
Chapter 2: Performance Audits

HEALTH & FAMILY WELFARE DEPARTMENT

2.1 Drug Control in West Bengal

Executive Summary

The Government of India (GoI) had enacted the Drugs & Cosmetics Act, 1940 followed by the Drugs & Cosmetics (D & C) Rules, 1945 to regulate manufacture, distribution and sale of drugs and cosmetics in the country. These were applicable to Allopathic, Homeopathic, Unani and Siddha drugs as well as other health related items. The Government of West Bengal established (1965) the Directorate of Drug Control (DDC) under the Health & Family Welfare (H&FW) Department for enforcement of the aforesaid Act and Rules. The DDC was mandated with licensing and inspections of manufacturing units, blood banks and sales premises, approval of formulations of drug for manufacture, drawal and testing of drugs samples for monitoring quality standards and initiating prosecution against offenders. A Performance Audit covering the period from 2012-13 to 2016-17 showed the following shortcomings:

- The activities of drug control in the State were adversely affected by acute shortage in the cadre of Drug Inspectors as well as infrastructural and manpower shortcomings in the West Bengal State Drug Control and Research Laboratory (SDCRL). Inspections and sampling was meagre to effectively combat the sale of 'Not of Standard Quality (NSQ)'/ spurious drugs.
- Significant number of manufacturers/ sellers continued to be in the drug business without valid licences.
- The test results of the Laboratory were doubtful as it often did not run all the mandatory tests on the samples. There was also delay in generation of test results by the laboratory by which time the NSQ drugs had been consumed by the patients. The Department was unable to create adequate deterrence against NSQ/ spurious drugs owing to inaction on cases reported to be NSQ and the inability to further the prosecution orders.

Thus, consumers in the State remained exposed to serious health hazards from spurious and not of standard quality drugs.

2.1.1 Introduction

The Government of India had enacted the Drugs & Cosmetics Act, 1940 (Act) to regulate manufacture, distribution and sale of drugs and cosmetics in the country. This was followed by the Drugs & Cosmetics (D & C) Rules, 1945 (Rules). It was applicable to Allopathic, Homeopathic, Unani and Siddha drugs as well as other health related items. The Government of West Bengal established (1965) the Directorate of Drug Control (DDC) under the Health & Family Welfare Department for enforcement of the aforesaid Act and Rules. The DDC was mandated with:

- (a) licensing and inspections of manufacturing units, blood banks and sales premises;
- (b) approval of formulations of drugs for manufacture;
- (c) drawal and testing of drugs samples and
- (d) initiating prosecution against offenders.

A Report on the Implementation of Drugs & Cosmetic Act, 1940 was featured (*paragraph 3.2*) in the Report of the C&AG of India (Civil), Government of West Bengal for the year ended March 2003. The report had flagged issues like non-renewal of licences, inadequate inspection and sampling, delay in laboratory reports, etc. Instances of inaction against manufacturers of 'Not of Standard Quality' (NSQ) drugs were also reported. The present audit noted that these issues persisted and continued to be a matter of concern.

2.1.2 Organisational set-up

Director of Drug Control (DDC) in the Health & Family Welfare (H&FW) Department was responsible for issuing licences to all drug manufacturing units and blood banks except Indian System of Medicines (ISM) in the State. Power of licensing of sale premises was delegated to Assistant Directors of Drug Control¹. Drug Inspectors under the DDC were responsible for inspecting the premises of drug manufacturing/ selling units. They draw samples for testing at the statutory laboratory. The State Drug Control and Research Laboratory (SDCRL) was the only statutory laboratory² in the State under direct supervision of H & FW Department for testing of drugs and cosmetic samples. As per provisions of the Act and Rules, punitive action was to be taken against the manufacturer and trader of the drugs found 'Not of Standard Quality' (NSQ) in statutory analysis³.

2.1.3 Audit Objectives

The audit objectives were to examine whether

- Requisite infrastructure and resources were in place and licensing & renewal was done as per the provisions of the Act;
- Inspections, sample testing and prosecutions were conducted as per the Act;
- State Drug Control and Research Laboratory, Kolkata was adequately equipped to conduct statutory testing of the drug samples and
- Adequate mechanism was in place to effectively monitor drug related activities in the State.

¹ Power of licensing of sales premises in the Kolkata (areas with PIN code 700001 to 700108) area is delegated to five Assistant Directors of Drug Control. In case of remaining districts, licences are issued by the Assistant Directors of Drug Control in charge of the respective districts.

² Where the drug testing was done by the Government analyst.

³ The portion of statutory sample was to be sent by an Inspector to the Government analyst for test under Sub-section (4) of Section 23 of D&C Act, 1940. Statutory Analysis was done by the Govt. Analyst on the basis of the statutory sample. The sample was to be enclosed with a Memorandum in Form 18. Test report of such statutory analysis should be disclosed by the Govt. Analyst in Form 13 under Rule 46 of D&C Rules, 1945.

2.1.4 Audit Criteria

Audit comments were framed against criteria drawn from the following sources

- Drugs and Cosmetics Act, 1940;
- Drugs and Cosmetics Rules, 1945;
- Indian, British and United States Pharmacopoeias and
- Regulations, Guidelines and Manuals issued by the Department of Health and Family Welfare, West Bengal and the Central Drug Standard Control Organisation from time to time.

2.1.5 Audit coverage and methodology

The scope of this performance audit covered the period from 2012-13 to 2016-17. Audit scrutinised the records of the i) Directorate of Drug Control, ii) State Drugs Control & Research Laboratory (SDCRL), iii) Central Medical Store, Kolkata and iv) Assistant Directors of Drugs Control in five⁴ districts (out of 20 districts). These five districts were selected by applying Population Proportional to Size Without Replacement methodology with number of licences as the size. In each district, audit also covered, a minimum of 20 *per cent* of the health facilities (selected using Simple Random Sampling Without Replacement - SRSWOR). These were facilities to which 'Not of Standard Quality' drugs had been distributed from the District Reserve Stores. Apart from this, audit also covered nine major hospitals in the five test-checked districts.

The audit scope, objectives, methodology, etc. were discussed with the Principal Secretary of the Department in an entry conference held in March 2017. The observations arising out of the performance audit were discussed with the Department in an Exit Conference held in February 2018. The reply of the Department and views expressed in the Exit Conference had been suitably incorporated in the Report.

Audit Findings

2.1.6 Licensing and renewal

A licence granted to any manufacturing unit was a token of evidence of its working with due adherence to Good Manufacturing Practices and Laboratories Practices. It was also granted to any selling unit on the basis of possession of adequate space, storage facilities, cold chain, qualified personnel, etc. Periodic renewal of licences signified continued adherence to those standards by the units. Inspection of the units before issuing or renewing licences was, thus, of paramount importance for safety of the consumers. However, records of the test checked districts showed deficiencies, as discussed in the subsequent paragraphs.

2.1.6.1 Shortage of manpower

The status of sanctioned strength *vis-à-vis* men-in-position of various technical posts under the Directorate of Drug Control as of March 2017 is indicated in **Table 2.1.1**.

⁴ Kolkata, Burdwan, Murshidabad, Malda and Jalpaiguri.

Table 2.1.1: Availability of man power vis-à-vis sanctioned strength

Name of the post	Sanctioned strength	Men-in-position	Vacancy
Director	1	1	0
Addl. Director	1	0	1
Dy. Director (Non-technical)	1	0	1
Asstt. Director (Non-technical)	1	0	1
Law Officer	1	1	0
Dy. Director (Technical)	6	5	1
Asstt. Director (Technical)	35	31	4
Sr. Drug Inspector/ Drug Inspector	140	32	108
Admn. Officer	1	0	1
Public Relation Officer	1	1	0
Bengali Translator	1	1	0

Source: Directorate of Drug Control, West Bengal

Since 2000, the number of drug business operators had increased significantly, but, the sanctioned strength of drug inspectors remained the same. Acute shortage (77 per cent) in the post of key functionaries like Drug Inspectors/ Sr. Drug Inspectors affected activities like issue and renewal of licences, inspections, statutory sampling and consequently drug control in general.

The Department stated (January 2018) that appropriate steps for appointment of 79 Drug Inspectors had already been taken to tide over the crisis. During Exit Conference (February 2018), the Principal Secretary attributed the shortfall in inspections and sample testing to shortage of manpower in key posts.

The acute shortage of human resources seems to be the root cause behind (i) non-observance of prescribed licence renewal procedures, (ii) non-undertaking of requisite quantum of inspections, (iii) non-drawal of requisite quantum of samples and (iv) non-conducting of requisite tests.

2.1.6.2 Non-renewal of licences

In terms of Rules 63 of Drugs & Cosmetics Rules, 1945, original/ renewed licence to manufacture/ sale shall be valid for five years. The renewal status of manufacturing and selling units as per Licence Registers upto March 2017 is indicated in **Table 2.1.2** and **Table 2.1.3**.

Table 2.1.2: Status of renewal of licences of manufacturing units in the State

Category of license	Number of			
	Live licences as per register as of March 2012	Renewal application received during 2012-17	Application not received (percentage to total live licences)	Renewal certificates issued upto March 2017 (percentage to total renewable ones)
Manufacturer of modern drugs - Non-Biological	551	180	371 (67)	47 (26%)
Manufacturer of modern Drugs - Biological	446	107	339 (76)	29 (27%)
Homoeopathy Medicine Manufacturer	660	155	505 (77)	50 (32%)
Cosmetic Manufacturer	861	143	718 (83)	16 (11%)
Total	2518	585	1933 (77)	142 (24%)

Source: Directorate of Drug Control, West Bengal

The Directorate did not furnish state level information regarding renewal status of selling drug licenses. However, the renewal status as ascertained from the records of the Assistant Directors of Drug Control in test-checked districts is shown in **Table 2.1.3**.

Table 2.1.3: Status of renewal of licences of units selling modern medicine in test-checked districts

Name of district	No. of live licences as of March 2012 (only cases with available particulars)	Number of renewal application received during 2012-17	No. of licences not received (percentage to total live licences)	Number of renewal certificate issued during 2012-17 (percentage to total renewable ones)
Kolkata	15071	6249	8822 (59)	231(4)
Murshidabad	5158	1978	3180 (62)	11 (0.5)
Malda	2471	924	1547 (63)	49 (5)
Jalpaiguri	3115	1153	1962 (63)	56 (5)
Bardhaman	8421	3743	4678 (56)	46 (1)
Total	34236	14047	20189 (59)	393 (3)

Source: Directorate of Drug Control, West Bengal

Thus, significant number of manufacturers and drug sellers did not apply for renewing their licences. There are 5,191 (1,358 retail and 3,833 wholesale) cases where particulars of licenses were not available in the register. The renewal process could only be initiated after submission of renewal application. But, the drug business was being continued even in case of those who did not apply for renewal. This indicated that DDC was not watching the expiry of licences. Further, licences were renewed only to 24 per cent of the manufacturing applicants and three per cent of the drug selling applicants.

Accordingly, renewal certificates were issued only against the cases which involved change in the nature of the ownership of the unit.

This also led to loss to government in the form of renewal fee in contravention to Rules 59. (2) and 69. 2(c) of the Drugs & Cosmetics Rules, 1945.

The Department stated (January 2018) that an online application e-Vesoj had recently been launched for all processes of licensing under the Directorate of Drug Control. Moreover, significant changes had been made (October 2017) in the Drugs and Cosmetic Rules, 1945 to ease the process of granting licenses. It was expected that the compliance rate would improve substantially as a result.

During the exit conference (February 2018), the Principal Secretary informed that as per latest amendment (October 2017) in the Rules, depositing the licence retention fee by the licensee would only lead to retention of licence.

