
Chapter 3: Compliance Audit

BACKWARD CLASSES WELFARE AND TRIBAL DEVELOPMENT DEPARTMENTS

3.1 *IT Audit of e-enabled services in the Backward Classes Welfare Department*

3.1.1 *Introduction*

The Backward Classes Welfare (BCW) Department and the Tribal Development (TD) Department (created in November 2013 by bifurcating the BCW Department) under the Government of West Bengal are entrusted with the task of social, economic and cultural development of the people belonging to Scheduled Castes (SCs), Scheduled Tribes (STs) and Other Backward Classes (OBCs) in West Bengal¹. While the BCW Department continued to be responsible for the SCs and OBCs, the affairs specific to the ST people stood transferred to the Tribal Development Department. Mandates of these Departments *inter alia* include issue of caste certificates, promotion and implementation of educational schemes for SC/ ST/ OBC students, like payment of grants and scholarships, running hostels, etc. For quick delivery of some of these services, e-enabled services have been introduced in those Departments. Between April and August 2016, Audit conducted an IT Audit of following three applications to assess their efficiency.

- ❖ Online Application for Scholarship in Studies (OASIS) (introduced in May 2013);
- ❖ Online Application for Issuance of Caste Certificate (OSCAR) (Introduced in July 2010, issue of caste certificates through this system started in December 2010) and
- ❖ Hostel Monitoring System (HMS) (introduced in 2014).

All these applications are web-based and are available in web spaces round the clock. OSCAR was developed using Postgre SQL in the back end while both OASIS and HMS had MySQL. All three applications, however, use PHP.net in the front end.

3.1.2 *Organisational structure*

Both the Backward Classes Welfare (BCW) and Tribal Development (TD) Departments are headed by a Principal Secretary. He, assisted by a Special Secretary, is in overall charge of the systems and looks after its operation irrespective of whether the beneficiary is SC or ST. The Director of Backward Classes Welfare looks after payment related to OASIS and monitors the operations of HMS.

- The responsibility of issue of caste certificates under OSCAR for each sub-division is vested on the respective Sub-Divisional Officer (SDO), who

¹ In West Bengal, out of a total population of about 9.13 crore (as per Census 2011), 2.146 crore (23.51 per cent) belong to Scheduled Caste (SC) and 52.96 lakh (5.80 per cent) to Scheduled Tribe (ST), while the estimated OBC population accounts for approximately 39 per cent (Census data of OBC population not available).

issues the certificates based on enquiry reports submitted (through the Block Development Officer) by the block level inspecting officials of the BCW Department.

- For releasing scholarships to the beneficiaries under OASIS, the Project Officer-cum-District Welfare Officer (PO-DWO) or District Welfare Officer (DWO) finalises the list of beneficiaries from applications forwarded to him by the block level officials after obtaining them from the schools.
- The PO-DWO/ DWO is fully responsible for maintaining the HMS applications.

3.1.3 Audit coverage, scope and methodology

The IT Audit of e-enabled services of the BCW Department was conducted between April and August 2016 through test-check of available records/ stored data of the Department, Directorate and offices of the PO-DWO/ DWO of five districts (Bankura, Purulia, Hooghly, Darjeeling and Coochbehar) selected statistically². Apart from the district offices, seven sub-divisions and 20 blocks were also visited. Data were collected centrally from the Department after the same were authenticated by the authorities. All these data were analysed using IDEA 9.1 software.

Audit Findings

3.1.4 Inadequacies in mapping of business rules

A software system designed to deliver e-enabled services like issue of caste certificates, scholarship payments, etc. calls for mapping of business rules in the system *i.e.* inclusion of checks (validation controls) against clearly defined criteria based on relevant Government orders and stipulations for processing of applications. Any instance of approval of ineligible applications indicates flaw in the system in detecting and restricting such entries. This would make the system susceptible to unwanted manipulation.

Analyses of data by Audit *vis-à-vis* background records available with the district offices threw light on substantial number of instances, where the existing built-in checks failed to restrict processing of ineligible applications leading to issue of duplicate certificates, excess payment of scholarship, payments circumventing criteria of income, etc. as discussed below.

3.1.4.1 Payment of scholarship to financially ineligible beneficiaries

Government offers various scholarships to the students belonging to SC/ ST/ OBC category. However, these scholarships were payable only to students belonging to families with income less than certain stipulated levels as under.

Name of the scholarship	Family income ceiling for receiving scholarships
Post-Matric Scholarship to SC/ ST	₹ 250,000 <i>per annum</i>
Pre-Matric (CS) Scholarship for students belonging to SC/ ST (IX & X)	₹ 200,000 <i>per annum</i>

² Sampling was done through Probability Proportional to Size Without Replacement (PPSWOR) with percentage of SC/ ST as size.

Name of the scholarship	Family income ceiling for receiving scholarships
Pre-Matric Scholarship to OBC Students	₹ 44,500 <i>per annum</i>
Post-Matric Scholarship to OBC Students (XI onwards)	₹ 100,000 <i>per annum</i>

Data analysis of OASIS showed that in 3389 cases scholarships have been disbursed among students whose family income was more than the prescribed limit. It was seen by Audit that while designing the data base table structure, the field for family income was set as character, instead of numeric. This had made the system unable to have any validation control to detect and bar applicants with family incomes beyond the stipulated limit. Resultantly, the system accepted entry of garbage data e.g. amounts prefixed by “Rs.”, amounts in words, etc. in the family income field. Between May 2013 and February 2016, this led to irregular payment of scholarships of ₹ 1.38 crore to 3389 financially ineligible students violating the income criteria.

The Department, in its reply (December 2016), accepted the audit observations and intimated that the issue of payment of benefits to ineligible beneficiaries was being addressed. It was further intimated that the field capturing family income has since been changed to numeric while necessary checks were also being introduced in the system.

3.1.4.2 Scholarship paid to beneficiaries without entering caste certificate

As per the departmental rule, scholarships to SC/ ST/ OBC students should be distributed only on submission and verification of caste certificates. Accordingly, there should have been a built-in check in the system to ensure processing of the application only against a valid caste certificate number. Data analysis of OASIS application, however, showed that in 2845 cases, either no certificate number had been entered in the system or the certificate number was entered as zero. In the absence of any control in the system, these applications were processed in OASIS allowing scholarships of ₹ 97.10 lakh in those 2845 cases.

The Department accepted (December 2016) the audit observation and intimated that the caste certificate number has since been made mandatory for processing any application for scholarships.

3.1.4.3 Payment of scholarship to beneficiaries having no bank account

With a view to ensuring accurate targeting of the beneficiaries, curbing pilferage and duplication as well as expediting the process of releasing scholarships, Government of India introduced the Direct Benefit Transfer (DBT) in 2013. DBT involved direct transfer of financial benefits electronically to the individuals' bank accounts. As OASIS application was a DBT based system, the beneficiary's bank account should have been made a mandatory field in the system.

Data analysis, however, showed that in case of 3144 beneficiaries, no bank account numbers were available in the system though scholarships amounting to ₹ 1.06 crore had been disbursed to them. Evidently, bank account was not made a mandatory field indicating a lacuna in the system. In the absence of records, the process of distribution of scholarship to beneficiaries in such cases could not be ascertained in audit.

In its reply (December 2016), the Department stated that the audit observation had been well taken. It has also been intimated that quoting beneficiary's bank account number has since been made compulsory.

3.1.4.4 Inadmissible payment of hostel fees to beneficiaries studying in schools having no hostel

Scholarships for SC/ ST/ OBC students are released in different components e.g. tuition fees, other fees, hostel fees, day scholar fees, etc. Students staying in hostels (hostellers) are entitled to receive hostel fees.

At the time of applying online a student is to indicate whether he stays in a hostel and can also select the name of the hostel (from a drop down menu) he stays in. In case an applicant stays in hostel, a hostel flag in the back-end application is stored as "Y", while in case of day scholars it would be "N".

Data analysis of OASIS showed that there was no validation control in the system to bar release of hostel fees to any applicant with a hostel flag "N". It was observed by Audit that ₹ 7.24 crore was released to 10,866 students as hostel fees though they were not staying in any hostel. The test-checked offices could not provide any reason for it.

Moreover, though the system had a list of hostels stored as a drop down menu, these hostels were not mapped with the schools they were attached to. As a result, an applicant had the freedom to choose any hostel irrespective of the school he was attached to (even when no hostel was attached to that school) in order to avail of the hostel fees.

The Department, in its reply (December 2016), stated that the observation of Audit in this matter had been well taken and necessary steps were being initiated to suitably modify the system as well as to recover the hostel fees from students not staying in hostels. The Department also stated that efforts were being made to recover the amount paid to student not staying in hostel.

3.1.5 Lack of controls

3.1.5.1 Multiple payment of scholarship to same beneficiary for the same academic year

As per the extant rules, any student eligible for pre-matric or post-matric scholarship can avail of the benefit only once in an academic year. Data analysis of OASIS application, however, showed that during May 2013 to January 2016, scholarships were paid to 10,835 students multiple times ranging from two to thirty five times for an academic year. Against the maximum possible expenditure (assuming that all these students were entitled for scholarships) of ₹ 3.83 crore, total disbursement stood at ₹ 9.14 crore. Thus, 58 per cent (₹ 5.31 crore) of total payments was double/ multiple payments. This may be viewed with the following control deficiencies in the system:

- The system was not designed in a manner to embed any primary key field in the application to prevent a student from applying more than once in a year. The students were to register in the website giving their personal details and were to generate a registration number. Audit found that the same person can register multiple times giving the same details. Ideally, registration should have been a one-time process. Because of this flaw in

the system, a student could apply multiple times changing his district or changing his course or making minor changes in the data.

- The system was not designed to identify any unique field like caste certificate number or Aadhaar Card number or Bank Account number. Such a check in the system would have detected and restricted multiple releases against the same account number or same Aadhaar number.

Audit noted that the above 10,835 cases included 1288 students who had applied multiple times changing their districts (2587 applications involving payment of ₹ 2.23 crore). Similarly, there were 4216 students who received multiple payments (₹ 1.61 crore) by showing as having been enrolled for multiple courses in the same academic year.

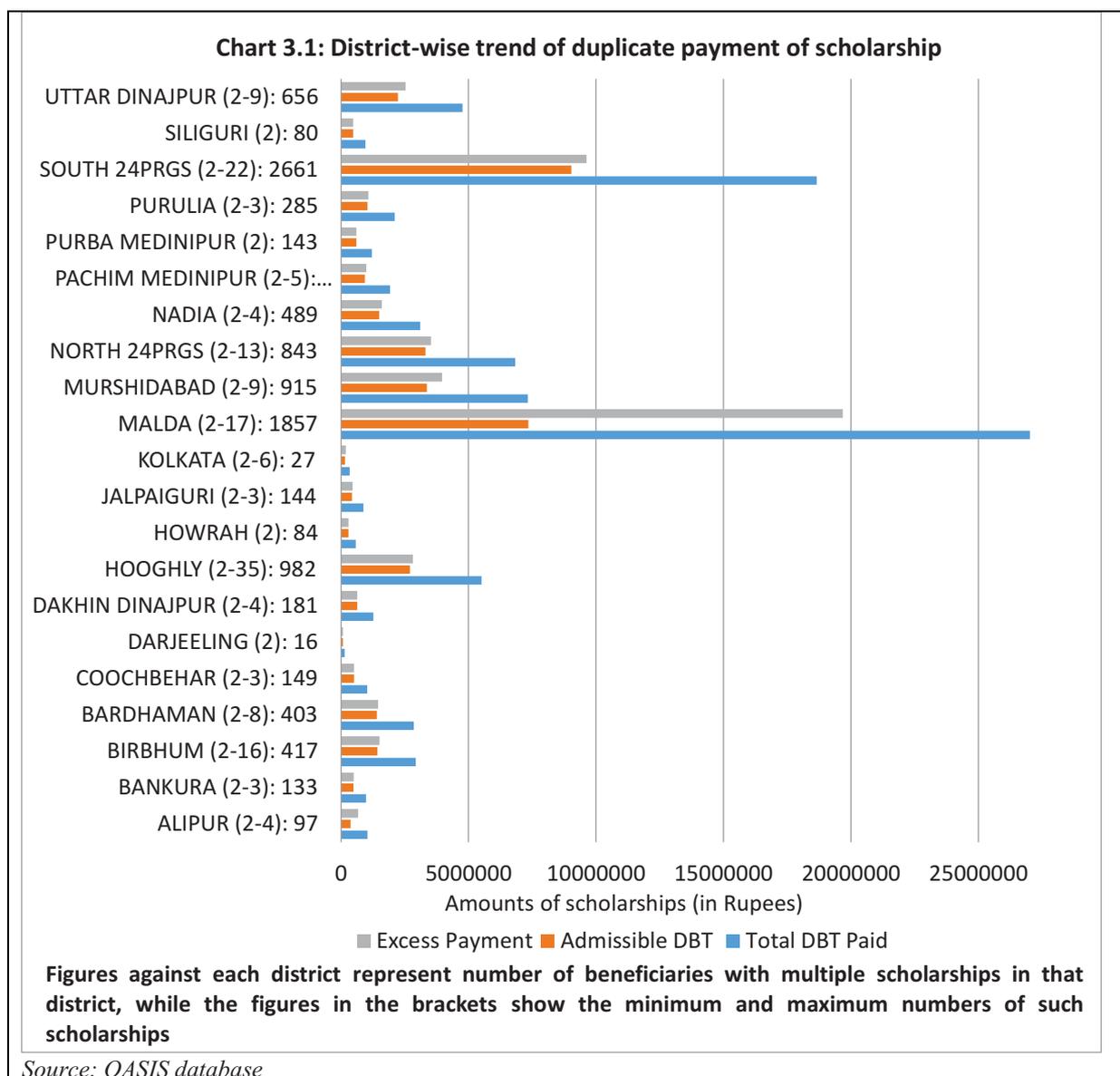
The Department replied that the caste certificate number could not be made unique as there was no validation control in manual system of issuing caste certificates and cases of duplicate caste certificates could not be ruled out. It was further indicated that in West Bengal, the Aadhaar Card was still not widespread across all geographical locations. However, the fact remained that there was inherent weakness in the system, as it had not been designed to generate unique student ID number every year allowing each student to register in the system only once in an academic year.

- The online application is followed by submission of hard copy of the application at the institution where the student is studying where from the application is verified and sent to the Block Development Officer (BDO)/ Municipality office for further verification. Audit noted that there was no attempt in these offices to identify duplicates during this verification process.
- After verification, go-ahead clearance was to be given by the BDO/ Chairman. However, it was found that for all practical purposes, the user-id and password of the authorities (BCW Inspector and BDO/ Chairman) were often available with the lower level staff of the office even with the Village Level Entrepreneur (VLE) of Community Service Centres (CSCs)³. Audit observed that the hard copies of applications were not systematically available with the BDO offices to perform any cross-checking of hard copy of the applications. This pointed to chances of unauthorised use of password privileges to bypass the physical verification process done in BDO offices.

Higher tendency of duplicate payments in border districts: The data of such duplicate payments were analysed district-wise to identify any trend of such payments. It was observed that the duplicate payments were higher in districts⁴ having international border with Bangladesh as would be clear from the Chart below:

³ A VLE or CSC operator is not a government employee. He is a youth with basic computer knowledge selected from the local population. As a strategic cornerstone of the Digital India Programme, a VLE is the access point for delivery of various electronic services to the villagers.

⁴ Jalpaiguri, Alipurduar, Cooch Behar, Uttar Dinajpur, Dakshin Dinajpur, Murshidabad, Nadia, North 24 Parganas, South 24 Parganas and Malda



It transpires from the aforesaid analysis that the trend of duplicate payments of scholarships in border districts constitutes almost 64 per cent of total cases calling for stricter vigilance.

The Department has accepted and appreciated (December 2016) the audit observation and added that suitable upgradation was being made to ensure detection and restriction of multiple releases as pointed out by Audit.

3.1.5.2 Duplicate issue of caste certificates through OSCAR system

Analysis of data relating to OSCAR, the application for issue of caste certificates, showed that adequate controls were not embedded into the system to prevent issue of multiple caste certificates. Applicants having identical credentials⁵ were found to be issued multiple caste certificates. In West Bengal, a total of 50,080 such cases of duplicate/ multiple caste certificates were found as of February 2016. Out of these, 5648 had been issued online through OSCAR, while the remaining 44,432 had been issued offline before the introduction of

⁵ e.g. name, father's name, address, etc.

the application (the details of these applications were entered into the system by the data entry operators as backlog data for integration of old and new data).

The Department stated (December 2016) that the caste certificate issuing authority had not issued multiple certificates to the same person; rather new ones had been issued only against lost certificates on valid grounds or on production of FIR.

The reply was not acceptable as there were instances where multiple certificates had been issued to the same person with different certificate numbers. This had made these newly issued certificates as new certificates for all practical purposes as the certificates were identified by their numbers only.

3.1.5.3 Non-adoption of the software of the national portal

The Department of Social Welfare, Government of India had proposed several times to merge the existing application with the national portal which could have resulted in standardisation of the software. However, this was not accepted by the Department as the application on national portal had made Aadhaar seeding mandatory. Adoption of the national software would have plugged the loop holes of duplicate payments as well as multiple issue of caste certificates as mentioned earlier in this report.

The Department stated (December 2016) that the portal of BCW Department West Bengal is in conformity with the portal of the Ministry of Social Justice and Empowerment, Government of India and it would not be difficult to integrate with the State Portal. However, the Department has also stated that the Government of India portal has not started payment of scholarship.

The reply is not acceptable as the para is related to prevention of duplicate payment/ multiple issue of caste certificate through Aadhaar seeding, which has not been made mandatory by the Department.

3.1.6 Issues compromising functional efficiency

Higher degree of operational efficiency and control, quicker processing of applications and more expeditious percolation of services to the targeted students are *inter alia* the basic objectives behind introduction of IT initiatives in BCW Department. In course of audit of OASIS, HMS and OSCAR, Audit observed certain issues affecting the efficacy of the overall system of functioning, which called for attention of the Department.

3.1.6.1 Lack of integration among various departmental applications

Database integration is defined as combining data from different sources and providing the users with a unified view of these data. In an organisation like BCW Department where multiple applications are running, data integration would be helpful for data synchronisation, reducing data redundancy, erasing duplicity in both data and functionalities and real time information delivery.

The three applications used by the BCW Department are inter-related. While OASIS takes care of scholarship disbursement to the SC/ ST/ OBC categories, OSCAR deals with the issue of caste certificates to these communities and HMS with the allocation of hostel to students belonging to these communities. Caste certificate issued by the Department is required while applying for scholarship through OASIS application. Again, caste certificates are required for applying

for hostel accommodation through HMS as well as for calculating the quantum of scholarship admissible under OASIS.

It was observed that future integration of these three applications had not been kept in view during their development. The same would also be evident from the fact that the data characters in all these three applications were not in uniform formats⁶.

The Department, in its reply (December 2016), stated that it had contemplated future integration of the three systems. However, the fact remained that not only the future integration of these three systems would have been much easier had those been developed on the same platform, but also such integration would have facilitated detection of various irregularities as pointed out earlier in the report.

3.1.6.2 Data reliability in HMS

As the Hostel Monitoring System (HMS) was a web-based application, it was imperative that submission of application (for hostel grants/ stipends) at the micro level *i.e.* at the institution level was done online. However, it was seen by Audit that instead of online applications, the hard copies of the applications were sent physically by the head of the institutions to the block level for onward transmission to the PO-DWO/ DWO. The day-to-day activity related to awarding of stipends to hostel dwellers were being done manually at the PO-cum-DWO/ DWO offices. This resulted not only in decrease in efficiency by repetition of work but also in higher risk of human errors.

Further, cross-verification of manual data in respect of number of beneficiaries of hostel grants as on a certain date collected from the office of the test-checked PO-DWO/ DWO, with the corresponding centralized automated data and reports generated from HMS online system, displayed significant variations as under:

Table 3.1: Discrepancies between HMS data base and district level records

Name of the District	Number of beneficiaries as per HMS data				Number of beneficiaries as per manual records of the district			
	SC	ST	OBC	Total	SC	ST	OBC	Total
Bankura (As on 10-03-2016)				2627	7886	11308	0	19194
Hooghly (As on 04-05-2016)	5953	139	0	6092	598	668	0	1266
Purulia (As on 06-06-2016)	216	564	4	784	1594	4804	332	6730
Darjeeling (As on 20-06-2016)	6046	262	0	6308	37	395	0	432
Total	12215	965	4	13184	10115	17175	332	27622

* Break-up not available in Hostel Monitoring System as of 10-03-2016.

In case of Coochbehar, website was down during audit.

Source: HMS database and records of test-checked PO-DWO/ DWO

Thus, the data captured in HMS had little reliability and relevance as far as number of beneficiaries were concerned. Further, continued dependence on manual application has frustrated the objective of round the clock online services under HMS.

The Department intimated (December 2016) that extensive field visits had since been chalked out to collect data from all the hostels in a time-bound manner, so that more reliable and authentic student data could be captured in HMS.

⁶ OSCAR was developed using Postgre SQL in the back end while both OASIS and HMS had My SQL. All three applications, however, use PHP.net in the front end.

3.1.6.3 Deficient training programme for departmental staff

Trained staff is an imperative for effective and efficient operation of any IT system. Audit found that the Department did not chalk out any training programme to equip the staff as evident from the fact that trained staff was available only in one (Purulia) out of five test-checked districts. Thus, district offices had to depend largely on the contractual staff for running the system which can potentially compromise the confidentiality of sensitive Government data.

Attributing this situation to the shortage of staff, the Department stated that sensitization programme would be organised emphasising on corrective measures on the audit observations.

3.1.7 Lack of business continuity plan

OASIS application was developed and was being maintained by a private vendor (M/s Diligent Tech) who had been selected through tender process. As per the agreement (August 2013), the vendor was also to provide adequate manpower (at least one per district) to assist the departmental functionaries. The vendor was to be paid at ₹ 1.74 on the basis of valid records for each candidate every year.

Scrutiny of the agreement showed that the vendor was the sole owner of the application and there was no binding on the vendor to hand over the software to the Department. This agreement was valid for three years and it was renewed every year without any modification in conditions. This indicated lack of business continuity plan as the Department would not be in a position to continue with the operations if the vendor chose to discontinue.

It may be mentioned that had the Department adopted the application with the national portal it would have avoided the dependency of the Department on a private vendor.

The Department stated (December 2016) that it had procured a local server for data backup, which was being updated periodically. The reply underscored the fact that the Department had no ownership on the application software, which were more crucial from the viewpoint of business continuity.

3.1.8 Conclusions

Though the Department took IT initiatives for quick delivery of some of its services, test-check of three applications for disbursement of scholarships (OASIS), Hostel Management (HMS) and issue of caste certificates (OSCAR) showed that there was much scope to increase the efficiency and effectiveness of these applications.

OASIS application was not mapped fully with the business rules. The system was deficient in validation control and processed applications for scholarships without adhering to the income criteria and even without information on bank accounts. Audit noted that the system also allowed payment of hostel fees even where the students were not residing in hostels. Lack of controls would be

further evidenced from the instances of multiple payments of scholarships to the same students in the same academic year as they could apply for scholarships multiple times by changing districts, courses, etc. This may be viewed with the fact that user-ids and passwords were available even to lower level non-Government functionaries at the block level, leaving the system exposed to unauthorised intrusions.

The efficiency of the services delivered under HMS was compromised as the data entry was not being made from the school/ hostel level. Reliability of the data was also doubtful as substantial variation was observed between number of beneficiaries of hostel grants as per district level records and those captured in the HMS.

As a serious weakness in the business continuity plan, the vendor was found to be the owner of the data as per the agreement. The Department would not be in a position to continue with the operations if the vendor chose to discontinue.

Thus, there are various areas of control weaknesses in the IT applications used by the BCW Department, which call for immediate attention.

BACKWARD CLASSES WELFARE AND MINORITY AFFAIRS & MADRASAH EDUCATION DEPARTMENT

3.2 Identification of beneficiaries and disbursement of loans by State Corporations

For the economic upliftment and self-employment of below poverty line people belonging to the Scheduled Castes (SCs), Scheduled Tribes (STs), minority groups, manual scavengers, etc., various Central Corporations provide funds to the State Channelizing Agencies (SCAs) as soft loans under different schemes for onward disbursement to the targeted people as per stipulated guidelines of those Corporations. The major loan schemes implemented during 2011-16 in West Bengal by two State Corporations functioning as SCAs of the Central Corporations, are shown in the *Appendix 3.1*. The West Bengal Scheduled Castes Scheduled Tribes Development & Finance Corporation (WBSCSTD&FC) under the Backward Classes Welfare (BCW) Department implements the loan schemes for the Scheduled Castes, Scheduled Tribes and the Safai Karmacharis (manual scavengers). Schemes for the minority communities are implemented by the West Bengal Minorities Development & Finance Corporation (WBMD&FC), which functions under the Minority Affairs & Madrasah Education Department (MAMED). The total quantum of loans received from the Apex Corporations *vis-à-vis* the amounts released onwards by the SCAs to the populations belonging to the SC/ ST/ manual scavengers/ minorities during 2011-16 are shown in **Table 3.2**.

Table 3.2: Position of loans received from the apex bodies and utilization thereof

(Rupees in lakh)

Targeted group	Central Corporation	Name of the State Corporations functioning as SCA	Received during 2011-16	Released to the beneficiaries	Recovered ⁷ from beneficiaries during 2011-16	Repayment made to apex bodies during 2011-16
Scheduled Castes	NSFDC	WBSCST D&FC	14313.50	10666.65	3150.10	11443.11
Scheduled Tribes	NSTFDC		154.95	248.86	209.87	479.59
Safai Karmacharis	NSKFDC		850.34	125.53	12.58	543.04
Minorities	NMDFC	WBMD&FC	69300.00	84355.95	40466.97	53342.95

Source: Records of three State Channelising Agencies

NSFDC: National Schedule Castes Finance & Development Corporation, NSTFDC: National Schedule Tribes Finance & Development Corporation; NSKFDC: National Safai Karmacharis Finance & Development Corporation and NMDFC: National Minorities Development & Finance Corporation

Audit scrutinized the records of the above-mentioned two State Corporations (WBSCSTD&FC and WBMD&FC) to assess whether the benefits percolated to the intended beneficiaries through effective management of loan funds received from the Central Corporations. The scrutiny encompassed six districts⁸, three each from North and South Bengal, selected through random sampling, including 20 blocks/ municipalities each for WBSCSTD&FC⁹ and WBMD&FC¹⁰ receiving highest amount of funds under those districts (four from each district).

