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No. IA/I/20/Circular/Vol-VI

Dated : 9/08/2019

IMPORTMENT CIRCULAR NO.

To


All the LAOs
(As per standard list)

Subject:- Circular of Local Test Audit Report.

The following DADS (EC) Patna Local Text Audit Report are circulate herewith for examination and further necessary action of all the LAOs:-

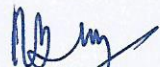
DADS, EC, Patna Local Test Audit Report bearing LTAR No. 2199/LTCOR/F-108/2016-17 dated 21.03.2017 Part-II (B) Item No.I regarding irregularities in the register of Hired Building, Item No. II regarding transfer of equal value of State land to Army in exchange of 31.825 acres of Defence land transferred to A.A.I Item No. III regarding Encroachment of Defence land, Item No. IV regarding delay in cutting of trees causing of delay in commencement of work, Item No. V regarding Annual verification of Assets not being carried out Item No. VI regarding procurement made without generating sufficient competitor against the DEO, Guwahai.

In the light of the above reference LTARs, the LAOs are requested to give special emphasis on the above areas of audit while conducting the audit and reviews of units/formations under their jurisdiction and report the outcome through the LACR of the Units audited.


(N. K. BISWAS)
DCDA (IA)

Copy to :

✓ The O I/C With a request to upload in the CDA Guwahati website.
EDP Section
(Local)


(N. K. BISWAS)
DCDA (IA)

Part II (A)

-Nil-

Part II (B)

Item I - Irregularities in the register of Hired Buildings

During scrutiny of the Register of Hired Building maintained by DEO, Guwaahati the following irregularities were came to notice:-

1. The house of Sri Rochila Saiwai of Aizawl, Mizoram was hired up to 28.08.12, but The rent upto 31.12.09 only after that period the building is still under hiring but he rent was paid up to 31.12.2009 only

In reply it was stated that after 31.12.2009 rent could not be paid due to non-availability of sanction for de-hiring from the land management authority (LMA).

Since the building was hired upto April 2015. The rent should be paid by DEO upto 31.04.2015 for which no any sanction from LMA as received.

In view of this above the payment of rent after 31.12.2009 till date will be watch in audit.

Item II- Transfer of equal value of State land to Army in exchange of 31.825 acres of Defence land transferred to A.A.I.

During the perusal of records of DEO Guwahati it came to the notice of audit that for the expansion of Umrai Airport, Stn HQ Umroi Military Station in November 2015 handed over 31.825 acres of defence land to AAI. In return, the State Govt. was also to handover the equal value of land. However, even after the expiry of around one year and a quarter, Defence is yet to receive its due.

It was also seen that post handing over of the land to AAI, the A.A.I while constructing a boundary wall has likely occupied around 1.99 acres more, and the matter still remains unresolved. In this regard, the following information was called for:-

1. The reason for handing over the 'Defence land' to AAI without ensuring its own due.
2. When would the Govt, of Meghalaya transfer the land to Defence.

3. What is the future course of action on the part of Defence establishment to get the land transferred by the State Govt. at the earliest.
4. The deficiency on the part of Defence establishment that led to AAI taking 1.99 acres more in its possession while constructing the boundary wall.
5. The action taken / proposal to be taken to get back the excess land.
6. O/o DEO Guwahati has further proposed initiation of steps to secure an order for payment of rent by D.C Ri-Bhoi for 31.825 acres of defence land to AAI from the date handing over till the date the same measurement of land is transferred to M.O.D. The status/outcome.

It was stated in the reply that the matter is at present subjudice. However, the same is being pursued regularly by the office of DEO Guwahati

Further progress of the case will be watch in audit.

Item III: Encroachment of Defence land

During the perusal of the records of DEO Guwahati it came to notice 0.407 acres of defence land was under encroachment since long .

In this regard the following information were called for:-

1. The reason for not having evicted the encroachment till date
2. The present position of the cases.
3. The steps taken so for/proposed to be taken in this respect.

It was stated in the reply that the matter is at present subjudice. However, the same is being pursued regularly by the office of DEO Guwahati

Further progress will be awaited in audit.

Item IV- : DELAY IN CUTTING OF TREES CAUSING OF DELAY IN COMMENCEMENT OF WORK.

A BOO assembled on 20.11.2014 and subsequent days by the order of Stn. Cell HQ 51 Sub Area convening order No.6555/6/Q3/14 FAD/Land dated 05.04.2014 for marking and removal/cutting of trees from the construction site of 06 Mag at 14 FAD under GE Guwahati

The Board found 305 trees on site of construction and recommended marking and removal/cutting of them in Dec 2014. Stn Cdr. Guwahati approved the Board on 05.01.2015.

Work for "Provision of 06 X Mag (T) (1.1 UNHD) 200 MT and allied infrastructure at 14 FAD Narangi (Job No.E/1933)" was sanctioned by Govt. of India, MoD vide their No.A/49852/LW (East)/65/D (W-I) dated 17.03.2015 for Rs.23.17 crore. The BOO mentioned above was convened in April 2014 to commence this work timely.

14 FAD vide their No.1069/Tree/Infra/52/Ex dated 28.01.2015 took up case with DFO Kamrup East Division, Guwahati for valuation of trees (305 Nos). DFO, Guwahati vide their letter No.B/KE/70/PP Land Trees/843 dated 28.01.2016 (after one year) forwarded the valuation statement of 305 trees.

Auction notice was forwarded by DEO Guwahati to newspaper "The Assam Tribune" for publication in the next issue, vide their No.DEO/GAU/T-9/VOL-V/4 dated 04.02.2016. Auction was to be held on 25.02.2016 as per the notice. Due to non coming of bidders, notice was again published in "The Assam Tribune" for auction of 305 trees on 14.03.2016.