2.1.6.3 Deficiencies in renewal procedure

Scrutiny of records by Audit relating to the renewal procedure, disclosed the following deficiencies:

- (i) **Improper maintenance of records:** Under Rule 68 of the Rules, the licencing authority needs to satisfy itself about the veracity of the statements made by the applicants in its renewal application form. This calls for maintenance of proper records by licensing authority of the

particulars of the original licence issued. Audit observed deficiencies in maintenance of records relating to licensing and renewal both at the State level (*i.e.*, the Directorate of Drug Control) and in the test-checked districts (*i.e.*, at the offices of the Assistant Directors). Both the levels were dependent on manual records during the period covered under audit. However, the pages of the licence registers were found torn/ missing. The Directorate did not maintain records indicating the collective list of drugs endorsed for manufacture to a particular unit. It was being maintained in separate files in an isolated manner. Hence, it became difficult to ascertain the comprehensive list of drugs to be manufactured by a particular unit in case of renewal of licenses. The DDC stated (June 2017) that non-availability of records was one of the major impediments in issuing the renewal certificate to manufacturing firms in time. In view of such lack of availability of records, there was a serious need to migrate the manual process to a digitised platform.

- (ii) ***Improper implementation of online licensing system:*** In order to upgrade the existing system of licensing of selling of Modern Drugs and to make it more accountable, transparent and user-friendly, it was decided (January 2017) that the licensing procedure would be carried out by using a web-based software. Accordingly, the State Government issued (January 2017) notification to introduce the use of software based licensing system in a phased manner for all the districts. Online licensing for selling of modern drugs was introduced in Kolkata from January 2017. However, it did not commence in other districts till the date of audit (June 2017). Further, information about the existing licence holders of modern drug sellers remained outside the digitised platform, as the software captured only the new cases of licences and renewal.

Pendency in issue of licences persisted, though the Department commenced (January 2017) online application for grant and renewal in Kolkata. Out of 513 (new: 231 and renewal: 282) applications received online during January to May 2017, only 92 (new: 86 and renewal: six) licences could be issued.

In this connection, the Department stated (February 2017) that an initiative was taken to preserve the data digitally during 2009-10, but was not fruitful. Director of Drug Control stated that file tracking system would be introduced to avoid misplacement of important files shortly.

- (iii) ***Incomplete renewal process of drug licenses:*** In terms of Rule 64 of D & C Rules, 1945, a drug license would not be granted/ renewed unless the authority was satisfied that the premises in respect of which the license is to be granted (or renewed) are adequate and equipped. The Certificate for grant or renewal of licence was to be issued subject to satisfactory inspection report from the concerned Drug Inspector. Audit, however, observed during test-check that the drug controlling authorities did not conduct any inspection⁵ in case of renewal. As a result, renewal process of drug licences could not be fulfilled.

⁵ Except for the cases involving change in constitution of the ownership of the units.

- (iv) **Operation of drug business on the strength of DCR:** As per the Act, renewal certificates were to be issued in prescribed formats⁶. However, only a Duplicate Carbon Receipt (DCR) was issued by the Assistant Director's office against the remittance of requisite fee to the Government account. The said DCR was considered as a token of renewal. Thus, the drug manufacturing/ selling businesses were allowed to continue merely on the basis of remittance of fees⁷. Adherence to norms were not ensured in most of the cases.
- (v) **Renewal allowed without ensuring engagement of pharmacist:** In terms of Rule 65, licence for retail business of modern drugs should not be granted/ renewed without engagement of registered pharmacist. Latest renewal certificate of the engaged pharmacist issued by the Pharmacy Council was also required to be attached with the renewal application of drug licence. In 195⁸ renewal cases (November 2016 to March 2017) in two test-checked districts, no document was attached in support of engagement of pharmacist. Thus, the district licensing authority did not ensure the engagement of pharmacist in retail drug business before allowing renewal.
- (vi) **Failure in exercise of vigilance over remittance:** In Murshidabad, the District Licensing Authority did not cross-verify the paid challans with the treasury records before issuing fresh licence/ DCR. Assistant Director detected (January 2016), 12 cases (related to 2014-15), where fake bank challans with acknowledgement of receipts (₹ 0.36 lakh) had been submitted and Drug Licences were renewed. An FIR was lodged in February 2016. A departmental enquiry was also underway in this regard.

Audit came across 36 more cases (involving total fees of ₹ 1.08 lakh) pertaining to 2013-16, where the bank challans were found fake. In those cases, also, the concerned units were allowed renewal of licences. On this being pointed out by Audit, the Assistant Director stated (March 2017) that efforts were on to make an exhaustive list of such fake challans.

Thus, the district licensing authority of Murshidabad failed to exercise vigilance over remittance of licence fees in the Government Account. This facilitated such fraudulent practice.

2.1.6.4 Lack of training facilities

The State did not have infrastructure to train the technical cadre so as to update their knowledge of pharmacology. Even the selected technical personnel did not take part in training programmes arranged by Central Drug Standard Control Organisation (CDSCO). The Department stated (February 2017) that the selected personnel could not avail of training for administrative reasons.

2.1.6.5 Deficiencies in control over manufacturing units of modern drugs

Audit observed the following deficiencies in control over manufacturing units of modern drugs:

⁶ Form 25 in respect of manufacturers and Form 21 in respect of drug sellers

⁷ Collections through DCR was ₹4.11 crore, during the period under review.

⁸ Bardhaman: 188 and Murshidabad: 7

- (i) **List of drugs in licence not available:** Manufacturing Drug licences were to be issued in Form 25 specifying each item of drugs. Audit, however, found that licenses were issued by the DDC without incorporating the list of drugs to be manufactured. This assumed significance as correctness of items of drugs for renewal could not be ensured.
- (ii) **Licences renewed despite deficiencies:** Rule 79 required the Inspector to inspect the establishment to ensure that the manufacturing firm complies with the conditions of licence. Scrutiny of the renewal status of 13 out of 180 firms (*Appendix 2.1.1*) showed major deficiencies in manufacturing and quality control process as noticed during inspection. However, the Directorate issued certificate of renewal/ Good Manufacturing Practices (GMP)/ Good Laboratory Practices (GLP) in favour of them. Moreover, products of 12 out of such 13 manufacturing firms were found 'Not of Standard Quality (NSQ)' multiple times by different Drug Testing Laboratories.

On this being pointed out, the DDC did not explain why the deficiencies had not been rectified.

2.1.6.6 Functioning of Blood Banks with expired license

As per Rule 122 (H) of D & C Rules, 1945, the license for a blood bank is valid for five years.

Out of 125 blood banks in the State, 48 (38 *per cent*) were functioning without valid licences as of March 2017. Their licences were not renewed due to shortcomings in infrastructure as well as manpower. Of these, 36 blood banks were functioning without valid licences for the last 15 to 20 years. Audit test-checked records of four blood banks. The deficiencies noticed by the drug inspectors are detailed in *Appendix 2.1.2*. In all those cases, show-cause notices were issued, however, no further action was taken.

A paragraph (Para no. 3.2) on 'Functioning of Government blood banks in West Bengal' was featured in the Audit Report (General & Social Sector) for the year ending March 2014. The paragraph had flagged the issue of functioning of blood banks without valid licences. In reply to this, the Department had stated (August 2014) that the matter had already been taken care of. It is, however, a matter of concern that the issue persisted even after three years.

2.1.7 Inspections, sample testing and prosecutions

As a mechanism for quality assurance, the Drugs & Cosmetics Act, 1945, *inter alia*, empowers every Inspector of the State Licensing Authority to inspect drug manufacturing units. Such inspections were meant for assessing the means employed for standardising and testing the products, premises used for sale/distribution/ stocking of drugs. To ensure adherence to the desired quality parameters of such products, the Inspectors were also empowered to take samples of any drug from the manufacturer/ distributor/ seller. Those samples were to be analysed in Government-approved laboratories. The inspector was then to initiate action against manufacturer/ trader, if the drug is Not of Standard Quality (NSQ).

The deficiencies found in inspections have been discussed in the subsequent paragraphs.

2.1.7.1 Poor coverage in inspection

As per Rule 51, each Inspector was to inspect establishments licensed for sale of drugs at least once in a year. The district drug controlling authorities did not prepare any schedule of inspection. Audit found that shortfall in inspections ranged between 89 and 100 *per cent* for drug selling units in the test-checked districts (*Appendix 2.1.3*).

Acute shortage of drug inspectors (overall shortage being 77 *per cent*), who were the key functionaries for the implementation of the Act, was the main reason attributable to meagre inspections. Assistant Directors of Drug Control of three⁹ selected districts stated that non-availability of Government vehicles also affected the inspection and drawal of samples. But, there was nothing on record to indicate that the Directorate had ever initiated any proposal to the Department for providing a Government vehicle for the purpose.

2.1.7.2 Statutory sampling

D & C Rules 51 & 52 empower the inspectors to take samples of the drugs and send them for tests to SDCRL, Kolkata under intimation to the Directorate. As per DDC's order dated 29 May 2007, each Drug Inspector/ Senior Drug Inspector was to draw at least four samples per month from the licensed premises. Noting with concern that there was lack of sincerity in giving due cognizance to the above order, DDC in October 2007 re-emphasised on strict compliance to the same. However, in September 2011, on the plea of heavy work load of Inspectors and limitations in the testing capacity of the SDCRL, the target of four samples per month was reduced to three in every two months. Hence, quality control measures were significantly diluted. This assumed further significance especially as samples had failed the quality test.

Scrutiny of Sample Receiving Register of SDCRL indicated shortfall in sampling as shown in **Table 2.1.4**.

Table 2.1.4: Details of Statutory samples during 2012-17

Name of the district	Average no. of inspectors	Number of statutory samples to be drawn	Number of statutory samples drawn	Percentage of shortfall
Kolkata	20	1800	849*	53
Murshidabad	3	270	165	39
Malda	2	180	128	29
Jalpaiguri	3	270	218	19
Bardhaman	4	360	253	30
Total	32	2880	1613	44

* Up to December 2016, Source: Statutory sample receiving register of SDCRL

Audit also noticed that samples of sera¹⁰, vaccine and cosmetics were not drawn for testing. This left ample scope for distribution of sub-standard/ spurious drugs.

The Department stated (January 2018) that shortage of technical manpower, inspecting staff in particular, was the root cause of the problem and the performance would increase significantly after filling-up the vacancies.

2.1.7.3 Ineffective punitive mechanism on NSQ drugs

As per Section 27 of the Drugs & Cosmetics Act, the Director was to take penal measures against manufacturers of NSQ drugs/ cosmetics. Such measures

⁹ Malda, Murshidabd and Jalpaiguri.

¹⁰ Sera denote the plural form of blood serum.

include suspension or cancellation of licences or compounding of offences, prosecution, etc.

A Quality Control Register was maintained by the Directorate to record the individual drug samples, test results and action taken report. The position of NSQ reports received and action taken there against during 2012-17 is depicted in **Table 2.1.5**.

Table 2.1.5: Position of NSQ drugs and action taken thereon during 2012-17

Reports received from	Number of NSQ drugs	Product suspended	Under prosecution cell	No. of cases where show cause notices issued	No. of firms against which action awaited	No. of reports referred to other states	License cancelled/ surrendered	Contravening firms not identified
SDCRL	93	12	12	2	2	63	2	-
CDL	25	9	-	2	13	-	-	1
Other States	81	29	-	19	28	-	1	4
Total	199	50	12	23	43	63	3	5

Source: Directorate of Drug control, West Bengal

As is clear from the **Table 2.1.5**, DDC did not take action in respect of 43 (22 per cent) cases out of 199 NSQ drugs as of December 2016. Show-cause notices were issued to 23 firms for manufacturing NSQ drugs. However, replies were not received from them. No further action was initiated against them.

In 50 cases, product suspension orders were issued. However, there was no system to ensure, whether the firms adhered to the suspension orders. In 12 cases during 2012-15, orders for prosecution were given. However, prosecution was not initiated despite lapse of three to four years.

Case Study 1

Action not taken against a manufacturer whose drugs were found NSQ repeatedly

Audit noticed that several medicines (Paracetamol Tab 50 mg. IP, Salbutamol Sulphate Tablets, Vitamin B Complex Tab, Halazone Tabs, etc.) manufactured by M/s Luxmi Pharmaceuticals Private Limited were found NSQ during April 2012 to May 2013. The Directorate did not take any action in these cases other than issuing show-cause notices. Central Drugs Laboratory declared (September 2015) one of their products viz. Salbutamol Sulphate Tablets (Batch No. 130310) as NSQ. A joint inspection of the premises of the firm was undertaken with the Drug Inspector, CDSCO, Eastern Zone and Sr. Inspector of Drugs, DDC, West Bengal. During the Inspection, it was seen that the 7.17 lakh out of 8 lakh impugned drug manufactured were distributed to Government hospitals. The remaining stock could not be reconciled. The firm did not test the impugned drug as per the Indian Pharmacopoeia specifications. The firm had also not performed the process validation, analytical method validation and stability data before sale of drugs.