Audit Findings

3.2.1 Planning for disbursement of loans under different schemes

3.2.1.1 Schemes for SCs/ STs/ Safai Karmacharis

It was observed by Audit that during 2011-16, targets for providing soft loans under different schemes were fixed by the WBSCSTD&FC at its headquarters level after allocation of funds by the Central Corporations (NSFDC, NSKFDC and NSTFDC). The State Corporation fixed district-wise targets based on the percentage of SC/ ST population in the districts. The district offices in turn fixed block/ municipality-wise targets considering the SC/ ST population and communicated the same to the concerned blocks for implementation. Thus, the annual action plan for disbursement of the loans was not formulated on the basis of any ground level assessment of requirements and consolidation of proposals originating from the lower levels upwards. Thus, the plan did not relate to the actual needs and demands. The targets for disbursement of loans thus had no correlation with the number of applicants. This had led to wide variations in the achievement figures *vis-à-vis* targets. Moreover, no departmental mechanism was found to be in place either to identify and address the bottlenecks in implementation or to extend assistance to the loanees for productive utilization

⁷ In case of NMDFC loans, the recovered amounts include interest as necessary segregation was neither available from the computer system nor ascertainable from data provided by the district offices

⁸ Hooghly, Howrah, Malda, North 24 Parganas, Purba Medinipur and Uttar Dinajpur

⁹ Hooghly: Jangipara, Chanditala-I, Chinsurah-Mogra and Chinsura Municipality; Howrah: Domjur, Sankrail and Bagnan-I; Malda: Harishchandrapur-II, Gazole, Chanchal-I and Englishbazar; North 24 Parganas: Garulia Municipality, Madhyamgram Municipality and Sandeshkhali-I; Purba Medinipur: Nandakumar, Panskura-I and Sutahata; Uttar Dinajpur: Karandighi, Kaliaganj and Itahar.

¹⁰ Hooghly: Chinsurah-Mogra, Chinsura Municipality and Chandannagar Municipality; Howrah: Howrah Municipality, Amta-I, Amta-II and Bagnan-I; Malda: Chanchal-I, Kaliachak-II and Englishbazar Municipality; North 24 Parganas: Barasat-II, Barrackpore-II and Habra-II; Purba Medinipur: Haldia Municipality, Nandakumar, Nandigram-I and Sutahata; Uttar Dinajpur: Goalpokher-II, Itahar and Raiganj.

of the loans. Scheme-wise analysis, as narrated in the succeeding paragraphs, underscore the above observations.

- ***Mahila Samriddhi Yojana (MSY) Loan for SCs:*** Under MSY, SC women within the age group of 18 to 50 years are allowed loans upto ₹ 30,000. Besides, half of the project cost up to a maximum of ₹ 10,000 is provided to SC Below Poverty Line (BPL) beneficiaries from Special Component Plan (SCP) fund as subsidy. Under MSY, out of the target of 1.14 lakh loans fixed for the period 2011-12 to 2015-16, the overall achievement was only 86000 (75 per cent). However, year-wise analysis indicates that during 2011-14, the achievement ranged only between 27 and 56 per cent, which was partially made up during the last two years (105 and 125 per cent). Such high achievement during 2014-16 was attributable to relaxation in stipulations relating to the processing of applications, e.g.
 - The Corporation decided in February 2015 that the subsidy component would be released simultaneously with the loan amount (earlier subsidy used to be disbursed only a few months after the loan disbursement).
 - In December 2015, the Corporation had also dispensed with the 'No due certificate' in respect of earlier loans from banks for processing loan applications under MSY.
 - Besides, the authority of issuing caste certificates had earlier been vested only with the Sub-Divisional Officer (SDO). However, in relaxation of the stipulation, BCW Department had decided (February 2005) that for processing loan applications under MSY, caste certificates issued by the Sabhapati, Panchayat Samity and BDO would also be accepted under their respective jurisdiction.

These relaxations created their own problems, as discussed subsequently. However, as a result of these relaxations, there was a steep increase in 2014-15 in forwarding of MSY applications by the Panchayat Samities/ Blocks/ Municipalities. District authorities also approved higher number of applications without sticking to the number that could be covered within the given allocations. Scrutiny of 1892¹¹ sanctioned applications in six test-checked districts showed Caste Certificates of the applicants were issued by Sabhapatis, Panchayat Samities and BDOs in almost all applications.

Infructuous disbursement of subsidy amount under MSY: With a view to ensuring better participation of poor SC women beneficiaries in Mahila Samriddhi Yojana (MSY), WBSCSTD&FC decided (February 2015) that both subsidy and loan amounts would be disbursed simultaneously in deviation from the earlier practice of releasing subsidy amounts a few months after the disbursement of the loan.

It was observed by Audit that in six test-checked districts, out of 10941 beneficiaries receiving loans/ subsidies in those districts, as many as 1223 beneficiaries had prematurely refunded the principal amount loans totaling ₹ 1.22 crore in one go before the due dates of repayment (even within the

¹¹ Hooghly: 180, Howrah: 58, Malda: 100, North 24 Parganas: 954, PurbaMedinipur: 400 and Uttar Dinajpur: 200.

moratorium period in many cases), retaining the subsidy amount of ₹ 1.22 crore, as shown in **Table 3.3**.

Table 3.3: Cases of beneficiaries retaining the subsidy amount

District	Beneficiaries receiving loan/ subsidy	Beneficiaries who refunded the principal amounts in one go		
		No. of beneficiaries	Principal amount of loan fully refunded	Subsidy amount retained
North 24 Parganas	1987	101	1010000	1010000
Uttar Dinajpur	726	32	320000	320000
Howrah	1322	17	170000	170000
Purba Medinipur	5996	1026	10260000	10260000
Hooghly	910	47	470000	470000
Total	10941	1223	12230000	12230000

Source: Records of the test-checked district offices of WBSCSTD&FC

In above mentioned 1223 cases, the loans were not utilized for the envisaged purpose; rather, the subsidy amounts were used by the beneficiaries to extract undue financial benefits to the extent of ₹ 1.22 crore. Nothing was on records to show whether the district authorities took any initiative to pursue such cases.

District authorities of Howrah, Hooghly and Purba Medinipur accepted the audit observations.

- **Medium Term/ Laghu Vyavasay Yojana (LVY) Loan for SCs:** Under this scheme, soft loans up to a maximum of ₹ 2 lakh were provided to SC individuals. During 2011-16, against a target of 3600 LVY loans, the actual achievement was only at 1065 (30 per cent) under this loan in the State.

The Corporation did not offer any comment on such low achievement, though called for. However, in a general reply, the District Manager, Malda, WBSCSTD&FC attributed the shortfall to the stipulation of providing a guarantor, which could not be met by the applicants in many cases.

Joint physical visit to the places of business/ residences of 25 beneficiaries along with district officials in four test-checked districts (Malda, Howrah, Uttar Dinajpur and Purba Medinipur) showed that in three cases, the beneficiaries had discontinued the project for which loans had been sanctioned. No efforts were observed on the part of the Corporation to address the issue.

- **Medium Term Loan under NSKFDC for the Safai Karmacharis:** Loans under this scheme was provided to Safai Karamchari/ Scavenger and their dependents for projects up to a maximum cost of ₹ 5 lakh. Ninety per cent of the project cost was to be funded through loans out of NSKFDC funds. The loan was to be repaid in five years with rates of interest varying from three to six per cent per annum. It was seen by Audit that the loan scheme had not taken off during the period 2011-14 and no target had been set by the Corporations. The Corporation started setting targets (200 cases annually) only from 2014-15; however, during 2014-15, achievement was only 19 per cent, while the year 2015-16 registered excess achievement (106 per cent).

Though no specific comments were offered by the Corporation in this matter, it was observed that only after promulgation of the Prohibition of

Employment as Manual Scavenger Act, 2013, in September 2013 that the implementation of the scheme had gained momentum in West Bengal.

The overall low achievement under Laghu Vyavasay Yojana (LVY) is to be viewed along with the fact that there was no constraints on the availability of funds, as the WBSCSTD&FC had refunded ₹ 9.81 crore of LVY funds (₹ 0.50 crore in 2012-13, ₹ 3.97 crore in 2013-14 and ₹ 5.34 crore in 2014-15) and Micro-Credit Finance loan funds of ₹ 9.90 crore in 2011-12 to the Central Corporations.

3.2.1.2 Schemes for minorities

Scrutiny of records of WBMD&FC regarding the preparation and implementation of Annual Plans for the period from 2011-12 to 2015-16 showed that the annual action plan was not need-based as proposals for loans were not obtained from district/ block levels and consolidated to arrive at the targets for providing number of soft loans. Besides, there was no district level set-up of the Corporation to assess the needs of the targeted population and monitor the loan-related activities of the Corporation. The said responsibility was vested with the commissioned agents designated as Field Supervisors.

Targets and achievements in respect of various loans during the period from 2011-12 to 2015-16 are shown below:

Table 3.4: Targets and achievements in respect of two major loans under NMDFC

Details of the loan	Target	Achievement
Term Loan: Term loans are sanctioned and disbursed to individual beneficiaries to the extent of 95 per cent (90 per cent from NMDFC and five per cent from SCA) of the project cost. The loan carried an interest of six per cent per annum and was recoverable in maximum of 20 quarterly instalments	41,008	36,280 (88 per cent)
Direct Lending Scheme/ Group Loan: Small loans to the members (especially women) of Self Help Group (SHG) for income generating economic activities are provided under this scheme. Loan amount including interest (six per cent per annum) are to be recovered in 18 monthly instalments.	429,628	439,167 (102 per cent)

Thus, in terms of number of loans allowed *vis-à-vis* numbers targeted, both the schemes (especially the Group Loan) have registered satisfactory achievement. Notwithstanding this, the high percentage of ineligible beneficiaries among those covered under joint inspection by Audit (as discussed later in the report) threw doubts on actual percolation of benefits of these loans to the disadvantaged groups of people targeted under the scheme.

3.2.2 Selection of beneficiaries

For all the schemes pertaining to soft loans, the respective Central Corporations had set the eligibility criteria for selection of beneficiaries, which were to be adhered to by the State Channelising Agencies. These criteria were based on income level, castes, age, etc. of the persons applying for assistance under the scheme.

Test-check of the records of West Bengal SC ST Development & Finance Corporation and West Bengal Minorities Development & Finance Corporation

showed dilution of set criteria in the selection process. Joint inspection of the beneficiaries showed instances of selection of ineligible beneficiaries as discussed in the subsequent paragraphs:

3.2.2.1 Selection of SC and ST beneficiaries by the WBSCSTD&FC

(A) Mahila Samridhhi Yojana (MSY) loan under NSFDC

As per an order (May 1975) of the Ministry of Home Affairs, GoI, it should be verified during the processing of applications received from the members of SC/ ST that the applicant and his parents actually belonged to the community mentioned in the applications. In case of such claims through marriage, the guiding principle is that no person who was not an SC or an ST by birth will be deemed to be a member of SC/ ST merely because he or she is married to a person belonging to SC/ ST. The BCW Department, Government of West Bengal, had also instructed that when an applicant produced a certificate of his Paternal Blood Relation, he/ she should be deemed to belong to the same Caste/ Tribe. The caste certificates were to be issued by the Sub-Divisional Officers only.

BCW Department, on the ground of ensuring better participation of poor SC/ ST women beneficiaries in Mahila Samridhhi Yojana (MSY), had issued an order (February 2005) that in addition to the caste certificate issued by the SDO, caste certificate issued by the Sabhapati, Panchayat Samity and BDO under their respective jurisdiction would also be accepted for processing applications for MSY. With this relaxation, there was a sudden rise in the number of applications being forwarded from the block/ Panchayat Samity level.

Scrutiny of 1892¹² sanctioned applications in six test-checked districts showed the following discrepancies:

- Caste certificates in respect of 1640¹³ applicants were issued by the Sabhapati, Panchayat Samity and BDO. In respect of 25 applications approved in North 24 Parganas, the caste certificates did not contain any signature of the issuing authority at all.
- In case of married women, no other document evidencing their belonging to SC communities was obtained before certification.
- Eighty six beneficiaries¹⁴ beyond the permissible age limit of 50 years, ranging between 51 and 75 years and one below 18 years, were allowed loans in four test-checked districts in violation of guidelines.
- Re-selection of 28 beneficiaries¹⁵ of the four test-checked districts for the second time before full repayment of previous loans was found.

Further, interview of 373 beneficiaries conducted jointly with the district officials of six districts showed that:

- 101 beneficiaries belonged to Above Poverty Line (APL) families and, hence, were ineligible.

¹² Hooghly: 180, Howrah: 58, Malda: 100, North 24 Parganas: 954, Purba Medinipur: 400 and Uttar Dinajpur: 200.

¹³ Hooghly: 177, Howrah: 45, Malda: 90, North 24 Parganas: 839, Purba Medinipur: 322 and Uttar Dinajpur: 167

¹⁴ Hooghly: 9, North 24 Parganas: 65, Howrah: 5 and Purba Medinipur: 7

¹⁵ Howrah: 6, Purba Medinipur: 4, Hooghly: 3 and North 24 Parganas: 15

- Presence of middlemen and payment of a portion of loan funds to the middlemen for obtaining loans were reported by 15 beneficiaries in three¹⁶ districts. In Garulia Municipality of North 24 Parganas, 11 beneficiaries reported that middlemen had collected money from them for repayment of loans but did not remit the same to the district office till the date of audit (April 2016).

In reply, Purba Medinipur district authority accepted the facts as pointed out by Audit. District Magistrate, Malda intimated that no proof of existence of middlemen could be traced. District Manager, Howrah stated that no such report was officially available and special care would be taken against this. As regards selection of APL beneficiaries, district authorities, Howrah stated (August 2016) that there might be instances where BPL applicants were not in possession of their BPL ration cards; however, it was added that the issues would be inquired into.

(B) Laghu Vyavasay Yojana loan/ Term loan under NSFDC/ NSTFDC

As per the eligibility criteria fixed by the NSFDC/ NSTFDC, an eligible applicant must be a permanent resident of the area and should be in the age group of 18 to 50 years with an annual family income not exceeding double the poverty line (DPL) *i.e.* ₹ 81,000 in rural areas and ₹ 103,000 in urban areas. He should belong to SC communities as per certificate issued by the competent authority (DM or ADM or SDO).

The district offices of the Corporation shall make available application forms to the Panchayat Samities/ Municipalities/ Corporations, who would receive filled-in applications from the prospective beneficiaries. After verifying the same through field enquiries, they would forward the same to the district offices of the Corporation for final approval by the District Welfare Committee (DWC). After approval of the DWC, district office shall forward the approved proposals to the Head-office of the Corporation for necessary action.

DWC, which was to give guidelines to the blocks for selection of beneficiaries and distribution of benefits, was to meet at least four times a year. Records of six test-checked districts showed that no DWC meeting was held in Malda during the period, while records relating to DWC meeting were not found in North 24 Parganas and Hooghly. In the other three test-checked districts, DWC meetings fell short of the stipulation.

Physical visit to 25 beneficiaries' business points along with district officials in four test-checked districts (Malda, Howrah, Uttar Dinajpur and Purba Medinipur) showed that

- Loans had been disbursed to three beneficiaries in Uttar Dinajpur, annual family incomes of whom were more than the eligibility ceiling.
- Term loans under NSFDC had been sanctioned to two beneficiaries for purchase of vehicles; but it was found that registration of both the vehicles was not made for commercial purposes.

¹⁶ North 24 Parganas, Malda and Howrah

3.2.2.2 Selection of minority beneficiaries by WBMD&FC

Under these schemes, eligible applicants were to submit duly filled-in forms to the Block Development Office in rural areas and Sub-Divisional Office in municipality areas for their onward submission to the District Officer (Minority Affairs) and finally to WBMD&FC headquarters. Field Supervisors, engaged at the district level on commission basis, were to give their enquiry reports on those applications.

Both for the Term Loan (for individuals) under NMDFC as well as Micro Finance/ Group Loans (for Self Help Groups), applications were invited from among the members of minority communities fulfilling the following eligibility criteria fixed by NMDFC:

- The annual family income of the applicant/ each member of Self Help Groups (SHGs) should not be more than double the poverty line (₹ 81,000 *p.a.* in rural area and ₹ 103,000 *p.a.* in urban area).
- Applicants/ member of SHGs should be in the age group of 18 to 50 years and should be resident of the concerned blocks.
- In the case of Group loans, SHGs should have actively completed six months from their dates of formation.

The following were, however, observed by Audit from the records of six test-checked districts.

- In respect of the term loans, instead of certificate by any competent authority relating to the annual family income, self-declaration of an applicant was accepted for sanctioning of loans. In course of joint inspection (including statements obtained from the beneficiaries) by Audit to the business points of 152 beneficiaries of term loans along with respective Field Supervisors in six test-checked districts, it was observed that 89 *per cent* (136) of the beneficiaries actually belonged to Above Poverty Line (APL) category and, hence, were ineligible for such loans under this scheme.
- Scrutiny of 476¹⁷ applications accepted for group loan assistance in six test-checked districts showed the following:
 - No documents like election photo identity card / ration card/AADHAAR card or certificate by local authority as proof of residential address or proof of age of the beneficiaries were found attached to the applications in case of 393¹⁸ self help groups.
 - In case of annual family income, self-declarations were found attached with all 476 applications.
 - From the statement attached with applications, 297 beneficiaries were found to be beyond the permissible age limit of 50 years. Unauthenticated rectification of age in statement was also observed.
 - Only the first pages of bank pass-books of the SHGs were available in all test-checked cases. Pass-book pages showing transactions as a proof of active functioning of the group for the last six months were not found attached with any application.

¹⁷ Hooghly: 91, Howrah: 53, Malda: 73, North 24 Parganas: 105, Purba Medinipur: 78 and Uttar Dinajpur: 76

¹⁸ Howrah: 52, Hooghly: 91; Malda: 55, North 24 Parganas: 108, Purba Medinipur: 78 and Uttar Dinajpur: 9

Further, joint physical inspection (with Field Supervisors of the Corporation) of 359 beneficiaries¹⁹ business points/ residence in six test-checked districts, who had availed of micro finance loans/ group loans along with the district official of the corporation, showed that:

- On 167 occasions (47 *per cent* of the cases inspected), the beneficiaries belonged to APL families.
- Though the scheme had emphasised giving loans to the women members of SHGs, in a substantial number of cases (149 cases representing 42 *per cent* of cases inspected), the loanees had invested the loan amounts in the family business, rather than using the same for the SHG's business.

3.2.3 Parking of loan funds received from NSTFDC/ NSKFDC

Out of the five test-checked districts, substantial quantum (₹ 13.54 crore or 29 *per cent* of total loan funds received during 2011-15) of Central loan funds remained undisbursed for more than one year in four districts as of March 2016, mainly due to the delayed fulfillment of formalities (*Appendix 3.2*). The position was more alarming in the case of Purba Medinipur and Hooghly.

In reply, District Manager, Hooghly, WBCSTD&FC accepted (August 2016) that in some cases disbursement of loan funds took one to two years after receipt of funds underscoring the need for streamlining the process of disbursing the loan funds. Purba Medinipur district authority also accepted the facts as pointed out by Audit.

3.2.4 Conclusion

To ensure actual percolation of the benefits of the loan-based schemes to the targeted disadvantaged sections of the population belonging to SC/ ST/ minorities and Safai Karmacharis, the State Channelising Agencies should have put in place a robust mechanism. The same was, however, found missing. The coverage under various schemes (especially Mahila Samridhi Yojana Loan) showed erratic fluctuations in achievement, with higher achievement disproportionate to the targets during recent years. Such higher achievement under MSY was attributable mainly to the relaxation of certain controls. Using such relaxations, 1223 MSY beneficiaries even extracted undue financial benefits of ₹ 1.22 crore out of Government subsidies. There were many instances of selection of ineligible beneficiaries under the schemes, especially under loan schemes for minority beneficiaries, which calls for closer surveillance by the Corporations.

Thus, there remains much scope for improvement in the activities of the Corporations for ensuring percolation of the intended benefits of soft loans to the targeted groups of population.

¹⁹ Hooghly: 31, Howrah: 69, Malda: 90, North 24 Parganas: 50, Purba Medinipur: 33 and Uttar Dinajpur: 86

DISASTER MANAGEMENT DEPARTMENT

3.3 *Extra expenditure in purchase of tarpaulin*

Disaster Management Department incurred extra expenditure of ₹ 17.67 crore during 2013-16 on procurement of tarpaulin sheets by not observing tender formalities or following DGS&D rates.

The West Bengal Financial Rules (WBFR)²⁰, read with subsequent orders²¹ issued by the Finance Department from time to time, made it mandatory for Government Departments to invite open tenders for procurement of articles/ stores or services worth ₹ 100000 (₹ 20000 prior to June 2012) or more, unless specific exemption had been granted under any special rules or order or procedure of the Government. However, materials, for which the Director General, Supplies & Disposal (DGS&D) rate contracts were available, could be purchased directly from the enlisted agencies of DGS&D at approved rates.

The Disaster Management Department procures fabricated Low-Density Polyethylene (LDPE) sheets (tarpaulins) every year for distribution amongst the victims of natural calamities. As per the extant financial rules, open tenders are to be invited for such procurement. However, for the financial year 2005-06, West Bengal Cabinet approved (January 2006) a proposal of the Relief Department (erstwhile Disaster Management Department) for direct procurement of fabricated tarpaulins from Haldia Petrochemicals Limited (HPL)²².

Scrutiny of the records of the Director of Disaster Management showed (January 2016) that though the above-mentioned Cabinet approval expressly pertained to the financial year 2005-06 only, the Government continued to procure tarpaulin sheets directly from HPL till 2015-16, without either observing tender formalities or adopting DGS&D rates. Every year, the Director of Disaster Management obtained rates from HPL for supply of tarpaulin and placed order at a negotiated price. It was seen that the rates²³ of tarpaulin sheets charged by HPL were much higher than the DGS&D rates²⁴. During 2013-14 to 2015-16 the Department had purchased 26.41 lakh²⁵ pieces of black polythene tarpaulin sheets²⁶ from HPL at a cost of ₹ 158.91 crore (excluding VAT). Compared to the corresponding rates available from DGS&D schedule for tarpaulins of similar specifications, the Department incurred an additional expenditure of ₹ 17.67 crore during 2013-16 (*Appendix 3.3*).

The Department attributed (September 2014) this decision to the fact that HPL, a joint venture unit under the control of the Government, was the largest manufacturer of tarpaulin in India with products of benchmark quality. The Department also quoted the abovementioned Cabinet decision of January 2006

²⁰ Rule 47 (8) of West Bengal Financial Rules

²¹ November 2004, May 2012 and June 2012.

²² A deemed Government Company upto 2014-15. However, from 2015-16, the Government holding in the company has come down to less than 50 per cent.

²³ ₹ 565 to ₹ 623 per sheet (3.75 kg. each) plus VAT

²⁴ ₹ 134.68 to ₹ 148.33 per kg. including ED wherever applicable

²⁵ 2013-14: 6.50 lakh; 2014-15: 6.48 lakh and 2015-16: 13.43 lakh pieces.

²⁶ Each tarpaulin sheet of 200 micron thickness made of Low Density Polyethylene as per IS: 2508/ 1984 having weight of 3.50 kg. to 3.75 kg.

as the authority behind this. The replies was not acceptable as the specific exemption allowed by the Cabinet for 2005-06 should not have been used for circumventing financial norms during the subsequent years, especially when this resulted in additional expenditure.

FOOD & SUPPLIES AND FINANCE DEPARTMENTS

3.4 Target of setting up a modernised food testing laboratory remaining unachieved

The target of setting up of new Regional Quality Control Laboratory at Krishnanagar remained mostly unfulfilled due to non-posting of technical personnel. Newly procured sophisticated equipment also remained idle.

Food & Supplies (F&S) Department had accorded (June 2014) administrative approval for purchase of Quality Control equipment at a cost of ₹ 1.83 crore²⁷ to facilitate physical and chemical analysis of food grains/ food products in the newly established (February 2014) Regional Quality Control Laboratory at Krishnanagar, Nadia. The laboratory was to be run by the Directorate of Inspection & Quality Control under the F&S Department. The F&S Department had envisaged operating the laboratory either from the available strength of posts in the Directorate or by creating posts where available posts fell short of the requirement.

Accordingly, the Directorate made (July 2014) a proposal to the F&S Department for posting of technical personnel²⁸ in the laboratory, clearly mentioning that receiving quality control equipment including their installation and demonstration would not be possible in the absence of technical professionals. F&S Department approached (August 2014) the Finance Department for its concurrence on filling up²⁹ the existing vacant posts and creation of some new posts for the purpose. The Finance Department, however, disapproved (December 2014) the proposal for filling up/ creation of the posts without assigning any specific reason.

