

## CHAPTER-9

### AUDIT OF WORKS AND ENGINEERING WING

#### **9.01 INTRODUCTORY**

- (i) The transactions of Works and Engineering Wing are centrally audited by the Accounting authority to the extent they are reflected in the documents forming part of monthly compiled accounts. In respect of the month or months selected for detailed check, transactions of the wings for that month or those months will be re-audited by Audit Parties and will be verified with reference to connected initial records, apart from test-checking all the initial records maintained by the wing.
- (ii) The points to be covered during audit of initial registers/records peculiar to the Work and Engineering Wing are detailed in this Chapter.
- (iii) Audit Parties should pay special attention to points, if any, marked for local verification in the Division, by Headquarters.

#### **9.01.01 Records to be maintained by Engineering Wing:**

- (i) The Engineer shall keep the following documents with respect to his charge:
  - (a) Copies of all standard plans of buildings; and
  - (b) Complete plans, details of works, the estimated expenditure as also actual expenditure incurred etc.
- (ii) The Assistant Engineer shall keep in his section the following documents with respect to his charge:
  - (a) The name of the work;
  - (b) The date of commencement of work;
  - (c) The date of completion of work; and
  - (d) The estimated expenditure as well as actual expenditure incurred.

#### **9.01.02 Classification of Public Works:**

**Original Works:** comprise all new constructions;

**Repairs or maintenance work:** comprise works to maintain in proper conditions of the buildings, roads etc.

### **9.01.03 Approval and sanction of Public Works:**

#### **1. Administrative approval:**

Application for Administrative approval shall be submitted to the competent administrative authority. Administrative approval shall not be accorded until the concerned engineer has satisfied himself that the proposals are technically sound and the preliminary estimate is sufficiently correct. No such approval is required if the work is chargeable under petty repairs.

#### **2. Technical sanction:**

For every work, except petty repairs, a detailed estimate shall be prepared for sanction by the competent authority.

#### **3. Expenditure sanction:**

When the expenditure is within the budgetary provisions of the relevant head, the Sanctioning Authority is competent to sanction. Otherwise, the proposal shall be referred to the Government for sanction of Funds, if necessary, by re-appropriation.

#### **4. Commencement of the Work:**

No work shall be commenced and no liability shall be incurred until; administrative approval has been obtained; detailed design and estimates have been sanctioned; expenditure sanction has been accorded; allotments of Funds has been made; and, orders for the commencement have been issued in writing by the Executive Officer. Mere provision in the budget estimate shall not mean any authorization for the commencement of the work.

#### **5. Documents and estimates for works:**

The papers to be submitted with the project for a work shall consist of A report; A specification and detailed statement of measurements; and, Quantities and rates, together with an abstract statement showing the estimated cost of each item. In the case of estimates for 'repairs or maintenance', only the specification and the detailed statement of measurements and quantities with the abstract shall ordinarily be required. The statement of detailed measurement shall include the measurement of land for which compensation shall have to be paid.

### **9.02 Works Cash Book**

- (i) Entries of receipts in Cash Book should be checked with counterfoils of receipts to see that an officer has invariably granted receipts for the amounts received authorized to issue them. Some of the Receipts, which are traceable in other records, such as account sales, tool registers, Register of Inspection Bungalow fees, etc., should be verified with the entries in such records.

- (ii) It should be seen in audit that:-
  - a) cash realized is not utilized for expenses by the Wing or Sub-Wings; and
  - b) all receipts are promptly paid into the Treasury/Bank or at least before the end of the month to which they relate, by verifying the entries and acknowledgments of the Treasury/Bank in the Remittance Register/Bank Challans.
- (iii) Payment entries in the Cash Book should be compared with vouchers and traced into works abstracts or Register of Works. It should be verified that:-
  - a) entries in the Cash Book are in chronological order;
  - b) there are no cases of interpolation;
  - c) Cash Book is posted daily with clear details of the service or work for which a cheque is issued; and
  - d) the Head of Office checks the Cash Book frequently and attests the entries therein.
- (iv) It should be checked that self-cheques are drawn only for meeting petty expenditure and making cash payments in certain cases, e.g. wages of labourers and work charged establishment and value payable postage and that Engineering Officers make all other payments through A/c Payee cheques issued to the parties concerned.