In view of the above, the inspecting team concluded that the drug might be NSQ due to inadequate testing procedure and recommended appropriate action against the firm under the Act. It was, however, seen that no action was taken against this firm.

Thus, a firm whose products were declared NSQ repeatedly was allowed to continue the operations leaving the public vulnerable. In this regard, Audit noted that the latest renewal certificate issued (March 2015) to the firm with validity upto December 2017 was not as per the format prescribed in the Act. There was no mention of the list of drugs for which the licence had been issued as required by the Act.

The guidelines prescribe action on samples of drugs declared spurious or NSQ. Accordingly, action is initiated on the basis of test reports. Categorisation of reports was done for the purpose. However, the category of non-standardisation of NSQ¹¹ was not recorded in the Quality Control Register.

Audit analysed test results of 32 drugs reported as NSQ (*Appendix 2.1.4*) between June 2012 and September 2016. It was found that all of them had been adjudged as grossly substandard. In 31 cases, the active ingredient was not within the permissible limits. In one case, the dietary supplement contained steroid. In 11 out of 32 cases, prosecution was not initiated despite order of Director of Drug Control (DDC). In 21 cases, no action was taken at all. Out of these 21 cases, 18 pertained to manufacturers outside West Bengal. The Directorate stated (June 2017) that these were reported to the concerned Licensing authorities.

Thus, the punitive mechanism to create adequate deterrence and to discourage manufacture of NSQ drugs was not functional in the State.

2.1.7.4 Action not taken against NSQ drugs reported by authorities in other States

DDC is responsible for taking action against manufacturers in West Bengal, if Drug Controllers of other States request to take action against the manufactures in West Bengal whose drugs are reported NSQ in those States. During test-check of 17 such cases involving 11 manufacturers, Audit found that only show-cause notices were issued to three¹² firms, whose medicines were found NSQ repeatedly. Audit noted that despite DDC's order, inspections were not carried out at the premises of these firms. This indicated indifference towards adverse reports received from other States. This also pointed to the fact that such NSQ drugs could have been available and used in West Bengal too.

2.1.7.5 Redressal of public grievances

The Directorate received complaints from the general public regarding irregular practices in drug business. The Directorate maintained a Complaint Register from September 2014 for this purpose. Scrutiny of this Register indicated that out of 117 complaints received during September 2014 to March 2017, action was taken against 62 only. The remaining 55 (47 per cent) cases remained un-attended. Out of these 62 cases, the DDC forwarded 56 complaints to the concerned Assistant Directors. The cases were pending with the Assistant Directors without any follow up from the Directorate. Only six (five per cent) out of total 117 complaints received were settled as of June 2017.

¹¹ Category A-Spurious and Adulterated drugs, Category B- Grossly sub-standard drugs, Category C: Minor defects.

¹² M/s Caplet India Pvt. Ltd., M/s Allen Laboratories Ltd. and M/s NI Pharmaceutical Works (P) Ltd.

Case Study 2

Action taken on information received on illegal drug manufacture

On receiving a complaint, the Directorate raided (March 2017) the premises at 21 B, Canning Street with the help of Police. There they found a large stock of expired Qutes Forte Softgel Capsules (Batch No. 0360215D, Manufacture February 2015, Expiry January 2017) and another stock of Qutes Forte Softgel Capsules in which the Batch No., Manufacturing Date and Expiry Date had been erased. Erasing liquid used for erasing the inscriptions in the strips was also found. It was found that the accused was engaged in re-labelling of drugs. Labelling of drug is a manufacturing activity which requires a valid drug manufacturing license. The accused, however, failed to produce a valid license. Accordingly, a prosecution case was lodged (March 2017) in the court.

The Department stated (February 2017) that the departmental grievance redressal system to monitor the disposal of complaint cases on counterfeit, spurious, adulterated drug manufacturing/ trading in the State was absent. The Department also added that necessary action was to be taken shortly in this regard. Considering the seriousness of the malpractices (*vide* case study) reported by the public complaints, Department needs to develop an effective Public Grievance system. Further, these incidents also pointed to the need for a strong surveillance mechanism.

2.1.8 Functioning of the State Drug Control and Research Laboratory

In terms of Rules 51(6) and 52(4), drug inspectors were authorised to draw samples from the manufacturing and selling units and to send them for testing to a Drug Control Laboratory. In West Bengal, there is only one such laboratory *viz.* State Drug Control & Research Laboratory (SDCRL), Kolkata. Punitive action could be taken against the manufacturer/ supplier of NSQ drugs only on the basis of test reports of the SDCRL. Accordingly, quality of laboratory testing was of utmost importance. Audit noticed the following deficiencies in the functioning of the laboratory:

2.1.8.1 Non-utilisation of equipment as well as manpower deficiencies at the SDCRL

SDCRL was not accredited with NABL¹³. No steps were taken for its accreditation. Audit found that there were deficiencies in infrastructure and manpower at the SDCRL and consequently laboratory was not in a position to test the targeted number of samples.

Non-utilisation of equipment: Audit noticed that equipment costing ₹ 2.01 crore (*Appendix 2.1.5*) procured between March 2014 and January 2017 was not put to use as of June 2017. The reasons were lack of technical manpower and operating software. These instruments were required for detection of metals, dissolution test, identification and quantification of each component in a mixture, chemical analysis of drug samples, etc. No action was taken to utilise the said equipment.

Shortage of manpower: Against the sanctioned post of 96, there were a total of 56 personnel (permanent: 40 and contractual: 16) in place. However, as regards technical posts, the vacancy position was alarming (especially in the cadres of

¹³ National Accreditation Board for Testing and Calibration of Laboratories

Assistant Directors, Senior Scientific Officers and Junior Scientific Assistants) even after taking into account the contractual staff as shown in the **Table 2.1.6**.

Table 2.1.6: Availability of manpower *vis-à-vis* sanctioned strength (as on 31 December 2016) in Technical posts in SDCRL, West Bengal

Name of the post	Sanctioned strength	Men-in-position	Vacancy
Director	1	1 (on Deputation)	0
Assistant Director	4	1	3
Senior Scientific Officer	5	0	5
Junior Scientific Officer	5	5	0
Senior Scientific Assistant	10	10	0
Junior Scientific Assistant	14	2 + 6 (Contractual) = 8	6
Senior Technical Assistant	1	0	1
Sample Warden	1	0	1
Junior Technical Assistant	1	0	1
Laboratory Assistant	9	0	9
Laboratory Attendant	9	4	5
Total	60	29	31

Source: State Drug Control & Research Laboratory, West Bengal

The above deficiencies hampered the testing of drug samples and adversely affected the quality of analysis. The Laboratory could not conduct all the stipulated tests on the samples. Moreover, the laboratory also failed to conduct the tests within the stipulated time schedule as is evident from the following paragraphs.

During the Exit Conference (February 2018), Principal Secretary opined that though accreditation from NABL was not a mandatory provision, but it could be highlighted as a recommendation in the Audit Report.

2.1.8.2 Non- conducting of requisite tests

Out of 9,617¹⁴ samples to be tested during April 2012 and March 2017, SDCRL could test only 6,933 (72 per cent). Of these, 2,190 samples expired between April 2012 and March 2017 as the samples could not be tested within time. The attributable reason was mainly shortage in the technical cadre of the laboratory. The laboratory did not function properly due to lack of infrastructure and manpower.

Audit test-checked the testing procedure of samples, the details of which are shown in **Table 2.1.7**.

Table 2.1.7: Tests done on drug samples selected by Audit

Year	No. of selected samples	All test done	Test partially done	Test not done	Test result	
					Standard	Non-standard
2012-13	40	10	19	11	27	2
2013-14	40	4	25	11	29	Nil
2014-15	40	9	22	9	30	1
2015-16	40	8	26	6	33	1
2016-17	40	7	18	15	23	2
Total	200	38	110	52	142	6

Source: Extracted from the records of SDCRL

¹⁴ Un-tested samples as on 1 April 2012: 1568 and samples received: 8049

As is evident from the Table, all the prescribed tests could be done only on 38 (19 per cent) samples, while 52 (26 per cent) were not tested at all. Out of 148¹⁵ samples tested, 104 (70 per cent) were declared 'standard' without conducting all the stipulated tests. Hence, the reliability of test results was suspect.

Further, as per the Drug Consultative Committee (DCC) recommendations, the time limit for testing of drug samples subject to availability of method of analysis is 45 or 90 days depending on the type of drugs¹⁶. Audit observed that out of 148 fully or partially analysed samples test-checked, SDCRL failed to adhere to the stipulated time schedule in respect of 128 (86 per cent). There were delays of more than three and six months in case of 51 and 77 cases respectively. Such delays gave opportunity to the sellers of spurious drug to sell their drugs un-detected exposing the society to health risk.

SDCRL stated (January 2017) that tests could not be conducted owing to non-availability of Reference Standards and methods of analysis for non-pharmacopeial samples¹⁷. This argument of the Laboratory was not tenable as the Drugs Consultative Committee¹⁸ (DCC) had recommended (July 2012) that the Government Analyst was free to test the sample as per the method available in the standard books or journals, if the manufacturer did not send the method of analysis for patent and proprietary medicines. Further, Audit observed that all requisite tests were not done even in case of pharmacopeial samples as was seen in case of 100 such samples out of the 200 test-checked.

This assumed further significance as the operation of the punitive mechanism of the Act was based on the laboratory results. Such inadequacies in the Drug Control mechanism in West Bengal had left the public exposed to substandard drugs.

During the exit conference (February 2018) the Principal Secretary, while expressing concern about such non-testing and delay in testing of drug samples, instructed the concerned officials to be more vigilant in this regard.

2.1.9 Monitoring

2.1.9.1 Consumption of NSQ drugs by the patients of Government hospitals

As per order (July 2012) of the Department, medicines to the Government health facilities were supplied by the drug firms selected by the Central Medical Store (CMS) under the Health & Family Welfare Department. Sample from each batch of drugs procured was to be sent, through CMS, to the selected NABL approved laboratories or SDCRL for analysis. Similarly, samples were sent to these laboratories from the medicines procured by the Fair Price Medicine Shops (FPMS) established within Government Hospitals of the State also. These laboratories were to dispatch the test reports within 10 days in case of ordinary drugs and 20 days in case of injectable drugs¹⁹. If found NSQ on analysis, distribution of medicines was to be stopped immediately by blocking

¹⁵ 38 plus 110

¹⁶ 90 days in respect of drugs which require High Performance Liquid Chromatography.

¹⁷ There were two types of drugs - pharmacopeial and non-pharmacopeial. Reference standard of non-pharmacopeial drugs were to be obtained from the concerned manufacturer.

¹⁸ The Drugs Consultative Committee is an Advisory Committee constituted by the Central Government under the Act.

¹⁹ 16 days for tablet/ capsule and 26 days for injection in case of FPMS.

the distribution of medicine in the Store Management Information System (SMIS) software.

Audit analysed the time taken for receiving test reports of 13 NSQ drugs. It was found that in all these 13 cases, there were delays of 10 to 52 days in receiving the test reports. Due to these delays, NSQ drugs were distributed to the patients in Government health facilities.

Similar problem was noted in Fair Price Medicine Shops also. During 2014-17, out of 3122 samples drawn, 49 were found NSQ. Reports in respect of 340 were not received, while in respect of 49 drugs found NSQ, it took 32 to 187 days (SDCRL: 44 to 187 days, other laboratories: 32 to 118 days) to receive reports after the sample collection.

Further, Audit observed that distribution of NSQ medicines was not blocked in SMIS. This, coupled with the delay in receiving test reports, resulted in consumption of NSQ drugs by the patients.

In the exit conference (February 2018), the Principal Secretary while expressing concern at the state of affairs assured Audit that punitive measures would be taken against the laboratories for violation of the norms and committing inordinate delays in submission of test reports. He also added that to address the issue appropriately, testing of drugs would be done before its supply and also after drugs are supplied to the Government health care units.