Audit scrutiny showed (November 2015) that the F&S Department, without filling up the existing vacant posts and creation of new posts for the laboratory, accorded (October 2014) financial sanction for ₹ 1.83 crore for procurement of quality control equipment. The Directorate placed (October 2014) supply orders and received (January and March 2015) various quality control equipment³⁰ worth ₹ 1.59 crore. Though the Directorate moved the F&S Department repeatedly (December 2014 to April 2015) expressing its concern that machinery might go out of order due to their prolonged non-use, no further development was seen in this matter. As of May 2016, the newly created

²⁷ Under Rashtriya Krishi Vikas Yojana (RKVY)

²⁸ Filling up of existing vacant posts: One Chemist, one Assistant Chemist, three Chief Samplers, 12 Samplers, 11 Assistant Samplers and two Supervisors
Creation of new posts: two Laboratory Technicians and two Data Entry Operators

²⁹ 50 per cent to 100 per cent posts of Assistant Sampler, Sampler, Chief Sampler and Supervisors were lying vacant

³⁰ Equipment included Table top Pulse Nuclear Magnetic Resonance worth ₹79.80 lakh, Atomic Absorption Spectrophotometer worth ₹34.65 lakh, Gluten System Analyser worth ₹12.10 lakh, Tintometer worth ₹8.90 lakh, Near Infra-red for analysis of Protein, fat, etc. worth ₹15.75 lakh, etc.

laboratory with all those sophisticated equipment has been lying under lock and key, in the absence of any technical personnel.

The F&S Department, in its reply (July 2016), reiterated the facts and emphasised that the proposal for filling up/ creation of posts had been re-submitted to the Finance Department. In its subsequent reply (November 2016) intimated that the laboratory had “started functioning upon posting of two Chief Samplers and other employees”.

To assess its status of functioning, Audit visited the laboratory in December 2016 on four occasions during the first three weeks of December 2016 and it was seen that except on 01 December 2016, when two Samplers were present, the laboratory was closed. Further enquiry at the Directorate level showed that two Samplers have been posted in the laboratory as additional duty. The only Chemist and Supervisor attached to the headquarters’ laboratory have been asked by the Director to attend the Regional laboratory at Krishnanagar on alternate Mondays only. It was further seen that only a few tests of rice and *atta* were conducted, which did not need the use of more sophisticated equipment installed in the modernised regional laboratory. It was further observed that the prospect of determining the percentage of impurity in the edible oil in the laboratory was also remote, as operationalization of the relevant machine (Pulse Nuclear Magnetic Resonance machine) would require presence of a dedicated Chemist in the laboratory.

Thus, the target of setting up of a modernised Regional Quality Control Laboratory at Krishnanagar remained mostly unfulfilled due to non-posting of technical personnel.

HEALTH & FAMILY WELFARE DEPARTMENT

3.5 Implementation of Food Safety & Standards Act, 2006

The Food Safety & Standards Act, 2006 (Act) envisages to lay down scientific standards for articles of food and to regulate their production, storage, distribution and sale, to ensure availability of safe and wholesome food for human consumption. The Act came into force in August 2011 repealing the Prevention of Food Adulteration Act, 1954 (PFA Act) and seven³¹ other food related Acts and orders. The Act introduced a uniform licensing/ registration regime across Centre and States/ Union Territories. Subsequently, Food Safety & Standards Authority of India Rules, 2011 (Rules) and various Food Safety & Standards Regulations have also been brought out under the Act. Food Safety & Standards Authority of India (FSSAI) is an independent statutory authority, while the State Food Safety Authorities are responsible for enforcement of various provisions of the Act and rules.

The Commissioner of Food Safety (Commissioner) under the Health & Family Welfare (H&FW) Department is the nodal officer for implementation of the Act in the State. At the district level, the Dy. Chief Medical Officers of Health-II

³¹ (i) *The Fruit Products Order, 1955*, (ii) *The Meat Food Products Order, 1973*, (iii) *The Vegetable Oil Products (Control) Order, 1947*, (iv) *The Edible Oils Packaging (Regulation) Order, 1998*, (v) *The Solvent Extracted Oil, De oiled Meal, and Edible Flour (Control) Order, 1967*, (vi) *The Milk and Milk Products Order, 1992* and (vii) *Orders relating to food issued under the Essential Commodities Act, 1955 (10 of 1955)*.

(Dy. CMOsH) function as the Designated Officers (DOs) and are empowered to issue licences/ registrations. The Food Safety Officers (FSOs), working under the DO, are responsible for inspections of premises of Food Business Operators (FBOs) for drawing food samples. Kolkata Municipal Corporation (KMC) acts as the Food Safety Authority for the KMC area and reports to the Commissioner.

For assessing the efficacy of the vigilance and enforcement mechanism, an audit of implementation of the Food Safety & Standard Act, 2006 covering a period from August 2011 to March 2016 was conducted during February-September 2016. Scrutiny encompassed H&FW Department and Designated Officers of eight³² statistically selected districts including a sample of 1047 licences and 626 registrations in those eight districts. Audit coverage also extended to two functional³³ food testing laboratories – West Bengal Public Health Laboratory, Kolkata (WBPHL) and Central Laboratory (Food), Kolkata (CLF).

Audit findings

3.5.1 Enforcement mechanism

Under the Act, licences are mandatory for Food Business Organisations (FBOs) having annual turnover of more than ₹ 12 lakh, while petty FBOs with annual turnover upto ₹ 12 lakh are required to register with Designated Officers. While the DOs are empowered to issue licences, the Food Safety Officers (FSOs) under the DOs have been delegated the function of registration. FSOs are also empowered to draw food samples and to send it for analysis in Food Testing Laboratories to see whether the food articles conform to the standards set.

3.5.1.1 Absence of dedicated district level functionary: Though the Rules mandated (August 2011) for appointment of full-time DO within five years, Audit observed that in West Bengal, the Dy.CMOsH had been entrusted with the duty of the Designated Officers (DOs) in addition to a multiplicity of health schemes.

The Department, in its reply, intimated (December 2016) that 26 posts of District Food Safety Inspecting Officers had since been created, who would be designated as whole-time Designated Officers. However, recruitments were yet to be made as recruitment rules were yet to be finalised.

3.5.1.2 Shortage of Food Safety Officers: Apart from registration of food businesses, FSOs are empowered to draw food samples and to send these for analysis. The position of normative requirement, sanctioned strength and men in position of FSOs was as under:

Table 3.5: Position of requirement and availability of Food Safety Officers

Area	Norms	Requirement	Sanctioned strength	Men in position
Urban area (Kolkata Municipal Corporation)	One FSO for every 1000 FBOs	85 FSOs	85	20 FSOs (24 per cent of requirement)
Rest of the State	One FSO in every block	341 FSOs	190*	14 FSOs (four per cent of requirement)
Test-checked districts		241 FSOs		27 FSOs (11 per cent of requirement)

* Including 66 existing posts of Food inspectors under the PFA Act

Source: Records of the Commissioner of Food Safety

³² Darjeeling, Hooghly, Howrah, Jalpaiguri, Kolkata, Purba and Paschim Medinipur and Purulia,

³³ Out of the six State owned laboratories, only two were functional

Such acute shortage of FSOs was surely a matter of concern and indicative of lack of prioritisation of the Government on the aspect of food safety, as it led to deficient inspections and sampling (as detailed in *paragraphs 3.5.2.1 and 3.5.2.3*) compromising the enforcement of the Act. This assumes further significance in view of the high percentage of test results declaring food samples as “sub-standard” (*vide para 3.5.2.3 later in the report*).

The Department intimated (December 2016) that recruitment process for FSOs, who would be posted in the blocks and local bodies, had been initiated. However, as long as such high vacancy exists, there is little prospect of improvement in the situation.

3.5.1.3 Deficiencies in enforcement activities

(i) Absence of survey and FBOs running without licence/ registration: The Act and the Rules³⁴ mandated the State Government to conduct a survey and to prepare a data base of FBOs indicating their nature/ category. Under the Act, operation of food business without a licence was punishable with imprisonment and fine extendable up to ₹ 5 lakh. The Commissioner of Food Safety, however, did not conduct any such survey and as a result, no reliable information on the FBOs operating in the State was available with it. Consequently, the unlicensed/ unregistered FBOs were not identifiable and many FBOs in the State remained unmonitored outside the ambit of the Act.

As per an estimation (August 2011 onwards) by the Commissioner of Food Safety, there were approximately 10 lakh FBOs in the State. Audit, however, observed that only nine *per cent* (86262) of them had got registered/ licensed under the Act as of March 2016. In KMC area, out of 85734 food establishments operating business in the PFA regime (August 2011), only 10186 (12 *per cent*) were licensed/ registered under the Act as of March 2016. Similarly, the street food vendors in Kolkata city, estimated around 30,000 by KMC, were operating without registration/ licence.

In reply, KMC authority stated (June 2016) that repeated advisories issued by FSSAI regarding extension of time-line for registration/ licences was responsible for this situation. The reply is not acceptable as KMC should have taken more proactive action in this respect, especially when the FBOs are statutorily bound to renew their licences. Moreover, FSSAI had resolved (March 2014) that necessary Information, Education and Communication (IEC) activities should be initiated for the awareness of the consumers/ FBOs. However, no such activities were undertaken in the State (*as discussed in paragraph 3.5.5*).

The Department, in its reply (December 2016), attributed such lacunae to the absence of adequate numbers of Food Safety Officers and Designated Officers and intimated that efforts were on to appoint those officers expeditiously.

Audit conducted a joint survey with the FSOs/ municipal authorities in the selected municipalities/ panchayat areas of Purba Medinipur district and found that a lot of food businesses were being carried on without obtaining food licence/ registration from the district food safety authority (**Appendix 3.4**). All the defaulting FBOs informed that they were unaware about the need to obtain the food licence from the Health & Family Welfare Department.

³⁴ Section 30 of the Act read with Rule 2.1.3 of the Food Safety and Standard Rule, 2011.

(ii) Delay in issue of licence/ registration certificate: Regulations³⁵ stipulate that licence and registration certificate shall be issued within 60 days and 30 days respectively from the date of application. Audit, however, observed that out of 1047 cases of licences and 626 cases of registration test-checked in eight districts, 18 per cent (188 cases) of licences and 22 per cent (135 cases) of registrations were issued beyond the prescribed period. Analysis of delay in these 323 licences and registrations indicated that in 106 cases there were delays exceeding one month while in 67 cases, the delays exceeded three months. The Department, in its reply, attributed (December 2016) such delay to the lack of FSOs and DOs.

(iii) Non-renewal of licences/ registration: A registration or a licence would be valid for a period of one to five years (as applied for by the FBO) from its date of issue. It required renewal one month before expiry. It was, however, observed that barring Purulia and Hooghly, the six test-checked District Food Safety Authorities did not maintain the FBO-wise record to keep a watch on this aspect. Audit test-checked 1047 licences and 626 registrations in these eight districts and found that 37 per cent (229) registrations and 47 per cent (492) licences had expired. In Purulia, where FBO-wise records were available, 44 to 76 per cent FBOs³⁶ were operating (during 2011-16) with expired food licences/ registrations. Similarly, 46 to 77 per cent FBOs were operating (during 2012-16) with expired food licences in Hooghly district. In the absence of any system to watch the validity of licences, such defaulting FBOs remained undetected by the Designated Officers, indicating further dilution of the statutory control on the activities of the FBOs, which was already weak.

(iv) Deficiencies in submission of documents required for food licence: Regulations³⁷ specify the list of documents to be submitted for application of new licence which *inter alia* include proof of possession of business premises (e.g. sale deed/ rent agreement/ electricity bill, etc.). Test-check of records relating to 1047 licences in eight test-checked districts showed that in 661 cases (63 per cent), licences were issued without obtaining such documents. Similarly, declaration towards adherence to the provisions of the Act and Hygiene and Sanitary Practices was not submitted by 302 (48 per cent) FBOs out of 626 registrations test-checked.

Thus, the district food safety authorities did not exercise proper vigilance on the documents furnished by the FBOs while scrutinising their applications, which was also attributed by the Department, in a general reply, to the lack of manpower at FSO/ DO level.

(v) Non-submission of mandatory return by the FBOs: As per Regulations³⁸, every licensee should on or before 31st May of each year, submit a return, in 'Form D-1' in respect of each class of food products handled by him during the previous financial year. This return will indicate the quantity and value of food products handled by him. Any delay in filing return beyond 31st May of each year should attract a penalty of ₹ 100 per day of delay. However,

³⁵ Regulations 2.1.1 (4) and 2.1.4 (1) of the Food Safety and Standards (Licensing & Registration of Food Businesses) Regulations, 2011

³⁶ In 2014-15, 287 out of 652 registrations had expired and in 2012-13, 293 out of 383 licences had expired.

³⁷ Regulation 2.1.3 of the Food Safety and Standards Regulations, 2011

³⁸ Regulation 2.1.13 of the Food Safety and Standards Regulations, 2011

none of the test-checked 1047 FBOs submitted such returns to the respective DOs. Neither did the District Food Safety Authority impose any penalty against such licensees as of March 2016. Thus, due to non-submission of the return, the DO could not ascertain the volume of business so as to watch whether an FBO operating with registration needed to be brought under licence. This also had financial implications in view of the differential charges for registration and licence (Registration fee: ₹ 100 per year; Licence: ₹ 2000 per year).

(vi) Partial introduction of on-line licensing/ registration process: Online Food Licensing and Registration System (On-line FLRS), the system for online issue of licences/ registration of FBOs was to be commenced in the State by September 2015. Though the requisite hardware and software were provided (November 2015), the online system of registration has been commissioned only in five districts including Kolkata as of October 2016. Thus, introduction of online registration remained behind schedule affecting the desired pace of registration process. Further, FBOs defaulting in renewal of licences or non-submission of returns could have been detected more easily with the help of the on-line system of licensing.

The Department, in its reply (December 2016), stated that the online system was being introduced in a phased manner and five more districts would be covered under online system very shortly.

(vii) Lack of synergy between the district food safety authorities and the Municipal/ Panchayat bodies: Carrying out any business requires a trade licence from the Municipal/ Panchayat bodies. In respect of FBOs, such trade licences could have been linked to the food licences/ registration. However, there was no such mechanism in the local bodies to ensure every FBO, applying for trade licence, obtained food licence/ registration as a pre-requisite.

Audit noted that out of 2997 FBOs operating grocery businesses within the Siliguri Municipal Corporation (SMC) area with trade licences, only 269 (nine per cent) had got food licence/ registration under the Act as of March 2016. In reply, SMC authority stated (April 2016) that the existence of Food Licences would be verified in future before issuing Trade Licences.

The Department stated (December 2016) that it shared all its circulars on food safety with the Municipal Affairs Department and the FSOs posted in different municipal bodies were also involved in trainings organised at the headquarters. However, the reply was very general in nature and more specific initiative on the part of the H&FW Department was necessary to put in place such inter-departmental mechanism which was missing.

(viii) Absence of accounting and remittance of collected revenue: The FBOs in test-checked districts except those in KMC area deposit the requisite licence/ registration fees directly to the State exchequer. It was seen that the district food safety authorities did not maintain account of such collection. Hence, the total revenue collection was not ascertainable. It was seen that the Kolkata Municipal Corporation (KMC) had kept the entire fee of ₹ 5.79 crore collected since September 2012 in a bank account. KMC sought (January 2016) guidance about the remittance from the Commissioner of Food Safety, but no reply was given by the latter as of July 2016.

The Department, in its reply (December 2016), stated that the exclusive head of accounts for depositing fees had been intimated to the FSOs/ DOs. However, the reply did not address the issue of non-accounting of the quantum of such collection. As regards the KMC area, the Department intimated that instructions had been sought from the Finance Department.

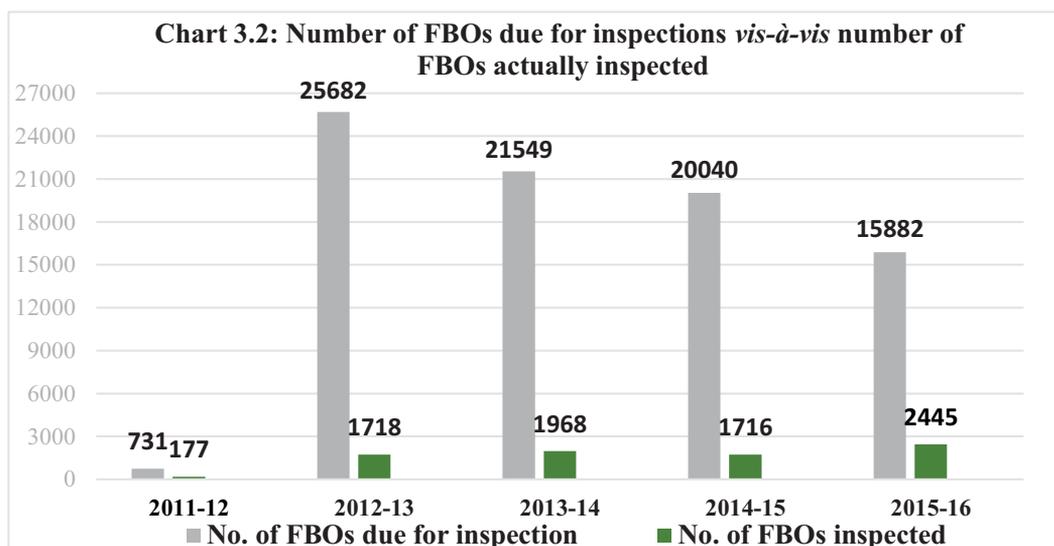
3.5.2 Punitive mechanism

Food Safety Officers (FSOs) are responsible for drawing samples of food from the premises of FBOs. These samples are then sent to the Food Testing Laboratories (FTLs) for testing. The Designated Officer, after scrutiny of the report from FTL, shall decide as to whether the contravention is punishable with imprisonment or fine only. In case contravention is punishable with imprisonment, he shall send his recommendations within 14 days to the Commissioner of Food Safety for sanctioning prosecution. If punishable by fine, he will authorise FSO to file an application for adjudication of the offence with the Adjudicating Officer (AO). The decisions of the AO can be challenged at the Appellate Tribunal notified by the State Government. In case, the offence is punishable with imprisonment, the Commissioner of Food Safety will decide to refer the case to an ordinary court of jurisdiction or a special court³⁹.

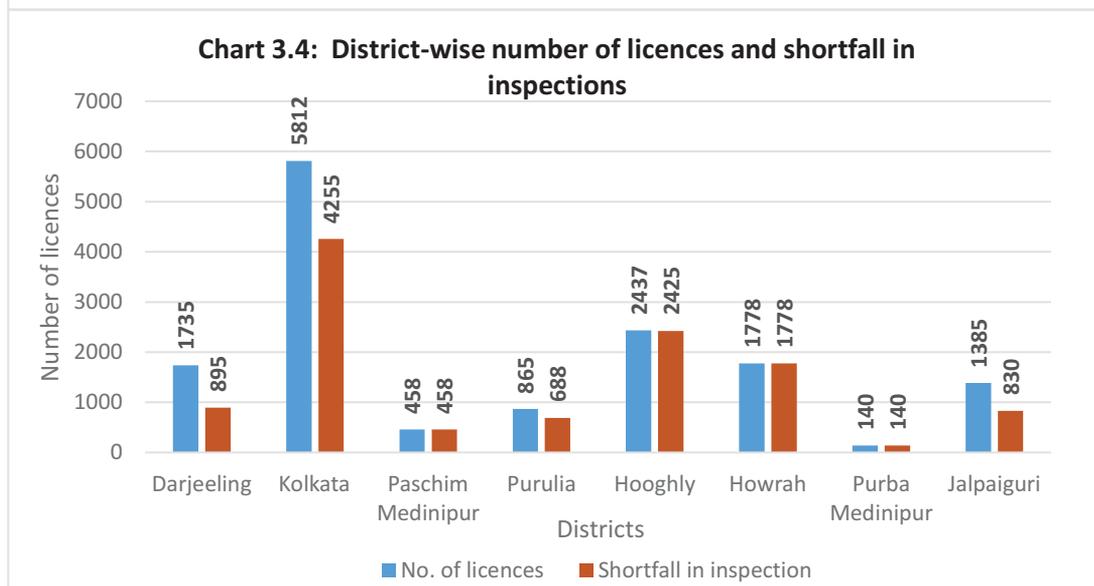
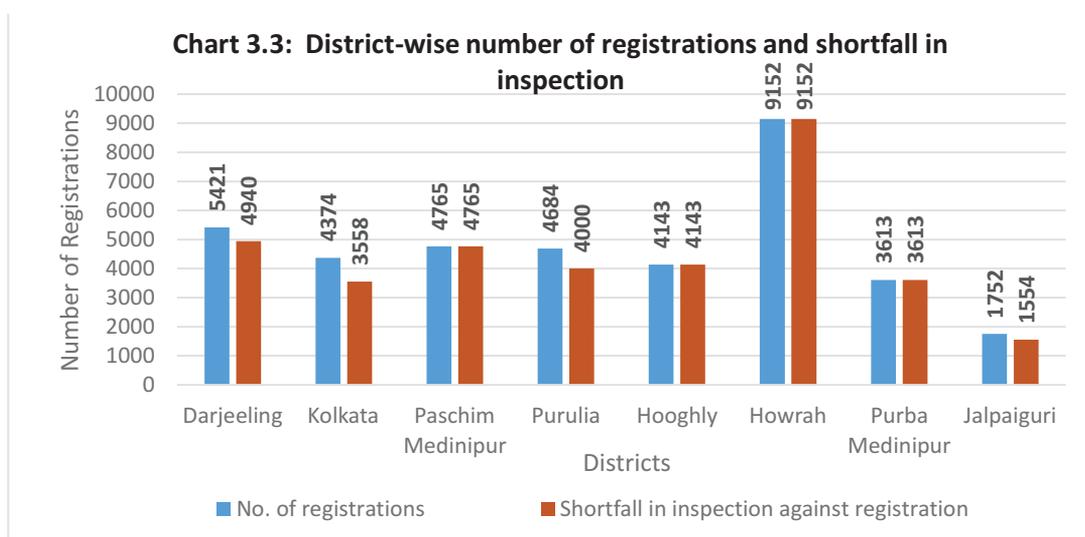
Audit observed that the effectiveness of the punitive mechanism was compromised by significant shortfall in inspection and drawal and testing of food samples as detailed in the succeeding paragraphs:

3.5.2.1 Shortfall in inspection: Rule 2.1(6) of the Food Safety and Standards (Licensing & Registration of Food Business) Regulations, 2011 mandates at least one inspection of each registered establishment every year. Again, Rule 2.1.3 (4) (iii) of the Food Safety and Standards Rules, 2011 requires the designated Food Safety Officer to conduct inspections as frequently as may be prescribed by the Designated Officer. The Central Advisory Committee also advised in various meetings that there should be a strong surveillance network. However, neither the State Government nor the Designated Officers prescribed any frequency of inspections. Available data indicated that FSOs did not inspect FBOs even once in a year. **Chart 3.2** indicates the position of FBOs due for inspection (for registration and licensing) each year and the number of inspections conducted there against.

³⁹ A court of ordinary jurisdiction in case of offences punishable with imprisonment for a term up to three years or to a special court, (if such court is established) if punishable with imprisonment for a term more than three years.



As evidenced from **Chart 3.2**, shortfalls in inspection ranged from 76 to 93 per cent (*Appendix 3.5*). Similar was the case in test-checked districts, the status of which are indicated in the Charts below:



Source: Data provided by the respective Designated Officers

As is evident from the above Charts, the inspections remained grossly inadequate. It was seen that there were average shortfalls of 94 *per cent* and 78 *per cent* for FBOs requiring registration and licences in the test-checked districts, respectively.

3.5.2.2 Absence of system of inspection even while issuing/renewing licences/registrations: It was seen that inspections were conducted rarely even at the time of issue of licence/ registration. In the State as well as the test-checked districts, only seven *per cent* of the FBOs (6287 out of 86,262 in the State and 3773 out of 52,514 in the test-checked districts) were inspected while issuing licences/ registrations during 2011-16. Test-check further showed the following:

- Not a single FBO was inspected in Howrah, Hooghly, Purba and Paschim Medinipur while issuing registrations/ licences and in Kolkata, issue of registrations was not backed by inspections.
- Similarly, out of 28,046 renewals up to March 2016 in the test-checked districts, only 1334 (five *per cent*) were inspected.

Given the fact that issue of licence involves higher charge (₹ 2000 *per annum*) as compared to registration (₹ 100 *per annum*), it assumes significance that renewal of licence or registration was made on the basis of the turnover⁴⁰ declared by the FBO without any further verification by DO/ FSO. In Paschim Medinipur district, Audit surveyed nine FBOs, out of which three⁴¹ were operating with registrations even though their turnover was higher than ₹ 12 lakh. The survey at Purba Medinipur also showed that the FBOs with higher annual turnover continued food business with registration in lieu of licence, as shown below:

Table 3.6: Instances of FBOs with higher annual turnover continuing business with registration in lieu of licence

Municipal/ Panchayat area	Registration No. of the FBO	Address of food business	Item of food business	Annual turnover
Padima-I GP	22812015001957	New Digha, Purba Medinipur	Cooked food	₹ 15 lakh
	22812015001462	-Do-	-Do-	₹ 18 lakh
Haldia Municipality	22812015000606	Basudevpur, Haldia	-Do-	₹ 50 lakh
	22812015002086	Khanjanchak, Durgachak, Haldia	Bakery	Production rate more than 2 MT per day
Contai Municipality	22812015001171	Kumarpur, Contai	Cooked food	₹ 50 lakh
	22812015001172	-Do-	Bakery	₹ 22 lakh

Source: Joint physical inspection by Audit and records of DO, Purba Medinipur

The district food safety authorities attributed lack of inspections to inadequate number of Food Safety Officers and absence of logistic support.

⁴⁰ FBOs having annual turnover of more than ₹ 12 lakh have to obtain licences while petty FBOs with annual turnover upto ₹ 12 lakh are required to register.

⁴¹ Taaz Biryani, Kharagpur, with an annual turnover of ₹ 50 lakh; Maa Sitala Mistanna Bhandar, Kharagpur, with an annual turnover of ₹ 15 lakh and Samrat Sweets, Medinipur with an annual turnover of ₹ 15 lakh

3.5.2.3 Inadequate sampling: Section 38(2) of the FSS Act empowers Food Safety Officers (FSOs) to take food samples from various Food Business Operators (FBOs) for testing. Food samples collected from the KMC area are tested in the Central Laboratory (Food) while those collected from other areas are sent to the WBPH Laboratory on the next day of collection.