### **9.03 Imprest Accounts:**

The following points should be seen:-

- (a) Imprests are checked and recouped punctually before the Cash Book for the account month is closed and amounts of imprests are not unduly excessive.
- (b) There are no avoidable delays in the adjustment of outstanding Temporary Advances.
- (c) Imprests are not sanctioned by the Competent Authority in excess of prescribed limits.
- (d) Certificates of Cash Balances in imprest accounts are given after actual count.
- (e) Receipts from imprest holders have been obtained and filed for imprests outstanding on 31<sup>st</sup> March.
- (f) Payments are not made from imprest Holder's private cash
- (g) Imprest accounts are properly scrutinized by the Competent Authority before recouping the imprest.

### **9.04 Paid Cheques:**

- (a) Paid cheques should be checked in detail with counterfoils and the Cash Book to see that cheques have been drawn in favour of the actual payees and payments have been actually made to persons entitled to receive them.
- (b) Endorsements made on cheques should be connected with the acquittance on the voucher or vouchers and it should be seen *inter-alia* that no employee figures in them as an endorsee.
- (c) Endorsements and acknowledgments of the payees on the cheques do not give rise to any suspicion of fraudulent payment.
- (d) Corrections, if any, on the cheque counterfoils or the memoranda of balance on the

- reverse of the cheque do not disclose any financial irregularity or over-drawal.
- (e) Counterfoils of used cheque books are returned promptly to the Office for record and certified as checked by the Accountant.
  - (f) Used cheque books are destroyed after the lapse of the prescribed period of preservation.

**9.04.01 Hand Receipts:**

Payments made on hand receipts supported by detailed measurements should be scrutinized carefully to see that such cases are not large in number. It should also be seen that these payments have been debited to the contractors both in their ledger accounts and in the works abstract concerned and have been eventually recovered from the contractor's bills.

**9.05 Road Metal Account**

**9.05.01** In order to facilitate the consolidation or repairs of a road it is customary to collect and stock metal on the side of the road. In such cases, quantitative account of the metal so collected in each kilometer of road, is maintained in the Measurement Book, showing receipts, issues and monthly balances of material in hand.

**9.05.02** During audit, receipts shown in the account should be checked with the relevant vouchers and work abstracts for metal collection and the issues with those of metal consolidation or maintenance. It should be seen that balances remaining in each kilometer have been correctly worked out and expenditure incurred on collection has been finally charged off to the estimates concerned in accordance with the relevant rules.

**9.05.03** It should be verified that copies of loose sheets containing quantity accounts of road metal maintained in the Sub- Office have been submitted monthly to main office within a fortnight of submission of monthly accounts, as prescribed and that there are no arrears in this regard.

**9.05.04** It should be seen that a responsible officer has checked balances of road metal by actual measurement and results of verification have been recorded in the Measurement Book with a note explaining discrepancies between the book and actual balances.

**9.05.05** It should be verified that the Road Metal Rate Book (Road Register) is properly maintained up to date. The standard rates noted in the book should be compared with the rates actually paid in the bill for metal collection. It should also be seen that there is no omission to include kilometer of road.

**9.05.06** As it is required to conform to the sanctioned kilometer wise allotments for particular roads, it should be seen during audit that the kilometer rates have not

been exceeded in the case of road works.

#### **9.06 Tools and Plant Accounts:**

It should be seen that receipts and issues and the Registers of Tools and Plant are posted up to date and entries in these accounts for the selected months agree with those in the Annual Return.

#### **9.07 Tenders and Connected Records- Notice Inviting Tenders:** The points to be seen in audit are as follows:-

- (i) The notice has been properly prepared in the correct form in accordance with instructions laid down in this regard.
- (ii) It is based on the sanctioned estimate and there is on record an analysis of rates (data sheet) for each item not covered by the schedule of rates.
- (iii) It has been approved by the authority competent to accept tenders.
- (iv) Reasons have been recorded for any deviation in description of the items of work from that found in the sanctioned estimates or from the approved designs and drawings.
- (v) No condition provided for in the approved Tender Notice has been omitted to be included in the tenders.
- (vi) If any correction not incorporated in the approved Tender Notice has been subsequently made in the tender documents, it has been done only with the sanction of the competent authority.

#### **9.07.01 Register of Tenders:** It should be seen that:-

- (i) all the tenders received and opened by the Competent Authority are entered in the Register of Tenders in the prescribed form;
- (ii) the total number of tenders in each case agrees with the number of tenders included in the comparative statement in the form prescribed and
- (iii) Instructions issued in this behalf have been followed by the Office while maintaining the register.

