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22/1/02

OFFICE OF THE JOINT DIRECTOR OF WORKS ACCOUNTS
NAGARJUNA SAGAR PROJECT : : HILL COLONY - 508 202

From
SRI G.V. KRISHNAIAH,
B.Sc., A.I.C.W.A.,
Joint Director of Works Accounts,
N.S.Project, Hill Colony,
Nalgonda - District

To
The Superintending Engineer,
Public Health Special Circle,
Court Compound,
GUNTUR-522 044.

Letter No. JDWA/NSP/HC/TC/F76/R&B/PH/2002-03/33Dt: 17/1/2002

Sir,
Lakh provided for in the main estimate work...

Sub: - Narasaraopeta water supply Improvements scheme-Revised administrative approval accorded by the Government for Rs. 2048.99 Lakhs vide G.O.Ms. No. 348/MA/MA and urban Development (A1) Department dt: 08.07.1999 - Accorded Technical Sanction by the Superintending Engineer (PH) Special Circle, Guntur for Rs.23.03 Lakhs against the provision of Rs. 1.00 Lakh made for excavation of open channel for diversion of U.T.Channel and Toe drain water, at S.S.Tank site, Nakarikallu vide item No. 24 provided in the main estimate No.E.NC. (PH) approval No.34/99-2000, dt:08.11.1999 for Rs. 2048.99 Lakhs without obtaining specific approval from the Engineer-in-Chief (P.H), Hyderabad, and even before submission of revised estimate to Engineer-in-Chief (P.H) Hyderabad for approval - Regarding.

Ref: - S.E./P.H/Special Circle, Guntur
Lr.No.1012/NRT/WSS/SST/DB/D3/2002,
Dt: 21.03.2002.

With reference to the Superintending Engineer's letter cited, it is informed that the arguments put forth that a token provision of Rs. 1.00 Lakh was made in the sanctioned scheme estimate and that the Superintending Engineer is competent to accord Technical sanction for Rs. 23.03 Lakhs against the said provision of Rs. 1.00 Lakh made for diversion channel and can meet the expenditure from the savings from one item to other item of the scheme under the provisions of para 417(c) of APW'D' code are not tenable.

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In this connection the attention of the Superintending Engineer is invited to the provisions of para 417(c) of 'D' code referred to by the Superintending Engineer. The said provisions also speaks of certain limitations upto which the Superintending Engineer can transfer the savings from one item to other items of the scheme.

Under 2nd para of 417(c) of 'D' code it was specified that the sanction is subject to the condition that the provision for it in the general or subsidiary estimate is not exceeded. In other words the working estimate is to be sanctioned upto Rs. 1.00 Lakh provided for in the main scheme work towards diversion channel. Further as specified at para 3 under the said para 417(c) of APW'D' code such diversion from one item of the project to another item with in the same project should not raise the total cost of the project or the cost of the item to which savings are transferred beyond powers of the concerned officer to accord technical sanction in excess of administrative approval. In the present case if the powers of 10% delegated to the Superintending Engineer to accord technical sanctions in excess of administrative approval are taken into account, the Superintending Engineer can sanction the estimate upto 1.10 Lakhs against the L.S. provision of Rs. 1.00 Lakh made for diversion channel in the main estimate and as such the action of the Superintending Engineer in according technical sanction for Rs. 23.03 Lakhs, against the provision of Rs. 1.00 Lakh and permitting excess expenditure upto Rs. 27,24,760/- including authorised extras is far in excess of his competency as already reported to Engineer-In-Chief in this office Lr. 917, dt: 13.03.2002.

In this connection it is pointed out that making a token provision of Rs.1.00 Lakh in the main estimate for diversion channel and enlarging the said item upto Rs. 27,74,760/- under the plea of site conditions reveals that, the department has not prepared the realistic estimate and that the department is not having a clear idea of

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taking up the diversion channel and the variation against this item is to be treated as a major variation but not a minor change of alignment as contended by department and are to be treated as a second thought to utilise the available savings by entrusting the additional work to the same contractor. Even under provision of para 417(c) only ascertained savings are to be taken into account where as in this case the ascertained savings are not available even now as per last para of Superintending Engineer's letter.