Audit found that the Department had not issued any instruction as to the number of FBOs from which samples are to be collected for testing during a period of time. Further, there was no mechanism for prioritising testing of food items which could affect the majority of populace or health of infants, etc. As no targets have been fixed, the adequacy of food sampling could not be assessed in audit. However, the number of food samples tested were grossly inadequate compared with the number of registrations and licences, in the test-checked districts, as tabulated in **Table 3.7**.

Table 3.7: Data of samples drawn and tested during 2011-16 in test-checked districts

District	Total no. of FBOs	No. of Sample lifted during 2011-16	Report received	Result		Adjudication case initiated	Adjudication case settled	Amount of fine realized (₹ in lakh)
				Standard	Sub-standard			
Kolkata	10186	148	148	111	37	0	0	0
Paschim Medinipur	5291	1	1	0	1	0	0	0
Purulia	5549	13	13	4	9	6	1	0.30
Darjeeling	7156	127	92	53	39	21	1	0.13
Hooghly	6580	1	1	0	1	0	0	0
Howrah	10930	0	0	0	0	0	0	0
Purba Medinipur	3753	7	7	0	7	0	0	0
Jalpaiguri	3137	168	168	82	86	5	1	0.09
Total	52582	465	430	250	180	32	3	0.52

Source: Data provided by respective DOs

It is evident from **Table 3.7** that against 52,582 FBOs during 2011-16 in eight test-checked districts, mere one *per cent* (465) were covered for sample testing during 2011-16. Given the high percentage of “Sub-standard” reports (42 *per cent* of the reports received), such low coverage was a matter of serious concern and called for immediate attention of the Department. Moreover, the number of samples tested as sub-standard may be viewed with the fact that the FTLs were ill-equipped to conduct many important tests (detection of metal contaminants/ toxin/ pesticide residues, estimation of food colour/ artificial sweetener/ preservatives, etc.) as indicated later in *para 3.5.3.1*.

Department attributed the shortfall in sampling to acute shortage of FSOs and involvement of the FSOs in large number of activities including registration and preliminary works relating to licensing of FBOs. It was, however, intimated during the Exit Conference that the number of sampling had since increased during 2016-17.

3.5.2.4 Action on sub-standard samples: In the test-checked districts, out of the test-checked 465 food samples lifted, 180 (39 *per cent*) were found sub-standard, while report was not received in case of 35. Of the 180 samples found to be sub-standard, adjudication application was filed in case of only 32 out of which only three were settled by imposing a penalty of ₹ 0.52 lakh. Such insignificant number of cases where punitive action was taken indicated that the Act was not being implemented in its true spirit so as to deter the FBOs from

selling sub-standard/ hazardous products. It may be noted that among the sub-standard samples, there were well-known brands or commonly used items as under:

- A well-known brand of milk and milk products failed to conform to standards due to presence of high TPC (3300 cfu/ gm), having low milk fat and less milk solid contents.
- Packaged drinking water was also found to be unsafe either due to low pH value and high aerobic micro-biological contamination or high TPC.
- Presence of yeast and mould caused 'Mixed Pickles' to be unsafe to consume.

The Department, in its general reply, attributed (December 2016) the deficiencies in surveillance and punitive measures to non-availability of adequate numbers of Food Safety Officers and Designated Officers. It was also intimated by the Department that the process of creation of posts and recruitment had already been initiated.

3.5.3 Food testing laboratories

Food testing is an integral part of Food Safety regulation and enforcement. Accordingly, laboratories are an inseparable part of the food safety system. FSSAI notifies laboratories accredited by National Accredited Board for Testing and Calibration Laboratory (NABL), which undertakes the assessment and accreditation of laboratories in accordance with the international standards⁴². An NABL-accreditation is a benchmark of quality of tests carried out by a laboratory.

In the State, there are 12⁴³ Food Testing Laboratories (FTLs), out of which four are owned by the State Government and one by the KMC. Of these, three State FTLs have been lying defunct since decades. Therefore, only two laboratories were available in the Government sector namely, Central Laboratory (Food) under KMC for catering to KMC areas and West Bengal Public Health Laboratory (WBPHL), Kolkata for testing of the samples from the remaining areas of the State. No State Food Testing Laboratory being available in North Bengal, the samples had to be sent to the laboratory at Kolkata either through speed-post or courier service which led to un-necessary delays as well as possibility of faulty conclusions from testing.

Audit noted the following as to the functioning of the Food Testing Laboratories.

3.5.3.1 Deficiencies in laboratory infrastructure: Audit found that both the laboratories – CLF and WBPHL – were not accredited by NABL. In order to strengthen and establish a robust Food Testing Laboratory network, the FSSAI undertook (November 2013) a gap analysis of these two laboratories. In this

⁴² NABL is a signatory of Mutual Recognition Arrangement (MRA) of International Laboratory Accreditation Co-operation (ILAC) and Asia Pacific Laboratory Accreditation Co-operation (APLAC)

⁴³ One is a Referral Laboratory, four (West Bengal Public Health Laboratory, Kolkata, District Diagnostics & Public Health Laboratory (DD&PHL), Murshidabad, Public Health Laboratory, Kalyani, Nadia and Regional Food Testing Laboratory, Siliguri) are owned by the State, two (Central Laboratory (Food) under Kolkata Municipal Corporation (KMC) & Asansol Mines Boards of Health Lab, Asansol) are under other Government/ Public Sector Organisation and five are private NABL-accredited laboratories

assessment, level of compliance to 12 Quality System Essentials⁴⁴ (QSE) were measured against a maximum score of 249 points.

This exercise brought out several deficiencies in these laboratories in terms of space, equipment and accessories, chemicals, etc., which also resulted in single star rating for both the functional food testing laboratory as shown below:

Table 3.8: Scores awarded by the FSSAI to two food testing laboratories

Scores and ratings	Scores earned by two existing laboratories	
	Central Laboratory (Food) under KMC	West Bengal Public Health Laboratory
Maximum score: 249 points	Score: 90.5 points (36 per cent)	Score: 98 points (39.5 per cent)
70 per cent and above: Three stars	Score: 90.5 points (36 per cent)	Score: 98 points (39.5 per cent)
41 69 per cent :Two stars	Rating: One star	Rating: One star
Below 40 per cent: One star	Rating: One star	Rating: One star

FSSAI noted that these laboratories either lacked sophisticated test equipment (like HPLC, GLC, Spectrometer, Atomic Absorption Spectrophotometer, Tintometer, Digital BR Refractometer, Autoclaves, Air-curtain, Incubators, etc.) or had non-functional equipment. Further, in WBPHL two instruments (one Atomic Absorption Spectrophotometer (AAS)⁴⁵ and one Rotary Vacuum Evaporator⁴⁶) supplied in December 2006 were yet to be installed while one instrument (Microwave digestion system⁴⁷) installed in August 2008 could not be put to use due to non-commissioning of AAS. This affected the quality of testing conducted by these laboratories, especially the micro-biological tests, chemical tests and the detection of pesticide residues. Audit noted that microbiological test were not being done in CLF, while WBPHL could not undertake 22 chemical tests including many significant tests *e.g.* metal contaminants, toxin and pesticide residues, estimation of food colour, artificial sweetener, preservatives, antioxidant, anticaking, antifoaming and flavouring agents, etc.

Audit further found that in WBPHL, biochemical and serological tests for confirmation of microbiological analysis were not performed due to non-availability of required testing kits.

Owing to these deficiencies, test results of these laboratories were questionable.

In reply, the Commissioner of Food Safety stated (August 2016 and December 2016) that necessary actions were being taken for revamping the WBPHL with purchase of new equipment and for its NABL accreditation.

3.5.3.2 Non-functional Regional Laboratory: Out of the four FTLs in the State, three have been lying defunct since long. Of these three, one *viz.* Regional Food Testing Laboratory (RFTL) was established in February 2010 at Siliguri by the Consumer Affairs & Fair Business Practices Department at a cost of ₹ 65.26 lakh. This laboratory, though inaugurated in February 2010, could not be made functional as the requisite technical⁴⁸ and non-technical⁴⁹ manpower

⁴⁴ Documents & records, management reviews, personnel & organisation, client management, equipment, internal audit, process control, etc.

⁴⁵ Required for estimation of metals present in the food articles

⁴⁶ Required for extracting pesticide residues in the food articles

⁴⁷ Required for metal analysis by AAS

⁴⁸ Public Analyst (one), Sr. Scientific Officer (one), Jr. Scientific Officer (one), Sr. Scientific Asstt. (one), Jr. Scientific Asstt. (two), Laboratory Asstt. (two) and Laboratory Attendant (one)

⁴⁹ Administrative Officer (one), UDC-cum-Accountant (one), LDC-cum-Cashier (one), Store Keeper (one), Peon (one) and Night Guard (one)

was not recruited. The laboratory was subsequently handed over to the Health & Family Welfare Department in April 2013. However, owing to lack of manpower the laboratory continued to remain non-functional. This rendered the infrastructure idle and the expenditure unfruitful.

On joint physical inspection with the concerned FSO (May 2016), Audit found this laboratory under lock and key. When opened in presence of Audit, it was seen that unused equipment and furniture were lying scattered in dusty condition and the functionality of these equipment could not be ascertained.

The Commissioner stated (August 2016 and December 2016) that the process for recruitment of technical personnel had already been initiated.

3.5.4 Some significant cases of irregularities

3.5.4.1 Packaged water companies continuing business without paying penalty: On the basis of complaint received from the Human Rights Commission regarding food adulteration in the district of Purulia, an inspecting committee⁵⁰ inspected (August 2015) water treatment plants producing packaged water of brands A, B and C. It was found that they were bottling and packaging drinking water without having BIS Certification and FSSAI licence. There was another illegal treatment plant of brand D at Raghunathpur, Purulia. The matter being informed (August 2015), the Adjudicating Officer ADM (G) instructed (August 2015) to issue notices for hearing to all the defaulting companies. The case was heard in December 2015 at the chamber of ADM (G) in presence of companies C and D. The Adjudicating Officer imposed (December 2015) penalty at the rate of ₹ 0.30 lakh each on C and D (who were present in hearing) and ₹ 1.00 lakh each on A and B (who absented from hearing). However, none of the defaulters had remitted the fine as of July 2016. Nothing was forthcoming from records as to whether the plants have since discontinued their operation. However, the District Magistrate intimated (December 2016) in response to an audit query that the plants had been shut down and asked to procure BIS certification.

3.5.4.2 Unauthorised issue of food licence by an urban local body: Dy.CMOH, Paschim Medinipur, being the Designated Officer, was responsible for issuing food licences/ registrations to FBOs within Medinipur municipal area. It was, however, observed that food licences were being issued by the Medinipur Municipality contravening the provisions of the Act {section 36 (3) of the Act}. On being pointed out, the Municipal authority stated (March 2016) that the system would be discontinued.

3.5.5 Awareness, monitoring and evaluation

Neither the State nor District Food Safety Authority did undertake any Information, Education and Communication (IEC) activities for the awareness of consumer/ FBOs on effective implementation of the Act. There was no awareness campaign among general public or FBOs through print or electronic media on ensuring food safety.

⁵⁰ Comprising the FSO, Sub-inspector (District Enforcement Branch) and CWO, Purulia

3.5.6 Conclusion

Even after five years of the implementation of the Act, the Department could not make all the Food Business Operators (FBOs) to register or obtain licences under the Act. Registered/ licensed FBOs continued operation even after expiry of the validity of registration/ licence in the absence of any system to track the periodical renewal of licences.

Though envisaged in the Act, the Department could not deploy full-time Designated Officers and adequate number of Food Safety Officers and had been functioning with significant shortage of manpower. Such shortage of manpower, coupled with the absence of any target for the collection of food samples, resulted in grossly inadequate number of inspections conducted and food samples collected. Given the fact that almost 42 *per cent* of the test reports showed “sub-standard” results, the shortfalls in inspection and sample collection have the potential to expose the consumers to severe risks from unsafe food products.

Only two Food Testing Laboratories were available for food testing and that too with severe shortages of equipment and chemicals. No laboratory is available in North Bengal in the Government sector. Consumers remained exposed to unsafe food-stuff as some vital tests are not conducted in those laboratories. Even the accuracy of the test results was questionable as the functional laboratories were also deficient in infrastructure.

No awareness campaigns were undertaken and scant regard was given to Information, Education and Communication activities.

Thus, the aspect of food safety was not sufficiently prioritised by the Government and there is much scope for improvement in implementing the acts and rules related to food safety in the state.

HEALTH & FAMILY WELFARE DEPARTMENT

3.6 Avoidable expenditure on cleaning/ housekeeping services

Even after introduction of mechanised cleaning/ housekeeping services from October 2014, SSKM hospital remained dependent on 314 to 326 pre-existing outsourced staff. This had led to an avoidable expenditure of ₹ 4.54 crore, while the services of the mechanised cleaning agency were apparently under-utilised.

The cleaning work of Seth Sukhlal Karnani Memorial (SSKM) hospital, Kolkata was being carried out by 260 permanent Sweepers/ General Duty Attendants (GDA), alongwith 326 staff outsourced from an agency (Agency B) and 100 contingent staff, up to 2013-14. The Health & Family Welfare (H&FW) Department had decided (March 2013) to introduce mechanised/ automated cleaning and housekeeping in SSKM Hospital for better sanitation/ hygiene and quality of service⁵¹ compared to the then existing manual system. Medical Superintendent-cum-Vice Principal, SSKM hospital, with the approval of

⁵¹ Through mechanised cleaning three to seven or eight times in a day, instead of only once, which was in practice

H&FW Department, engaged (July 2014) Agency A for mechanised/ automated cleaning and housekeeping of 78753 square metre of hospital buildings at a cost of ₹ 77.10 lakh *per* month. With effect from October 2014, the same Agency A was entrusted (September 2014) with the cleaning work of the 97491 square metre campus area (not covered under hospital buildings) for ₹ 7.67 lakh *per* month. Thus, since September 2014, Agency A has been entrusted with cleaning/ housekeeping work of the total area of the SSKM hospital premises, for which payment was being released to them regularly.

Scrutiny (February 2016) of records of the Medical Superintendent-cum-Vice Principal, SSKM hospital showed the following:

- Agency A had envisaged engagement of 320 housekeepers and 34 supervisory staff for mechanised cleaning of the hospital buildings in the cost analysis submitted at the time of tender. However, it was observed that the Agency had actually deployed only 180 personnel for that work (aggregating all shifts). Such under-deployment of manpower was not only fraught with the risk of compromise in quality of cleaning, but also indicative of under-utilisation of services of the Agency. Even on a conservative estimate, remuneration payable to 140 housekeepers (320 to be deployed *minus* 180 actually deployed) for the period October 2014 to February 2016 worked out to ₹ 2.58 crore⁵².
- The hospital authorities continued to engage the outsourced personnel (314 to 326 in number) through Agency B as well as contingent labours, even after introduction of the new arrangements. Total expenditure incurred on outsourced personnel and contingent labours stood at ₹ 4.03 crore and ₹ 0.51 crore, respectively, during the period from October 2014 to February 2016.
- The hospital authorities did not maintain any record depicting the nature or quantum of job being carried out by the staff from two separate agencies (A and B) or the frequency of cleaning. However, overlapping of areas was evident from the records of engagement of personnel from these two agencies.

Thus, despite introduction of mechanised cleaning/ housekeeping services in the hospital premises since October 2014, SSKM hospital authorities continued to remain dependent on 314 to 326 pre-existing outsourced staff and contingent labours for the same work. This not only resulted in avoidable expenditure of ₹ 4.54 crore⁵³ till February 2016, but also pointed to possibilities of under-utilisation of services of the agency engaged for mechanised cleaning/ housekeeping.

The matter was referred to the Government in June 2016; the reply had not been received (December 2016).

⁵² 140 personnel with remuneration of ₹ 10851 per head per month (remuneration payable to the lowest level of housekeeping staff) for 17 months

⁵³ ₹ 4.03 crore plus ₹ 0.51 crore

INFORMATION & CULTURAL AFFAIRS DEPARTMENT
3.7 Preservation of historical monuments and archaeological sites**3.7.1 Introduction**

Preservation and conservation of historical monuments as well as ancient documents, sculpture, painting, inscription, carving and excavation of archaeological sites in West Bengal, other than those of national importance⁵⁴, are the responsibilities of the State Government. It includes notification, protection, maintenance, restoration, etc. of the existing fabric without hampering its cultural significance. The West Bengal Preservation of Historical Monuments and Objects and Excavation of Archaeological Sites Act, 1957 and rules⁵⁵ framed thereunder provide the necessary guidelines for such works. Besides, the West Bengal Heritage Commission Act, 2001 spelt out measures for identification, restoration and preservation of heritage buildings, monuments and sites through formation of West Bengal Heritage Commission.

3.7.1.1 Organizational set up: While the West Bengal Heritage Commission (Commission), a State Autonomous Body, is entrusted with the identification, conservation and restoration of heritage sites/ monuments within the State, Directorate of Archaeology & Museums (Directorate) under the Information & Cultural Affairs (I&CA) Department is responsible for exploration and excavation of archaeological sites and conservation of State-protected monuments. State Archaeological Museum, Kolkata and six⁵⁶ district museums functioning under the Directorate preserve and display various antiquities collected from historical or archaeological sites of the State. Training and research works on preservation of antiquities are looked after by the Centre for Archaeological Studies & Training, Eastern India (CAST-EI) under the administrative control of the Department.

3.7.1.2 Audit coverage: Records of Commission, Directorate, State Archaeological Museum, CAST-EI and three⁵⁷ district museums (out of six in the State) pertaining to the period from 2011-12 to 2015-16 were scrutinized by Audit during April 2016 to July 2016. Scrutiny also encompassed joint physical verification of 20 historical monuments and archaeological sites including two district museums (**Appendix 3.6**) spread over five⁵⁸ districts selected on the basis of statistical random sampling. In addition, records of the District Magistrates and concerned divisions of Public Works Department involved in conservation works were also checked.

⁵⁴ Monuments designated as being national important are maintained by the Archaeological Survey of India

⁵⁵ West Bengal Preservation of Historical Monuments and Objects and Excavation of Archaeological Sites Rules, 1964

⁵⁶ i) Acharya Jogesh Chandra Purakirti Bhavan (Bankura District Museum) at Bishnupur, ii) Malda District Museum at Malda, iii) Dakshin Dinajpur District Museum at Balurghat, iv) Uttar Dinajpur District Museum at Raiganj, v) Murshidabad District Museum at Jiaganj and vi) Bagnan Ananda Niketan Kritishala (Howrah District Museum).

⁵⁷ Uttar Dinajpur, Howrah and Bankura

⁵⁸ Bankura, Paschim Medinipur, Uttar Dinajpur, Birbhum and Hooghly

3.7.2 Inadequacies in the functioning of the Department in respect of archaeology and heritage protection

Preservation, conservation and restoration of the historical monuments and archaeological sites represent one of the major functions of the Information & Cultural Affairs (I&CA) Department. These functions are carried out by the Department through the Directorate of Archaeology & Museum and West Bengal Heritage Commission. Being the administrative head of the Directorate and Commission, Department's responsibilities encompassed preparation of budget estimates, formulation of guidelines/ operating principles/ manuals/ rules of procedure, etc. in respect of preservation and conservation works in archaeological sites as well as operation of museums and archives. In this connection, it was observed by Audit that

- Till October 2016, the I&CA Department had not formulated any guidelines, operating manuals for the protection/ conservation works of historical sites or scientific maintenance of artefacts of historical significance at museums. Neither was there any clear cut apportionment of works between the Directorate and the Heritage Commission. The structure of the latter itself was flawed for carrying out the assigned duties, both in respect of lack of requisite resources as well as in the absence of a clear mandate.
- The Department did not take any effort of addressing the issue of acute shortage of manpower (especially in the technical cadres) both in the Directorate and the Heritage Commission, though the same adversely affected the functional capability of the functionaries.
- There was gross deficiencies in the budget preparation process of the Department. It was seen that the budgets were not based on valid inputs or evidence-based assessments of annual plan for works.

All these issues (discussed in details in subsequent paragraphs of the Report) indicated insufficient prioritization of the Government towards the activities relating to conservation and protection of monuments and heritage sites.

3.7.3 Structure and functioning of the Directorate and the West Bengal Heritage Commission

The Directorate of Archaeology & Museums (Directorate) is responsible for the preservation of 109 State Protected Monuments and Sites. It has sanctioned technical posts like Director, Addl. Director, Dy. Director, Surveyor, Conservation Assistant, Draftsman, Archaeological Chemist, etc. to carry out works of preservation and conservation works of the protected sites.

West Bengal Heritage Commission⁵⁹ (Commission) was established (in 2003) for the purpose of identifying the heritage buildings/ monuments/ sites and measures for their restoration and preservation. As per provisions of the West Bengal Heritage Commission Act, 2001, the primary functions of the Commission were mainly advisory in nature *e.g.* offering advice to the State Government and local authorities on various matters like classification of buildings, modification or relaxation of any law pertaining to conservation of

⁵⁹ To be chaired by an eminent person and shall consist of not more than 21 members

heritage buildings, commercial or otherwise use of heritage buildings, framing of special regulations for heritage buildings, advise the State Government on any other matter relating to the restoration or preservation of buildings of heritage importance, etc.

3.7.3.1 Entrustment of works to the commission beyond its mandate and structural capability: In spite of the fact that the Commission had not been mandated with direct supervision of field level works under the Act and that it was structurally incapable in the absence of technical manpower (no engineering personnel with effect from May 2015, as discussed in details in *para 3.7.4*), the I&CA Department kept on assigning to it various consultancy and supervision jobs in respect of a number of heritage protection works. It was observed that 22 projects had been assigned to the Commission out of 55 projects assisted by the 13th Finance Commission. As a result, the funds allocated for the Commission under the Plan heads during 2011-16 remained mostly unutilized. It also could not supervise the field works being implemented in the districts (by the District Magistrates or the concerned divisions of the PW Department).

3.7.3.2 Non-coordination between Directorate and Commission: The total number of State protected monuments, which should be the basis for any meaningful planning for the protection works, was also not forthcoming from the records of the Directorate/ Heritage Commission. While the Directorate made available a list of 109 State-protected monuments/ heritage sites in the State as of October 2016, records of the Commission showed that 167 heritage sites were notified during the period 2005-15. Both these lists have several common archaeological sites⁶⁰ indicating diffusion of *inter se* responsibility.

3.7.3.3 Absence of target plan for conservation works: The Directorate was required to conduct inspection of various monuments to ascertain the extent of deterioration and to take necessary action for restoration and conservation. However, no target was fixed for inspection or survey works which was attributed by the Director (October 2016) to the shortage of both technical and non-technical staff.

3.7.4 Dearth of manpower

Activities of both the Directorate and the Commission suffered substantially due to the significant shortage of manpower.

The Directorate: The Directorate had only 37 persons on roll against 62 sanctioned posts as of March 2016; the situation was especially grave in respect of the Group A posts as shown in **Table 3.9**.

⁶⁰ **Bankura:** (i) Shyamchand at Dharapat; **Hooghly:** (ii) Jami or Juma Mosque, (iii) Shri Shri Lakshmi Janardan Temple, (iv) Siva Teracotta Temple at Harirampur; **Bardhaman:** (v) Bijoy Toran or Bijoy Gate and **Birbhum:** (vi) Malleswara Siva Temple

Table 3.9: Position of actual availability of manpower vis-à-vis sanctioned posts

Name of Post	Sanctioned posts	Men in position	Vacancy
Group A Posts {Director/ Addl. Director/ Dy. Director/ Superintendent/ Keeper (State Archaeological Museum)}	07	01	06⁶¹
Group B posts (Surveyor, Conservation Assistant, Draftsman, Archaeological Chemist, Cataloguer, Artist Modeller, Exploration Assistant, Guide Lecturer, etc.)	18	11	07
Group C posts (LDC, Typist, etc.)	10	07	03
Group D posts (Orderly Peon/ Peon/ Guard/ Gallery Attendant, Sweeper, etc.)	27	18	09
Total	62	37	25

Source: Data furnished by the Directorate of Archaeology

Out of the seven sanctioned posts of Group A officers, the Director was the only one in position and, that too, in addition to a number of other charges⁶². As the officials of Group A and Group B posts are the key functionaries for carrying out the works of technical nature in respect of preservation and conservation of historical monuments, the acute shortage of manpower obviously affected the activities of the Directorate. There was no attempt also to fill up the existing vacancies.

West Bengal Heritage Commission: Since its inception in 2003, the West Bengal Heritage Commission (Commission) has been working without any permanent staff of its own. It continued to function by engaging 11⁶³ contractual staff (including technical personnel like Project Engineer, Assistant Engineer and Estimator) as well as by drafting the services of some (the Chairman and five other non-technical officials⁶⁴) staff of the Directorate (as additional duties). Since May 2015, the Commission has been functioning with only five⁶⁵ Government officials and four⁶⁶ contractual employees, none of whom had any field level technical expertise required for supervision/ consultancy.

However, in spite of specific request (May 2015) from the Commission, the Department neither took any initiative for creation of permanent posts nor appointed any engineering staff on contractual basis till the date of audit (October 2016). Nothing was on records to show any effort for addressing the acute staff shortage in the Directorate either. This evidently underscored deficient prioritization in the field of archaeology and heritage protection by the State Government. Such manpower constraints had factored heavily behind

⁶¹ Vacant Posts of Gr A: Director –one, Additional Director – one, Deputy Director -one, Superintendent – two and Keeper- one

⁶² Additional Secretary, I&CA Department; In charge/ CEO of Paschim Banga Tele Academy, Paschim Banga Kabita Academy; Paschim Banga Kazi Najrul Islam Academy; Bangla Academy, Paschim Banga Jatra Academy, Sishu Kishore Academy, Paschim Banga Natya Academy, Paschim Banga Rajya Sangeet Academy, Rajbanshi Vasha Academy, Paschim Banga Hindi Academy and Birsha Munda Academy.