#### **9.07.02 Tenders:** Tenders received including the rejected ones should be checked to cover the following points:-

- (i) Wide publicity was given while calling for tenders and due period of notice allowed consistent with the magnitude of the work put to tender.
- (ii) In the case of construction of buildings, there is no undue delay in calling for tenders for Electrical, Sanitary and Water Supply Works connected with the buildings and tenders for these services are invited simultaneously with the award of the building contract so as to synchronize the completion of the building with that of the services.
- (iii) When tenders are invited for transportation of materials, wide publicity was given by sending copies of Notifications Inviting Tenders to a large number of

private Lorry Transport Agencies. Such tenders were called for and finalized well in time before the commencement of the year for which the contract operates.

- (iv) Tenders have been issued only to registered contractors and in each case of issue to unregistered contractors, proper authority exists.
- (v) Tender documents conform to all stipulations specified in the approved Notice Inviting Tenders and there are no deviations.
- (vi) Cost of tender forms and sales tax, if any, has been received before issue and credited to revenue.
- (vii) Tenders have been received in the prescribed form in sealed covers.
- (viii) Tenders have not been sold after the expiry of last date notified for issue of tenders.
- (ix) All tenders bear the dated initials of the officer opening them.
- (x) Rates have been quoted by the tenderers both in figures and words and they have not been over-written or changed without attestation by the tenderers.
- (xi) Conditions prescribed regarding earnest money deposits have been followed strictly.
- (xii) It has been certified in the tenders that the stipulated Earnest Money Deposit has been received in one of the prescribed forms and accepted by him.
- (xiii) Delays in acceptance of tenders are avoided as they are likely to result in the successful tenderer demanding higher rates on the ground that the rates tendered were no longer workable/valid;
- (xiv) All other formalities to be observed as prescribed have been properly observed.
- (xv) Comparative statements in each case have been got correctly prepared, checked and certified by the Accountant.
- (xvi) In the case of contracts accepted after negotiations, negotiations have been conducted by the authority competent to do so and they have been done in accordance with the procedures laid down.

### **9.07.03 Register of Agreements**

It should be seen that:-

- (i) the Register is maintained properly in the prescribed form;
- (ii) accepted tenders have been properly entered in the Register in serial order and a number is allotted to each agreement.
- (iii) all the columns have been filled in and the date of actual completion of the works noted in the relevant column as soon as each contract is completed;
- (iv) all the agreements entered in the Register are physically available in guard files in the safe custody of the official authorized to keep them ; and
- (v) copies of all agreements accepted by higher officers are sent to the Accounts wings of the Local body.

### **9.07.04 Agreements**

Points to be seen in audit are mentioned below:-

- (i) Agreements have been entered into by an officer authorized to do so
- (ii) They are correct and complete in all respects and both the parties have signed each page of all the documents forming the contract agreement.
- (iii) There is no ambiguity in the various clauses incorporated in the agreements and both the parties have attested all corrections, additions and alterations.
- (iv) The contracts include all the necessary documents like a complete set of necessary drawings, specification of the work to be done and the materials to be used, a schedule of the quantities of the various descriptions of work including a schedule of items with rates and a set of the conditions of contract to be complied with.
- (v) Rates at which the materials are to be supplied to the contractors are properly filled in and place of delivery is clearly indicated in the schedule attached to the agreements.
- (vi) An Agreement Bond in proper form is obtained on stamped paper in all cases, as prescribed.
- (vii) Agreements for large works are not accepted in piecework agreement forms.
- (viii) Several contracts have not been given out for the same work, the estimated value of each contract being within the power of acceptance, unless such action has the prior approval of the competent authority.
- (ix) In cases referred to in (viii) above, the same person has not been awarded two or more contracts, unless permitted by procedures prescribed.
- (x) All modifications/amendments to conditions of contract issued by Government up to the date of issue of Notice Inviting Tenders have been incorporated in the contract agreement.
- (xi) No tender work is let out for execution before a proper contract agreement is executed therefore and a written order to commence work is invariably issued to the contractor and his acknowledgement obtained.
- (xii) Proper supplementary agreement on stamped paper is obtained from the contractor whenever extra items of work are entrusted to him.
- (xiii) In case of piecework agreements, rates provided for are correct with reference to the schedule of Rates, current for the year, in which the agreement is got executed.
- (xiv) Security Deposit as prescribed for performance of contract has been furnished by the successful tenderer and accepted by the Competent Authority before the agreement is concluded.
- (xv) There were clear provisions for penal measures for failure to execute the work according to the prescribed schedule within the stipulated period.