2.1.9.2 Failure to take action against manufacturers

The sampling at the time of procurement was non-statutory. In order to initiate punitive action under Sub-section (4) & (5) of Section 23 of D & C Act, statutory sampling²⁰ was required to be done by the Drug Inspectors. Accordingly, information about drugs found NSQ in non-statutory analysis was communicated to the Directorate of Drug Control for statutory sampling.

Audit, however, noticed that during 2014-17, against 168 cases reported to DDC as NSQ in non-statutory sampling, DDC did statutory sampling only in eight (five *per cent*) cases. As a result, the manufacturers of NSQ drugs could not be brought into the punitive mechanism as samples were not drawn for statutory analysis.

DDC attributed that the stock of NSQ drugs was duly consumed at the health facility by the time information for statutory sampling reached the Drug Inspectors. Audit, however, found that DDC made an attempt to draw statutory sample in respect of 14 cases only. Sampling of the remaining 146 (87 *per cent*) cases was not done by DDC. This was despite the fact that the CMS authority had issued several reminders for early sampling of these medicines.

Similar issue was noticed in Fair Price Medicine Shops established within Government Hospitals of the State. It was observed that 49 out of 3,122 samples (drawn from FPMS) analysed were found NSQ. However, samples of these medicines were not drawn for statutory analysis which would have set in the legal process.

²⁰ Statutory sampling is done by the Drug Inspector in terms of Section 23 of Drugs & Cosmetics (D&C) Act, 1940. The portion of statutory sample is to be sent to the Govt. Analyst for test in accordance with sub-section (4) of Section 23 of D&C Act, 1940. As per Rule 57 of the D&C Rules, 1945, the sample is to be sent to the Govt. Analyst with a Memorandum in Form 18.

This not only exposed the public to health hazards by way of consumption of NSQ drugs, but also prevented the authorities from initiating punitive action against the manufacturer. Thus the objective of ensuring quality of drugs was not achieved.

2.1.9.3 Consumption of untested drug in the Government patient care system

As per departmental instructions (July 2012), every batch of procured drug had to be tested at the H&FW approved Testing Labs. The position of sampling of medicines in four test-checked districts during 2014-16 was as indicated in **Table 2.1.8**.

Table 2.1.8: Position of sampling of medicines purchased in the Government health facilities of test-checked districts

District	Year	Type of drugs	Total number of batches procured by the respective CMOH	Number of batches not tested as per records of CMS	Percentage of batches not tested
Bardhaman	2014-15	134	976	496	51
	2015-16	156	1255	652	52
Jalpaiguri	2014-15	166	728	396	54
	2015-16	165	756	469	62
Malda	2014-15	113	622	440	71
	2015-16	126	579	378	65
Murshidabad	2012-13	78	715	636	89
	2015-16	117	607	411	68
Total		1055	6238	3878	62

Source: Information provided by CMOH of the respective districts.

In four test-checked districts, 62 per cent of the medicines purchased were distributed to patients without ensuring quality. This was due to the reason that CMOHs did not send samples from every batch of medicines procured. This was a deviation from the extant Government order. Thus, the system meant for eliminating the risk of public consumption of substandard, counterfeit or contaminated pharmaceutical product was not functioning effectively. This left the patients vulnerable.

2.1.9.4 Mechanism to ensure supply of quality medicines not working effectively

As per conditions²¹ of tender for supply of medicines to government health facilities, if any batch of medicine failed in the quality testing, the cost of procurement of such non-standard drugs was not to be paid.

Audit observed that in the four²² test-checked districts, 26 medicines costing ₹ 16.95 lakh were found NSQ. However, the cost of these medicines was paid to the vendors in contravention to the tender conditions.

2.1.9.5 Improper implementation of Pharmacovigilance Programme of India (PvPI)

With the vision of monitoring drug safety and thereby reducing the risk associated with use of medicines, the PvPI was launched (April 2011) by the Indian Pharmacopoeia Commission (IPC) under the aegis of Ministry of Health & Family Welfare, Government of India. An ‘Adverse Drug Reactions (ADRs)

²¹ Clause 21 (d) of the Notice Inviting Tender (NIT) for drug items floated vide No. HST/IP-01-2015/GD/2015-17/024 dated 20.08.2015).

²² Murshidabad, Malda, Jalpaiguri and Bardhaman.

reporting culture' was promoted with contribution from all the Healthcare Professionals to reinforce the PvPI. Accordingly, several ADR Monitoring Centres (AMCs) were established throughout the country to upload the monthly ADR reports. There were 11 such AMCs²³ in West Bengal.

Audit found that only four²⁴ out of these 11 AMCs were uploading the ADR reports as of March 2017. The Ministry of Health & Family Welfare, GoI, requested (October 2016) the State Government to take necessary steps for sensitizing and advising all health care professionals to mandatorily adopt reporting of ADRs to PvPI. The State Government took little effort to strengthen the Adverse Drug Reporting system in the State.

In this regard, Audit had interacted with physicians and nurses of the selected hospitals regarding efficacy as well as adverse effect of drugs. It transpired that the excess usage of antibiotics was leading to resistance in germs. Besides, the side effects of various medicines were a matter of grave concern. They also were very concerned about the low efficacy of medicines supplied in the government facilities. The specific issues raised by the test-checked hospitals are indicated in the **Table 2.1.9**.

Table 2.1.9: Issues of drug resistance, low efficacy and side effects raised by test-checked hospitals

Name of the Hospital	Name of the medicine	Issues
Bardhaman Medical College & Hospital	Ringer Lactate, 5% Dextrose Solution, Paediatric Electrolyte Maintenance Solution, etc.	Patient suffered from rigor and chill on its application that created a multi-dimensional problem. Development of antibiotic resistance among paediatric patients in near future.
	Hydrocortisone Inj, Glimipride Tab and Metformin Tab	Feeble action of drugs leading to delayed recovery of patients.
Malda Medical College & Hospital	Anawin Heavy (Bupivacaine) Inj.	Causes convulsion.
	Mephentermine Inj.	Patients was in a semi-conscious state for three to four days after administering the medicine. One patient died on its application.
District Hospital, Jalpaiguri	Inj. Oxytocin, Feracrylum Gel, Eptoin Tab, Inj. Diazepam, Inj. Lorazepam	Feeble action of drugs leading to delayed recovery of patients.
	Ringer Lactate, 5% Dextrose Solution	Patient suffered from rigor on its application that created a multi-dimensional problem.
	Pantoprazole, Omeprazole, Rabeprazole	Excessive and un-controlled use of such drug enhanced the probability of some deadly disease like stomach cancer.
North Bengal Medical College & Hospital	Lignocaine Adrenaline Inj., Bupivacaine Inj., Betadine Lotion	Feeble action of drugs leading to delayed recovery of patients.
	Prednisolone Tab, Diclofenac Sodium Inj., Ciprofloxacin Tab, Inj. Labetalol, Misoprostol Tab, Amoxycillin and Potassium Clavulanate Tab I.P.	Feeble action of drugs leading to delayed recovery of patients.

Source: Minutes of interactions with health care professionals of respective facilities.

²³ IPGMR – Kolkata, STM – Kolkata, NSMC – Kolkata, ICAREIMS/R – Haldia, BMC – Bardhaman, BSMC – Bankura, RGKMC – Kolkata, MMCH – Berhampore, MMCH – Kolkata, CNMC – Kolkata and CMJNM – Nadia.

²⁴ IPGMR – Kolkata, STM – Kolkata, NSMC – Kolkata and ICAREIMS/R – Haldia.

The above emphasises the need for strengthening the reporting system of ADRs under PvPI.

The Department stated (January 2018) that implementation of the Pharmacovigilance Programme had been initiated from 1 January 2018.

2.1.9.6 Lack of control over sale of sedatives leading to crimes

It is a common crime to steal valuables from the passengers of running trains after giving them food laced with sedatives. Divisional Security Commissioner, Railway Protection Force, Asansol, Eastern Railway reported (December 2015) 12 such cases in 2015 (up to November 2015). It was also reported that a large quantity of sleeping pills and sleep inducing drugs like Wyeth, Prazepam, Pasmovan, etc. were seized from criminals. During interrogation, these criminals stated that they committed the crime using low cost sedatives which were easily available without prescription of a registered Medical Practitioner. Therefore, Railway authorities requested (December 2015) the Regional Drug Control Authority, Bardhaman Division to initiate necessary action to stop the retail sale of such medicines. Accordingly, the Regional Director of Drug Control (RDDC), Bardhaman Division directed (May 2016) the Assistant Director of Drug Control, Bardhaman to investigate the matter and to submit a report.

Audit, however, noted that no investigation report was submitted. Further, no action was taken by the authority to restrict the sale of such sedatives without prescription.

In this regard Audit observed that the Bardhaman district drug control authority did not conduct the yearly routine inspection (at least once in a year) of the retailers/ wholesalers. Inspections were not also conducted during renewal of licences. Thus, there was no control on the sale of medicines which aided the criminals in committing crimes.

2.1.10 Conclusion

The drug control in the State suffered seriously owing to acute shortage in the cadre of Drug Inspectors. This was compounded by infrastructural and manpower shortcomings in the West Bengal State Drug Control and Research Laboratory (SDCRL). Inspections and sampling were meagre to effectively combat the sale of 'Not of Standard Quality (NSQ)'/ spurious drugs. Significant number of manufacturers/ sellers continued to be in the drug business without valid licences as mandatory inspections could not be conducted owing to manpower shortages.

The test results of laboratory were doubtful, as it often did not run all the mandatory tests on the samples. There were delays in generation of test results by laboratory by which time the drugs had been consumed by the patients. The Department was unable to create adequate deterrence against NSQ/ spurious drugs owing to inaction on cases reported to be NSQ and the inability to further the prosecution orders.

Thus, consumers in the State remained exposed to serious health hazards from spurious and not of standard quality drugs.

2.1.11 Recommendations

The following recommendations are made:

- *Manpower shortages especially that of Drug Inspectors may be addressed for effective implementation of the Act and the Rules;*
- *Prosecutions need to be initiated immediately so as to create adequate deterrence and*
- *Infrastructural and manpower deficiencies in the Drug Testing Laboratory need to be taken care of as the edifice of punitive mechanism is the test results generated by the Laboratory.*

FOOD & SUPPLIES DEPARTMENT

2.2 Distribution of Superior Kerosene Oil through Public Distribution System

Executive Summary

Superior Kerosene Oil (SKO) is a subsidised commodity distributed through Public Distribution System (PDS) channel for household use as fuel for cooking and illumination. The distribution of SKO is governed by the West Bengal Kerosene Control Order 1968 (Control Order) as amended from time to time. State Government fixed the incidental expenses payable to the Dealers/Agents, though it did not incur any expenditure in distribution of SKO. It was fully responsible for management of the distribution chain of SKO and its equitable distribution among the intended beneficiaries.

A Performance Audit covering the period from 2012-13 to 2016-17 showed the following deficiencies:

- Audit found that a significant number of Dealers did not maintain records as mandated by the Control Order. This had made it difficult for the Department to exercise verification of distribution and the quantity of unsold SKO. This was compounded by non-verification of stock lying with the Agents and the Dealers. The Control Order had not specified the frequency of inspection.
- The District Controller of Food & Supplies did not verify the returns received with the Advice lists issued by the Sub-Divisional Controller of Food & Supplies to identify the discrepancies in the number of consumers. This led to excess number of ration cards in the system leading to possibility of pilferage of SKO.
- Audit noted that excess fixation of incidental components of price of SKO lacked justification giving undue advantage to the Dealers at the cost of consumers. Further, deviating from the Control Order, 14 districts had an extra level viz. Big Dealers between the Agents and Dealers which increased the cost of SKO.

2.2.1 Introduction

Superior Kerosene Oil (SKO)²⁵ in India is primarily available as a subsidised commodity for household use. It is supplied as an affordable fuel for cooking and illumination. It was added to Public Distribution System (PDS) commodities during the Second Five Year Plan (1956-1961). The distribution of SKO is governed by West Bengal Kerosene Control Order, 1968 (Control Order) as amended²⁶ from time to time.

²⁵ There are two types of Kerosene as per the Control Order 1968 of GOWB- Superior Kerosene and Inferior Kerosene each having different Specific Gravity and Flash Point.