This time auction was successful and Md. Nazmul Alam was the highest bidder with Rs.2,70,000/-. Approval for the same was received from PDDE Kolkata vide their No.361809/GAU/VOL-V/LC-4/87 dated 31.03.2016. Accordingly, DEO Guwahati asked the contractor Md. Nazmul Alam, to cut and remove the trees within 45 days from the date of receipt of their letter No.DEO/GAU/T-9/VOL-V/64 dated 04.04.2016.

The trees are yet to be cut as of 07.02.2017. The work sanctioned in March 2015 is yet to be commenced due to non availability of site.

The contractor, Md. Nazmul Alam, paid Rs.1,37,000/- in cash to DEO which was deposited in SBI Silpukhuri Branch on 02.04.2016. The total amount paid by the contractor was Rs.2,97,000 out of which Rs.27,000/- was as Security Deposit.

Further, scrutiny revealed that the amounts deposited by Md. Nazmul Alam and various other bidders, were not taken on ledger charge/Cash Book, although the amounts were deposited in PF account of DEO Guwahati

Following information were called for :

- (i) Notice of public auction was being published only in one newspaper, "The Assam Tribune", which is an English daily. Reason for not publishing the notice in the local language newspapers which has more circulation?
- (ii) Auction of 181 Nos. of trees at 14 FAD failed 04 times due to publishing of advertisement in only one newspaper and almost took 08 months for auction and that too, after reduction of MRP. The original MRP fixed for 181 Nos. of trees at 14 FAD and revised MRP. Value of highest bidder.
- (iii) Due to non giving of wide publicity by DEO Guwahati as per policy on auction of Govt stores, resulted in delay in auction due to several notices. This was a wastage of time and money as the notice was published several times in the same newspaper.
- (iv) There was abnormal delay in cutting of 305 trees which was handed over to the contractor in April 2016. The contractor was given 45 days times to complete the cutting/removal of trees (upto May 2016), however even after seven months, the work was incomplete. What penal action was taken against the contractor.
- (v) How DEO would justify the time of 45 days given to the contractor MD Nazmul Alam for cutting/removing of 305 days. A copy of the policy in this regard.
- (vi) Due to delay in tree cutting, the construction work of 23.17 crore could not be commenced in time. If we calculate the escalation in cost of work even @ 5% the amount of escalation works out to 1.15 crore for one year. Who should be held responsible for such huge amount of excess expenditure may be elaborated as it is felt in audit, that due to delay in auction/cutting and removing of trees, the cost of work would increase.
- (vii) Reasons/justification for not taking on charge the amount of bid submitted by the contractor.

- (viii) It was seen that no monthly bank reconciliation statement is prepared and kept in PF Cash Book. Since the amount of bids are received in the DEO's PF A/c, the same should have been taken on charge in the PF Cash Book.
- (ix) Confirmation as to the facts and figures mentioned above.

The information called for vide the audit observation such as original MRP, revised MRP, quote of the highest bidder etc were spelt out in the reply. Besides this it was also stated that the cost of construction work did not escalate as the construction started side-by-side with the cutting of trees. Further, LMA has also not intimated of any increase in cost.

It was also agreed upon that a line of confirmation as to no increase in the cost due to delay in cutting of trees will be obtained from LMA by office of DEO Guwahati and furnished to the audit

A line of confirmation as to no increase in the cost due to delay in cutting of trees, which will be obtained from LMA by office of DEO and furnished to audit, will be awaited

Item : V Annual verification of Assets not being carried out

As per the provision of the GFR, fixed assets as well as consumable goods and materials should be verified at least once a year and the outcome of such verification reentered in the corresponding register.

However during the audit of office equipment register it was seen that the annual physical verification is not being carried out, the same owes elucidation to Audit.

In reply unit authority stated that the point has been noted for future compliance and the verification of assets reflected in the office equipment register will be carried out.

Report on Annual verification of Assets will be watched in audit.

Item VI Procurement made without generating sufficient competitor:

During the audit on the records of the O/o DEO Guwahati it was seen that many procurements was made through limit tender enquiry/ market survey wherein only 03 vendor namely M/S Ideal Trading, M/S Green view and M/S Loknath Enterprises have been contacted each time among which M/S Green View among the lowest Quote and supply order was placed on it. A four such cases which line to a total procurement of Rs. 2.09 lakhs are shown as under :

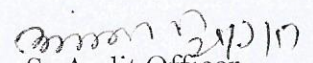
<u>S.O. No. & Date</u>	<u>Amount Rs</u>
1. DEO/GAU/ADM/C-7/15-16 dated 04.06.2015	Rs. 21,990/-
2. DEO/GAU/ADM/C-7/15-16 dated 04.06.2015	Rs. 29,485/-
3. DEO/GAU/ADM/C-7 dated 04.03.2016	Rs. 15,200/-
4. DEO/GAU/ADM/C-7 dated 04.03.2016	Rs. 1,42,552/-
Total	Rs. 2,09,227/-

It is thus view that sufficient competition was not generated which would have brought in more competitive/ economical rate and led to savings to the exchequer.

In reply unit authority stated that the point has been noted for future compliance and the vender based will be expanded.

Compliance of audit point will be watched in audit.

The inspection report has been prepared on the basis of information furnished and made available by the DEO , Guwahati The Office of the DADS, EC, Patna disclaims any responsibility for any mis-information or non-information on the part of the auditee.


Sr.Audit Officer
Defence Services
E.C.Patna-19