**9.07.05 Register of Bills Received**

It should be seen that:-

- (i) the register is posted regularly and correctly;
- (ii) an abstract is drawn up at the end of each month showing Opening Balance, Receipts, Total, Disposals and Closing Balance; and

- (iii) scrutiny of causes for any unusual delay in passing of bills does not reveal any serious irregularities in the execution of work, supply of materials, etc.

#### **9.07.06 Work and supply Bills:**

The points to be covered generally during the check of paid work and supply bills for the selected month/months are as follows:-

- (i) Quantities paid for are traceable with the supporting details in the record of measurements (Measurement Book) quoted in the vouchers.
- (ii) In each case the record of measurement itself is in order.
- (iii) Rates at which several items of work or supply shown in a voucher were paid for are in accordance with the terms and conditions of the relevant agreement, order, etc., or as per schedule or rates, as the case may be.
- (iv) Terms and conditions of the agreement had been duly sanctioned by competent authority before the liability was incurred and the agreement itself is in order.

The following detailed checks should be exercised in respect of these vouchers as well as final bills, if any, relating to large contract works paid during the period covered by Audit:-

- a. Measurements of work done have been properly recorded and they have been test checked by the superior officers.
- b. When stack measurements of stone, metal, boulders, manure, etc., are recorded, necessary deductions for voids have been made.
- c. Arithmetical calculations of the measurements are correct.
- d. Total quantities as worked out in the Measurement Book and abstracted for payment agree with those actually billed and there are no discrepancies.
- e. If any part rates have been allowed in a running account bill, reasons for doing so are recorded and full rates have not been paid for incomplete items of work.

#### **9.07.07 Excess Quantities**

It should be seen that the quantities actually executed as paid for in the work bill do not exceed the quantities stipulated in the agreement and valid reasons are placed on record in case of excess quantities and approval of the competent authority as prescribed has been obtained therefor. Special attention should be paid to items where the contractors have quoted abnormally high/low rates. Final rates sanctioned for excess quantities should be examined with reference to the relevant terms and conditions of the contract agreement.

#### **9.07.08 Extra and substituted Items**

Points to be seen are as follows:

- (i) Extra/substituted items were really necessary and were not covered by the scope of the provisions in the agreement;
- (ii) Such items have been sanctioned by the competent authority to do so;
- (iii) The extra items executed are such that they could not be anticipated and not those omitted from plans and estimates for tendering.

- (iv) The rate paid for them has been correctly assessed in accordance with the contract and Schedule of Rates.

#### **9.07.09 Extension of time**

The following points are to be seen.

- (i) Extension of time has been justified and recommended by the Work-in-charge on valid grounds.
- (ii) Extension of time has been granted by the authority competent to do so.
- (iii) In case of any default on the part of the contractor (stoppage, non-completion of work, etc.), penalty has been levied on him in terms of the contract.
- (iv) Remedial action has been promptly taken in cases of departmental lapses contributing to slow progress, stoppage, non-completion of work, etc.

#### **9.07.10 Periodical Inspection/Technical Report on Works**

The reports of inspection of works periodically by the higher departmental authorities should be studied by the audit party as such reports would indicate progress of the work, reasons for slow progress and any defects observed in the execution of the work. It should be verified that suitable steps have been taken as instructed in such reports regarding progress of work and rectification of defects by the contractor, etc. Similarly, the reports of the Technical Audit Cell, if any, set up by the competent authority, should be seen to ensure that any recoveries pointed out by the cell have been recovered from the contractor's bills and other points raised in the reports are attended to expeditiously.

#### **9.07.11 Recovery Statements for Materials issued to contractors**

The following points should be checked:-

- (i) The up-to date issues of materials as shown in the statements are correct as per actual issues and as per unstamped acknowledgments obtained from the contractors.
- (ii) Recovery of cost is correctly made at the rates stipulated in the agreement.
- (iii) Material, which have not been stipulated in the agreement, have been issued to contractors only after obtaining orders of the competent authority and after the issue rate and date of delivery are decided.
- (iv) Material-at-site account is maintained properly in accordance with the instructions issued in this behalf.
- (v) Debit for the cost of materials supplied has been correctly computed and posted in Contractor's Ledger and unless ordered otherwise, all recoveries due are made from each running account bill and the ledger balances are fully cleared at the time of making final payments to the contractor.
- (vi) The theoretical statement for consumption of materials such as cement, etc; has been prepared on the basis of actual work done.