²⁶ Last amended in 2014

There are three²⁷ Oil Marketing Companies (OMC) in the State, which supply SKO to 466 Agents spread over the state. The Agents, in turn, supply it to approximately 30,000 Dealers. The Dealers distribute SKO among 9.77 crore Individual Ration Card holders (IRC) in the State.

State Government does not incur any expenditure for distribution of SKO through PDS. In the distribution of SKO, the role of State Government is to fix (i) dealers' commission (ii) transportation charges (iii) stationary charges and (iv) handling and evaporation losses both for agents and dealers. All these has a bearing on the SKO price paid by the consumers. The State Government is fully responsible for management of the distribution chain of SKO. This is to ensure actual percolation of this subsidised commodity among the intended end-users and to prevent its unauthorised use.

2.2.2 Organisational set-up and the distribution chain

The Director of Consumer Goods (DCG), under the Food & Supplies Department, is responsible for distribution of SKO at fair price.

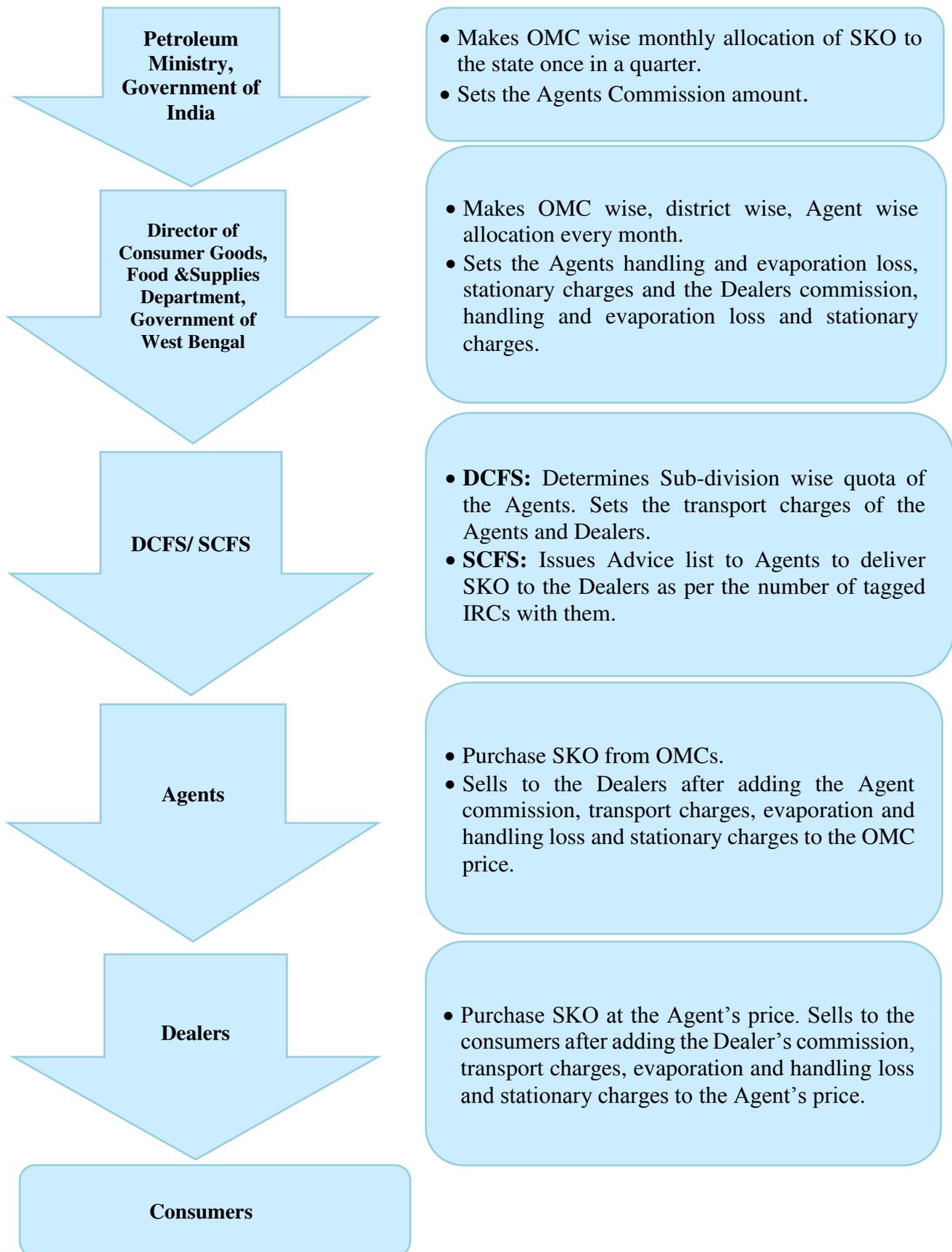
The distribution chain of SKO involves Oil Marketing Companies (OMCs), Agents and Dealers. Allocation is done by the Ministry of Petroleum for the State on a monthly basis once in a quarter. The DCG makes district-wise, OMC-wise and Agent-wise allocations. The Agents lift their SKO quota from the OMCs. The Dealers, in turn, receive their quota from the Agents based on the Advice list approved by the Sub-Divisional Controller of Food & Supplies (SCFS). The Advice list indicate the monthly allotment of each Dealer. The Dealers, after receiving their quota, distribute it among the consumers on production of Individual Ration Cards.

The licensing authority for Agents of the whole state is the DCG. In addition, the DCG is also the licensing authority for the dealers of Kolkata and Bidhannagar. The licensing authority of the dealers for remaining districts are respective District Magistrates²⁸. The distribution chain of SKO is shown in the flow-chart **2.2.1**.

²⁷ Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited.

²⁸ As per Control Order "District Magistrate" in relation to a district means the District Magistrate and includes Additional District Magistrate in charge of Food Affairs, Sub-Divisional Officer, District Controller of Food and Supplies and Sub-Divisional Controller of Food and Supplies.

Chart 2.2.1: The distribution chain of SKO



2.2.3 Audit Objectives

The audit objectives were to examine whether

- the distribution system of SKO was efficient and
- the selling price of SKO for Agent and Dealers was fixed economically

2.2.4 Audit criteria

The criteria for framing Audit comments were sourced from

- West Bengal Kerosene Control Order, 1968 as amended from time to time;
- Kerosene (Restriction on use and Fixation of Ceiling Price) Order, 1993;
- Essential Commodities Act, 1955 and
- Orders issued by the Department

2.2.5 Audit coverage and methodology

This performance audit covering the period from 2012-13 to 2016-17 was conducted during April to July 2017. It entailed scrutiny of records of Director of Consumer Goods in the Food & Supplies Department. Audit also test-checked the records of the District Controllers of Food & Supplies (DCFSs) in five²⁹ out of 20 districts. These were selected through Population Proportional to Size without Replacement (PPSWOR) with the quantity of allotted SKO as size. Entry conference was held in March 2017. Audit also conducted joint inspection of 123 Agents, 108 Dealers and 224 beneficiaries.

The significant issues pointed out in the report were discussed with the Director of Consumer Goods (DCG), Food & Supplies Department in an Exit Conference held in February 2018. The views of the Department have been suitably included in the Report.

Audit findings

2.2.6 Superior Kerosene Oil Policy

2.2.6.1 Delay in formulation of State Policy

The Government of India had formulated a Policy (October 2005) on allocation of SKO to the States for distribution under the PDS. The Policy required the State Governments to rationalise the distribution of SKO based on Liquefied Petroleum Gas (LPG) connections used by the card holders. Upto June 2017, the State did not have a Policy for allocating SKO to the districts as per the needs of its population. Quantity of SKO allotted for a district depended on the quota assigned by the Oil Marketing Companies (OMCs) to the Agents in that district. The DCG had made efforts (October 2006 and November 2008) to i) frame a policy and ii) to bring uniformity in scale³⁰ of distribution. This did not fructify as the same had been challenged in Court³¹ through Writ Petitions.

²⁹ Uttar Dinajpur, Birbhum, Purba Medinipur, Darjeeling and Kolkata.

³⁰ Total SKO allotted to a district divided by the number of IRCs in that district.

³¹ In October 2006, on High Court's direction (July 2006), the State framed a policy. It proposed 500 ml. of SKO for double cylinder LPG connection holders and about 1 litre per card per month for the remaining ration card holders. This could not be implemented as the policy was challenged in High Court through writ petitions (2006 and 2007). The High Court restricted the implementation till their final disposal. Subsequently, the State Government decided to introduce uniform scale of distribution in November 2008. It could not be started owing to Court case.

In June 2016, the High Court disposed of the State policy-related writ petitions. It directed the State to formulate a rational Policy for distribution of Kerosene Oil to all the districts. Accordingly, the State came out with a policy on distribution of SKO in July 2017, which was effective from August 2017.

However, the new policy did not link the availability of LPG connections with the scale of distribution of SKO. This was required under the GoI policy.

2.2.6.2 Unjustified scale of distribution

The allocation of SKO to the Department of Food and Supplies from the GoI, was to be distributed amongst districts on the basis of number of ration card population.

Audit however, noticed that district-wise allocation was not based on any analysis of requirement nor were any reasons available on record. Subsequent enquiry by Audit from the department could also not elicit the basis of arriving at district-wise scale of distribution. As a result, Audit was constrained to conclude that the allocation of SKO was not based on field requirements. This is established by the wide variation in IRC scale of distribution (**Table 2.2.1**). The per head allocation of SKO ranged from 0.76 to 6.08 litres across the five test-checked districts.

Table 2.2.1: Scale of distribution of SKO

Name of test-checked district	Total Allocation in October 2016 (in litre)	Population dependent on SKO (in numbers)	Scale of allocation of SKO per head for October 2016 (in litre)
Uttar Dinajpur	1380000	1804280	0.76
Birbhum	2040000	2031394	1.00
Purba Medinipur	1428000	406301	3.51
Darjeeling	2940000	2547938	1.15
Kolkata	7104000	1169140	6.08

Source: Census data, 2011

In the Exit conference (February 2018), the DCG informed that factors like fixing of State quota, appointment of agents, etc. related to the framing of policy of distribution of SKO were beyond the control of the State. He also added that a policy was framed by the State for distribution of SKO from August 2017 onwards, which had addressed some of the concerns raised by audit. Audit, however, observed that as per GoI guidelines (October 2005), the scale of distribution of SKO (per ration card holder allocation) was to be linked to the availability of LPG connections. However, the framed policy did not link the availability of LPG connections with the scale of distribution of SKO.

2.2.7 Deficiencies in Distribution of SKO

2.2.7.1 Excess reporting of the number of Individual Ration Card Holders

The Dealers were allotted SKO based on number of Individual Ration Card (IRC) holders tagged to them. Each Dealer had to maintain a list of IRC holders drawing SKO. SKO was sold to consumers after recording the same in the IRC. The Dealer had to maintain a non-drawal register. This indicated the names of consumers who had not drawn their allotted SKO for a particular period.

To set a scale of distribution of SKO on the basis of IRC population, the DCG directed every DCFS (July 2016) to report the Agent-wise IRC population of each district. The correctness of the IRC population was, however, questionable in view of the findings in two districts viz. Darjeeling and Kolkata.

- DCFS Darjeeling reported 26,20,041 IRCs in July 2016 to the DCG. The total orders of allotment issued by all the SCFSs under him showed only 25,64,868 IRCs in the District. This indicated excess-reporting of 55,713 IRCs by the DCFS.
- The combined population of Kolkata and Bidhannagar as per Census 2011 was 47,12,208 which was much less than the number of IRCs (64,26,484) tagged with the Agents.

The per capita allocation was done by the DCG based on number of IRCs reported in that district. The reporting of inflated number of IRCs resulted in reduction in per capita allocation. This also led to accumulation of undistributed SKO with the Dealers. Since, per head allotment of SKO in Kolkata was the highest in the State (ranging from 1 litre to 1.85 litre), possibility of siphoning of SKO in open market was very high.

In the Exit conference (February 2018), the DCG stated that the discrepancy had been largely rectified by distributing SKO on the basis of digitised RCs. The steps initiated to assess the actual count of RCs in the State were however not placed on record. The response to the possibility of siphoning of SKO in open market was, however, not offered.

