

## CHAPTER V

### MATERIAL MANAGEMENT AND EXECUTION OF WORKS

ULBs are responsible for maintenance of the infrastructure which enables the provisions of services to the people and also execution of various developmental works. Therefore, materials required for maintenance and developmental works are to be assessed in advance and procured and managed as per the prescribed procedures. The works are also to be executed according to the stipulated rules and codal provisions.

The deviations from prescribed procedure such as non observance of open competitive rates, non maintenance of stock register; excess procurement of material; irregular execution of works; incomplete works; excess payment and non utilisation of assets which were noticed during test check of municipal accounts are described in the following paragraphs:

#### 5.1 **Non observance of tender procedure**

Purchase of materials should be made after ascertaining a competitive price through open tenders. However, six municipalities<sup>16</sup> purchased materials worth Rs 1.38 crore without inviting any tender/ quotations during 2002-2005 in violation of the purchase procedure.

Further, four other municipalities<sup>17</sup> executed works amounting to Rs 1.75 crore during 2002-2005 without ascertaining the reasonableness of the rate through open competition.

Thus, the basic rules of inviting tender/quotations for execution of work and procurement of items were violated by the above municipalities.

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<sup>16</sup> Basirhat Rs 40.00 lakh, Bankura Rs 26.81 lakh, Joynagar Majilpur Rs 32.88 lakh, Kanchrapara Rs 4.43 lakh, Titagarh Rs 12.89 lakh, Kharar Rs 21.47 lakh

<sup>17</sup> Ranaghat Rs 1.44 crore, Kanchrapara Rs 4.43 lakh, Titagarh Rs 25.37 lakh, Jangipur Rs 1.36 lakh

## 5.2 **Non-accountal of materials in stock register**

Baranagar, Jhalda, Budge-Budge and Dinhata municipalities procured materials worth Rs 9.71 lakh, Rs 47.17 lakh, Rs 30.99 lakh and Rs 5.35 lakh respectively during 2002-2005. However, the details of these materials were not entered in the stock books due to which their actual utilisation could not be verified in audit. As such, the possibility of misuse, theft or defalcation of materials could not be ruled out.

## 5.3 **Excess purchase of materials**

It is essential to make proper assessment of requirement / estimate of consumption of materials before any procurement is made. But Tufanganj and Old Malda municipalities purchased rods, pipes and other materials valued at Rs 1.59 lakh and Rs 1.86 lakh respectively without assessing the actual requirement. Consequently, the materials so purchased remained un-utilised for periods upto 6 years.

## 5.4 **Irregular execution of works**

The vetting of estimates of a work by the appropriate authority is essential to ensure cost effectiveness and planned execution of work. The ULBs which do not have appropriate manpower in their engineering cell are required to get the estimate of work vetted from the Municipal Engineering Director (MED) before execution of the work.

Test check of records of seven ULBs revealed that they executed works valued at Rs.1.17 crore during the period from 1999-2006 without getting the estimates of works vetted from the MED, as detailed below:

Sl. No.	Name of ULB	Year	Cost of work (Rupees in lakh)
1.	Maheshtala	2002-2005	25.20
2.	Tufanganj	1999-2002	9.69
3.	Kanchrapara	2004-2005	10.35
4.	Baruipur	2003-2005	4.24

5.	Arambag	2004-2006	32.59
6.	Islampur	2004-2006	26.56
7.	Bhadreswar	2004-2006	8.55
<b>Total</b>			<b>117.18</b>

Tufanganj municipality also did not obtain the approval of the State Government for execution of the above works. Panihati Municipality did not obtain approval of the State Government for execution of work valuing Rs 6.17 lakh.

Due to execution of works without first getting the estimates vetted by the appropriate authority, their cost effectiveness could not be ensured. Further, absence of Government approval for execution of the works has rendered the expenditure irregular.

#### **5.5 Infertuous / unfruitful expenditure on incomplete work**

Sixteen ULBs undertook various developmental works during 1995-2005. Test check of records revealed that most of the works remained incomplete even after the lapse of a considerable period beyond the scheduled date of completion (Appendix -17). The execution of the works was delayed mainly due to improper planning, constraint of funds and lack of monitoring.

Failure to complete the works, even after a period ranging from six months to 11 years from the stipulated date of completion, rendered the expenditure of Rs 4.98 crore unfruitful since the intended benefits could not be realised.

#### **5.6 Non utilisation of completed works**

Two ULBs spent Rs 96.18 lakh on developmental works for various welfare purposes. Test check of records revealed that the works completed by the ULBs remained unutilized as detailed below:

Name of ULB	Brief of works	Year of completion	Expenditure (Rupees in lakh)
Joynagar Majilpur	Construction of commercial complex	2002	27.50
Asansol	Construction of shopping complex at Kalyanpur	2002	44.57
	Dormitory at City Bus Centre	2002	24.11
<b>Total</b>			<b>96.18</b>

Non utilization of the constructed buildings rendered the expenditure of Rs 96.18 lakh unfruitful, since the intended services could not be provided to the rate payers.

#### 5.7 Excess payment to contractors / suppliers

Six ULBs paid an excess amount of Rs 22.65 lakh to contractors / suppliers in finalisation of various bills during 1998-2005 due to reasons as detailed below:

Sl. No.	Name of ULB	Reasons	Excess payment (Rupees in lakh)
1.	Tufanganj	Non-deduction of value of materials issued to contractors.	1.20
2.	Panskura	Payment of transportation cost in excess of schedule of rates or not following the original schedule.	1.53
3.	Nabadwip	Excess payment towards maintenance and operation cost of ambulance	0.62
4.	Siliguri	Excess payment made on account of excess trips for clearance of garbage as against the contractual trips.	10.97
5.	Dhuliyani	Payment in excess of schedule of rate.	7.91
6.	Bhadreswar	Payment towards painting of pipes in excess of schedule of rates	0.26
		Excess payment made towards carriage of supply stone material	0.16
<b>Total</b>			<b>22.65</b>

Action taken by the respective ULBs for recovery of the irregular payments listed above was not made available to audit.

### 5.8 Other interesting points

Test check of records of four ULBs revealed lapses in monitoring the works resulting in loss of an amount of Rs 8.97 lakh to Municipal Fund as detailed below:

Name of ULB	Description	Amount (Rupees in lakh)
Ranaghat	Excess consumption of bitumen for improvement of road due to non observance of Indian Road Congress specification	0.63
	Less realisation of departmental charges on deposit work on behalf of State Poultry Farm	1.02
Asansol	Delay in placing work order for execution of chlorination project	5.15
Nalhati	Expenditure towards fencing on land which was not acquired	0.29
English Bazar	Excess consumption of steel for construction of 1 <sup>st</sup> floor of Madhyamgram market complex	1.88
<b>Total</b>		<b>8.97</b>

Replies from the respective ULBs / Government are awaited.