⁶³ Project Engineer, Assistant Engineer, Estimator, Accountant, Secti on Officer, Accounts Clerk, Steno Typist, Office Assistant, Computer Operator and Office Peon

⁶⁴ Chairman: one; Cashier: one; Typist: one; Office Peon: one and Upper Division Assistant: two

⁶⁵ Secretary, Keeper & OSD, Documentation Assistant, Chain Man and Office Assistant

⁶⁶ One Documentation Assistant, two Peons and one Computer Operator

lapse of 13th Finance Commission grants of ₹ 14.48 crore as discussed in para 3.7.5.

3.7.5 Lapse of 13th FC grants

The Government of India had sanctioned ₹ 100 crore to the Government of West Bengal for various archaeological projects under the 13th Finance Commission, of which 69 works fell under the purview of the I&CA Department. However, owing to non-preparation of Detailed Project Report (DPR) (10 projects) and non-submission of DPRs to Government of India (seven projects), ₹ 14.48 crore sanctioned for total 17 projects (*vide Appendix 3.7*) got lapsed. The non-preparation/ non-submission of DPRs were attributed by the Director to the acute staff shortage in Directorate/ Heritage Commission. In the absence of any permanent staff, the Commission had to depend on the services of consultants; however, the work done by the consultants lacked effective monitoring and supervision by the Directorate.

Moreover, records showed that there were confusions among the implementing agencies *i.e.* the Public Works Divisions (PWD) about the role of the Consultants, which also led to substantial delay in finalisation of DPR and process of tendering. However, the Directorate attempted to address the issue of lack of coordination between the Directorate/ Commission and the PWD in May 2015 by issuing instructions to involve the Consultants in the tender selection process.

It was, however, seen by Audit that out of 20 sites (all selected for works with the 13th FC assistance) inspected jointly, works had not commenced on nine⁶⁷ occasions as of October 2016 for issues relating to tender formalities, preparation of DPR, etc.

3.7.6 Maintenance of museums

The antiquities are cultural properties which may come to a museum through different sources like exploration, excavation, treasure-trove, purchase, gifts, transfer, etc. The greatest challenge is the caring for the collections and at the same time, exhibiting and interpreting them for public education and enjoyment. Out of total 66⁶⁸ museums in West Bengal, seven (State Archaeological Museum at Behala, Kolkata and six district museums at Malda, Howrah, Murshidabad, Uttar Dinajpur, Dakshin Dinajpur and Bankura) were under the control of the Directorate. Audit covered the State Archaeological Museum, three⁶⁹ district museums and the Centre for Archaeological Studies & Training, Eastern India (CAST-EI) to assess their quality of functioning and preservation of antiquities.

⁶⁷ **Hooghly:** Henry Martin's Pagoda, Danish Governor's House (3rd phase), Laldighi Complex, Duplex Palace (upgradation of museum & museum library, Institute of Chandannagar) and Shiva Temple (Harirampur); **Bankura:** Subhankar Danra and Neel Kuthi at Patrasayer; **Paschim Medinipur:** Site Museum at Mogolmari, Dantan and Laxmi Janardan Temple and **Birbhum:** Five Chala Temple at Ganpur, Muhammadbazar

⁶⁸ Apart from seven museums under the State Government, two were under the control of Archaeological Survey of India (ASI), two under the control of the Railways, 13 were maintained by different universities and public authorities in their premises and 42 were run by non-government organizations in different districts of West Bengal.

⁶⁹ Uttar Dinajpur, Howrah and Bankura

3.7.6.1 Improper storage of sculptures at the State Archaeological Museum

The Department has not formulated any guidelines/ manual on operation of the archaeological museums or archives. In the absence of such manuals, “The Handbook on Conservation in Museums”⁷⁰ (Handbook) published by the Commissioner of Museums, Government Museum, Chennai was referred by the State Archaeological Museum authorities as the guiding principles for operation. The state museum, established in Kolkata in 1962, maintained a reserve collection of 36931⁷¹ antiquities (apart from those on display), in the building of West Bengal Heritage Commission. These collections included proto-historic antiquities, terracottas, sculptures, stone and stucco from the era of Guptas, Mauryas, Sungas, Kushanas, Palas and Mediaeval times, besides tools of the early, middle and the late Stone Ages. In the course of visit to these rooms where those antiquities are stored, Audit observed non-adherence of guiding principles as prescribed in the Handbook referred to above for storage of antiquities, especially the stone sculptures of which there were 684 pieces, as discussed below.

According to the Handbook,

- Placing of objects directly on the floor is to be avoided. Polyethylene sheets or bags are to be used for proper coverage. Relative humidity and temperature should be maintained at optimum level;
- Stone sculptures should be placed on brick or cement pedestals only when the pedestal is placed above a plastic sheet on the ground to avoid percolation of moisture from ground to the objects. Regular vacuum cleaning is necessary;
- Biocides are to be used to drive off insects and microorganisms.

However, in course of joint physical inspection by Audit, the following departures from these norms were observed:

- The antiquities of stone and metallic objects were scattered and spread over the floor of the room.
- The rooms were damp and humid which was unfavourable for the storage of such antiquities.
- The metallic objects were dumped on the ground, exposing them in damp and hot conditions, thus facilitating bacterial and fungal growth.
- The stone objects were lying directly on the floor.

Thus, prolonged exposure to un-optimised temperature, humidity, etc., coupled with improper storage, was adversely affecting the condition of the antiquities, especially the metallic ones, to a great extent.

⁷⁰ By Dr. V. Jeyaraj, Curator, Chemical Conservation and Research Laboratory, Government Museum, Chennai

⁷¹ Coin: 3066 pcs., Terracotta Objects: 3000 pcs., Stone, Paleolithic and Neolithic Tools: 5737 pcs., Microlithic Tools: 2000 pcs., Stone & Sculptures: 684 pcs., Excavated & Explored materials: 20000 pcs., Paintings: 1025 pcs., Metal objects: 1046 pcs., Manuscript: 105 pcs., Wooden objects: 100 pcs. and Textile objects: 168 pcs.



Condition of antiquities at the sculpture reserve at State Archaeological Museum

Given the fact that the reserve collection is a rich repository of explored and excavated collection from various parts of the State, non-maintenance of proper storage conditions was surely a matter of serious concern. Further, there was no evidence either of any regular physical verification or of chemical conservation works of those antiquities for years together.

The Director stated (October 2016) in reply that reserve collections had been verified at the time of documentation of artefacts and physical verification was also done regularly. However, neither was there any written norms on the periodicity of verification to be done nor was there any documentary evidence (e.g. dates of verifications, report, signature of the verifying authority, etc.) in support of any such physical verification.

3.7.6.2 District Museums

Review of records of six⁷² district museums under the control of the Directorate showed that though the district museums had a total collection of 2678 antiquities on display in the galleries for public viewing, no allotment was made by the Department for preservation of the antiquities including chemical treatment during the period under review.

3.7.6.3 Security and disaster management measures

Safety and security of the objects/ antiquities was one of the most important functions of the museum.

It was observed by Audit that in the State Archaeological Museum, security equipment like metal detectors, Closed Circuit Television (CCTV) systems were either not installed or were inoperative at the main entrance and seven galleries displaying the antiquities. This assumed added significance in view of deployment of lesser number of security personnel during night.

In the absence of adequate security system, safety of valuables and precious artefacts kept in the museum are at serious risk.

Moreover, there was no disaster response protocol prescribed by State Archaeological Museum. Neither was any arrangement made for contracting, deploying or supervising museum staff to face emergent situation like fire and other accidents that could damage the artefacts.

3.7.6.4 Maintenance of archive at the Centre for Archaeological Studies & Training, Eastern India

(a) Improper storage of archive: The norms for scientific storage of antiquities (as detailed in para 3.7.6.1) required that the storage areas should be

⁷² Uttar Dinajpur, Bankura, Malda, Howrah, Dakshin Dinajpur and Murshidabad

cleaned with regular vacuum cleaning and the waste and condemned furniture should not be stacked in the storage.

During joint visit to the room for storage of archival collections of photographs, books, write-ups, research papers, etc. of two eminent persons⁷³, kept at the CAST-EI, it was observed

- The archived photographs were dumped and were lying on the floor with dust gathered all over the archival objects. There was no system of regular cleaning. Further, many archived photographs, write ups, books, research papers, etc. were stored in the open verandah adjacent to the storage room.
- There were problems of peeling plasters, dampness and seepage in the room which aggravated the deterioration of the archived materials.
- There were no arrangements for pest monitoring, ventilation, circulation of air to maintain normal room temperature, etc.
- Waste and condemned furniture were found stacked in the storage area.



Improper storage of photographs in Archive of CAST-EI

- The open storage was not covered by polythene sheets or bags.



Archived materials kept on the floor of veranda adjacent to the office of CAST-EI

All these pointed to a callous attitude towards storage of archival collections of immense historical and archaeological importance.

(b) Documents not traceable at CAST-EI: For adequate survey and documentation of the monuments of West Bengal, American Institute of Indian Studies, New Delhi (AIIS) proposed (January 2006) to undertake photographic documentation work of museums and monuments along with preparation of architectural drawing and site plans for state protected monuments. The Administrator, CAST-EI was the co-ordinating officer and out of ₹ 95 lakh received (September 2006 to November 2009) from the Department from the 12th FC grants, CAST-EI had paid ₹ 83.73 lakh to AIIS between September 2006 and May 2009. Records showed that AIIS delivered seven different documents to State Archaeological Museum in April 2009 and the Archive was inaugurated in September 2009. Scrutiny of records (June 2016), however,

⁷³ Prof. N.K. Bose, renowned Anthropologist and Shri Tarapada Santra, renowned Historian

showed that three documents (3300 pieces of black & white negatives, 6021 digital images and a hard disc containing digital images, computerized database and viewing application) were not available with CAST-EI. Further scrutiny showed that receipt of the same items had been acknowledged (April 2009) by the Programme Assistant of CAST-EI with countersignature of the Director of Archaeology. No action has been taken by the Directorate to locate these documents and images.

3.7.7 Deficient functioning of conservation laboratories

Chemical conservation is one of the important measures for scientific preservation of antiquities. Laboratories under the State Archaeological Museum and Heritage Commission are the two such laboratories in the State which are housed in the same campus at Behala, Kolkata.

3.7.7.1 Conservation Laboratory under State Archaeological Museum: The Conservation Laboratory was set up at State Archaeological Museums in the year 1993 for chemical treatment and preservation of exhibits and other antiquities of the museum. A sub-stock register, produced to Audit for verification, showed that 18 out of 39 equipment needed for chemical conservation were either damaged or not in working condition. The laboratory appeared to be almost non-functional with no purchases of chemicals/ reagents having been made after 2000⁷⁴ for preservation works. There was a lone Archaeological Chemist overseeing the works both at the Directorate and the Museum. There was no record of any chemical preservation works having been done during the period covered by Audit.

The Directorate intimated (October 2016) that the laboratory has been running since its inception (1993) with a solitary Chemist without any additional staff posted thereafter.

3.7.7.2 Non-functioning of laboratory under the Heritage Commission: The conservation laboratory was set up under the Commission in August 2012 in the same campus of the State Archaeological Museum for chemical conservation of different heritage buildings, monuments and antiquities. Though the Commission had procured different instruments, apparatus, and chemicals worth ₹ 2.79 lakh during 2012-13, there was no register or records in respect of utilization of these chemicals for the purpose of conservation.

3.7.8 Deficiencies in funds management

3.7.8.1 Deficiencies in the budget preparation: In spite of repeated requests from Audit, neither the Department nor the Directorate could furnish the records (e.g. identification of works to be taken up during a year, estimates for those works, proposals sent to the Department, etc.) relating to inputs gathered for the preparation of Budget Estimates.

The Directorate, in its reply (October 2016), stated that for the preservation and restoration works, the proposals from individuals/ organisations/ NGOs/ private parties for restoration of state-protected or un-protected monuments were considered by the Directorate and extent of deterioration of those monuments were assessed jointly with the Public Works Department through inspections. It was

⁷⁴ Chemicals (61 types) were found to be last procured between 1991 and 2000

further intimated by the Directorate that based on historical and topographical records and books, etc., the sites were selected for exploration and excavation works, through preliminary exploration by the Directorate conducted on yearly basis. However, the Directorate/ Department could not produce a single record pertaining to these efforts. In the absence of any such records and documentation, Audit is of the opinion that budgets were prepared on an *ad-hoc* basis without any valid inputs or evidence-based assessments on the works to be taken up during a financial year. This would be further vindicated from the facts reported in the following paragraphs.

3.7.8.2 Substantial savings under heads of accounts relating to state plan: Analysis of funds allocated *vis-à-vis* expenditure incurred under various operation related heads of accounts showed substantial underspending during 2011-16. The Department could spend only 38-39 *per cent* of allocated funds in the plan heads relating to archaeology and museums.

Table 3.10: Position of expenditure *vis-à-vis* allotment under operational heads of accounts during 2011-16 (Figures in ₹)

Description	Allotment	Expenditure	Percentage
A Archaeology			
Plan Grants-in-aid to Archaeological Museums/ Popular Theatres	109810000	15538316	14
Exploration and Excavation/ Preservation of Historical Monuments in West Bengal	7310000	1693902	23
Printing and Publications/ State Archaeological Museum	5650000	0	Nil
Preservation of Historical monuments-Setting up of a conservation wing/ Setting up of an Art Gallery/ Exhibition Hall	4037000	0	Nil
Setting up of a Centre for Archaeological Studies and Training	30472000	23689566	78
Maintenance of historical monuments, Museums, Archives and Archaeological sites under the recommendation of 13 th Finance Commission	1000000000	539775448	54
Grants in aid to West Bengal Heritage Commission	139520000	0	Nil
Grants under 14 th Finance Commission ⁷⁵	250000000	10277000	4
Total: Archaeology	1546799000	590974232	38
B Museums			
State Archaeological Museum	55187000	25825170	47
Setting up of Regional Museum	17500000	0	Nil
Setting up of memorials at Historical sites	10450000	510055	5
Total: Museums	83137000	26335225	32

Source: Appropriation Accounts

The Department did not reply to the audit observation in this regard.

Thus, there was complete absence of any correlation between the annual work plan and allocation of funds made in the budget leading to substantial underspending of funds during 2011-16 for exploration/ excavation/ preservation/ maintenance works in historical monuments, museums, archives and archaeological sites under the State Plan heads.

⁷⁵ Started flowing in from 2015-16 only

3.7.9 Some other areas of under-performance

3.7.9.1 Inoperative mobile museum van at State Archaeological Museum: To educate various sections of society living in rural areas and to create awareness for preservation, conservation and protection of cultural heritage of Bengal, Department sanctioned (between October 2007 and January 2008) ₹ 50 lakh to the Directorate in two instalments out of the grant received from 12th FC for procurement of a mobile museum van. As per records made available to Audit, expenditure of ₹ 40.86 lakh was incurred by the Directorate (April 2010 to June 2011) for procurement and fabrication of the van including installation of audio visual support system, wooden showcase for display of artefacts, etc. The mobile museum named as “Pratna Safar” was inaugurated in January 2011.

Scrutiny of records of State Archaeological Museum showed that the van had been lying unutilised in the premises of the museum ever since, and were utilised only on eight⁷⁶ occasions in 2011-12 and only two⁷⁷ more occasions during 2014-15. No outreach programmes were being conducted, and neither was any schedule prescribed for such programmes. The necessary support staff like driver, educator, and maintenance staff were also not there to run the mobile museum. As a result, the basic objective of generation of awareness remained unachieved.

3.7.9.2 Non-exhibition of sign boards at the monument sites: In view of the increasing tourist interest in monuments and historical sites, the National Policy for Conservation of the Ancient Monuments, Archaeological Sites and Remains formulated in 2014 stipulated that suitable facilities/ infrastructure (parking space for vehicles, toilets, cloak room, drinking water, guide facilities, etc.) should be created at an easily accessible position at the monument site for the convenience of visitors with adequate sign-boards at convenient locations. Similarly, guidebooks or pamphlets or plaque indicating the monument’s history, architecture and planning as well as list of do’s and don’ts should be provided to/ visible to a visitor in order to enhance his/ her understanding of the site.

Joint physical verification of 20 historical/ heritage sites/ museums showed

- None of the monuments had boards displaying historical importance of the monuments, while in 19 sites there was no sign board. In 10 sites there were no notification boards.
- Further, it was observed that in none of the sites visited by Audit, facilities/ infrastructure such as drinking water, toilets, cloak room, guide facilities, etc. had been created.

Thus, the necessary facilities as stipulated in the Policy are yet to be created.

3.7.10 Conclusion

Assessment of the Government’s efforts on preservation and conservation of historical monuments and maintenance of archaeological museums during 2011-16 highlights serious structural weaknesses in the entities responsible for such

⁷⁶ (i) Multipurpose Government Girls’ High School, Alipore, Kolkata in January 2011 (the inaugural occasion), 2011-12: (ii) Nabadwip mela, Nadia; (iii) Don Bosco School, Nadia; (iv) Banipur, Habra, North 24 Parganas; (v) Malda Town, Malda; (vi) Raiganj, Uttar Dinajpur; (vii) Hazarduari palace, Murshidabad and (viii) Beharampur, Murshidabad.

⁷⁷ 2014-15: (i) Bhattat College, Datan, Paschim Medinipur and (ii) Sarat Mela, Amta, Howrah.

preservation/ conservation. It seemed a low-priority area for the Government at present, given the inadequacy of staff and deficient structure of these entities, and lack of any monitoring and coordination between the agencies responsible for such works. There was no full time Director also at the Directorate of Archaeology and Museums, the apex body in respect of the historical sites/ monuments in the State. Functioning of the Directorate and the West Bengal Heritage Commission was seriously jeopardised by the acute shortage of key technical personnel.

There was no system of identification of monuments/ heritage sites for annual work plan, in the absence of which there were no correlation between budget allocation and actual requirement at the field level. As a result, more than half the funds allocated under State Plan during 2011-16 remained unspent. The structural weakness in the Directorate/ Heritage Commission led to the lapse of ₹ 14.48 crore of grants receivable under the recommendations of the 13th Finance Commission.

The quality of maintenance of archives/ artefacts/ historical items in the State Archaeological Museum or at CAST-EI was not satisfactory as scientific storage norms were flouted.

Physical inspection of some of the heritage sites by Audit showed significant deficiencies in creation of visitors' amenities and exhibition of information boards indicating indifference towards the aspect of tourism.

The activities relating to the preservation of historical monuments and archaeological sites in the State currently being undertaken leave much to be desired. In case the Government is willing to attach higher priority to this area, Audit recommends that:

- *The issue of acute shortage of manpower, especially in the technical posts, be addressed suitably.*
- *More diligence be exercised in preparation of budget with due correlation with annual work plan.*
- *Scientific maintenance of stored objects be ensured at the museums including regular physical inspections.*
- *Steps be taken to create facilities envisaged in the National Policy for Conservation of the Ancient Monuments, Archaeological Sites and Remains for generating tourist interest.*

**MINORITY AFFAIRS & MADRASAH EDUCATION
DEPARTMENT**

3.8 Implementation of scheme for development of Wakf properties

Under the scheme of development of Wakf properties, the Board of Wakf released ₹ 269.36 crore to Imams and Muezzins as honoraria, which was unproductive in the absence of any plan for developmental works and proper identification of Imams and Muezzins to be involved in such developmental works. The Board also irregularly used the Government grants to pay honoraria to them.

With a view to generating resources through better administration and management of Wakf properties, the Board of Wakfs (hereinafter referred to as Board) had introduced (September 2013) and notified (October 2013)

‘Administration, Protection, Supervision & Development of Wakfs Scheme 2013’ (Scheme). The scheme envisaged formation of a Task Force for recommending measures to be taken for improvement and development of Wakf properties for augmenting income. District Level Monitoring Committees (District Committees)⁷⁸ were also to be constituted to propose actions for protection, recovery, development and generation of resources for the Wakf properties. The District Committees were to identify Imams and Muezzins⁷⁹ with active roles in betterment of the administration of Wakf properties and propose their names to the Board. Based on the Committees’ recommendations, the Board was to finalise the names of Imams/ Muezzins and pay honoraria to them.

Audit scrutiny of the records of the Minority Affairs & Madrasah Education Department (MAMED), Government of West Bengal and the Board of Wakf showed various deficiencies and non-execution of various actionable components of the scheme.

- Though the two nodal authorities viz. Task Force and District Level Monitoring Committees were the key agencies for effective implementation and monitoring of the Scheme, these were constituted only in April 2015, i.e. 17 months after the notification of the scheme.
- It was also observed that the Task Force and the District Committees had met only once so far (June 2016) and were yet to identify the Wakf properties for development or come up with recommendations for developmental measures for those properties.

Audit scrutiny showed that even before notification (October 2013) of the Scheme and covering its preliminary requisites e.g. formation of District Committees, receipt of proposals for development of Wakf properties and identification of Imams/ Muezzins involved in such works, the Board had sought (September 2013) ₹ 500 crore as grants from the State Government “in order to preserve, supervise, control, maintain, manage, protect and develop” Wakf properties inclusive of heritage buildings.

Ignoring such departures from the scheme guidelines, MAMED released ₹ 331.20 crore⁸⁰ to the Board between September 2013 and March 2016 for administration, protection, supervision and development of Wakf properties, mobilisation of resources and awareness of socio-economic and educational upliftment of the community. However, without finalizing any measures for the above mentioned purposes, the Board directly passed on (October 2013 to March 2016) ₹ 269.36 crore as honoraria at the rates of ₹ 2500 to each Imam and ₹ 1000 to each Muezzin per month to 34837 Imams and 23074 Muezzins in the State. The balance of ₹ 61.84 crore remained unspent in bank account of the Board as of March 2016.

⁷⁸ Comprising District Magistrate as Chairman, a member of the Board, District Minority Officer and two social activists of Muslim community. In case of Kolkata, the Board was to function as monitoring committee.

⁷⁹ Imams are prayer leaders and their duty is to offer prayer for the congregation in a mosque, whereas Muezzins call “azans” before each time of prayer and both are responsible for cleanliness of mosque.

⁸⁰ ₹ 50 crore in September 2013; ₹ 46 crore in February 2014; ₹ 13 crore in May 2014; ₹ 50 crore in September 2014; ₹ 50 crore in March 2015; ₹ 12 crore in April 2015; ₹ 33.35 crore in October 2015; ₹ 75 crore in January 2016 and ₹ 1.85 crore in February 2016

Audit seeks to point that without finalization of developmental measures for Wakf properties and identification of Imams/ Muezzins to be involved in those developmental works, mere release of monthly honoraria to Imams/ Muezzins failed to serve the intended purpose of the scheme. Moreover, payment of honoraria to Imams/ Muezzins had to be made only by harnessing Wakf resources and not from the Government funds⁸¹.

Thus, under the scheme of development of Wakf properties, Board of Wakf prematurely released ₹ 269.36 crore to Imams and Muezzins as honoraria, which remained unproductive in the absence of any plan for developmental measures and non-identification of Imams and Muezzins to be involved in such developmental works. Use of Government funds for paying such honoraria was also irregular.

The matter was referred to the Government in July 2016; reply had not been received (December 2016).

**MASS EDUCATION EXTENSION AND LIBRARY SERVICES
DEPARTMENT**

3.9 Defalcation of Government money

Negligence of the Treasurer and the Secretary to the Burdwan Zilla Saksharata Samity in cross-verifying entries in the cash book and cheque register with corresponding entries in the bank pass book and bank scroll facilitated defalcation of ₹ 4.40 lakh.

Burdwan Zilla Saksharata Samity (Samity) is an autonomous body under the Mass Education Extension Department, which was mandated to implement literacy schemes like Sakshar Bharat Abhiyan, Continuous Education Programme, etc. Additional District Magistrate, Bardhaman was the Secretary to the Samity and the District Planning Officer, Bardhaman, acted as the Treasurer. While the Treasurer maintained the cash book of the Samity, the Secretary signed and gave pay orders on all bills for payment. The Samity maintained two separate savings bank accounts with the State Bank of India, Bardhaman Main Branch for handling scheme funds. One of the accounts was closed in January 2014 with transfer of balances to the other⁸². Apart from making payments through cheques, cash was also drawn from these accounts through self-cheques for making cash payment to private parties.

Scrutiny of cash book, cheque register, bank scroll, etc. of the Samity showed (June 2016) that neither the Treasurer nor the Secretary cross-verified the entries made in the bank column of the cash book with the corresponding entries appearing in the bank pass book/ bank scroll. This had facilitated a defalcation of ₹ 4.40 lakh through manipulation in the self-cheques as discussed below.

Comparison of cash book entries with corresponding bank scrolls by Audit showed that on 22 occasions between September 2013 and May 2016, a total amount of ₹ 494951 was debited in the bank account as cash withdrawal, against

⁸¹ As per order of the Hon'ble High Court, Kolkata (September 2013) adjudging such payment as violative of Article 14, 15(1) and 282 of the Constitution of India. In its order the Hon'ble High Court also clarified that such payment could be made only by harnessing income from Wakf properties.

⁸² Account No. 11184098301 and 11184036875. The account no. 11184036875 was closed and merged with the other account 11184098301 on 17 January, 2014

which, only ₹ 54951 was entered in the cash book (which also matched with the entries in the cheque register) as detailed in *Appendix 3.8*.

Apparently, on each occasion, the cheques were manipulated before their presentation in the bank by inserting “2” at the left end of the figure and a word “twenty” before the amount in words.

- In one case (Sl. no. 17 in *Appendix 3.8*), it was seen that though vouchers worth ₹ 2220 only had been passed by the Secretary for payment and a self-cheque of ₹ 2220 was drawn, ₹ 22220 was encashed from bank after manipulation. However, ₹ 7220 was entered in the payment side of the cash book against those vouchers through over-writing of entries.
- There were also instances of attempted tampering with the bank statement by using white fluid on the digit “2” and getting the statement photocopied thereafter.