2.2.7.2 Evaporation and handling loss

The State Government had fixed (March 2010) handling and evaporation loss of SKO for Agents and Dealers at 1 *per cent* and 2 *per cent* respectively.

On analysis of Evaporation and Handling loss claimed by 66 Agents of Kolkata, it was found that it ranged between 0.02 *per cent* and 1.041 *per cent*. Out of 66 Agents.

- three had claimed loss up to 0.6 *per cent*,
- sixty-one had claimed up to one *per cent* and
- two had claimed above one *per cent*.

However, it was observed by Audit that there was no system to verify the actual shortage as it was allowed as per the claim of the Agents. This was despite the Department's instruction that the allowed loss should not be more than the actual.

In the Exit conference (February 2018), the DCG communicated that the Department would constitute a Technical Committee to fix the evaporation and handling loss through a scientific approach. The issue of absence of a system to physically verify the actual shortage was however not addressed.

2.2.7.3 Existence of three tier system of distribution instead of a two tier system

The Control Order mandated a two-tier system consisting of an Agent and a Dealer between the Oil Marketing Company (OMC) and the consumers.

Audit observed that in 14 districts³², the District Magistrates introduced a separate level called Big Dealers between the Agents and Dealers. The stated reason was that the big tankers of the Agents could not travel to remote rural areas to reach the Dealers' selling points. Out of the five test-checked districts, three³³ had big dealers. In the Exit conference (February 2018), the DCG conveyed that the matter was under adjudication and the State could take any action only after its settlement. Records showed that existence of big dealers proved to be disadvantageous to the consumers as discussed below:

(a) Handling and evaporation losses: Department had allowed (July 2009) maximum 0.5 per cent handling and evaporation loss to the big dealers. Audit observed that in the three test-checked districts, percentage of loss allowed to the big dealers ranged from 1.5 to 2 per cent. This resulted in 909.23 KL.³⁴ of SKO going out of PDS distribution in those three districts to big dealers. It was to be noted that there was no verification by the Department to check the authenticity of such loss allowed to the big dealers.

(b) Closing balances of SKO remained with Big Dealers: Audit observed that closing balances were not considered while allotting SKO to Big Dealers. In Uttar Dinajpur and Birbhum districts, where records were fully or partially available, 10 to 30 per cent of SKO remained as closing balance each month. Thus, significant quantity of SKO meant for public remained with the Big Dealers.

In the Exit conference (February 2018), the DCG was of the opinion that departmental enquiry would be initiated once discrepancies are found. The opinion of the DCG, however, did not address the steps to be initiated to restrict such retention of SKO with the Big Dealers.

(c) Mismatch in the IRC figures: The number of IRCs tagged to agents (as available in DCFS's reports) were to match those tagged to Dealers (as available in the allotment orders of SCFS). Audit, however, noted that existence of Big Dealers led to mismatches between these figures. While the Agents and Dealers were tagged with IRCs, the Big Dealers were not. For instance, in Birbhum, in the months of May 2015 and September 2016 the reported IRC figure of the agents was more than dealer-wise IRC figure by 73,240 and 42,311 respectively. During the months of June 2014 and June 2015, the reported figures were less than dealer-wise IRC by 9,373 and 54,782 respectively.

(d) Consumers paying higher charges for SKO: An analysis had been worked out on the basis of price of SKO with and without the Big Dealers as shown in the **Table 2.2.2**. The calculation is based on price in Raiganj Sub-Division of Uttar Dinajpur district as on 1 December 2016.

³² Bankura, Birbhum, Purba Medinipur, Paschim Medinipur, Nadia, Uttar Dinajpur, Dakshin Dinajpur, Malda, Murshidabad, Cooch behar, South 24 Parganas, Burdwan, Purulia and Hooghly.

³³ Birbhum, Purba Medinipur and Uttar Dinajpur.

³⁴ Birbhum: 210.771 KL. for April 2012 to February 2017; Purba Medinipur: 106.485 KL. for January 2015 to December 2016 in two Sub-Divisions viz. Tamluk and Haldia; Uttar Dinajpur: 591.973 KL. for April 2012 to November 2016.

Table 2.2.2: Comparison of price of SKO with and without Big Dealers

Price component	Agent selling to Big dealers and Big dealers selling to dealers and dealers selling to consumers (₹ per Kilo Litre)	Agents selling to dealers and dealers selling to consumers (₹ per Kilo Litre)
Basic purchase price of Agents	15,196.06	15,196.06
Transport charge	1,407.00	1,407.00
Commission	787.18	787.18
Stationery charges	50.00	50.00
Handling and Evaporation losses	151.96	151.96
Selling price of Agents	17,592.20	17,592.20
Basic purchase price of Big dealers	17,592.20	NA
Transport charge	56.00	NA
Commission	1,048.30	NA
Stationery charges	250.00	NA
Handling and Evaporation losses	351.84	NA
Selling price of Big dealers	19,298.34	NA
Basic purchase price of dealers	19,298.34	17,592.20
Transport charge	175.00	175.00
Commission	1,048.30	1,048.30
Stationery charges	250.00	250.00
Handling and Evaporation losses	385.96	351.84
Selling price of dealers per Kilo litre	21,157.60	1,9417.37
Selling price of dealers per litre	21.16	19.42

Source: Orders of State Government

Hence, for every litre of SKO the basic price was ₹ 15.19. It was reaching the consumers at ₹ 19.42 without Big Dealers and at ₹ 21.16 where Big Dealers existed. The consumers had to pay ₹ 1.74 extra for every litre of SKO provided by Big Dealers. This was in contradiction to State Government instructions of May 2014, wherein DCFSs were to ensure that the IRC holders were not required to pay higher price for SKO where big dealers acted as intermediaries. Audit, however, found that consumers had to bear excess cost of ₹ 14.47 crore during June 2014 to February 2017 in two (Uttar Dinajpur: ₹ 5.95 crore and Birbhum: ₹ 8.52 crore) out of the three test-checked districts, where big dealers were operating. In the third test-checked district (Purba Medinipur), such excess cost could not be worked out owing to deficient record keeping.

Hence, as against the basic price of ₹ 15.19 charged by the Oil Manufacturing Companies, consumers had to pay the following also.

- (i) Higher charge due to existence of Big Dealers (*para no. 2.2.7.3*)
- (ii) Handling and evaporation losses without physical verification (*para no. 2.2.7.2*)
- (iii) Deficiencies in fixation of transport charges (*para no. 2.2.8.1*)
- (iv) Arbitrary fixation of dealers' commission (*para no. 2.2.7.3 (d)*)

(e) Continuance of Big Dealers: The reason cited for creating the level of Big Dealers was the earlier geographical remoteness of some areas in the districts. The practice continued despite the fact that rural areas of these

14 districts were now better connected by *pucca* roads. This was also substantiated by the habitation-wise core network report under Pradhan Mantri Gram Sadak Yojana. The existence of Big Dealers caused allowance of additional costs towards transportation, commission, stationery charges and handling and evaporation losses as pointed above. These additional costs had placed an additional burden on the IRC holders. Thus, in the changed scenario, there was a need to review the existence of Big Dealers in the Supply Chain.

2.2.8 Pricing of SKO

The price of SKO in West Bengal was fixed as per orders issued by the Government of West Bengal. It consisted of the basic price and other charges fixed by the respective authorities as shown in **Table 2.2.3**.

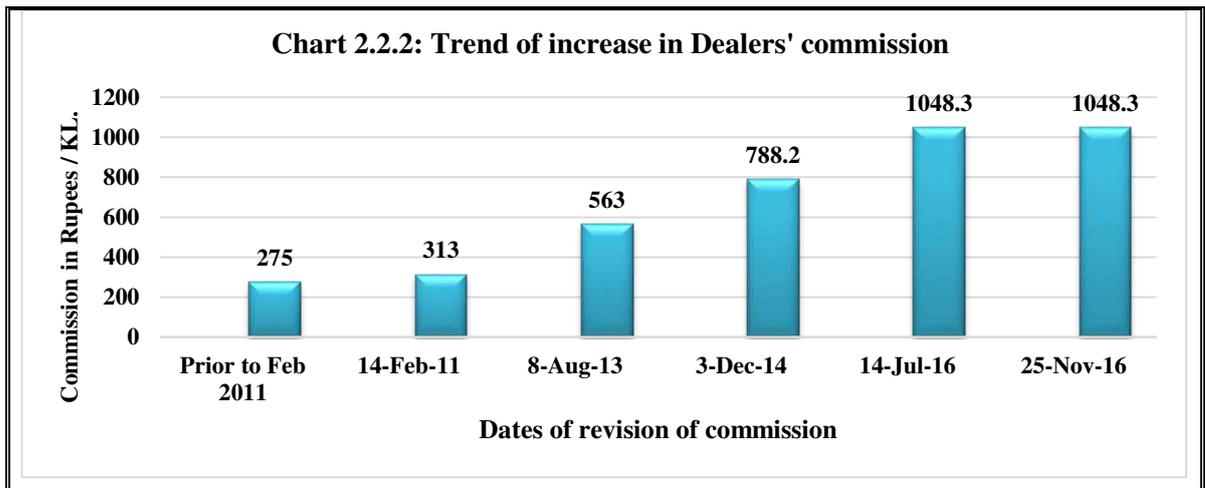
Table 2.2.3: Components of SKO price

Sl. No.	Components of price	To be fixed by	
		For Agents	For Dealers
1	Basic price	OMC	Buying from Agents
2	Commission	OMC	The Food & Supplies Department
3	Transport charges	The DCG in Kolkata area and DCFS in districts with the prior approval of the Government in the F&S Department	The DCG in Kolkata area and DCFS in districts with the prior approval of the Government in the F&S Department
4	Stationery charges	The Food & Supplies Department	The Food & Supplies Department
5	Compensation on Handling & Evaporation loss	The Food & Supplies Department	The Food & Supplies Department

Source: Orders of the Food & Supplies Department

2.2.8.1 Arbitrary fixation of Dealers' commission

The Commission Charges for dealers are fixed by the Food and Supplies Department. During the period of audit, the rates had increased three times (**Chart 2.2.2**).



Source: Orders of OMCs and State Government

As seen in **Chart 2.2.2**, during 2011-16, Government had revised the commission to be paid to the dealers from ₹ 275 per KL. (prior to February 2011) to ₹ 1048.30 per KL. (November 2016) entailing an overall

rise of 281 % in five years. There was no recorded basis for increase in the rates of dealer's commission. Since this component stood included in the selling price of SKO to be borne by the consumers, such rise resulted in extra burden on the consumer.

In the Exit conference (February 2018), the DCG stated that there was ambiguity regarding fixation of agents' commission by GoI which proved as a hindrance in fixing dealers' commission. However, the response remained silent about the specific basis on which the dealers' commission was arrived at.

2.2.8.2 Deficiencies noticed in fixation of transport charges

The transport charges were to be fixed by the DCG/ DCFS with the approval of the Government. The State Government and the District authorities both had a role in the fixation of the transport charges for agents and dealers of SKO.

The SKO Agent also had the responsibility to make doorstep delivery to the tagged SKO Dealers in Kolkata.

Scrutiny of records in this regard disclosed the following deficiencies.

(a) Transport charges becoming a source of profit for agents and dealers

In Kolkata, agents were allowed a transport charge of ₹ 816.60 per KL. Audit test-checked the Profit and Loss Accounts of nine out of 66 Agents of Kolkata. The transport charges booked in the accounts (certified by the Chartered Accountants) of nine of them ranged from ₹ 358 to ₹ 680 per KL.

This meant that all the nine test-checked accounts of the Agents had a profit of ₹ 458 to ₹ 136 per KL. on account of transport charges only. Those nine Agents had lifted 22,570 KL. SKO during 2015-16.

Audit also noted that dealers in Kolkata were paid transport charges at the rate of ₹ 386.60 per KL., though they did not incur any cost on account of transportation as the agents made doorstep delivery to them.

Thus, transport charges paid to the Agents and Dealers turned out to be a source of profit for them which needs to be reviewed.

(b) Disparity in fixation of transport charges in districts

Audit noted that transport charges were fixed without any basis and it differed from district to district. The district-wise rates of transport charge for agents are shown in **Table 2.2.4**.

