

DELHI DEVELOPMENT AUTHORITY  
OFFICE OF CHIEF ACCOUNTS OFFICER, DDA

No.F.27(07)2018/EE(V) IV/DDA/Part/42

Dated 08/02/2019

F&E CIRCULAR NO.03 /2019

As per codal provisions & instructions issued from time to time no work can be taken up unless AA & ES has been accorded by the Competent Authority or permission has been granted to take up work in anticipation of accord of AA & ES/ in excess of sanctioned AA & ES/ revised AA & ES. It is the responsibility of Central Accounting Units to ensure that no bills of the contractors or any other expenditure chargeable to a particular sanctioned estimate are entertained in case the expenditure exceeds AA & ES/ Revised AA & ES. Also Dy.CAO(Budget) at the time of release of funds to Zonal CAUs has to ensure that expenditure incurred including funds asked for is within the sanctioned amount of AA & ES/ revised AA & ES & budgetary provision. All the functionaries of Engineering Wing, Divisional AAOs & Zonal AAO/AO/Sr.AO/DY.CAO at CAU are required to strictly ensure that no bills are passed/payments released where the deviations in the contract are not accompanied with in principle approval or approved deviation statements, as the case may be, as per the powers delegated to various Officers. It is also expected of engineering as well as financial functionaries that the provisions/guidelines relating to AA & ES and deviations in contracts are followed in letter & spirit and any abuse of these powers by circumventing the procedure/processes is not allowed

In a case of one of the Zones, on the basis of a CAG para, investigations were carried out & following serious irregularities were noticed for which action has been separately initiated from vigilance angle:

- a) For a development scheme sanctioned amount of AA & ES and revised AA & ES was Rs.15.77 crores & Rs.41.73 crores respectively. The tendered cost of for the said work/ scheme under Nazul Account II was Rs.14.24 crores & deviations to the extent of approx. 900% were carried out in the contract by Engineering Officers after seeking in principle approval of the then EM, DDA in terms of delegation of powers circulated by CE(HQ) vide no.5(287)2013-14/PC/DDA/Pt I/65 dated 4.3.2014.
- b) As per said circular dated 4.3.2014 full powers for according in principle approval vested with EM/WAB but even though obligatory, approval of WAB was not obtained.
- c) Surprisingly deviations were resorted to for carrying out additional works at different locations & under different budget heads under the same agreement. In all, works amounting to approx.Rs.115 crores were carried out beyond the original scope of work causing approximately 900% deviation in violation of the established norms, codal provisions, terms &

conditions of sanctioned revised AA & ES/ agreement & delegation of financial powers.

- d) Various works beyond the scope of work at different sites were executed & paid for, for some of which neither estimates were prepared/revised & got technically sanctioned from the competent authority nor tendering process was resorted to. In fact even maintenance works chargeable to 9-C Maintenance were carried out under deviation without sanctioning any AR & MO estimate.
- e) Initially the deviated works were charged to the agreement under reference and by way of transfer entries, the expenditure was appropriated to different estimates & budget heads at the time of payment of bills.
- f) The following facts had escaped the attention of AAO/Sr.AO/DY.CAO at CAU level : i) payments of bills recommended without deviation having been approved by WAB ii) deviated work having been executed beyond the scope of work at different sites & iii) adjustments in accounts transfer entries submitted by Engineering Wing for appropriating expenditure to different estimates & budget heads.

In finance Wing there is a layered structure for financial control management & control of funds in DDA. Such controls are exercised at Divisional, Central Accounting Units & Budget Section level at headquarters. From the instant case it is noticed that inspite of an efficient layered budgetary & financial control system in place, due to individual discretions/decisions of engineering officers basic tenets of award of contracts were violated.

In order that such lapses do not occur in future, in addition to various guidelines/circulars issued from time to time, the following guidelines may invariably be followed in the matter of execution of works by deviation in any existing contract.

- a) It needs to be ensured that provisions relating to deviations in contracts/relevant manuals/delegation of financial powers in that regard are followed in letter & spirit.
- b) Wherever a power has been delegated to two authorities say EM or FM/WAB, approval/concurrence /appraisal of the higher authority would be necessary.
- c) Booking any expenditure in a sanctioned AA & ES/awarded work pertaining to other AA & ES/scheme/budget head by way of deviation & subsequently transferring it to relevant AA & ES/scheme/budget head by way of transfer entries shall not be permissible. It shall be the responsibility of finance functionaries at CAU that before adjusting any such transfer entries in accounts/releasing payments of contractor bills, the matter is brought to the notice of Zonal Chief Engineer/higher authorities of finance wing at Zonal headquarter for appropriate directions.



- d) Whenever expenditure exceeds the sanctioned AA & ES/Technical sanction it shall be ensured that no payment shall be released by CAU until it is covered within prescribed/permissible limits as per extant guidelines/rules/delegation or revised AA & ES/Technical Sanction/AR &MO has been sanctioned by the competent authority.
- e) For emergent situations such as natural calamities, restoration of services, etc. separate powers already exist to award such works on nomination basis. Therefore, getting executed the works at different locations in deviation of an existing contract beyond the scope of work violates the basic tenets of award of contracts. Even if it is presumed that the deviated work is of similar nature, rates awarded in a pre-existing contract are reasonable, and therefore advantageous to DDA, decision to carry out additional works at different locations under deviation deprives many of equal opportunity to bid for the said works. Hence before resorting to such deviations these aspects may invariably be kept in view by various engineering authorities who have been delegated powers to approve deviations.
- f) Monthly accounts are rendered by CAUs to DDA Main Accounts Section & Works Audit Cell. Whenever such unusual transfer entries are noticed the same need to be thoroughly scrutinized and brought to the notice of CAD as well.
- g) Each CAU has to submit a utilization certificate to Budget Section alongwith request for release of funds. Dy.CAO(Budget) should prescribe an additional suitable clause in the utilization certificate to prevent such unauthorized transfer of expenditure from one AA & ES/scheme to some other AA & ES/Scheme/budget head by way of transfer entries or otherwise.

This issues with the approval of FM, DDA & in consultation with DDA Vigilance Cell.

  
( Mahabir Parsad )

Chief Accounts Officer, DDA

Copy to:

1.VC, DDA for kind information.

2.EM, DDA for information & n.a alongwith copies of note pages 136-142/n with the request that the delegation of financial powers relating to deviations are revisited to prevent abnormal deviations of the kind stated above.

3.CVO for kind information.

4.PC(Hort.)

5.Chief Engineer(HQ)

6. Commissioner(Sports).

7. All Zonal Chief Engineers & Chief Engineer(Electrical) for information & n.a. These instructions may also be brought to the notice of all Superintending Engineers & Executive Engineers for strict compliance.

8. Chief Engineer(Quality Control).

9. Director(Works) & Director(Internal Audit).

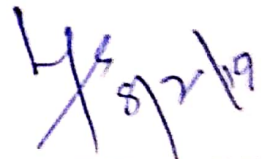
10. Directors(Hort.)

11. Advisor(Project)

12. All Zonal Dy. CAOs, Dy.CAO (WAC), Dy.CAO(Budget), Dy.CAO(Sports) & Dy.CAO(HQ).

13. All AOs/Sr.AOs of CAUs, Sports wing, Works Audit Cell, DDA Main Accounts, Budget & Contingencies.

14. Sr.AO(F&E).



Chief Accounts Officer, DDA