Regular cross-verification of entries in the bank pass book and those in the cash book by the Treasurer/ Secretary would have detected such defalcation and prevented the malpractice from continuing for almost three years. Moreover, the above-mentioned defalcation was observed during test-check of records of the Samity pertaining only to the period starting from September 2013. Government should consider carrying out detailed investigation in respect of the periods prior to Audit test-check and to obviate possibilities of more cases of defalcation using similar *modus operandi*.

Thus, negligence of the Treasurer and Secretary of Burdwan Zilla Saksharata Samity in cross-verifying the entries in the cash book/ cheque register with the amounts actually encashed from bank facilitated defalcation of ₹ 4.40 lakh over a period of almost three years.

The matter was referred to the Government in August 2016; reply had, however, not been received (December 2016).

PANCHAYATS & RURAL DEVELOPMENT DEPARTMENT

3.10 Defalcation of Government receipts

Block Development Officers of Gopiballavpur-II and Beldanga-I blocks did not cross-verify collection and remittance of water tax with duplicate carbon receipts and treasury schedules of remittances. This had facilitated defalcation of ₹ 10.60 lakh.

West Bengal Treasury Rules prescribe⁸³ that all moneys received by or tendered to a Government employee on account of revenue of the State should, without undue delay, be remitted in full into Government Account. The collector of such money on the behalf of the Government should issue Duplicate Carbon Receipt (DCR) against such collection and deposit the amounts so collected with the Cashier. The Cashier is to enter the amount in the receipt side of the cash book. For onward remittance of these amounts into Government account, challans are prepared in quadruplicate and initialed by the Drawing & Disbursing Officer (DDO) as a token of verification. All the copies of the challans are produced to the bank while depositing the money, of which the original one is returned to

⁸³ Rule 3.01 of West Bengal Treasury Rules, 2005.

the depositor with acknowledgement. It is the responsibility of the DDO to check and attest the corresponding entries in the cash book with reference to the counterfoil of the DCRs/ acknowledged copy of the challans which are retained as documentary support against receipt by the DDO/ remittance into treasury. At the end of each month, the DDO has to verify all such remittances with the treasury receipt schedule.

The Block Development Officer (BDO) is responsible for collection of water tax from cultivators/ users under River Lift Irrigation and Deep Tube Well Irrigation schemes. Water tax so collected is to be accounted for and remitted to the Government account by the respective cashiers on behalf of BDOs following the above procedure.

Mention was made in the C&AG's Report on the General & Social Sector for the year ended March 2015 (*vide* para 3.10) that laxity on the part of three⁸⁴ BDOs facilitated defalcation of water tax of ₹ 1.27 crore.

However, similar instances of defalcation of water tax were observed subsequently by Audit (January to June 2016) in two other Block Development Offices, as discussed in the following paragraphs.

Such recurrence was a matter of concern.

- From the records of BDO, Gopiballavpur-II, Paschim Medinipur, it was observed (June 2016) that on 36 occasions between January 2013 and September 2015, though ₹ 6.18 lakh was entered in the cash book as remittance to bank⁸⁵ with supporting challans, the same was not found in the Treasury⁸⁶ receipt schedule. Evidently, the acknowledged challans were not genuine, indicating a defalcation of ₹ 6.18 lakh. The malpractice continued undetected for more than two years as the BDO did not verify the remittances with respect to the treasury receipt schedule.
- Scrutiny (January 2016) of the records of the BDO, Beldanga-I, Murshidabad, showed that water tax of ₹ 4.42 lakh collected during 2011 and 2013 through 10 Duplicate Carbon Receipt (DCR) books, were not entered in the cashbook and hence, not remitted to Treasury/ Government Account. Regular cross-checking of entries in the receipt side of the Cash Book by the BDO with the counter foils of DCRs would have prudently arrested such malpractice, which was not done by the BDO. This led to defalcation of ₹ 4.42 lakh due to non-accounting and non-remittance of water tax.

On this being pointed out by Audit, both the BDOs accepted the facts, took steps to recover the amounts and deposited (February 2016 and August 2016) ₹ 10.60 lakh⁸⁷ in to Government Account.

The above mentioned defalcated amount had been detected by Audit only through test-check of records of a certain period. However, from the recurrences it is apprehended that there may be other cases of similar nature remaining undetected pertaining to periods or relating to BDOs not covered by Audit.

⁸⁴ Ghatal (Paschim Medinipur district), Gangarampur (Dakshin Dinajpur district) and Patrasayer (Bankura district)

⁸⁵ State Bank of India, Jhargram Branch

⁸⁶ Jhargam Treasury

⁸⁷ BDO, Beldanga-I: ₹ 4.42 lakh on 4 February 2016 deposited in to SBI, Berhampore Branch and BDO, Gopiballavpur-II: ₹ 6.18 lakh on 12 August 2016 deposited in to SBI, Jhargram Branch

Hence, it is not enough only to recover the amount reported by Audit. It calls for a further thorough investigation by the Government to detect further such instances of misappropriation of Government money. Besides, the Department may consider issuing suitable instructions to the BDOs for additional vigilance against such malpractices.

REFUGEE RELIEF & REHABILITATION DEPARTMENT

3.11 Tardy implementation of scheme for improvement of rural colonies for displaced persons

The objective of improvement of the living conditions in the rural colonies for displaced populations remained largely unachieved due to tardy implementation of a centrally assisted scheme coupled with delayed percolation of Central funds to the executing agencies. The State Government also failed to avail itself of the Central assistance of ₹ 48.10 crore.

For improvement of the standards of living of inhabitants of 258 rural colonies⁸⁸ (consisting of 0.45 lakh homestead plots) of displaced persons through various developmental works⁸⁹, the Ministry of Home Affairs (Ministry), Government of India had approved (January 2011) grant-in-aid of ₹ 79.10 crore in favour of the Refugee Relief & Rehabilitation Department (Department), Government of West Bengal on the basis of a Detailed Project Report (DPR) submitted (March 2010) by the Department. The Department had intimated (November 2010) the Ministry that it would try to develop all the targeted plots within three years subject to timely receipt of funds from the Government of India. It was stipulated that utilisation certificates (UCs) would be submitted within 12 months from the close of the financial year or within 18 months from the date of release of funds, whichever was earlier. Between March 2011 and July 2012, the Government of India credited ₹ 31 crore⁹⁰ to the State exchequer for development of 66 colonies comprising 17278 homestead plots. The Department incurred an expenditure of ₹ 30.04 crore till March 2016.

Records of the Department showed (August 2016) that the physical progress of the scheme was slow due to various deficiencies in implementation. At the request (September 2013) of the State Government and observing very slow progress, the Ministry had extended (January 2014) the scheme for a further period of two years upto March 2015. The Ministry had also sought (January 2014) the details of physical targets and milestones achieved for further release of funds. On this being furnished (February 2014) by the Department, the Ministry asked (November 2014) them to continue with the scheme with the States' own funds and claim reimbursement. The Department, however, did not execute any work using State's own funds; rather it moved (January 2015) the Ministry once again for release of ₹ 17.97 crore to execute

⁸⁸ These colonies were meant for accommodating displaced persons from the East Pakistan and Bangladesh and were situated in 11 districts namely North 24-Parganas, South 24-Parganas, Birbhum, Bardhaman, Coochbehar, Dakshin Dinajpur, Jalpaiguri, Malda, Medinipur, Murshidabad and Nadia

⁸⁹ e.g. construction of roads, conversion of sanitary latrines, construction of drainage/ sewerage systems, culverts and guard walls, supply of drinking water, etc.

⁹⁰ ₹ 1.24 lakh in March 2011; ₹ 5.01 crore in May 2011; ₹ 10.99 crore in March 2012 and ₹ 14.99 crore in July 2012

balance work covering 57 colonies. The Ministry did not accede to this proposal and no further funds were released since then. Thus, the Department failed to obtain ₹ 48.10 crore (₹ 79.10 crore approved in January 2011 *minus* ₹ 31 crore released) of approved Central assistance. Audit scrutiny showed that the same was attributable to tardy and deficient implementation of the scheme by the State Government as discussed in the subsequent paragraphs.

Delays in processing of proposal and release of funds: Though the GoI had approved Central assistance with strict time stipulation, there were delays in every step of processing.

The Department submitted its proposals (for ₹ 25.98 crore) to the Finance Department for release of funds 45 to 131 days after the funds had been credited in the state exchequer by the Government of India. The Finance Department in turn took 290 to 590 days in according financial sanctions to the Department for these works. The same was attributable to delay in creating approved sub-heads in the budget underscoring the lack of preparedness of the Department.

Thus, it took 296 to 722 days for the Central funds to reach the executing Department after the same had been credited to the State Government exchequer. In respect of nine colonies⁹¹, work orders were issued (December 2014 - January 2015) after lapse of 27 months from receipt of Central funds due to change in selection of colonies and preparation of updated cost estimates thereafter.

Delay in execution of the works: As per the work orders, the works were to be completed within 45 to 90 days (in most cases within 60 days). However, out of 88 work orders pertaining to 66 colonies covered under the scheme, in case of 64 work orders, execution was delayed beyond the stipulated period. In 40 cases, delay of more than three months was observed. Further analysis showed that out of 88 work orders, 49 were issued with the onset of monsoon which hampered the works due to water logging of work sites, shortage of labour, difficulty in carriage of materials, etc. Consequently, UCs had been submitted (March 2013- August 2014) to the Ministry after delays of 112 to 356 days over the specified time frame⁹².

Status of works vis-à-vis DPRs: The scheme was implemented in 66 colonies comprising 17278 homestead plots by incurring an expenditure of ₹ 30.04 crore. The table below indicated executable quantity envisaged in the DPR and actual quantity executed.

Table 3.11: Quantities of works approved under DPR vis-à-vis actual execution

Type of works	Executable quantities as per DPR	Quantities actually executed	Shortfall/ excess in execution	Percentage of shortfall
Brick pavement road	110526 sq. metre	18897 sq. metre	91629 sq. metre	18
Concrete road	93269 sq. metre	129608 sq. metre	(+) 36339 sq. metre	
Bituminous road	157730 sq. metre	148060 sq. metre	9670 sq. metre	
Total road	361525 sq. metre	296565 sq. metre	64960 sq. metre	
Sanitary latrine	6378	1	6377	100
Surface drain	51164 metre	2905 metre	48259 metre	94
Cross drain	35 metre	28 metre	07 metre	20
Culvert	94	16	78	83

⁹¹ Hanspukur, Bachahar, Nandinadaha, Kagasura, Itbandha, Sukdebhpur, Ashrafpur and Ahil in Malda district and Panuhat in Bardhaman district.

⁹² Between March 2012 and January 2014

Type of works	Executable quantities as per DPR	Quantities actually executed	Shortfall/ excess in execution	Percentage of shortfall
Tube wells	144	61	83	58
Retaining wall	958 metre	Nil	958 metre	100

While conveying its approval to the scheme, MHA stipulated that the barest minimum essential civic amenities for betterment of living conditions of displaced persons residing in these colonies were to be included in the DPR and stipulated that funds were to be utilised only for implementation of the schemes cleared by them. It would, however, be evident from the above table that two basic amenities, namely sanitary latrine and surface drain were ignored.

Results of joint physical inspection of colonies: During joint physical inspection (February-March 2016) by Audit with the departmental officials to six colonies⁹³ having 31 per cent of total plots under development, the following was observed:

- DPRs had estimated the number of plots to 5298 in those test-checked colonies, though 12489 families were actually living in those colonies. This had led to under-estimation of the requirement of road work (by 53 per cent), surface drain (by 77 per cent), cross drain (by 90 per cent), sanitary latrine (by 32 per cent) and drinking water facilities (by 80 per cent).
- Even the under-estimated quantities of works were not actually executed – shortfall in works of road, surface drains and cross drains stood at 27 per cent, 95 per cent and 85 per cent respectively. No works were undertaken at all in case of sanitary latrines, tube wells and retaining walls.
- Roads were found to be damaged owing to absence of surface/ cross drainage, retaining wall, etc., while incomplete/ poor condition of *kutchha* road and unhygienic/ dilapidated latrines was also seen in the test-checked colonies.



Lack of drainage system at Banbania colony

Distressed road due to absence of cross drainage at Krishnadebpur colony

Dilapidated latrine at Shrirampur colony

Thus, the objective of improving the living conditions in the rural colonies for displaced populations remained largely unachieved even after five years from approval of the scheme by the Government of India. The same was attributable to lack of preparedness and tardy implementation by the Refugee Relief & Rehabilitation Department coupled with delay by the Finance Department in onward release of Central funds. While a large number of colonies remained outside the purview of the scheme due to non-availing of Central assistance of

⁹³ Srirampur, Krishnadebpur, Panuhat, Champahati in Bardhaman district, Keyadanga and Bannania in North 24 Parganas district.

₹ 48.10 crore, even the grants received had limited impact in improvement of living conditions of the residents.

While accepting the audit observations, the Department attributed (July 2016) the implementation deficiencies mainly to the onset of monsoon during execution and outdated cost estimates. It was further stated that the concerned Zilla Parishads had also taken up various amenities like latrine, surface drain, etc. before commencement of works under the scheme.

The contention is not acceptable as the Department itself had been responsible for initiation of works with the onset of monsoon or for non-revision of the cost estimates. The contention that the Zilla Parishads had already taken up various development works was also not vindicated by the observations made during joint physical inspection of test-checked colonies.

TECHNICAL EDUCATION & TRAINING DEPARTMENT

3.12 *Lax implementation of Community College scheme for skill development*

Lack of initiative of the Directorate of Technical Education & Training resulted in the Community College scheme remaining a non-starter for almost three years. Further, the fate of trainees enrolled in one polytechnic remained undecided for want of valid certificate.

With a view to providing trained and skilled manpower to various emerging service sectors through short term job oriented vocational training courses, the Ministry of Human Resources Development, Government of India, had introduced a scheme⁹⁴ of vocational courses involving industry and prospective employers of the trainees. Whereas the theoretical part was to be imparted by existing technical training institutions selected under the scheme, the skill parts were to be looked after by the accredited skill knowledge providers (SKP) from the industry. The Director, Technical Education & Training (Directorate) was the nodal authority for successful implementation of the scheme in West Bengal. The selected institutions were required to sign a Memorandum of Understanding (MoU) with the SKPs in this regard, while the Council of Technical Education of the State was responsible for awarding requisite certificates under the scheme.

The All India Council of Technical Education (AICTE) had approved seven Government polytechnics⁹⁵ of West Bengal for setting up Community Colleges and released (September 2013) ₹ 4.74 crore⁹⁶ in favour of these seven polytechnics as first instalment for 2013-14.

⁹⁴ National Vocational Education Qualification Framework was introduced in April 2012. As a follow up of the scheme, National Skill Qualification Framework was notified in December 2013.

⁹⁵ BPC Institute of Technology, Nadia, Coochbehar Polytechnic, Siliguri Government Polytechnic, K.G. Engineering Institute, Bankura, Murshidabad Institute of Technology, Malda Polytechnic & Women's Polytechnic, Kolkata

⁹⁶ Out of total sanctioned amount of ₹9.48 crore. The first instalment consisted 50 per cent of the amount for fixed assets on renovation and equipment and full recurring cost for first project year of 2013-14.

Scrutiny (June 2016) of records of the Directorate and the seven selected polytechnics, however, portrayed a dismal picture of implementation of the scheme as discussed below:

- It was the responsibility of the Directorate to select industry partners as SKP from the empanelled list of SKPs of National Skill Development Corporation for successful implementation of the scheme. The Directorate, however, did not finalise the SKPs till June 2016, even after lapse of two years.
- Out of the seven selected polytechnics, five (which received ₹ 3.27 crore for the scheme *vide* **Table 3.12**) had not admitted any student under these courses till June 2016, while two (Siliguri Government Polytechnic and Women's Polytechnic, Kolkata) admitted 342 trainees in 2014-15 only.

Table 3.12: Progress in implementation of the scheme in seven selected institutions
(Amounts in ₹)

Sl. No.	Name of polytechnic	Courses offered	Funds received	Funds utilised till May 2016	Unutilised funds including bank interest, sale of form	No. of trainees enrolled		
						2013-14	2014-15	2015-16
1	BPC Institute of Technology, Nadia	1. Retail 2. Building Technology	7414166.00	0	8202519.00		Nil	
2	Coochbehar Polytechnic	1. Engine Testing 2. Building Technology	5173984.00	60	5666357.00		Nil	
3	Siliguri Government Polytechnic	1. Building Technology 2. Electronic Equipment Maintenance	6445000.00	550771.00	6563774.00	Nil	180	Nil
4	KG Engineering Institute, Bankura	1. Tourism 2. Electronic Equipment Maintenance	6308400.00	479772.00	6387709.00		Nil	
5	Murshidabad Institute of Technology	Tourism	4229166.00	0	4529816.00		Nil	
6	Malda Polytechnic	1. Farm Equipment & Machinery 2. Building Technology 3. Tourism	9533587.00	16179.00	10419530.00		Nil	
7	Women's Polytechnic, Kolkata	1. Financial Services 2. Tourism	8308400.00	8529580.00	181388.00	Nil	162	Nil
			47412703.00	9576302	41951093.00			

Source: Records of the Directorate of TET and respective Polytechnics

- It was further seen that 180 trainees were enrolled for two courses offered in Siliguri Polytechnic during 2014-15, without engaging any SKP. However, classes did not commence as of June 2016 for reasons neither on record nor intimated to Audit though called for.
- Women's Polytechnic, Kolkata, utilised services of two SKPs as per advice of the Directorate. However, no MoU was signed with those SKPs. Further, though classes were completed for 162 students enrolled in 2014-15 in that polytechnic, the examination for certification was not conducted by the West Bengal State Council of Technical Education. In the absence of valid certificates, the employability of the students remains doubtful.

As of June 2016, unutilised grant of ₹ 4.20 crore (including ₹ 36.38 lakh earned as interest and sale of form) has remained with different polytechnics for more than two years and no further grant-in-aid was released by the Ministry.

While reviewing the implementation of Community College Scheme, the Expert Committee appointed by AICTE, had recommended (November 2015) that the Community Colleges, which had zero student intake and had not utilised the grant-in-aid, might be asked to refund the grants along with interest thereon. Accordingly, five Government Polytechnics⁹⁷ of the State were asked (February 2016) to refund the unutilised amounts alongwith interest earned thereon in view of non-implementation of the scheme.

Thus, lack of initiative of the Directorate of Technical Education & Training resulted in the Community College Scheme remaining a non-starter even after lapse of almost three years from release of funds by the Ministry. As a result, Ministry's grant of ₹ 4.20 crore remained idle with polytechnics. Further, the fate of 162 trainees of Women's Polytechnic, Kolkata remained uncertain for want of valid certificate.

Accepting the fact the Directorate attributed (July 2016) the situation to absence of an operational model of the scheme, especially in respect of modalities of selection of industry partners, finalisation of syllabus/ curriculum, recurring expenses on SKPs, etc. The reply was, however, silent on whether these issues had been taken up by the Directorate with the Ministry/ AICTE. Moreover, prolonged inaction even after receipt of GoI funds and admission of trainees, who now may be facing an uncertain future, underscored inadequate planning of the Directorate for implementation of the scheme.

The matter was referred to the Government in July 2016; the reply had not been received (December 2016).

**URBAN DEVELOPMENT DEPARTMENT
(KOLKATA METROPOLITAN DEVELOPMENT AUTHORITY)**

3.13 Execution of flyover projects by Kolkata Metropolitan Development Authority

3.13.1 Introduction

Efficient and economic implementation of a construction project calls for careful overall planning, co-ordination and control of all activities starting from survey and investigation of site, arranging for encumbrance-free site for the work, etc. till the handing over of the finished construction project by the contractor to the user agency. The different stages of the activities required for construction of flyover projects are shown in *Appendix 3.9*.

As a part of infrastructure development activities, Kolkata Metropolitan Development Authority (KMDA) had taken up 31 projects relating to construction/ widening/ repair of flyover/ bridge which were either completed during 2011-16 or were under progress as of 31 March 2016. Construction related records of KMDA in respect of three major flyover projects in Kolkata, namely Parama flyover (also known as Maa flyover), Ultadanga flyover and

⁹⁷ BPC Institute of Technology Nadia, Coochbehar Polytechnic, KG Engineering Institute, Bankura, Murshidabad Institute of Technology and Malda Polytechnic

Wipro flyover⁹⁸ were scrutinised by Audit to assess the level of adherence to these statutory requirements at various stages of their implementation, especially with regard to quality control activities. The summary statistics pertaining to these projects is shown in **Table 3.13** below:

Table 3.13: Brief statistics on projects selected for audit scrutiny

(Amounts in ₹ in crore)

Particulars	Parama flyover		Ultadanga flyover	Wipro flyover	Total
Length and position of the flyover	Main flyover 4.32 km from Park Circus connector to EM bypass near Parama Island.		1.80 km from the EM bypass to Kazi Nazrul Islam Sarani	0.619 km between Wipro Building and JK Saha culvert	
Project funding authority	JNNURM (GoI, State, KMDA)		JNNURM (GoI, State, KMDA)	GoWB	
	1 st tender	2 nd tender			
Sanctioned project cost (₹ in crore)	291.66	76.23	38.02	34.21 (Revised 41.64)	440.46
Estimated cost put to tender (₹ in crore)	270.95	74.23	65.49	26.50	437.16
Main contractor	HCC	L&T	MBL	M/s Tantia Const. Ltd.	
Tender amount (₹ in crore)	317.93	74.48	68.00	29.54	489.95
Revised cost (₹ in crore)	457.33 ⁹⁹	86.69 ¹⁰⁰	65.49	41.64	651.16
Date of work order	February 2010 & April 2014	November 2012 & December 2014	February 2008	March 2008	
Stipulated time for completion (months)	30 +26	18+6	30	10	
Completion status of work as on June 2016	Excepting the west bound ramp connecting to the AJC Bose Road flyover, the work is complete		December 2010	December 2009	
Payment released to the main contractor (₹ in crore)	402.75	86.05	68.68	28.09	
Payment made to other agencies (₹ in crore)		27.63	0.87	0.28	

Apart from the above three flyover projects, a brief study was also attempted on the monitoring and quality control activities in respect of one under-construction project (*viz.* the Vivekananda Road flyover), a part of which collapsed at Posta area near the crossing of Rabindra Sarani and Kali Krishna Tagore Road in March 2016 after completion of approximately 81 *per cent* of the work. The observations arising out of the same have been discussed *vide para 3.13.9*.

KMDA adopted the schedule of rates (SOR) brought out by the Public Works Department from time to time for executing the construction projects. However, in the NIT for the works, KMDA stipulated that all designs and works should conform to the specifications, standards and codes of Indian Road Congress (IRC), specifications stipulated by the Ministry of Road Transport & Highways (MoRTH) and other relevant standards which conformed to international best practices.

⁹⁸ Selection was made from the flyover projects, construction works of which were complete. Parama flyover was the biggest flyover project implemented during the period covered under Audit; the Ultadanga flyover was selected from the view point of quality control, monitoring and supervision as some part of the flyover collapsed after the same was opened for traffic; The Wipro flyover was one of the very few works executed through item rate contract.

⁹⁹ 200.3 + 257.00 = 457.33

¹⁰⁰ 74.48 + 12.21 = 86.69

KMDA also engaged a number of private agencies as consultants for technical services like preparation of pre-bid documents, determination of eligibility criteria of contractors, field inspection, topographic survey, soil investigation, preparation of detailed design and drawing, bill of quantities (BOQ), preparation of DPR, drawing up the tender documents, preparation of technical specifications, etc. Third party quality control agencies were also appointed for checking the quality of works of various components (e.g. steelwork, welding, bearing, etc.) of works during the execution. Details of such agencies appointed by KMDA for the three works covered by Audit have been shown in *Appendix 3.10*.

Audit observations

3.13.2 Deficient documentation of activities

As a mechanism of quality assurance, guidelines on quality systems for road bridges issued by Indian Road Congress (IRC: SP 47-1998) emphasize on proper documentation of all operations and activities connected with the work and maintenance of the same at the site. The records should include details of inspections by various monitoring agencies/ authorities, approvals/ non-approvals and other daily statistical information about the progress of work, such as equipment and manpower deployed, activities carried out, materials consumed, detailed observations of the activities at site, quality tests carried out, work hindrances, visits by senior level engineers and follow-up of their instructions. These records were to be used not only for monitoring the progress of work, but also for assessing the justification for extension of time as well as for investigating into any unusual observations detected afterwards.

It was observed that the important basic records¹⁰¹ like Site Inspection Register, Check Measurement Register, Work Hindrance Register, Concrete Cube Test Register, Concrete Pouring Register, Register for Materials like reinforcement steel, cement, etc. brought to site and their consumption in work were either not maintained or not produced before Audit. In the absence of these records, all the supervision and quality control activities could not be examined by Audit.

3.13.3 Planning

3.13.3.1 Deficiencies in Detailed Project Report (DPR)

Detailed Project Report (DPR) of a bridge project should contain details of the chain of activities such as survey and investigations, selection of site, type of structure, preparation of detailed design and drawings of structural elements, detailed cost estimates, economic evaluation, quality assurance plan, implementation schedule, etc. As the DPR is the principal document that forms the basis for ensuring technical soundness of the structure and optimization of investment, it should be prepared carefully after thorough survey/ field investigations, collecting all relevant information and evaluating all possible alternatives before selecting the most effective solution both from the technical

¹⁰¹ *Registers not maintained: Parama flyover: Check measurement register, Hindrance register, Inspection register, Register of observation memos raised by the Quality Control Cell. Wipro flyover: Hindrance Register, Pile pouring register, material consumption statement, list of technical persons deployed, etc. Ultadanga flyover: Hindrance register, Complaint register,*

angle and from the point of view of economy. Audit observed the following deficiencies in DPR:

3.13.3.2 DPR prepared without detailed investigation

Parama flyover: In the case of Parama flyover, KMDA had appointed Consultants¹⁰² (refer **Appendix 3.10**) for various technical services such as preparation of DPR, drawing up of tender papers, evaluation of tenders, recommendation for selection of bidders, supervision of construction works, etc. Records showed that the DPR had been prepared without due diligence like detailed engineering studies of topographic survey, sub-soil investigation and underground utility survey along the site alignment, etc., which were left for a later detailed engineering stage. These activities were crucial for ascertaining the requisite design parameters, specifications, and determining the accurate quantities of materials for detailed cost estimates and for fixation of a realistic time frame for completion of the project.