Table 2.2.4: Transport charges allowed to agents in test-checked districts

Name of test-checked district (Date of effect of transport charge)	Range of transport charge allowed to agents (₹ per KL.)
Uttar Dinajpur (December 2014)	3.76 - 5.76
Purba Medinipur (February 2011)	2.86 - 3.5
Birbhum (December 2016)	4.75 - 5.37
Darjeeling (July 2009)	3.40 - 12.50
Kolkata (November 2014)	13.61

Source: Orders of State Government

As can be seen from Table, there were significant variation in the transport charges for agents among the test-checked districts. Kolkata had the highest rate and Purba Medinipur the lowest.

This was in contrast to the transportation of food grains under PDS, Food & Supplies Department which had a common rate for all the districts. It was only the hill areas of Darjeeling and riverine areas of South 24 Parganas and North 24 Parganas districts that had a higher rate, because of their difficult terrain.

(c) Irregularity in revision of transport charges

The transport charges of August 2006 were revised in December 2014 for Uttar Dinajpur, as mentioned in **Table 2.2.5**.

Table 2.2.5: Calculation of cost of transportation of one KL. of SKO for 200 km.

Transport rates as per August 2006 Order			Transport rates as per December 2014 Order		
Distance slab (Km.)	Rate/ KL.	Cumulative Cost	Distance slab (Km.)	Rate/ KL.	Cumulative Cost*
0 -50	₹ 125	₹ 125/ KL.	0-5	₹ 300	₹ 300/ KL.
> 50-100	₹ 2/ KL./ Km.	₹ 225/ KL.	>5-200	₹ 3/ KL./ Km.	₹ 885/ KL.
> 100-150	₹ 1.05/ KL./ Km.	₹ 277.5/ KL.			
> 150-200	₹ 0.80/ KL./ Km.	₹ 317.50/ KL.	> 200	₹ 3/ KL./ Km.	--
> 200	₹ 0.80/ KL./ Km.	--			

* Cumulative cost/ KL. has been calculated at the maximum distance of the slab.

Source: Orders of State Government

As evident from **Table 2.2.5**, the four slab transport charge structure of August 2006 was unfavorably restructured into a two-slab structure. In the order of August 2006, each slab accounted for distance of 50 km. Unlike the order of August 2006, the order of December 2014 accounted for only two slabs- one up to 5 km. and another over 5 km. This led to exponential rise in transport cost in cases where the SKO had to be transported over long distances.

Audit noted that this had increased the transport cost of SKO to Raiganj and Islampur from NJP by ₹ 609 per KL. and ₹ 235 per KL., respectively. Resultantly, the consumers of SKO paid ₹ 1.83 crore (for 41,104 KL. of SKO) in excess to the agents during the period December 2014 to November 2016. Thus, the agents were benefitted unduly at the cost of consumers.

(d) Additional transportation costs due to anomalous allocation of SKO

Uttar Dinajpur district had two Sub-Divisions – Raiganj and Islampur. There were seven SKO Agents in the district. Four Agents had their storage and distribution facilities in Raiganj Sub-Division and three at Islampur Sub-Division. Since December 2014³⁵, the Agents of both the Raiganj and Islampur Sub-Divisions lifted SKO from New Jalpaiguri (NJP).

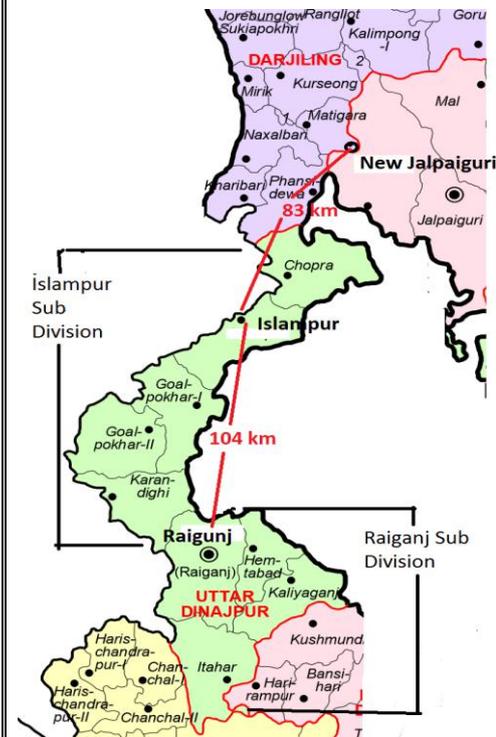
On analysis of sub-Division wise allocation, Audit noticed that the quota to Islampur Sub-Division was less despite having more consumers. As a result, to meet the higher demand of Islampur, DCFS diverted 6,280 KL. of SKO from the allotted quota of Raiganj to Islampur. During 2014-17, 6,280 KL. of SKO was diverted from Raiganj to Islampur. This SKO was picked up by Agents of Raiganj from NJP and transported to Raiganj and then diverted back to Islampur.

³⁵ Prior to December 2014, Agents of Raiganj SD lifted SKO from Malda while the Agents of Islampur SD lifted it from NJP. Diversions during this period resulted in negligible price difference of ₹10 per KL. in transportation.

As seen in **Chart 2.2.3**, Islampur was midway between NJP and Raiganj. It was 83 km. from NJP. Raiganj was 104 km. further away from Islampur. This circuitous route involved an additional distance of 208 km. Consequently the cost of SKO increased by ₹ 624 per KL. which was ultimately borne by the consumers. This was due to the anomalous allocation of SKO to Islampur and Raiganj Sub-Divisions. The selling price of the diverted SKO was loaded with the additional cost of transportation. This led to existence of two different selling prices in the same Sub-Division. This situation could have been avoided by allotting 6,280 KL. SKO directly to the Agents of Islampur Sub-Division.

In the Exit Conference (February 2018), the DCG on the issue of transportation charges commented that the same was dependent on market rate which varied from district to district. He, however, added that the State has initiated the process for framing a policy in this regard.

Chart 2.2.3: inter se distance between NJP and Raiganj via Islampur



Source: Records of DCFS

2.2.9 Monitoring

2.2.9.1 Inspection of stock of SKO not conducted

The Control Order authorised the DCG to (i) inspect the offices of the agents (ii) physically verify the stock of agents. Similarly, there were provisions for inspection/ physical verification of stock at the dealers' points also. Audit, however, observed that physical verification of stock of agents and dealers was not conducted. Test-check of 108 dealers indicated that 99 of them were inspected at the most only once or twice in a year. Nine Dealers stated that no inspection was carried out during the period of audit. Audit could not judge the adequacy of inspection as the Control Order did not mention the frequency of inspection to be conducted for Agents and Dealers.

In the Exit conference (February 2018), the DCG while admitting the lacunae attributed the same to dearth of manpower. DCG added that in course of inspection, Agents and Dealers found not maintaining the mandatory records as stipulated in the Control Order, were being suspended. However, no details were provided.

2.2.9.2 Unexplained mismatch in quantities

Test-check of the records of two agents and all 41 dealers tagged to these agents in Kolkata showed the following irregularities:

- During the period under review (60 months), the total quantity of the SKO sold by the agents never matched the quantity received by the dealers.
- In 40 months, dealers attached to one agent had received 25.28 lakh litres less SKO (22 *per cent*) than sold by the agent (114.60 lakh litres).
- Similarly, in the case of another agent, the dealers received (during 39 months) 15.23 lakh litres less SKO (17 *per cent*) out of 91.92 lakh litres sold by the agent.

During the remaining months, only minor variations were noticed. Reasons for such variations were not forthcoming from records.

The total of the IRCs tagged with the dealers never equalled that of the agent's figure. The difference ranged from 3,641 to 29,140 for one agent while for the other it ranged from 5,413 to 41,615.

In this context, 48 *per cent* (108 out of 224) of beneficiaries surveyed (jointly with representatives of the F&S Department) by Audit bought SKO from open market. The price ranged from ₹ 30 to ₹ 70. This meant that SKO was easily available outside the system.

- In Darjeeling, out of test-checked 11 agents, in case of two, sales returns indicated delivery of more SKO than that was shown in advice list. In one case, compared to advice list, SKO sold was found 17,188 litres more over a period of 24 months. In case of the other, it was 3,382 litres more, for a period of two months.
- In Darjeeling, five agents had short-supplied 7,778 litres of SKO to 11 test-checked dealers during April 2015 to November 2016. In another case, there was no proof of any delivery of 67,300 litres of SKO by the agent to a particular dealer for 28 months between November 2012 and March 2015.
- Five dealers in Kolkata reported short-receipt of five to ten litres per barrel (of 200 litres) from their agents for the whole period under review.

It transpired from above that the incidence of short-supply by agents to dealers was prevalent in the system of distribution of SKO. However, this was not detected by the Inspectors. Such short-supply/ over-supply was serious as these posed opportunities to divert kerosene to the open market.

2.2.9.3 Consumers charged with higher price

Control Order mandates display of the scale and price at the shops. In two test-checked districts, Purba Medinipur and Birbhum, the SCFSs did not issue any written orders regarding the scale of distribution and price for a particular week/ fortnight. Consequently, consumers did not know the scale and the price of SKO for the week/ fortnight. Beneficiary survey conducted by Audit indicated that 83 *per cent* (185 out of 224) of the beneficiaries in the five test-checked districts were not aware of the scale and price while six *per cent* (14 out of 224) stated that they had to pay a higher price which ranged between ₹ 23 and ₹ 30 per litre against highest official price of ₹ 21 in these districts.

2.2.9.4 Consumers not getting the stipulated quantity of SKO

In two districts *viz.* Darjeeling and Kolkata, beneficiaries were not supplied the stipulated quantity of SKO. In Siliguri sub-division of Darjeeling district, 23 *per cent* beneficiaries surveyed (11 out of 47) received SKO less than 250 ml./ month/ card against the scale of 595 ml./ month/ card (March 2017). In Kolkata, 25 beneficiaries reported receipt of 700 ml. to 900 ml. of SKO per ration card per month against the scale of one litre. The lowest of such receipt as reported was 100 ml. per month per card (two beneficiaries) as against 595 ml. per month per card.

The above deficiencies pointed to the inadequate control of the Government over distribution of SKO.

Apropos the issues *viz.* consumers charged with higher price and not being supplied the stipulated quantity of SKO, the DCG, in the exit conference (February 2018) stated that a departmental enquiry would be initiated.

2.2.9.5 Non-maintenance of records

The Control Order mandates dealer to maintain (i) Stock Register, (ii) Sales Register, (iii) Log Book, (iv) Cash Memo Register, (v) Ration Card Register, (vi) Non-drawal Register, etc. Test-check of 108 dealers in five test-checked districts revealed the following deficiencies in maintenance of records:

- 76 dealers (70 *per cent*) did not maintain non-drawal registers indicating the quantity of SKO not drawn by the consumers. They claimed 100 *per cent* delivery of the SKO received.
- 102 (94 *per cent*) dealers did not issue cash memos mentioning price and quantity of sale during the period of audit.
- 85 (79 *per cent*) dealers did not maintain Sale Registers.
- None of them submitted monthly returns as mandated in the Control Order.

In the absence of cash memos and sales registers, it was not possible to verify the sales shown in the stock registers. The total allotment was shown as sold without opening/ closing balance. Further, due to absence of non-drawal registers it was not possible to quantify the exact quantity of SKO not drawn by the IRC holders. In two cases in Darjeeling, where the Dealers did maintain all the sale records, there was no Closing Balance despite non-drawal of SKO by 10 *per cent* and 25 *per cent* of the IRC holders.

2.2.10 Conclusion

Superior Kerosene Oil (SKO) was a subsidised commodity distributed through Public Distribution System (PDS) channel for household use as fuel for cooking and illumination. The Government had promulgated the West Bengal Kerosene Control Order 1968 (Control Order) to ensure its equitable distribution to the consumers. However, equitable distribution could not be secured. This was owing to inadequacies in policy, dealers' commissions, transport charges, etc.

Audit noted that there were significant variations in the scale of allocations *inter se* the test-checked districts.

Audit noted that many Dealers did not maintain the records as mandated by the Control Order. Stocks lying with the Agents and the Dealers were not verified by the Inspectors. The Control Order did not specify any frequency of inspection. The District Controller of Food & Supplies (DCFS) also did not verify the returns received by them with the advice lists issued by the Sub-Divisional Controller of Food & Supplies. Further, there was possibility of leakage of SKO because of excess reporting of number of Individual Ration Cards by DCFS.

