

System Improvements suggested during 2020

Other Mechanical and Stores

- 1) Against a preventive check on Shelf life of a production consumables i.e. Phenol formaldehyde Resin, Mechanical and Stores were advised to implement the following system improvements:-
 - a) Clause 8.0 of the specification of the material may be elaborated to specify the minimum residual life of the P.F. Resin from the date of receipt of material at RWF clearly.
 - b) In case of Developmental/Trial orders, the result of trial/performance evaluation of the material should be preferably made available well before next procurement cycle to have additional sources/competitive bidding.

Medical Department

- 2) Against a preventive check on procedures followed in local purchase of medicines at RH/RWF, the following irregularity was observed in finalisation of last contract No. RWF/MED/MED.Shops,dtd.26/08/2019 against advertisement dtd. 28.05.2019 (Tender opened on 11/06/2019).

RH/RWF was following the guidelines mentioned in Railway Board's letter No. 2018/Trans Cell/Conclave/Health, dtd. 23.03.2018 and not switched over to the latest guidelines issued in the matter vide Railway Board's letter No. 2017/H/4/1/Local purchase, dtd. 31.10.2018. However, they are having the practice of associating finance member also in finalising the tender, which is appreciable.

Hence, the following suggestions were made:-

- a) To follow the latest guidelines of Railway Board (2017/H/4/1/Local Purchase, dtd. 31.10.2018) in the matter of local purchase of medicines and surgical items.
- b) To give wide publicity to draw the attention of more vendors for better competition as only two vendors had quoted against the subject tender enquiry.

The guidelines issued by Railway board mentioned above (dtd. 31.10.2018), are interim & final guidelines are still under finalisation by Stores Directorate in consultation with Medical and Finance Directorate, which may be expedited. In the capacity of EDVS, I had suggested to include Finance member also in the committee recommending the Vendors for orders, after evaluation of the bids. Final guidelines in the matter may be issued by Railway Board considering the suggestion for inclusion of finance member in the committee.

Personnel Branch

- 3) Against a preventive check on Recording of entries of punishment in the service registers of employees, the following irregularity was observed:-

Minor penalty served against an employee during December 2017 was not entered till March 2020.

Hence, the following suggestions were made:-

- a) To review deficient procedure of storage, maintenance and preservation of Service Registers of serving as well as retired employees for easy retrieval.
- b) To ensure timely and prompt entry of penalties in Service Register to provide updated information about such employees whenever S.Rs are referred.

Personnel Branch

- 4) Against a preventive check on issue of Privilege pass/PTOs, the following irregularities were observed:-

- a) A First class 'A' Privilege Pass issued to a Gazetted officer during August 2019 was not posted/shown in the LAN.
- b) Against the entitlement of 6 sets of pass, 6-1/2 sets of pass were issued to the same officer.

Hence, the following suggestion was made:-

To take necessary administrative action against the concerned official and adjust the excess issue against 2020 pass account.

Accounts Department

- 5) Against a preventive check on Payment of CPC arrears to the absentees, the following irregularity was observed:-

- a) An excess amount of Rs.5799/- was drawn and paid to one employee.

Hence, the following suggestions were made:-

- a) To recover the excess amount from the salary of employee.
- b) To ensure re-checking of seventh CPC arrears paid to all such employees who were absent during 01.01.2016 to 31.07.2016 and recover excess amount paid, if any.

Stores Department

- 6) During a preventive check on sale and delivery of scrap, certain discrepancies were noticed in the date of issue of sale advice with due date for payment of balance sale value and date of issue of delivery order with the date of lifting of full sold quantity.

While the date of sale order was issued on 19.05.2020, the due date for payment of balance sale value was mentioned as 02.04.2020. Further, the date of delivery order was issued on 22.05.2020 and the date of delivery to be effected on or before was shown as 27.04.2020.

Though, the mistake was done inadvertently & extension of date for payment of BSV was done due to COVID situation, in normal situation, it could have given an opportunity to the purchaser to seek extension to deposit balance sale value & delivery.

In view of the above the following suggestions were made:-

- a) To review all sale advices/delivery orders.
- b) To counsel the concerned officials/s to avoid recurrence of the above lapses.

Accounts Department

- 7) During a preventive check on "Memorandum of differences for salary" made in respect of a Junior grade level officer who was under suspension from 26/08/2019 to 19/11/2019, the following discrepancies were noticed.

- i) Actual salary was drawn for 26/08/2019 instead of drawing subsistence allowance for that day and thus resulted in excess payment of Rs.1625/- to the Officer.
- ii) Proportionate drawl of Transport Allowance was supposed to be made for the months of August (25 days) and November 2019 (11 days). But, the full payment of Transport allowance was drawn in favour of the officer for both the months. On account of this, an excess payment of Rs. 3334/- was made to the Officer.

Hence, it was suggested to:-

- i) Verify similar type of cases and regularise them, if any
- ii) Make recovery of the amount from the officer.

Mechanical Department

- 8) A preventive check on "Inspection of materials by RITES revealed that there was certain ambiguity in the testing clause of Purchase order with the RWF's specification for Graphite Mould Blanks.

RWF's specification for Graphite Mould Blanks indicates that "A cylindrical coupon for sample preparation for testing shall be drawn from Graphite Mould Blanks shown in the sketch. The sample shall be drawn in such a manner that it shall not damage or make the blank mould unsuitable for the intended purpose". On the other hand, the PO states that "One number of Mould blanks shall be selected randomly from each of the offered lot for destructive testing to check for the parameter specified in the clause 4.3, 4.4 & 4.5.

In view of the above, it is suggested to incorporate necessary amendment in the Specification (Clause 4.2) to avoid ambiguity from the stage of Tendering till Inspection of the GMBs.

Mechanical Department

- 9) During a preventive check on un-disposed M&P items, it was noticed that 5 (Five) numbers of old 3 Ton Fork Lifts (Approximate scrap value of Rs.3.5 lakhs) have not been condemned although the replacement was received in March 2019. Hence, it was advised to condemn the old vehicles immediately for realisation of revenue for the organisation.

Stores Department

- 10) A preventive check on "Irregularities in procurement of imported items" revealed that authorisation given to Agent by the OEM to act on behalf of it in dealing with the tender to supply the material was very old which will make room for misappropriation by agent. The Proforma Invoice from OEM was also not available and the purchase was finalized on the basis of authorisation given almost 20 years back involving agents & their sub agent.

Hence, the following suggestions were made:-

- 1) To educate officials dealing with import cases/PAC cases/cases involving agents to be careful in dealing with the tenders so that such type of oversight does not occur.
- 2) To advice consignee to give correct PAC in all future cases.
- 3) Such type of contracts should be settled in Indian Currency being Indigenous Contract.
- 4) Reference may be made to OEM conveying the intention of Administration to deal with them directly to avoid interference of middlemen in the process or otherwise OEM may be made responsible for actions of their agents/distributors including quoting of reasonable rates.

In compliance to the above, PCMM has issued the instructions vide office order No. 06/Contracts: Imports/RWF/S/509 Dated: 14.10.2020