- (vii) Materials have not been issued in excess of requirements.
- (viii) Action has been taken to take back on completion of the work, any materials found to have been issued in excess of the theoretical requirements.
- (ix) In case excess quantities of materials are not returned to stores, recoveries on this account are made from the contractor's bills as stipulated in the contract agreement.

**9.07.12 Contractors' Bills for Work done**

- (a) Name of the contractor and reference to the agreement and work order are given in the vouchers.
- (b) Number and page of the Measurement Book and the date on which the measurements were recorded are indicated in the space provided for the purpose in the bill form.
- (c) Full particulars of quantities or work done are furnished clearly in the vouchers.
- (d) Vouchers are accompanied by statements of recoveries towards cost of materials supplied by the department and towards hire charges for tools and plant etc; hired to the contractors.
- (e) In respect of payments to piecework contractors or others under contracts, where there is a clear indication that the agreed rates are at par with or at a percentage above or below the Schedule of Rates, rates paid in vouchers are verified with Schedule of Rates.
- (f) Cost of materials supplied to piecework contractors for works is recovered in cash and not by recovery from their work bills.
- (g) Acknowledgment of the payee is given for the gross amount i.e., amount paid through cheque plus the recoveries effected and not for the net amount of the bill.
- (h) Bills relating to contract agreements where tenders are accepted by authorities higher than the Competent Authority, should be checked with reference to the contract agreements concerned carefully and in a comprehensive manner. Some of the more important points to be covered during audit of such vouchers are as follows:-
  - (i) Rates paid for tendered items are those specified in the contract agreement. Rates payable for quantities exceeding the tendered quantities, for extra items and for non tendered items have been regulated strictly in accordance with the relevant terms and conditions of contract;
  - (ii) Any large variations between the tendered quantities and the quantities actually executed should be enquired into, especially when the rates quoted by the contractor are abnormally higher or lower than the estimated rates for such items;
  - (iii) Extra and non-tendered items should be scrutinized to ensure that these were really beyond the scope of the original contract;
  - (iv) The total value of work done or supplies made with reference to contracts accepted does not exceed the limit upto which he is empowered to accept tenders for works or supply of materials;
  - (v) The correctness of the previous payment recorded in the bill is verified with reference to the earlier bill. Whether payments on running account bills have been

- linked from the first payment till final payment is made, by noting the number and date of the present voucher on the previous bill, should be verified;
- (vi) When payments are made for dismantling old work or for renewals and replacements, a certificate is recorded by the Work in-charge that serviceable materials have been accounted for and taken to stock for eventual disposal;
  - (vii) There are no deviations from the terms and conditions of the contract and in respect of transactions not covered by the agreement, the relevant rules are strictly followed;
  - (viii) Arithmetical calculations in respect of individual items and totals are correct and deductions towards further Security Deposit, Cost of materials supplied, Hire charges of vehicles, etc; Income Tax, Sales Tax, etc., have been made from the gross amount of the bill;
  - (ix) Whether the voucher bears the dated initials of the Accountant in token of his having exercised the preliminary checks as prescribed and whether certificates required to be recorded on the bill by the Engineering Officers at different levels have been recorded properly and in a complete manner.

**Special points to be seen in the audit of final bills of contractors are as follows:-**

- (i) appropriate form of final bill has been used;
- (ii) the contractor has added in his own handwriting that the payment is “**IN FULL SETTLEMENT OF ALL DEMANDS**”;
- (iii) a statement in the prescribed Form, showing the materials issued to the contractor and used on the work is enclosed to the bill.;
- (iv) there is no loss of materials or improper issue to the Contractor or improper use of materials by him. Cost of materials is recovered at rates specified in the contract agreement but rates to be charged for materials supplied for additional or altered items of work for which tender rates are not paid, are those reckoned for arriving at the rates payable for such items of work in terms of the agreement;
- (v) the arithmetical accuracy of calculations in the Statement of Materials is ensured. All the materials issued including those supplied free of cost are included in this statement. Quantities of items of work shown in the bill are tallied with those paid in the bill and the quantities of materials are tallied with those shown in the Statement of recoveries of cost of materials;
- (vi) reasons for variations between theoretical consumption and actual consumption of materials in each case as shown in the Statement of Materials are examined to see whether they are indicative of any sub-standard work justifying payment at a lower rate than that agreed to. If consumption is found to be in excess of the permissible limit, recovery of cost of excess quantity has to be made at penal rates in accordance with the terms of the contract agreement and provisions of relevant rules and orders; and
- (vii) the engineering Officer furnishes a certificate to the effect that there are no outstanding dues from the contractor on the final bill as all dues from the contractor are to be settled before payment of the final bill.

