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No. 48443 /F.,

Codes-46/95
GOVERNMENT OF ORISSA
FINANCE DEPARTMENT

....
OFFICE MEMORANDUM

Bhubaneswar, the dated 11/12/1995.

Subj: Discontinuance of the system of procurement of Stores by Engineering Department.

The C. & A.G. Reports contain data relating to misappropriation defalcation, theft, pilferage, loss & large scale irregularities of Store materials, purchased by Engineering Departments which possibly results in huge loss of Government money. Due to prolonged storage of some materials, these at times have to be disposed of. Some times, it is noticed that the inventory level in the Stores, in a Department is not commensurate with the budget provision. Thus public funds are being blocked in many cases.

2. With a view to avoiding these situations, Govt. have been pleased to decide that with effect from 1.4.96, there will be no purchase of departmental store materials, nor booking of materials to show utilisation of budget provision. It will be the responsibility of the Contractor to purchase stores and utilise them in the work. Since materials like cement, steel etc. are easily and abundantly available in all the places, there will be no difficulty for Contractors to procure the same. Therefore, the future agreements with the Contractors should be executed accordingly and necessary modifications to the agreement form may be made. In cases where agreements have already been executed for departmental supply of materials, efforts should be made to fulfil the same by utilisation of the existing stores and also through inter-divisional and even inter-departmental transfer of stores. For utilisation of the surplus materials, agreement may however be made for supply of materials to the extent available. In this way the existing materials should be exhausted.

3. Maintenance work should be undertaken by purchasing materials in case of departmental execution of work by directly charging to site account or through Contractors. There should not be advance purchase of materials for the sake of storing and utilising the same in future works. No item of stores should be purchased which are available in the Central store. Therefore, before effecting such purchases a certificate from the Central Store has to be obtained regarding non-availability of the particular item of stores.

4. Consequent upon introduction of the new system, the Engineers-in-charge of the works will have to exercise strict quality control and ensure that materials used by the Contractors conform to the standard specifications.

5. In case of sanction/release received from Government of India in respect of Central Plan Schemes and Centrally Sponsored Schemes at the fag end of the financial year, utilisation of the funds by booking of materials within the financial year should not be resorted to. Since it will not be difficult to convince the Government of India that the expenditure could not be incurred within the financial year due to late receipt of the sanction/release order, budget provision should be taken in the next year and expenditure incurred by obtaining revalidation from the Government of India.

6. Stock taking of the existing materials available in the store should immediately be made and circulated among the divisions for the sake of inter-divisional transfer, where-ever necessary, periodically till the stocks are exhausted.

Sd/- P. K. MISHRA

PRINCIPAL SECRETARY TO GOVERNMENT.

Memo No. 48444 (25) F., Dated 11/12/95

Copy to all Departments of Government & 1 Heads of Departments/all Collectors for information. They are requested to bring this memorandum to the notice of their Sub-ordinate Officers for strict enforcement of the ban on procurement of materials. Receipt of this memorandum may also kindly be acknowledged.

P. K. Mishra
11/12/95

DEPUTY SECRETARY TO GOVERNMENT.

Memo No. 48445 (23) F., Dated 11/12/95

Copy to Secretary to Governor, Orissa/Secretary to Chief Minister/All Private Secretaries to Deputy Chief Ministers, Ministers and Ministers of State for informations.

P. K. Mishra
11/12/95

DEPUTY SECRETARY TO GOVERNMENT.

Memo No. 48446 (3) F., Dated 11/12/95

Copy to Accountant General (A&E)/Audit (I)/Audit (II), Orissa/Deputy Accountant General, Puri/Deputy Accountant General (Project), Orissa, Koraput for information.

P. K. Mishra
11/12/95

DEPUTY SECRETARY TO GOVERNMENT.

Memo No. 48447 (40) F., Dated 11/12/95

Copy to all Financial Advisers/Asst. Financial Advisers of Departments of Government for information and necessary action.

P. K. Mishra
11/12/95

DEPUTY SECRETARY TO GOVERNMENT.

Memo No. 48448 (50) F., Dated 11/12/95

Copy to Principal, Madhusudan Institute of Accountancy & Finance, Bhubaneswar/Principal, Secretariat Training Institute & Registrar of all Universities/All Public Sector Undertakings for information and necessary action.

P. K. Mishra
11/12/95

DEPUTY SECRETARY TO GOVERNMENT.

Memo No. 48449 (120) F., Dated 11/12/95

Copy to all Officers/All Practices of Finance Department for information.

P. K. Mishra
11/12/95

DEPUTY SECRETARY TO GOVERNMENT.