

**ABSTRACT**

Inspection Report of AG's office on the audit of accounts of Electrical Division, Alathur for the period 2010-12- Revised Administrative Sanction issued for works from Electrical Division, Alathur, exceeding the delegation of powers-Ratified - Orders issued.

**CORPORATE OFFICE (SBU-D)**

**B.O(FTD) No. 478/2021 (D(D&IT)/D4/General/2018-19/0065)Dated.Tvpm.25.6.2021.**

- Read: 1. B.O(FM)No.2355/2008(CP/R&P/Plg/GI/2008-09) dated 24.9.2008.  
2. B.O(CMD) No.1706/2017(CP/Plg.1/DOP) dated 05.07.2017.  
3. Letter No. CEDN/AEE5/AG Audit/ Alathur/2018-19/852 dated 24/7/2018 of the Chief Engineer, Distribution North, Kozhikode.  
4. Letter No. DB2/ Tech Genl/18-19/2522 dated 05/12/2018 of the Deputy Chief Engineer, Electrical Circle, Palakkad.  
5. Note No.FA/Tender/SS/24/2018 dated 07/01/2019 of the Financial Adviser.  
6. Note No. D(D&IT)/D-4/General/2018-19/0065 dated 16/06/2021 of the Director (Distribution, IT&HRM) to the Full Time Directors (Agenda Item No 55/6/21).

**ORDER**

The Chief Engineer, Distribution North, Kozhikode as per letter read as 3<sup>rd</sup> above reported that the Deputy Chief Engineer, Electrical Circle, Palakkad had requested ratification in respect of Voltage Improvement works(3 Nos) carried out under Electrical Division, Alathur exceeding the limit of delegation of power based on the audit report for the period 2010-12. The administrative sanction for these works were originally issued by the Executive Engineer, Electrical Division Alathur during 2008-09 and 2009-10 (as per PWD SOR 2008).

The execution of the works came up only in 2011-12; as per the availability of materials; and by the time there were additions in the distribution system due to which the originally proposed site of transformer location had to be shifted in one case and also objection from the property/paddy field owners, due to which there was change in the original quantum of work sanctioned and thereby necessitated revision in the sanctioned estimate.

The Revised Administrative Sanction for the above three works were also issued by the Executive Engineer, Electrical Division Alathur based on the revised quantum of works and the prevailing labour data of PWD SOR 2010.

The revised AS amount for the three works were far above the then Delegation of Powers. All the above three VI works were carried out during 2011-12 and payment was also effected. The proposal submitted from the section was admitted considering the multiple benefits, as new work. But unfortunately it was recorded in the AS register as revised estimate.

During the Inspection of AG's office on the audit of accounts of Electrical Division, Alathur for the period 2010-12, one of the observations as per the Inspection Report dated 5/12/2012 was the "Irregular sanction of revised estimate for works" as noted below.

Sl.No	Name of work & Order No.	
1	VI work at Palathara under Kuthannur Section. (DB1/10-11/ALR DN/ES KTR dated 8-2-2011)	Revised estimate exceeded the limit of 30% over the original estimate and as such Executive Engineer was not empowered to sanction the Revised estimate. Ratification for exceeding the limit of delegation of power has to be obtained from competent authorities. Ratification obtained may be furnished.
2	VI work at Kothadi- Chittali under Kunissery Section. (DB1/11-12/ALR DN/ES KNY dated 7-4-2011)	
3	VI work at Kaluppankadu under Kunissery Section. (DB1/10-11/ALR DN/ES KNY dated 6-1-2011)	

The Executive Engineer, Electrical Division Alathur had in reply to the AG's Inspection Report furnished that in case of all the three VI works, the revised proposals may be treated as new works as the location was changed and the lines re-routed and the AS issued be treated as new ones; which were not acceptable by the audit team, and it was directed to furnish ratification for exceeding the limit of delegation of power in sanctioning Revised estimate.

The Chief Engineer, Distribution North, Kozhikode as per letter read as 3<sup>rd</sup> above reported that the above works were carried out after two years of the original estimate sanction; due to scarcity of materials. The deviation from the original location in the VI work under Kuthanur Section was towards the load

Board. In case of the other two VI works under Kunissery Section, the originally proposed route was through private property/paddy field, which was objected by the property/paddy field owners and the line had to be re-routed to ensure benefit to the public at large.

The Financial Adviser as per note read as 5<sup>th</sup> above has remarked that the ratification needed if any in any case has to be reported to higher offices in time to avoid audit objections and further departmental actions in this connection. However in this case the action of the Executive Engineer may be ratified based on the recommendation of the Deputy Chief Engineer, Electrical Circle, Palakkad with strict direction to ensure that, officers concerned shall exercise delegation of financial powers in the execution of works etc are within the limit as prescribed by the Board in this regard from time to time.

The matter was placed before the Full Time Directors as per note read as 6<sup>th</sup> above.

Having examined the matter in detail, the Full Time Directors in the meeting held on 17.06.2021 resolved to ratify the action of the Executive Engineer, Electrical Division, Alathur in having issued Revised Estimate sanction for the works as detailed below, beyond the competency of the Executive Engineer.

Sl.No.	Name of work	Original AS No. & Amount	Revised AS No.,Amount &% increase in amount
1	VI work at Palathara under Kuthanur Section.	AS No. 62/ 2008-09/ 13-8-2008 for ₹4,17,700/-	AS No.94/10-11/ 8-2-2011 for ₹15,13,905/-, <b>262.44%</b>
2	VI work at Kottadi-Chithali under Kunissery Section.	AS No. 121/2009-10/ 24-3-2010 for ₹5,58,390/-	AS No. 1/11-12/ 7-4-2011 for ₹9,23,645/-, <b>65.41%</b>
3	VI work at Karuppankadu under Kunissery Section.	AS No.122/ 2009-10/ 24-3-2010 for ₹5,10,038/-	AS No. 87/ALRDN/2010-11/6-1-2011 for ₹7,91,495/-, <b>55.18%</b>

Further resolved to direct the Distribution Chief Engineers to ensure that, field officers are strictly adhering to delegation of financial powers as prescribed by the Board while executing works.

Orders are issued accordingly.

By Order of the Full Time Directors

Sd/-

Lekha G.

Company Secretary (In charge)

To

The Chief Engineer, Distribution North, Kozhikode

Copy to:

The Chief Engineer Distribution North /Chief Engineer (IT &CR)/Vigilance Officer/Legal Advisor & Disciplinary Enquiry Officer/ Chief Internal Auditor/Financial Adviser

The TA to Chairman & Managing Director

The TA to Director (Distribution, IT & HRM / (Planning & Safety) / Generation- Electrical, & SCM/ Transmission & System Operation / Generation- Civil)


Deputy Chief Engineer, Electrical Circle, Palakkad .

The RAO/ECA/RCAO/The Legal Liaison Officer

The PA to Director (Finance) / C.A. to [ Secretary (Administration) / Company Secretary]

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Asst. Executive Engineer