### **9.07.13 Bills for Refund of Deposits**

The following points are to be covered in the audit of these vouchers:-

- (a) A certificate that the fact of refund has been noted against the original entry in the cash book and other accounts (so as to make the entertainment of a double or erroneous claim impossible) is furnished by the officer.
- (b) Voucher No. and Month of Refund against the original credit entry is noted in the relevant schedule of Deposits and certificate to this effect is recorded on the refund Voucher.
- (c) Amount paid is correctly refundable to the payee.
- (d) In the case of refund of security deposits to contractors, refund is made after satisfying the conditions of contract and after expiry of the period specified therein. Reference to the Cash Book, Voucher No. and Month of Payment of the final bill of the contractor concerned is given on the Refund Voucher.

### **9.07.14 Muster Rolls**

Muster Rolls are the initial records of labour employed on a work. They are always retained in the concerned office and are not sent to any other office. It should be seen in audit that Muster Rolls are maintained in machine numbered forms in accordance with prescribed instructions.

Points to be covered during check of muster rolls are as follows:-

- (i) Payments have been made by officers empowered to do so and witnessed by some representative of the public.
- (ii) Charges are solely on account of labour wages, Wages of peons and similar employees are not included in muster rolls as such employees form a part of the regular establishment for which a separate and distinct sanction is required.
- (iii) Designations of the labourers employed as noted in the muster rolls indicate that they are specifically connected with execution of the work concerned.
- (iv) Charges have been correctly allocated.
- (v) Payments of wages have not been unduly delayed.
- (vi) Balance of wages remaining unpaid has been carried over to the arrears register and agrees with the corresponding entries in the Register of works.
- (vii) Number of labourers employed each day as per the muster roll agrees with those shown in the corresponding daily labour reports.
- (viii) In the case of casual labour, sanction for employment of such labour exists.
- (ix) Duplicate copies of muster rolls are not prepared and separate rolls have been prepared for each period of payment.
- (x) A Register of Muster Roll Forms as per proforma prescribed is maintained properly by the officers concerned and proper acknowledgements are taken and kept on record when muster rolls are issued to authorized subordinates.
- (xi) The system followed does not give scope for muster rolls being misused.

### **9.08 Measurement Books:**

#### **9.08.01**

Measurement Book is one of the most important initial records of an Engineering Wing, wherein all measurements relating to works and stores are recorded and based on which all bills for work/stores are prepared and paid. It should be seen

during audit that the maintenance and upkeep of Measurement Books are in accordance with the prescribed rules.

**9.08.02 Register of Measurement Books**

It should be seen that:-

- (i) This Register showing issues from and return to the office is page-numbered;
- (ii) It is maintained properly; and completed measurement books are kept in the custody of the Wing and preserved for the prescribed number of years after the completion of the works recorded in the books and duly destroyed thereafter. The stock of unused measurement books in the office should be checked with the register to see that none are missing. Cases of missing books, if any, should be investigated at once and if any book cannot at all be located, it should be seen that the Engineering Officer has referred the matter promptly to the competent authority for orders.