Therefore for all such variations from the original provision prior approval of the Engineer-in-Chief who has accorded original sanction of scheme should have been obtained before incurring expenditure and the contention of the Superintending Engineer, that all the variations would be regularised by submitting the deviation statement / Revised estimate for the entire project to the Engineer-in-Chief well before the components completed and got approved at appropriate time is not agreed to.

An immediate action be taken even at the stage to obtain the post facto approval for the deviations from the Engineer-in-Chief.

In regard to the comments made against the functions of the Pay & Accounts Officer and of his over enthusiasm / enthusiastic action in auditing and on the nomenclature of the Pay & Accounts Officer stating that he is expected only to Pay and Account the work bills passed by the executive authority, I am to inform that such comments are uncalled for and only show the lack of awareness. The attention of the Superintending Engineer, is drawn to the orders issued by Government in G.O.Ms.No.60, Fin & Plg (FW.BG) Department, dt: - 30.03.2001 where in it was clearly stated that in Pay & Accounts Officer system the bills are paid after cent percent precheck. It was also stated that the works Departments are brought under the payment control of Pay & Accounts Officer system in order to bring uniformity in pre

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audit and accounts. It was also stated that audit and accounts procedure is elucidated in Pay & Accounts Officer / Works Accounts Manual which is exhaustive. In spite of these clear cut Government orders the Superintending Engineer who is a senior officer as claimed by himself should have avoided such comments like the Pay & Accounts Officer, has no authority as per the nomenclature of Pay & Accounts Officer, even though there are specific orders of Government defining the functions of Pay & Accounts Officer.

In this connection I am to inform that the Government in Finance & Planning Department, (Projects Wing Department) has up dated the Pay & Accounts Officer (Works & Accounts) Manual Prescribing the functions as precheck-cum treasury office under its payment jurisdiction, to exercise prescribed check, make payment and maintain the accounts and various account records with reference to rules and regulations there by avoiding the scope for the statutory audit to raise objections. The copies of this manual were also sent to all Head of Departments vide Government Memo.No.2735 / F3 (2) / 1990 - 9, dt:-01.11.2001.

Thus all payments made by Pay & Accounts Officers are subject to cent percent precheck. Functions of the Pay & Accounts Officer / Asst. Pay & Accounts Officer in regard to checks against the sanctions, classifications, check of expenditure and checks of claims of contractors and as well as others etc., are enumerated in a number of chapters prescribed therein the said Pay & Accounts Officer (Works Accounts) manual.

It is therefore advised to get a copy of the said Pay & Accounts Officer (Works Accounts) manual from the Engineer-in-Chief (PR) to whom the copies are already sent or from Finance and Planning (Projects Wing) Department, Hyderabad by payment of its cost which is fixed at Rs. 100/-

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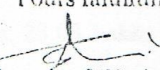
In this connection I am to inform that all the points raised by the Pay & Accounts Officer during audit are to be treated as a part & parcel of his duty instead of calling it as over enthusiastic which is not in keeping with official decorum

ii) Even-though it was reported that every division is having a D.A.O.(Works) Superintendent to pre audit and pass the works bills in the division, the views of the D.A.O./Superintendent on the issue are not communicated and it is not clear whether the departmental Officers are actually obtaining their views and acting upon their Suggestions. In the present case if the views of the D.A.O.(Works) of the division are obtained he would have definitely not agreed to such act.

In regard to the alleged delays pointed out by the contractors, the Superintending Engineer is not expected to be guided by such oral telling / stories of contractors. So far no complaints have been received from contractors in regard to delays in payment. The said Pay & Accounts Officer (Works Accounts) manual also specifies the time limit for disposal of various bills and the Pay & Accounts Officer/Asst. Pay & Accounts Officer's are disposing the bills accordingly and as no complaints are received, there is no need to give any instructions to the Pay & Accounts Officer/Asst. Pay & Accounts Officer's in this regard.

It would be appreciated if the Departmental Officers watch the rate of progress of works and ensured that they are grounded with in the specified time prescribed for completion of the works and maintain good quality of work.

Yours faithfully,


Joint Director of Works Accounts,
N.S.Project, Hill Colony