It was further observed that KMDA had subsequently asked the selected contractor to prepare a detailed DPR before execution of the work for technical vetting by KMDA. However, as of June 2016, no such technically vetted DPR was prepared, though the work was nearing completion. This had compromised the accuracy of the DPR leading to time and cost over-run and consequently necessitated additional/ supplementary work as discussed later in this report (*vide para 3.13.7*).

3.13.3.3 Preparation of inflated estimates in DPR

For the Wipro flyover, a consultant (M/s Bengal CES Infratech Pvt. Ltd.) was assigned the works of preparation of DPR. The consultant had submitted the DPR (January 2008) with cost estimate of ₹ 26.88 crore and the tender was finalized at ₹ 29.54 crore. The work was completed at ₹ 28.08 crore. It was seen that rates of nine¹⁰³ items of works (which accounted for ₹ 16.66 crore out of the estimated cost of ₹ 26.88 crore) were higher with reference to Standard Data Book (SDB)¹⁰⁴ for analysis of rates of IRC and PWD SOR. Further analysis showed that the same was due to adoption of higher rate of material cost for stone materials, structural steel, etc. compared to the relevant PWD SOR and due to inclusion of water charges and electrical charges which were inadmissible in terms of the SDB guidelines. As a result, the estimate in DPR itself was inflated by ₹ 2.92 crore. It was also observed that the tender was finalized at 11.47 per cent higher than the estimates.

3.13.3.4 Infructuous expenditure due to change in plan

Two flyovers, each with 500 meter length, were planned to be constructed at Dhapa right and Dhapa left crossings to ensure unhindered traffic flow of EM bypass and included as a component of Parama Project. In accordance with the scope of the work, 29 cast-in-situ bore piles¹⁰⁵ were constructed at Dhapa right

¹⁰² BUIDL, M/s Bengal CES Infratech Pvt. Ltd., IRCLASS, Quality Service and Solutions, M/s RITES Ltd

¹⁰³ Construction of vertical pile, reinforced cement concrete of M 40 grade, structural steel work in super structure, construction of granular sub-base, etc.

¹⁰⁴ SDB provides guidelines for deriving rates for different items of work. It specifies the quantities of different constituents to be used like materials, tools & plants, etc. SDB does not include water charges for concerned items.

¹⁰⁵ The cast-in-situ bore piles are formed by drilling and then placing reinforcement and pouring concrete into the hole.

at a cost of ₹ 1.73 crore till September 2012 when KMDA decided not to construct the said flyovers on the assessment that it would be possible to tackle the traffic load at the crossing through widening of the existing bypass under BRTS¹⁰⁶ project of KMDA. The decision of the authority to omit the component from the scope of work after starting of execution thus led to an infructuous expenditure of ₹ 1.73 crore for construction of 29 cast-in-situ bored piles. The assessment of the traffic management could have been carried out before execution.

3.13.4 Design issues

Designing of products/ structures/ service modules is an important aspect of any procurement. It is important that various elements of the project are scientifically designed, following the latest practices and adhering to the principles of economy. A comparative study of designs approved by KMDA with reference to the existing standards, specifications and best practices for design of flyovers showed certain deficiencies which are discussed in the succeeding paragraphs:

3.13.4.1 Non-revision of estimate in spite of use of economical grade of steel

Among the two grades of reinforcement steel, viz. Fe 415 and Fe 500, which are used for construction of structures like bridges, flyovers, dams and high rise buildings, Fe 500 has more tensile strength¹⁰⁷ than the other. Further, the more the tensile strength of the steel used, the less would be the consumption of steel. For the same quantum of work, requirement of Fe 500 grade steel would be 83 per cent of the quantity of Fe 415 grade steel that would be required.

It is seen in audit that for Parama flyover, the consultant designed the bridge structure by using 16116 tonnes of reinforcement steel of grade Fe 415 as per the DPR. KMDA approved the DPR as prepared by the consultant and floated the tender with reference to the above DPR specifications. During the pre-bid meeting, KMDA, at the request of bidders, allowed the design to be changed with reinforcement steel grade Fe 500 in place of grade of Fe 415. However, KMDA, finalized the tender with reference to the original DPR without proportionately reducing the quantity of steel to be used and factoring in the financial impact arising out of change in the grade of steel. This had resulted in an extra expenditure of ₹ 13.36 crore (cost of 16116 MT of reinforcement steel of Grade Fe 415 minus cost of 13377 MT of Fe 500 grade steel), which was tantamount to an undue benefit to the contractor.

3.13.4.2 Deficiencies in the geometric design of flyover

Keeping in view the assessed vehicular density of the arterial corridor and the Design Standards of IRC¹⁰⁸, the corridor was required to be designed for a speed limit of 80 km per hour with carriageway width of 7.5 meters. Further, as per the DPR for the Parama flyover, a six lane (three lanes each for up and down)

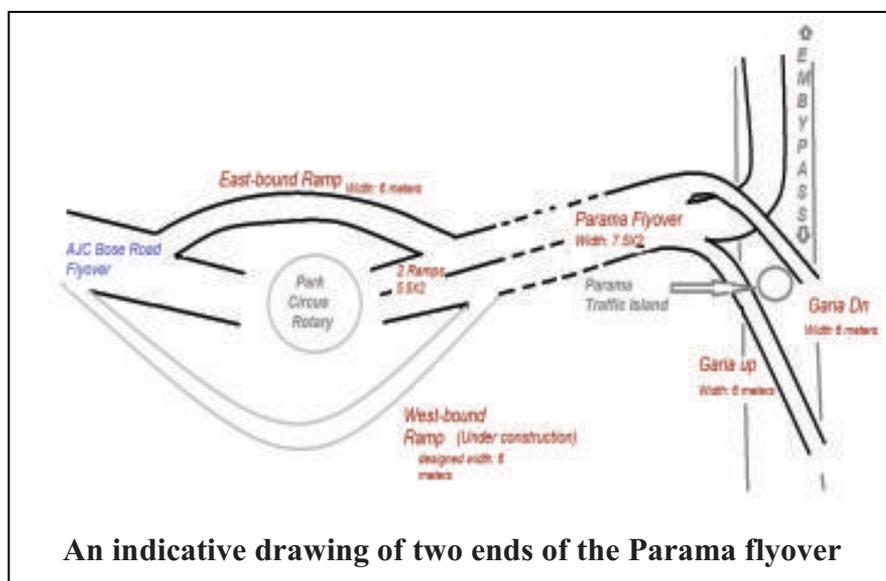
¹⁰⁶ Bus Rapid Transit System- a scheme dedicated to widening the bye pass on either side to improve traffic mobility

¹⁰⁷ In terms of IRC: 21-2000, while the basic permissible stress in steel reinforcement using Fe 415 is 200 MPa, it is 240 MPa if Fe 500 is used. Further, the minimum guaranteed yield strength (0.2 per cent proof stress) conforming to IS: 1786 is 415 N/mm² for Fe 415 while it is 500 N/mm² for Fe 500.

¹⁰⁸ As per IRC: 86-1983 provisions, an Arterial Road with 2 lane kerbs of 7.50 meters is suitable for a design speed of 80 kms.

corridor was required to cater to the traffic volume in the corridor after the year 2014.

It was observed that the consultant (Bengal CES Infratech) designed the four-lane corridor from Park Circus Rotary to Parama traffic island (4.235 km) with carriageway width of 2x7.5 meter with designed speed limit of 60-50 km per hour. However, width of two intermediate ramps connected to AJC Bose road



Flyover (East-bound ramp: 0.885 km and West-bound ramp: 1.103 km) and two intermediate lane ramps connected to EM Bye-pass South of Parama Island i.e Garia-Up (0.48 km) and Garia-Dn (0.988 km) have been reduced to 6.00 meters. Further, two Intermediate lane ramps have been designed with carriageway width of 5.5 meter each for access to existing Park Circus Rotary. Moreover, the curve and the slope of the corridor at Garia-Dn location are dangerously steep¹⁰⁹.

Such reduction in carriageway width at the either end of the Parama flyover and the curve reduced the traffic speed limit to 25 km per hour with congestion of vehicles at the elevated corridor. Thus, the very objective of smooth and thorough flow of traffic remained under-achieved to that extent. However, reasons for such change in designs were neither on record nor intimated to Audit though called for.

3.13.5 Consultancy services

Ensuring the correctness of the desired quantum and specification of works was primarily the responsibility of the contractors executing the works and the concerned officers (Engineer-in-charge, Superintending Engineer/ Project Managers, Chief Engineer) supervising the works. In case any consultant needed to be engaged in view of the technical and specialized nature of the job, such engagement was to have been made following the principles of transparency with clear cut mandate and accountability.

For design and implementation of flyover projects, KMDA had appointed consultants/ specialized agencies for feasibility study of projects, preparation of structural designs/ drawings/ estimates, proof checking of proposed designs and drawings, conducting quality assurance tests, etc. In this regard Audit observed the following:

- KMDA did not have any specified policy or qualifying criteria for selection of consultants and fixation of fees for various services.

¹⁰⁹ As opined by the Chief Engineer, T&T Sector, KMDA in the High Level Co-ordination Committee meeting in June 2015

- Consultants were engaged in all the three projects on an ad-hoc basis without following any transparent system of open bidding as required for awarding any Government work to obtain competent services at competitive prices. In cases of Wipro and Ultadanga flyovers, consultants were appointed only on the basis of negotiation with a single agency, whereas for Parama flyover project, limited tendering was used.
- Agreements did not explicitly state the accountability of consultants in respect of correctness of design, reasonability of estimation and economy in execution. Audit observed instances of departure from the scope of work of consultants, variation in quantities and change in designs during execution leading to cost overrun and avoidable excess payment to contractors.

3.13.6 Tendering activities

3.13.6.1 Irregular acceptance of tender at higher rates

As per prudent practice¹¹⁰, in cases of lump-sum contracts¹¹¹ where drawings and designs are to be provided by the contractor, all the architectural and structural data/ parameters necessary to work out the cost of the work, details of the functional requirements and detailed specifications thereof must be finalised before tenders are called. The tender documents must contain all these details including the schedule of quantities for various items and components of the work. Before acceptance of the tender, the tender accepting authority should assess the reasonability of tendered rates by comparing the same with justified rates¹¹² worked out on the basis of the prevailing market rates for major items. Tenders with variation beyond five *per cent*¹¹³ of the justified rates should not be accepted.

In two lump sum contracts for Parama and Ultadanga flyovers, the following were observed in audit:

- The tender inviting authority did not prepare any detailed estimate to assess the cost of the work to be executed by the contractor. In the case of Parama flyover, it broadly included nine¹¹⁴ components without adequate details of the schedule of quantities, the various stages of work and the percentage of the contract value payable for each stage to exercise proper control over payments.

¹¹⁰ Section 13.2.8 & 13.2.9 of CPWD works manual 2007

¹¹¹ The contracts where the contractors are required to quote a lump-sum amount for completing the works as per given designs, drawings, specifications and functional requirements

¹¹² Section 20.4.3.1 of CPWD works manual 2007 provided that a justification statement was to be prepared, which would contain detailed analysis of rates by taking market rates for major items with 90 per cent of the estimated cost put to tender.

¹¹³ Notification No. 46-CRC/2M-57/2008 dated 19-05-2009 of Public Works Department, Government of West Bengal

¹¹⁴ (a) 4.235 Km Four lane Flyover (2 x 7.5 m) from Park Circus to Parama Island continued up to EM Bypass; (b) Two intermediate lane ramps (2 x 6.0 m) (Up & Dn) connected to AJC Bose Flyover; (c) Two intermediate lane ramps (2 x 6.0 m) (Up & Dn) connected to South of EM Bypass at Parama Island; (d) Two pedestrian underpasses on Park Circus connector near Milan Mela and on EM Bypass south of Parama Island; (e) Two intermediate lane 300 m long each connected to Park Circus Rotary; (f) Two Flyovers (Up & Down) at Dhapa crossing for north south movement; (g) Strengthening of grade roads below the four lane elevated corridor from Park Circus Rotary to Parama Island and from Ambedkar Bridge to Bartaman office (existing footpaths and service roads) and (h) Strengthening and improvement of two lane / intermediate lane service roads footpath along both sides of Park Circus connector and EM Bypass

- Tender documents of Parama flyover did not contain any clause asking the prospective bidders to submit the detailed design and drawings, specifications, data/ parameters necessary to work out the justified cost before finalization of the financial bid. Instead, it asked (clause 36.4 of Instruction to bidder) the successful bidder to submit a DPR along with detailed BOQ, specifications, detailed drawings, etc. after award of the work. Thus, the authority had selected the contractor merely on the basis of financial offer of the lowest bidder without assessing the reasonability of the price offered with reference to the market price. Moreover, till June 2016, no DPR available with KMDA was vetted technically, as required under the PWD code.
- Further, during the tendering process for the Parama flyover, the authority had reduced the scope of the work of the contractor in respect of two¹¹⁵ components from “new construction” to “repair/ improvement of existing service/ at grade road”. However, it finalized the contract price with reference to the original estimated amount for new construction without reducing the relevant costs consequent to the reduction in the scope of work, the quantum of which was, however, not ascertainable in audit due to absence of required details and specifications.

3.13.6.2 Disqualified contractor awarded contract for Ultadanga flyover

For construction of Ultadanga flyover on item rate contract basis, KMDA had selected (April 2007) M/s Tantia Construction Limited as the technically qualified lowest bidder at ₹ 68.02 crore through a tendering process initiated in May 2006. The tender was cancelled (May 2007) on the ground of higher bid over the estimated cost (₹ 65.49 crore) even though it was higher only by 3.85 per cent which was well within the permissible limit of five per cent. A second call was invited in September 2007 which was cancelled due to participation of single qualified bidder. Without inviting any further tender in violation of the rules, KMDA finally awarded (February 2008) the work to M/s Mackintosh Burn Limited (MBL) at a lump sum negotiated price of ₹ 68 crore. Apart from this, MBL was allowed a provision of ₹ 2 crore towards cost escalation in respect of steel, cement and bitumen beyond 10 per cent of the contract price.

The negotiated financial offer of the MBL was also not assessed with reference to the quantities of materials specified in the offer. Instead of giving the competitors a level playing field and getting the best offer for the contract, KMDA awarded the contract to MBL without assessing the market price of the quantities of materials to be used for construction.

It was further observed that in the first call, MBL was technically disqualified¹¹⁶ due to its inadequate experience in similar works. Further, while the lowest bidder in the 1st call had offered to execute the super structure of the entire work

¹¹⁵ A) Reconstruction of four to six lane wide existing roads below the four lane elevated corridor from Park Circus rotary to Parama Island & along EM Bypass from Ambedkar bridge to Bartaman office along with minimum 1.5 m wide footpath.

B) Two lane / intermediate lane service roads & 1.5 m (min.) footpath shall be provided along both sides of Park Circus connector from Gobinda Khatik Road to Parama Island and both sides of EM Bypass from Ambedkar Bridge to Bartaman Office

¹¹⁶ MBL's overall score was 57.37 against qualifying marks of 70, secured 9 marks out of 20 marks on Technical Capability aspect, Had no experience to execute the Bridge/ Flyover project involving 1000 mm/ 1200 mm dia piling work

with RCC deck over steel-1 girder, KMDA allowed MBL to replace the steel-1 girder with RCC girder in superstructure up to a span of 25 m. This was done to reduce the cost of work, though use of steel-1 girder would have resulted in higher strength and longer durability of the structure as compared to RCC girder. Effectively, on the pretext of saving of ₹ 2 lakh¹¹⁷ only with respect to the lowest bid of 1st tender, KMDA had compromised on durability/ quality of super structure.

Though the mode of construction of the bridge had been changed (from steel-1 girder with RCC girder), KMDA did not assess the correctness of the quantities mentioned in the BOQ given by MBL. Comparison of quantities actually executed with those of BOQ in respect of reinforcement steel, structural steel, cement, piling work (which comprised 77 *per cent* of total work) showed that there were variations in the items by 1.81 to 15.69 *per cent* with net financial advantage given to the contractor to the extent of ₹ 1.57 crore.

Further, it was observed in audit that on receipt of General Arrangement Drawing (GAD) for steel superstructures of six curved spans¹¹⁸ including the collapsed span, MBL had intimated (on May 2009) KMDA that arrangement of the steel girder would not match the desired deck profile. However, at the direction of KMDA, MBL prepared the detailed fabrication drawing in line with the GAD already provided.

It was further observed that KMDA had appointed M/s Superintendence Company of India (Private) Ltd. (SUPIND) for third party inspection of quality control of steel superstructure of the Ultadanga flyover. SUPIND carried out the quality control work through a quality control agency namely Industrial Research & Consultancy Pvt. Ltd. (IRC). Test-check of 64 Radiographic test reports (May-June 2010) of IRC showed that on 26 occasions (41 *per cent* of the test reports) the quality of welding was not acceptable. Corrective measures/ replacement of the relevant components taken, if any, was not on record.

Audit thus observed lapses on the part of KMDA in ensuring the safe design of the structure, which was compounded by improper execution by the contractor, inadequate supervision and monitoring by KMDA.

The Ultadanga flyover was opened to traffic in January 2011. After little more than 2 years (March 2013), the deck slab along with steel girder of the span between two piers (RR 19 & RR 20) overturned on the Krishnapur Canal, causing serious injury to an individual. The bridge was renovated at an expenditure of ₹ 14.33 crore. KMDA, however, did not take any administrative action to fix the responsibility for these lapses.

3.13.7 Payment to the contractors

Payment to the contractors should be made strictly as per the terms of contract/ agreement. Any payment outside the contract agreement should have proper and specific approval of the Competent Authority.

¹¹⁷ Lowest bid price of Tantia ₹ 68.02 crore minus negotiated price of MBL ₹ 68.00 crore

¹¹⁸ LR21-LR22, LR22-LR23, LR23-LR24, LR24-LR25, RR18-RR19 and RR19-RR20

3.13.7.1 Non-recovery against unexecuted/ deleted work

In para 3.13.3.2 of this report supra, infructuous expenditure due to change in plan was noted in the case of Parama flyover. As per Clause 14.2.a of Instruction to Bidders in the tender of the flyover, in the event of reduction in the scope of work, KMDA was to deduct the amount from the contract price, on the basis of prevailing schedule of rates/ market rates at that point of time.

However, comparison of works actually executed *vis-à-vis* scope of works to be executed showed instances of non-execution of some components (worth ₹ 58.02 crore) as under:

- The scope of work included construction of two flyovers of length 500 meter each over EM Bypass at Dhapa crossing. After construction of 29 piles at Dhapa right, KMDA decided (September 2012) not to construct these flyovers and, hence, deleted the same from the scope of work. The value of the deleted item stood at ₹ 31.84 crore after deduction of piling cost of ₹ 1.73 crore.
- A length of 480 metres of elevated flyover between the pier locations P87 and P104 (railway over-bridge at 4 no. bridge, Park Circus) was originally included in the scope of work for the first phase work of the Parama flyover. This part was subsequently executed by KMDA through L&T as a part of the second phase. The value of the planned but unexecuted part of the first phase work of ₹ 16.11 crore was not deducted from the payments made to the first phase contractor (HCC).
- New two lane railway over-bridge at Park Circus in replacement of the existing old over-bridge situated to the north of the old one (length 300 meter: value ₹ 10.07 crore) was also not executed by the contractor of the first phase, but the same was not deducted from the payments made to the contractor (HCC).

Thus KMDA did not deduct any amount from the bills of the contractor, though the above-mentioned components of works worth ₹ 58.02 crore had not been executed by the Contractor.

Moreover, one more component, *viz.* two intermediate lane 300 m long each connected to Park Circus Rotary was also not executed by the contractor (HCC) though included in the scope of work. Value of this component could not be assessed in audit for want of relevant financial information. KMDA neither recovered any amount against these unexecuted components from the progressive bills of the contractor nor recorded any reason for non-recovery. It also did not offer any reason for the same, though asked by Audit.

3.13.7.2 Inadmissible payment to contractor

The project cost of the Parama flyover was estimated on the basis of specifications for Roads and Bridge works stipulated by the Ministry of Road Transport & Highways (MoRTH). Section 112.6 of these specifications stipulated that traffic safety arrangements including erection and maintenance of barricades and pile testing would be considered as incidental to the works and would be the contractors' responsibilities. The MoRTH specifications have been accepted as one of the guiding principles for these works in the bid-document. Audit, however, observed that in Parama flyover project,

- After the work-order¹¹⁹ was issued, the contractor had included a few additional items in the BOQ, viz., providing temporary barricades, initial and routine pile testing. Though the same was inadmissible under MoRTH specifications, KMDA accepted these additional items of expenditure and released ₹ 1.57 crore to the contractor.
- Further, ₹ 3.06 crore was also paid to another agency for deploying manpower for smooth flow of traffic at the work site, which was inadmissible.
- Moreover, ₹ 38.86 lakh was released to the contractor towards cost of detailed geotechnical study outside the scope of the contract, violating Clause 1.2.1 of tender document which stated that the same would be borne by the contractor.

Thus, KMDA had extended undue favour to the contractor of Parama flyover and incurred additional expenditure of ₹ 5.02 crore as discussed above.

3.13.7.3 Reimbursement made without supporting documents

In terms of contractual provisions the expenses for shifting of utilities during the execution of the work as well as related fees charged by the utility providers for approval/ clearance/ permission were to be reimbursed to the working contractor, indicating that the payment was to be released on the basis of supporting documents for actual execution and payments by the contractor. However, it was seen that in the case of Parama Flyover, the KMDA paid ₹ 6.45 crore to the contractor on account of ‘Utility shifting and permission fee of various authorities’ without obtaining the details of expenditure with supporting documents. As a result, the authenticity of the claims and payments made could not be vouchsafed in audit.

3.13.7.4 Contractor’s liability discharged by KMDA

Clause 24.2 of tender document for the first phase of work of Parama flyover stipulated that the entire cost of the vetting of design and drawing is to be borne by contractor (HCC) which was also confirmed in pre-bid meeting. Yet, KMDA issued a separate work order to another private agency (M/s Bengal CES Infratech Pvt. Ltd.) in February 2010 for scrutiny and checking of structural design and drawings, layout and other construction details submitted by the contractor for a fee of ₹ 4.20 crore. Till June 2016, ₹ 3.62 crore has been paid to that agency which was the liability of the contractor.

3.13.7.5 Security deposit released before completion of work

In terms of conditions of the work of design and construction of railway over bridge near Park Circus railway station, the authority was to retain security deposit of 10 *per cent* of the agreement value till expiry of defect liability period of 24 months from the date of completion of the work. It was observed that the security deposit produced by the contractor, L&T Ltd., had been in the form of bank guarantee, which was valid only upto February 2014. KMDA could not produce any record showing extension of the said bank guarantee or any other form of security against the incomplete works. The completion certificate for the work was yet to be issued (October 2016) and in case of any further liability on behalf of the contractor, KMDA does not have any recourse left for making the contractor discharge any such liability.

¹¹⁹ Date of work order 12 February 2010, date of submission of BOQ 15 February 2010

3.13.8 Quality control and durability issues

3.13.8.1 Deficient Quality Assurance System (QAS) for flyover

As per “Guidelines on Quality System for Roads & Bridges” (IRC: SP: 47-1998), to achieve the required level of quality of the final constructed bridge project, it is necessary for all parties (the owner, consultant, main contractor, material supplier, etc.) to institute a reliable Quality Assurance System (QAS) in the organization. The QAS should consist of Quality Policy, a Quality Assurance Manual and Quality Audit. A Quality Assurance Manual specifies the quality policy, organizational structure with their responsibilities, procedures, compliance, acceptance criteria and documentation requirements. The Quality Audit should objectively evaluate the extent of compliance with the quality systems and their effectiveness. It was, however, observed in audit that

- KMDA did not have a formally documented Quality Policy or Quality Assurance Manual and Quality Audit mechanism of its own.
- Further, essential quality-related records of flyovers were not maintained, as discussed in *para 3.13.2*.

3.13.8.2 Deficient quality monitoring

Considering the length of the flyover, span length, area of deck and material used in Parama flyover, several controls in various activities of the bridge structure was required to be adopted to ensure high quality assurance of the bridge structure. These included supervision of all construction activities of contractors by full time supervisors as well as a second independent check by owner/ consultant, besides periodic visits by the designer/ owner. Further, regular surveillance and quality audit by contractor’s qualified engineers and by owner’s supervisory representative were also necessary.

- Test-check of concrete dispatch details from batching plant and corresponding records of concrete placement in respect of 129 piles, 15 piers, 17 pier caps, and 31 deck slabs of Parama flyover revealed that during execution of 119 piles, 15 piers, 17 pier caps and 23 deck slabs, the same official (Senior Research Assistant) had simultaneously supervised the batching¹²⁰ activities at the plant site and also concrete placement¹²¹ activities at working site which were separated by a distance of four to eight kilometres. It was also seen that concrete work of eight deck slabs were not supervised by KMDA.
- Further, test-comparison of 66 entries signed by the Executive Engineer/ Assistant Engineers of KMDA in the measurement book of Parama flyover with the corresponding check-list¹²² at work site showed that only on 10 occasions out of these 66 cases, the concerned engineers had signed the site-level check-lists. Thus, 85 *per cent* of the test-checked entries in the measurement books were not supported by corresponding field level documents.