**9.08.03** During the scrutiny of Measurement Books it should be seen that:-

- (i) details of measurements are clearly recorded and entries in the column of contents or area have been invariably made in ink and have not been made in pencil in the first instance and then inked over;
- (ii) issue of cheque towards payment due has been recorded and a reference to the voucher number and date on which payment was made, has been given in the measurement book;
- (iii) the series of measurements connected with a work for which payments have been made have been crossed off to prevent possibility of double payment;
- (iv) in the case of measurements not crossed off, proper reasons are clarified by the office and are acceptable;
- (v) reasons have been invariably given for the cancellation, if any, of a series of measurements;
- (vi) measurements have been recorded in chronological order and no page is left blank between two sets of measurements relating to the same work;
- (vii) blank pages or portions of pages left blank have been crossed off and cancelled under the signature of the holder of measurement book, to avoid the possibility of fraudulent entries being inserted at some later date;
- (viii) there is no tampering of entries, there are no erasures or corrections by over-writings and all corrections are made neatly with proper attestation;
- (ix) contractor's signature is obtained in the book in token of acceptance of measurements;
- (x) all books issued have been returned to the office at least once in three years and the entries contained in page 1 of the book agree with those entered in the Register of Measurement Books;
- (xi) payments on account of each measured work have been promptly made and the dates of measurement and payment as recorded in the measurement book agree with those noted on the vouchers;
- (xii) a comparison of dates and places noted in the measurement books with the entries made in the travelling allowance journals of subordinate officials/ officers does not reveal any discrepancies between the two sets of entries and it is established

that measurements have been actually recorded on the dates and at the place noted by the subordinate and certified as checked by the superior officer in the measurement book; and

- (xiii) the rules laid down regarding check of measurements by Engineering Officer are strictly followed by the Officers concerned and evidence of check measurements is found in the measurement books;

#### **9.09 Register of Works and Accountsof Works**

It should be seen that:-

- (i) Registers of Works are kept up to date and posted in accordance with the prescribed rules and the progress of work as calculated with reference to the quantities executed and rates actually paid in each case is clearly brought out;
- (ii) all the works in progress have been entered in Register of Works as verified from Register of Sanctioned Estimates;
- (iii) posting of the monthly outlay under each head have been made from the works abstracts concerned and the total expenditure to date agrees with that noted in schedule dockets;
- (iv) work slip is prepared as prescribed and submitted for any excesses noticed either over the total estimated outlay for the whole work or over the estimated amount for each individualsub-head and is got approved from the competent authority;
- (v) rates for departmentally executed works have been struck monthly and there are no abnormal excesses over the estimated rates in the case of works completed or nearing completion;
- (vi) entries relating to materials at site and liabilities agree with those in the materials at site account, the muster rolls, the bills or the Contractor's Ledger, as the case may be;
- (vii) in cases where a supplementary estimate has been sanctioned for a work or the original estimate is revised, necessary additional entries have been made in the same folio of the Register of Works in the former case and the accounts of the original work have been closed and fresh entries relating to the revised estimate have been made in a separate folio in the latter case; and
- (viii) completion Reports have been prepared and submitted in respect of every completed work.

#### **9.10 Material at Site Account**

It should be seen that:-

- (i) material has been counted by a responsible officer within the last 12 months and certified to be in good order;
- (ii) balances as shown in the Register of Works agree with those shown in abstracts submitted by work-in-charge and there are no discrepancies;
- (iii) when a work has been completed, the material at site account is cleared either by a return of the materials to stock or by transfer to another work and
- (iv) value and quantity of material borne on the site accounts agree with those as shown in accounts for preceding months.

**9.10.01 Cases of**

- (a) works started without sanction to estimates;
- (b) works in respect of which expenditure has exceeded the sanctioned estimates;
- (c) abandoned works;
- (d) excess and irregular payments; and
- (e) short recoveries and non-recoveries should be scrutinized in detail and commented upon suitably in the Audit Report indicating in each case the money value of the objection.

**9.11 Contractor's Ledger**

It should be seen that:

- (i) it is properly maintained, closed and balanced as per instructions issued in the relevant rules and order;
- (ii) postings are made as and when payments are made for works executed or for supplies made;
- (iii) all recoveries due are effected in each running account bill;
- (iv) closing balance is worked out at the end of each month and the work-wise details of closing balance are given in respect of each contractor and signed by Accountant;
- (v) there is no delay in the adjustment on secured advances; if any, paid and outstanding for over 6 months;
- (vi) Accountant has effected every month agreement between the balances detailed in the works abstracts and corresponding balances of the accounts in the ledger, every month;
- (vii) In the case of old outstanding accounts action has been taken for preparation and submission of a subsequent running bill or the final bill;
- (viii) Debits for value of stocks supplied during the selected months are made from original receipts given by contractors which should agree with entries in monthly abstract of stock issues and with the rates stipulated in the agreement;
- (ix) Unstamped receipts for issue of materials are duly acknowledged by the contractors and are properly filled;
- (x) There are no balances outstanding for a long period even after the final payment is made to a contractor; and
- (xi) minus balances, if any, outstanding are examined and cleared expeditiously.

