune of Rs 34.24 lakh.

Government stated (May 2002) that other components like Inspection and Supervision also involved labour component and prorata upward revision of rates was fully justified, and on the face of Government order fresh tender on revised estimate giving effect to the increase in minimum wages were invited to avoid delay in its implementation. Reply was not acceptable since effect of increase in minimum wages could have been given to agency through negotiation restricting the same to wages and bonus of the pump operators without inviting fresh tender.

4.10 Loss due to departmental lapses in pre-work survey and investigation

Failure of the Department to ascertain technical feasibility of operation of rig in a coal mine area before drilling operation led to damages to the rig resulting in loss of Rs 30.86 lakh on repair of the rig and wages of the idle operating staff.

Executive Engineer (EE), Central Mechanical Division (Division) took up (March 1999) drilling operation at a site near Kalipur Free Primary School to provide drinking water by creation of spot sources through rig bored tubewell in Kalipur Mouza in Bardhaman district. The site was within a coal mine area.

The division took up the drilling operation with Halco rig but water strata was not available upto a depth of 273 feet when it abandoned the borehole. During withdrawal of rig and its accessories from the abandoned borehole, inflammable gas came out and burnt out all the hoses, hydraulic system and control unit and damaged the rig. The division repaired the rig at a cost of Rs 16.83 lakh during April 1999 to May 2000, besides, utilisation of spares worth Rs 3.88 lakh supplied by UNICEF. Further, the department suffered a loss of Rs 0.16 lakh towards damaged pipe, fuel and lubricant and also incurred an unfruitful expenditure of Rs 9.99 lakh towards idle wages of operating staff during the period of repairing.

Audit scrutiny revealed that the EE did not ascertain the technical feasibility of tapping suitable aquifer zone before undertaking drilling operation at the site. The EE also did not obtain any data regarding water in either from Surface Water Investigation Directorate (SWID) of State Government/Central Ground Water Board (CGWB) or ascertained the same by trial boring and electrologging process. Moreover, the EE did not consult Geological Survey of India (GSI) or Eastern Coal Field Limited (ECL) for safe operation of rig in a coal mine area.

Thus, operation of rig in a coal mine area without ascertaining the technical feasibility of its safe operation and availability of water strata led to an avoidable loss of Rs 30.86 lakh to the Government.

The above matter was referred to the Chief Engineer in October 2000. No response was received by May 2002. The matter was also referred to Secretary, Public Health Engineering Department demi-officially in June 2002. No reply has been received (December 2002).