¹²⁰ Batching of concrete denotes combining of various ingredients to form concrete namely, cement, admixtures, sand, aggregate (rocks, gravel, etc.), water, slag, etc.

¹²¹ Placing of concrete is the method where concrete is poured or placed into a wooden forms with rebar set in place.

¹²² Contained in the form for request for Inspection/ Approval

- Under the scope of work in case of Parama flyover, the KMDA authorities had released payment for 1511.886 MT of structural steel works till 50th R/A bill. However, the quality inspection/ checking reports for only 823.857 MT (54 *per cent* of the quantity paid for) of structural steel done by the third party quality control agency (M/s IRCLASS) could only be produced to Audit. In the absence of any supporting records, it was not possible for audit to ascertain how the authority satisfied itself about the desired quality compliance in respect of the balance quantity of 688.029 MT.
- MoRTH specified the target mean strengths to be achieved for different concrete grades. However, test-check of 120 concrete cube test reports for piles, piers, cash barrier, deck slabs, bearing pedestals, etc. showed that in respect of 100 cubes (83 *per cent* of the cases test-checked) did not achieve the specified target mean strength. No records indicating corrective actions, if any, taken on these vital parts of the bridge structure were available.
- As per MoRTH specification, concrete cubes were to be tested on the 28th day for compressive strength in accordance with IS: 516. Test-check of 111 reports on concrete cubes of WIPRO flyover submitted by Jadavpur University (in respect of 83 nos. of piles, pier, etc.) and Quality-Control division of KMDA (on 28 deck-slabs) showed that tests had been carried out 45 days to 90 days after casting. Further, in terms of IRC specification, a minimum of 531 tests on concrete cubes were required to be conducted for 3856.78 m³ of concrete in 177 piles. Against these, only 83 tests (16 *per cent* of requirement) were conducted.

3.13.8.3 Routine pile tests to confirm quality not carried out

As per IS: 2911-1985 (Indian Standards Code of Practice for Design & Construction of Pile foundations), routine tests for piles are necessary primarily to determine the safe load on pile. Further, as per MoRTH specifications, a minimum of two *per cent* of routine pile tests are to be carried out on the constructed piles. This translates to a minimum of 32 routine pile tests to be conducted for three flyovers. Audit observed that only 18 mandatory routine tests (44 *per cent*) were carried out. Thus, there was laxity in the quality control efforts of KMDA.

3.13.9 Some other issues of significance

3.13.9.1 Collapse of an under-construction flyover

KMDA had taken up (February 2009) the work of construction of a 2.20 kilometers long flyover along the Vivekananda Road (Phase-I) from Howrah Bridge to Chitta Ranjan Avenue as a JNNURM-assisted project. The DPR for the project had been prepared by M/s Bengal CES Infratech Pvt. Ltd., while M/s Bengal Urban Infrastructure Development Pvt. Ltd. was assigned the job of preparation of Request for Proposal (RFP), drawing up the draft agreement and selection of contractor on turnkey basis. The work was awarded (February 2009) to M/s. IVRCL¹²³, a Hyderabad based construction company, on turnkey basis for ₹ 164.64 crore with completion time of 18 months. The

¹²³ Iragavarapu Venkata Reddy Construction Limited

third party quality control work (inspection and testing of steel structure fabrication, testing and certification of welder qualification) was assigned by KMDA to M/s IRCLASS. Sample Cube test¹²⁴ for concrete were got done from Jadavpur University by KMDA.

The work commenced in July 2009 and, as of March 2016, physical progress stood at 81 *per cent* and ₹ 128.24 crore was released to contractor (M/s IVRCL). However, on 31 March 2016, a part of the under-construction flyover (between the pier P40 to P41 and P39 to P40 near the crossing of Rabindra Sarani and Kali Krishna Tagore Road) collapsed causing death of 26 lives and damages to properties.

The Government constituted (April 2016) a screening committee involving IIT Kharagpur to assess the structural stability of the flyover and to ascertain the reason of the collapse. As reported by Chief Engineer, Area Development Sector, KMDA submitted 13 project related files to screening committee to facilitate investigation without keeping any back-up copy. Available records showed the following:

- As per IRC guidelines for quality systems for bridges (IRC SP-47), a third level proof checking was required either in-house or through third party. In the instant case, design calculations and drawings were provided by M/s IVRCL, who got the same vetted by Civil Engineering Department of Jadavpur University. However, Superintending Engineer, AD Sector released these designs and drawings for construction without the third level checking either by itself or by any third party.
- KMDA had granted extension of time to complete the work as many as nine times.
- In the absence of records relating to the selection procedure, technical qualification/ competence of the working contractor and its design consultant could not be assessed in audit.
- KMDA had appointed M/s IRCLASS as the third party quality control agency, which had quoted an abnormally low rate (₹ 6.97 lakh) as compared to its competitor, whose quoted rate was higher by 531 *per cent*.
- KMDA released payment for erection of 5377.054 MT of steel of which only 4253.34 MT of erection work had been certified by M/s IRCLASS. There was no record to indicate any quality check of 1123.714 MT of structural steel work for erection. It could not be ascertained whether the uncertified quantity of steel work (1123.714 MT) had actually been executed or there had been shortfall in quality check. It is pertinent to mention here that the entries in the MB had been made without detailed entry of physical measurement.
- A few Manufacturers' test reports on structural steel and cross verification by an independent Laboratory as produced to Audit, showed that in a batch of five test samples cross verified by KMDA, one sample had failed the quality test. The manufacturer (SAIL) had also confirmed the same on re-test.

¹²⁴ Concrete cube testing is the process by which a batch of concrete is tested for strength and durability. Series of quality assurance tests are conducted on each cubical block taken as sample from each batch of concrete used in the construction.

However, there was no record to indicate whether the batch of material was returned to the manufacturer or was used in the construction.

- Test-check of the available 271 concrete cube test (90 batches) reports for piles, pile cap, deck slabs, pedestals, etc. showed that 267 cubes (99 per cent of the cases test-checked) did not achieve the specified target mean strength. No records indicating corrective actions, if any, taken on these vital parts of the bridge structure were available.
- During the night before the collapse of the structure, the representative of KMDA had instructed the contractor to stop the work in view of problems reported at the batching plant of concrete. However, defying the instruction, the concrete work of superstructure had been cast during the day time by the agency, without any engineering staff of KMDA being present at the site.

3.13.9.2 Untested performance of Parama flyover

The main Flyover of Parama has been constructed with Class A 70 R Loading as per IRC-6-2000 for catering to daily traffic volume of 58695 vehicles including 2886 numbers of vehicles like bus, mini-bus, heavy truck, light commercial vehicles, vans, etc. The main flyover was opened to traffic in October 2015. However, immediately after opening of the flyover, heavy traffic congestion was reported and, at the instance of police, KMDA had restricted the movement of cars/ taxis only and had put up height barriers at all the entry points restricting the usage of the flyover by buses, mini buses and goods vehicles (projected figure of 750 in 2016). As a result, the objective of addressing the movement of such heavy vehicles through this corridor remained defeated and the performance of the flyover remained untested for heavy vehicles.

3.13.10 Conclusions

Audit of execution of flyover projects by KMDA has thrown lights on various areas of concern from the point of view of quality control and monitoring on activities of the contractors and consultants.

It was observed that KMDA authorities were heavily dependent on the services of the private consultants on technical matters. However, in the absence of norms/ guidelines for selection criteria of consultants, level of competence of the selected consultants was not ensured. Appointments of such consultants had also been made without following the competitive bidding process. There was also no mechanism for monitoring on the activities of the consultants and fixing up of accountability in case of under-performance.

The DPRs were often prepared without adequate ground work which necessitated midway alteration in the scope of work. Availability of encumbrance-free land was also not ensured before issuing work orders. All these factored behind delay in execution and time and cost- overrun.

There were deficiencies in contract managements also. Instances were seen where scope of work had been reduced after awarding of the contract without downward revision of contract price. In one case, contract was awarded to an agency not technically qualified enough to handle the assigned work. KMDA also extended undue financial benefit to contractors by shouldering contractors' liabilities.

Negligence in quality control work on the part of both consultant and KMDA authorities was also evident. Instances came to notice where corrective action was not taken even after adverse quality test reports.

Thus, through its indifference and lax attitude, KMDA not only failed to ensure economy in operation, but also compromised on quality of construction.

The matters were referred to the Government in October 2016; reply is, however, awaited (December 2016).

**URBAN DEVELOPMENT DEPARTMENT
(KOLKATA METROPOLITAN DEVELOPMENT AUTHORITY)**

3.14 Excess expenditure due to unjustified computation of rate

KMDA shouldered an unjustified and excess expenditure of ₹ 4.38 crore for earth work compared to PWD's Schedule of Rates.

Kolkata Metropolitan Development Authority (KMDA) had approved (March 2011) implementation of Barrackpore-Kalyani-Dum Dum Expressway road project¹²⁵ at a cost of ₹ 314.57 crore. The project was to be funded jointly by the Government of India (35 per cent), the Government of West Bengal (35 per cent) and KMDA (30 per cent). Implementation of the project under the Traffic & Transportation (T&T) Sector of KMDA commenced in September 2011 and was completed in July 2014.

KMDA follows the Schedule of Rates (SoR) of the Public Works Department (PWD). Scrutiny (April 2015) of the records (tender documents, running account bills, measurement books, etc.), however, showed that for two¹²⁶ items of works, higher rates were allowed by KMDA over those admissible under SoR of PWD as discussed below:

- The contractor had used ordinary soil excavated from borrow pits for earth work. However, the rate applicable for mixed soil¹²⁷ (₹ 40.80 per cubic meter) was taken into consideration, instead of that of ordinary soil (₹ 36.70 per cubic meter), for the basic rate of earthwork.
- Applicable carriage cost was ₹ 110 per cubic meter, as the work was executed in North 24 Parganas. KMDA, however, allowed carriage cost at the rate of ₹ 172 per cubic meter, applicable for the Darjeeling Hill area.
- As per SoR of PWD, 100 cubic meter borrow pit earth may be compacted into 92 cubic meter of compacted earth. Thus, the quantity of compacted earth should have been divided by a compaction factor of 0.92¹²⁸. Though borrow pit earth had been used for compaction, KMDA allowed

¹²⁵ From Kalyani to Dum Dum (35Kms) under the submission of Urban Infrastructure and governance of Jawaharlal Nehru National Urban Renewal Mission (JNNURM) scheme

¹²⁶ **Tender item 5:** Earthwork in road embankment in ordinary soil to correct profile as per designed formation level with earth, obtained from land owned depositing in layers 250 mm thickness including breaking clods, dressing and compacting by power roller; etc. Complete as per specification drawing and direction of engineer in charge and

Tender item 8: Earthwork in road embankment in ordinary soil to correct profile as per design formation level with earth obtained from borrow pits lands arranged by the contractor, etc.

¹²⁷ Clay mixed with kankar, moorum, pebble, etc.

¹²⁸ 100 cubic meter of borrow pit earth=92 cubic meter of compacted earth, i.e. from 1 cubic meter of borrow pit earth, 0.92 cubic meter of compacted earth is formed and therefore compaction factor is 0.92 (0.92/1)

compaction factor of 0.87, leading to undue enhancement of final rate of earthwork.

- Cost of labour and machinery, etc. for compaction of mixed soil (₹ 17.90 *per* cubic meter) was considered instead of ₹ 17.10 *per* cubic meter applicable to that of the ordinary soil actually used.

As a result, rates of earth work included in the tender for two items were inflated by ₹ 89.11 to ₹ 89.91 *per* cubic meter in comparison to the rates admissible under SoR of PWD as detailed in *Appendix 3.11*. This way, KMDA allowed total excess payment of ₹ 4.38 crore to three contractors for execution of 5.95 lakh cubic meter of earth work (*Appendix 3.12*).

The Superintendent Engineer (T&T Sector) stated (May 2015) that though the general nomenclature of “ordinary soil” was quoted in the tender, it did not mean that the soil used was ordinary soil. Further, in respect of erroneous adoption of compaction factor it was stated that embankment earth was used and the compaction of the same was considered. The reply was not acceptable as the expression “ordinary soil” could not be utilised as a general nomenclature, as the SoR clearly differentiates between ordinary soil and mixed soil, both in terms of specifications and rates. Further, the rate analysis as well as RA bills showed that ordinary soil excavated from borrow pit was actually used for the earth work. Deviation from the compaction factor relating to ordinary soil thus lacked justification.

The matter was referred to the Government in April 2016; the reply had not been received (December 2016).

**URBAN DEVELOPMENT DEPARTMENT
(SILIGURI JALPAIGURI DEVELOPMENT AUTHORITY)**

3.15 *Blocked expenditure on decorative lights*

Negligence on part of Siliguri Jalpaiguri Development Authority in obtaining necessary permission for works along the National Highway before issuing work order for supply and erection of decorative lights resulted in blocking of materials worth ₹ 1.72 crore for almost four years.

Siliguri Jalpaiguri Development Authority (SJDA) had decided (November 2011) to erect decorative lights along a 12 kilometres¹²⁹ long stretch of National Highway No. 31 from Darjeeling More to Airport More, under the project of beautification of Siliguri Jalpaiguri Municipal Areas.

Scrutiny of records of Chief Executive Officer (CEO), SJDA showed (September 2015) that SJDA had not taken up the matter either with the concerned National Highway Division of the Public Works (Roads) Directorate (PWD) or with the National Highway Authority of India (NHAI) before initiating the work.

¹²⁹ From Darjeeling More (573.6 Km) to Airport More (561.5 Km)

SJDA issued work order (May 2012) to an agency (Agency A) for ₹ 3.29 crore to complete the work within three months. The agency supplied the materials¹³⁰ required for the work and was paid (June 2012) ₹ 1.91 crore. SJDA moved the PWD for permission only in July 2012 *i.e.* after procurement of poles, fittings, wires, lamps, etc. worth ₹ 1.91 crore. Moreover, 4.5 kilometres stretch of road coverable under the work was still under the jurisdiction of the NHAI, as the same had not been taken over by the PWD. Neither did SJDA move the NHAI on this issue nor was any permission for the work forthcoming from PWD till April 2016. As a result, the work of erection of the poles could not be started.

SJDA's decision (April 2013) to utilise the poles for beautification of an alternative stretch of road from Medical More to Naukaghat More, Jalpaiguri also did not materialise, as only after erection of 150 poles, Agency A was blacklisted (November 2014) by SJDA in respect of some other works. Thereafter, no further progress has been achieved and the materials valued at ₹ 1.72 crore¹³¹ remained unutilised.

During joint physical verification (September 2015) of the unutilised stock by Audit along with engineering staff of SJDA, it was observed that the materials had been lying in Dry Port warehouse in open air with the possibility of deterioration.



Unused materials for decorative street lamps lying stacked for almost four years

The National Highway Division of PW Directorate intimated (May 2016) that SJDA had not been permitted to erect the street lights along the National Highway in view of proposed widening of the road.

The CEO, SJDA stated (May 2016 and August 2016) that it had taken up the work of beautification under Government decision only and that the meeting on city beautification had been held with “prior information to various departments including PWD, requesting their participation”.

The reply may be viewed with the fact that in the meeting of city beautification held in November 2011 there was no representative from the PW Directorate. However, SJDA authorities instead of taking up the issue with the PW Directorate for requisite permission, procured decorative poles and fittings leading to blocking of materials worth ₹ 1.72 crore for almost four years.

¹³⁰ Decorative three armed light pole (1657 numbers), decorative fittings (4971 numbers), CFL lamp – 18 watt fittings (4971 numbers), 1.1 kv grade 10 sq mm 4 core pvc insulated AAC case ISI marked (25000 metres)

¹³¹ Decorative three armed light pole (1528 numbers), decorative fittings (4654 numbers), CFL lamp - 18 watt fittings (4124 numbers), 1.1 kv grade 10 sq mm 4 core pvc insulated AAC case ISI marked (17500 meters)

The Department, in its reply, accepted (September 2016) that there were some communication gaps between SJDA and NHAI. It was also intimated that the SJDA Board has decided to use the decorative lights in the new stretches of the road.

**WOMEN & CHILD DEVELOPMENT AND SOCIAL WELFARE
DEPARTMENT**

3.16 Wastage of rice meant for a nutritional scheme

Inaction of both District Magistrate and Women & Child Development and Social Welfare Department led to wastage of 31638.23 quintals of rice worth ₹ 1.79 crore meant for 1.63 lakh undernourished girls.

The Women & Child Development and Social Welfare (WCDSW) Department had implemented a Central scheme¹³² of “Nutrition Programme for Adolescent Girls (NPAG)” in Jalpaiguri and Purulia districts during 2005-11. The scheme *inter alia* envisaged providing six kilograms of food grains *per* month free of cost to the families of identified under-nourished adolescent girls through the Public Distribution System (PDS) channel. The Child Development Project Officer (CDPO), the block level functionary of the WCDSW Department, was to identify NPAG beneficiaries and the ration shops to cover them. The CDPO was also to assess the quantum of rice required to be allotted to the ration shops on quarterly basis. After consolidating the requirement of rice, the district authority was to arrange for distribution of the rice to the respective blocks through the distribution agent. The distribution agent was to lift the rice from the Food Corporation of India (FCI) and deliver the same to the ration (PDS) dealers. The beneficiaries were to lift the rice from the respective ration dealers. After completion of distribution of rice to the beneficiaries, the dealers were to report the same to the CDPO, who was to verify the same with documentary evidence. The NPAG scheme was merged with a new scheme *viz.* “SABLA”¹³³ in 2011-12.

Scrutiny (May 2013 and September 2015) of records of the DM, Jalpaiguri showed that during 2005-06 to 2009-10, 2,50,346 quintals of rice (worth ₹ 14.14 crore) were lifted from the FCI under NPAG through a storing-cum-distribution agent (agent), of which 2,18,121 quintals were distributed among the beneficiaries. However, the fact of short distribution was detected by the district authority only during 2010-11, which was indicative of laxity in monitoring by the CDPOs. Records further showed that the concerned agent had expressed his inability to transport a stock of 31,638.23 quintals of rice¹³⁴ (which was to cater to 1.63 lakh beneficiaries) valued at ₹ 1.79 crore lifted by him on the ground that he was yet to receive an outstanding storing/transportation charge of ₹ 24.93 lakh from the DM. Deficient monitoring by DM would also be evident from the fact that unspent scheme funds of

¹³² Fund under this scheme was provided by the Government of India on 100 per cent grant basis

¹³³ Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG), also known as SABLA, is a Centrally Sponsored Scheme launched in 2011. The scheme implemented through the ICDS functionaries.

¹³⁴ After allowing handling loss

₹ 69.94 lakh had been surrendered (March 2009) by him in the absence of any information on outstanding liabilities under NPAG.

The DM, however, had requested (April 2010) the Department, followed up by a series of communications (August 2011, January 2012, June 2012, and August 2014), for funds to clear the outstanding dues of the agent and to complete distribution of the rice lying at stock. The Departmental instruction was also sought for disposing of the undistributed rice in apprehension of damage to the same from prolonged storage. No instruction in this regard was, however, received from the Department and the rice remained in the custody of the agent for more than five years as of July 2016. The DM failed to make any effort to invoke the extant clause of the agreement with the agent, which had assigned complete responsibility on the latter to supply rice of better quality in the case of deterioration of the quality of stored rice due to prolonged storage. In June 2015, the Department instructed the DM to conduct an enquiry into the matter. The enquiry report, which was an elaboration of the above facts, was submitted by the enquiring officer only in June 2016.

During joint physical inspection of the storing-cum-distribution agent's point by Audit alongwith District Programme Officer, it was observed (September 2015) that only 1000 bags (*approx.*) of 50 kg each were lying in the godown in completely deteriorated and unusable condition.

Thus, deficient monitoring by DM, Jalpaiguri followed by inaction in invoking the enabling clause of the agreement to recover the lost quantity of rice from the storing agent led to wastage of 31,638.23 *quintals* of rice meant for 1.63 lakh undernourished girls. Indifference of the WCDSW Department was also apparent from the whole sequence of facts.

In response to observations of Audit, DM intimated (September 2016) that a process for recovery of the cost of damaged rice from the delinquent agency had been initiated and a written undertaking had been obtained from the agency for recovery of the price of damaged rice by way of adjustment of outstanding bills and security deposit.

The matter was referred to the Government in August 2016; the reply had not been received (December 2016).

GENERAL

3.17 Cash management in Government Departments

Deficient cash management by DDOs led to cash amounting to ₹ 1.70 crore not being physically available, though included in the cash balance. Non-adherence to the prescribed provisions for cash management is fraught with the risk of misappropriation of public money.

West Bengal Treasury Rules (WBTR) provides that:

- No money is to be drawn from the treasury unless it is required for immediate disbursement;
- All financial transactions are to be recorded in the cash book as soon as they occur under proper attestation by the Drawing & Disbursing Officer (DDO);

- Cash book is required to be closed every day and the head of the office is required to physically verify the cash balance at the end of each month and record a certificate to that effect; and
- Bills and date-wise analysis in respect of closing balance are also to be recorded.

Scrutiny of records of 27 DDOs in 14¹³⁵ districts including Kolkata showed instances of non-compliance with the above provisions resulting in financial irregularities like misutilisation of undisbursed cash and suspected misappropriation of Government money.

Physical verification of cash conducted at the instance of Audit by those 27 DDOs during February 2015 to January 2016, showed that ₹ 44.88 crore were physically available against aggregate closing balance of ₹ 46.58 crore as per the cash books indicating a shortage of ₹ 1.70 crore (as detailed in **Appendix 3.13**). Of this shortage, unadjusted vouchers accounted for ₹ 16.66 lakh, undisbursed cheques not produced before Audit contributed for ₹ 4.20 lakh, while ₹ 17.89 lakh represented advances unauthorisedly given from undisbursed cash for various purposes. As the amounts remained outside the cash book, this practice was fraught with risk of serious financial malpractices. Besides, there was shortage amounting to ₹ 1.31 crore which was attributable to theft/ unexplained cash shortage.

Cases of non-adherence to the provisions of financial rules by DDOs have been pointed out repeatedly by Audit in earlier years. Out of the total shortage of ₹ 1.70 crore, shortage of ₹ 18.46 lakh relating to six DDOs¹³⁶ had been detected and reported in the earlier Reports of the C&AG of India. However, neither the DDOs nor the respective controlling officers could ensure recovery/replenishment of the shortages or adjust/ settle the issues till date. Such irregularities, rather, continued indicating lack of control and monitoring.

Two DDOs¹³⁷ claimed that ₹ 4.20 lakh was in undisbursed cheques but failed to produce the cheques before Audit. One DDO¹³⁸, however, had lodged a missing complaint of undisbursed lapsed cheque amounting to ₹ 0.42 lakh with police authority.

It was observed that apart from ₹ 4.20 lakh mentioned above, these two DDOs and four other DDOs kept ₹ 45.71 lakh¹³⁹ as lapsed cheques and produced those cheques before Audit as physical cash balance. Moreover, one DDO¹⁴⁰ retained

¹³⁵ North 24 Parganas (three offices), Kolkata (five offices), South 24 Parganas (four offices), Paschim Medinipur (two offices), Howrah (two offices), Malda (three offices), one office each in Uttar Dinajpur, Dakshin Dinajpur, Murshidabad, Purba Medinipur, Purulia, Coachbehar, Darjeeling & Birbhum.

¹³⁶ Registrar, Calcutta High Court (Appellate Side), Kolkata : ₹ 10.52 lakh; Registrar, Calcutta High Court (Original Side), Kolkata : ₹ 1.03 lakh; DM, Uttar Dinajpur : ₹ 3.07 lakh; MSVP, NRS Medical College & Hospital, Kolkata : ₹ 1.79 lakh; Superintendent, Presidency Correctional Home, Kolkata : ₹ 0.77 lakh and Superintendent, Alipore Central Correctional Home, Kolkata : ₹ 1.28 lakh

¹³⁷ BDO, Bishnupur – II, South 24 Parganas and District Inspector of Schools (SE), Malda

¹³⁸ BDO, Bishnupur – II, South 24 Parganas

¹³⁹ MSVP, NRS Medical College & Hospital, Kolkata : 67 cheques amounting to ₹ 21.59 lakh; BDO, Mathurapur, South 24 Parganas : three cheques amounting to ₹ 0.54 lakh; BDO, Sonarpur, South 24 Parganas : five cheques amounting to ₹ 0.21 lakh; BDO, Bishnupur-II, South 24 Parganas : two cheques amounting to ₹ 0.70 lakh; BDO, Kharagpur-I, Paschim Medinipur: 26 cheques amounting to ₹ 2.76 lakh and DI of School (SE), Malda : seven cheques amounting to ₹ 19.91 lakh.

¹⁴⁰ BDO, Kharagpur-I, Paschim Medinipur

one lapsed demand draft of ₹ 14.69 lakh as cash balance. Since these cheques/ demand draft had lost their currency, steps need to be taken either to revalidate these lapsed cheques/ demand draft or attempts to be made to remit/ refund the amount to the proper Heads of Account/ person or authority.

Retention of old vouchers as a part of cash balance should be viewed seriously, as possibility of replenishment of cash by drawing bills from treasury against these vouchers is remote. Similarly, immediate actions need to be taken either to adjust or to recover amounts advanced to different staff unauthorisedly out of cash balances.

All these irregularities were facilitated by drawal of funds from treasury without need for immediate disbursements and retention of the undisbursed cash by the DDOs.

Thus, non-adherence to the provisions of Treasury and Financial Rules and inadequate internal control over drawal and disbursement of cash by the DDOs continue to be a matter of concern exposing the Departments to the risk of misappropriation of public money.

Kolkata
The 08 MAR 2017


(MADHUMITA BASU)
Principal Accountant General
(General and Social Sector Audit)
West Bengal

Countersigned

New Delhi
The 10 MAR 2017


(SHASHI KANT SHARMA)
Comptroller and Auditor General of India