**9.12 Register of Interest bearing Securities**

It should be seen that:

- (i) the security as per scale prescribed is furnished by contractors, store-keeper, cashier and other officials in charge of stores and cash and is pledged in favour of the Officer Incharge as the case may be;
- (ii) instructions issued in this behalf are observed and a record of receipt and disposal of securities is correctly maintained in the Register prescribed for the purpose;
- (iii) securities certified in the last Annual account rendered in the prescribed form as being in custody and also those received subsequently actually exist;
- (iv) in respect of the securities not produced for the verification of the Audit Party, either the original acknowledgments of the depositors given on dates subsequent

to the dates of last audit or the acknowledgments of the authorized custodians, as the case may be, are forthcoming.

- (v) Government paper tendered as security is taken at its face value or market price, whichever is less, at the time of deposit and in the event of its subsequent appreciation or depreciation in value, a suitable readjustment is made; and
- (vi) Security is returned or retransferred only after the lapse of the stipulated period in the bond or contract agreement and after fulfillment of conditions of contract, as the case may be.

### **9.13 Register of Miscellaneous Public Works Advances**

It should be seen that:-

- (i) postings have been made up to date;
- (ii) page-wise totalling has been done;
- (iii) an abstract of opening balance, credit, debit and closing balance has been prepared correctly each month and signed by the Accountant; and
- (iv) vigorous action has been taken for clearance of old outstanding items, especially those classed under "Losses, Retrenchments, Errors, etc."

### **9.14 Work Analysis:**

- (i) It is necessary to analyse in detail the several transactions relating to a major works in a Wing from the stage of sanction to the stage of completion so that the quality of the maintenance of work accounts and control over work expenditure, etc., can be tested and defects, if any, in the procedures adopted can be detected. For this purpose, the Officer in charge of the Audit Party, for detailed analysis, may select a major work which has been recently completed or which is nearing completion. Points to be examined in this connection are mentioned in the following paragraphs.
- (ii) The estimate for the selected work should be studied together with relevant correspondence to see that it has been prepared in a comprehensive manner after detailed survey. All charges incurred on the work should be carefully examined to see whether any of them fall beyond the scope of the sanction. Quantities of items of work included in the estimate should be compared with the quantity of work actually done. Quantities of work done should be verified from the latest measurements recorded in the Measurement Book/Books concerned. Correctness of calculations of such measurements should also be checked. It should be verified that savings due to abandonment, cancellation of a sanctioned item or otherwise, have not been utilized for taking up additional items of work or that there have been no material alterations or modifications in sanctioned designs and specifications without the specific prior approval of the competent authority. It should be seen that there is proper justification for excesses over sanctioned quantities and that the competent authority has approved them.
- (iii) All payments for work done should be made strictly in accordance with terms and conditions of the contract agreement. Rates provided for in the contract should be specially scrutinized with reference to sanctioned estimates and schedule of rates to see that they do not allow any concessions detrimental to the financial interests

of the local bodies.

- (iv) Quantities of materials required for the work actually done should be worked out on the basis of theoretical consumption or analysis given in the estimates and compared with the actual issues both in the case of direct issue to works or issue to contractors to investigate the difference, if substantial.
- (v) It should also be seen that:-
  - (a) correct accounts have been maintained showing the actual cost of work done relating to the specific object for which the particular estimate was sanctioned, executed and utilized for the work;
  - (b) work has been executed in accordance with the contract agreement and the estimates and deviations, if any have been approved by the competent authority, penalty has been levied in case of lapses on the part of the contractor, the Engineering wing has not given room for any delays in the execution and completion of the work and remedial steps have been promptly taken whenever problems were encountered during execution of the work;
  - (c) all recoverable charges have been recovered and dues from the contractor have not been allowed to accumulate;
  - (d) contractors on whose behalf recoverable charges, if any, are incurred, by the office in justifiable cases do not get the benefit of any concessions to which they would not have been entitled if they had themselves incurred such charges;
  - (e) bad work, if any, has been promptly got rectified from the contractor at his cost.
  - (f) work is maintained properly by the contractor after it is completed, for the period specified in contract agreement; and
  - (g) there has been no irregularity or defect in the upkeep of work accounts or maintaining of the initial records and registers relating to them.

In addition to the instructions given above the provisions of Manual of Standing Orders (Technical) Volume I relating to the audit of Government Public Works may be applied mutatis mutandis where necessary.