The State Government fixed the incidental expenses payable to the dealers and Agents. Audit noted that these incidentals were fixed giving undue advantage to the agents/ dealers at the cost of consumers. Further, deviating from the Control Order, 14 districts had an extra level viz. big dealers between agents and dealers. Introduction of an additional level of intermediary into the distribution channel in the form of Big Dealers resulted in increase in the consumer price of kerosene by ₹ 1.74 per litre during June 2014 to February 2017 in two test-checked districts, namely Birbhum and Uttar Dinajpur.

These deficiencies resulted in increase in the price payable by the consumers. Thus, distribution of Superior Kerosene Oil through Public Distribution System at a subsidised price did not secure the objective of equitable distribution of SKO.

2.2.11 Recommendations

The Department may consider the following steps:

- ***Identification of excess Individual Ration Cards in the system so as to prevent the diversion of Superior Kerosene Oil from the Public Distribution System;***
- ***Re-assessing the justification of continuing with the intermediary level of Big Dealers in the light of the better connectivity in districts and in view of the extra financial burden on the consumers and***
- ***Strengthening the inspection and physical verification (including the frequency of the same) of the agents' and dealers' stock so as to ensure that they keep all the mandated records.***

The matter was referred to Government in September 2017; reply had not been received (February 2018).

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

2.3 Integrated Child Protection Scheme

Executive Summary

The term ‘child protection’ refers to preventing and responding to violence, exploitation and abuse against children. Government of India launched the Integrated Child Protection Scheme (ICPS), a centrally sponsored scheme, in 2009 under the framework of the Juvenile Justice (Care & Protection of Children) Act, 2000 (JJ Act) and the Rules made thereunder. It envisaged to strengthen child protection at family and community level through creation of database for child protection services, institutionalise essential services, strengthen structures and enhance capacities at all levels. In West Bengal, the Women & Child Development and Social Welfare Department along with the network of Government-run as well as Non-Government Organisations (NGO)-run Child Care Institutions (CCIs) had been playing an important role in protection of vulnerable children through implementation of the scheme. The Performance Audit has shown many areas of deficiencies.

- The Act had put emphasis on registration of the NGO-run Child Care institutions for control on their functioning. However, almost 80 *per cent* of NGO-run institutions in the State were either unregistered or had been operating with expired registrations.
- The Individual Care Plan, an important mechanism meant for monitoring and transforming the life of children in institutional and non-institutional care, was not prepared in many cases.
- There were instances of many CCIs accommodating children beyond their capacities. This resulted in congestion and compromise in availability of basic amenities. Several CCIs did not facilitate education of the children.
- Instances were also noticed where children stayed in CCIs without being routed through the legal mechanism of Juvenile Justice Board/ Child Welfare Committee.
- The monitoring mechanism of the scheme needed strengthening. Ward and Village level Child Protection Committees meant for grass root level monitoring were yet to be formed in all villages and wards.

Thus, implementation of Integrated Child Protection Scheme was yet to gather sufficient momentum in the State calling for stringent monitoring and control by the Department.

2.3.1 Introduction

The future strength of a nation depends on healthy, protected, educated and well-developed children. Identifying and protecting children in difficult circumstances is thus one of the most important aspects of good governance. The term ‘child protection’ refers to preventing and responding to violence, exploitation and abuse against children.

Towards this goal, Government of India launched the Integrated Child Protection Scheme (ICPS), a centrally sponsored scheme, in 2009. It was launched under the framework of the Juvenile Justice (Care & Protection of Children) Act, 2000³⁶ (JJ Act) and the Rules made thereunder. The scheme was to be implemented through Government-Civil Society Partnership. It envisaged to i) create a database for child protection services, ii) institutionalise essential services and iii) strengthen structures and enhance capacities at all levels. It was also to strengthen child protection at family and community level.

The JJ Act envisaged to protect two types of children. These are

- Children in need of care and protection³⁷ (CNCP) and
- Children in conflict with law³⁸ (CCL).

For care and protection of children upto 18 years of age in difficult circumstances, the scheme envisaged creation and support of Child Care Institutions³⁹ (CCIs). Such CCIs include i) Children Home⁴⁰, ii) Open Shelter⁴¹, iii) Observation Home⁴², iv) Special Home⁴³, v) Place of Safety⁴⁴ and vi) Specialised Adoption Agency⁴⁵ (SAA).

2.3.2 Organisational set-up

The Women & Child Development and Social Welfare (WCD& SW) Department was the nodal department for implementation and monitoring of the scheme. The Directorate of Child Rights & Trafficking under WCD& SW Department was mandated with the work at the State level. The scheme was implemented by the State Child Protection Society (State Society), which was established in February 2010 with the Minister-in-Charge as its Chairperson. The society was run by the Executive Committee headed by the Secretary, WCD& SW Department. At district level, the District Child Protection Units (DCPUs) (District Units) were responsible for implementation of the scheme. The monitoring of the scheme was to be done through Child Protection Committees (CPCs) at the State, District, Block and Village levels. Under the JJ Act, Child Welfare Committee (CWC) and Juvenile Justice Board (JJB) dealt with Children in need of care and protection and Children in conflict with law respectively.

³⁶ This Act was repealed with the enactment of the Juvenile Justice (Care And Protection of Children) Act, 2015.

³⁷ Under section 2(14) of JJ Act, CNCP is a child who is found without any home, without any ostensible means of subsistence, missing or run away, abused, tortured or exploited, drug abused, trafficked, etc.

³⁸ Under Section 2(13) of JJ Act, CCL is a child who is alleged or found to have committed an offence.

³⁹ Under Section 2(21) of JJ Act, CCI is meant for housing Children in need of care and protection (CNCP) or Children in Conflict with Law (CCL) either fully or partially but not including educational hostels.

⁴⁰ Children's Home is for the placement of children in need of care and protection for their care, treatment, education, training, development and rehabilitation (Section 50).

⁴¹ Open Shelters are community based facility of street children in need of residential support on short-term basis to protect from abuse and keeping them from a life on street.

⁴² Observation Homes are for temporary reception, care and rehabilitation of any child alleged to be in conflict with law during the pendency of any enquiry under the Act. (Section 47 of the Act).

⁴³ Special Homes are for rehabilitation of those children in conflict with law who are found to have committed an offence and who are placed there by an order of the Juvenile Justice Board (Section 48).

⁴⁴ Under JJ Act, Place of safety is established to place a person above the age of eighteen years or child in conflict with law, who is between the age of sixteen to eighteen years and is accused of or convicted for committing a heinous offence (Section 49).

⁴⁵ Under Section 65 of JJ Act, an institution established by the State Government or by a voluntary or non-governmental organisation for housing orphans, abandoned and surrendered children, placed there by order of the Child Welfare Committee for the purpose of adoption.

2.3.3 Audit objectives

The audit objectives were to assess whether

- Planning for the scheme was adequate;
- Care, support and rehabilitation activities were undertaken effectively;
- Statutory support services were functioning efficiently and
- A robust oversight mechanism was in place.

2.3.4 Audit criteria

The criteria used for audit comments were sourced from

- ICPS Scheme guidelines;
- Juvenile Justice (Care & Protection) Act, 2000 as amended in 2015 (JJ Act);
- Juvenile Justice Rules (JJ Rules) made thereunder;
- Instructions/ Orders issued time to time for implementation of the Schemes/ programmes and
- Guidelines for adoption issued by Central Adoption Resource Agency (CARA).

2.3.5 Audit scope, coverage and methodology

The performance audit was conducted between March and July 2017 covering the period from 2012-13 to 2016-17. Records of WCD& SW Department, the Directorate of Child Rights & Trafficking, the State *Samity*, and five⁴⁶ District Units out of 20 were selected using the Probability Proportional to Size Without Replacement (PPSWOR) sampling. Audit also conducted joint physical verification of 50 child care institutions in the selected districts.

The audit scope, objectives, methodology, etc. were explained to the Secretary of the Department in an entry conference held in March 2017.

The departmental responses on the Audit observations was received in January 2018. The significant issues pointed out in the report were also discussed with the Departmental Secretary in an Exit Conference (February 2018). These were incorporated at appropriate places of the report.

Audit findings

2.3.6 Planning and preliminary activities for implementation of ICPS

2.3.6.1 Non-identification of children in need of care and protection

Success of the child protection activities was dependent upon proper identification of children in difficult circumstances and carrying out preliminary activities like situation analysis, mapping of districts, preparation of annual plans, etc. Audit scrutiny, however, showed various deficiencies in this aspect as discussed below:

⁴⁶ Kolkata, Purba Medinipur, Uttar Dinajpur, Murshidabad and Malda.

Table: 2.3.1: Status of identification of children in need of care and protection

Sl. No.	Requirement as per scheme	Audit Findings
1	Identification of vulnerable children and creation of database	<ul style="list-style-type: none">• Out of five test-checked districts, only Malda had identified such children and had created a database.• Uttar Dinajpur had done it only in two⁴⁷ Gram Panchayats out of total 98.• In the remaining three test-checked districts (Kolkata, Purba Medinipur and Murshidabad), there was no initiative in this direction.
2	Identification of homeless/ street children in urban areas	Out of the five test-checked districts, there were 18 Open Shelters in Kolkata (March 2017). Audit jointly visited 12 of them with District Unit officials and found that none of them took initiatives to identify such children.
3	Conducting district need assessment study	Only two ⁴⁸ districts out of five test-checked took initiatives for such study.

Source: Records of District Child Protection Units

The Department in its reply (January 2018) was silent on non-conducting of identification and preparation of database. It, however, stated that it had done district need assessment in 2013. It was further indicated that the districts had been instructed for updating the vulnerability mapping status. However, it was accepted that compliance by the districts in this matter was largely awaited.

During Exit Conference (February 2018), the Departmental Secretary accepted that the basic activity of identification of vulnerable children was required to be done. It was also stated that vulnerability mapping through maintenance of detailed data would be given utmost importance. It was further intimated that a format had already been devised for District Need Assessment Study and the work of collection of data would henceforth be outsourced.

2.3.6.2 Annual Financial Plans and Project Implementation Plans

As per guidelines, annual financial plan and its implementation plan were to be prepared by the State. Those were to be sent to the Ministry of Women & Child Development (Ministry), Government of India for approval by the Project Approval Board (PAB). Scheme guidelines also stipulated the financial limits for implementation of different components of scheme at district and state levels.

Audit found that Annual Financial Plans of State during the period 2012-17 were prepared on the basis of admissible amount (based on financial limits) under various components of the scheme. However, Implementation Plans fixing any achievable physical targets for implementation were not prepared and forwarded to PAB for approval during the period. As such, Audit was unable to reach any conclusion about the adequacy and effectiveness of the departmental efforts in providing assistance to vulnerable children.

The Department, in its reply (January 2018), remained silent on the reasons behind non-preparation of Annual Implementation Plan, which was mandatory under the scheme.

⁴⁷ *Bangalbari and Chainagar*

⁴⁸ *Murshidabad and Uttar Dinajpur*

During Exit Conference (February 2018), the Secretary clarified that PAB followed a fixed format in approving the plan. It was acknowledged that adjustments could be made to set targets towards desired performance. The Secretary was of the view that it should logically be incorporated in the planning process.

2.3.6.3 Non-utilisation of funds for preliminary activities

The Scheme allocated funds for preliminary activities⁴⁹ e.g. situation analysis, mapping of districts, preparation of annual plan and resource directory, etc.

The State *Samity* disbursed ₹ 15.39 lakh⁵⁰ to five test-checked districts during 2010-15 for utilisation on preliminary activities. Out of that ₹ 10.68 lakh⁵¹ (69 per cent) remained unutilised till date of audit (June 2017).

Thus, in spite of availability of funds under the scheme for planning, there were deficiencies in the planning process (especially in setting-up physical targets and preparation of data base).

The Department in its reply (January 2018) attributed the same to late receipt of funds from the Ministry. It, however, did not offer any explanatory comment on the reasons behind its failure in covering the preliminary activities during 2015-17 in spite of availability of funds.

2.3.6.4 Shortage of staff in service delivery structure

The State *Samity* and district units⁵² are the fundamental service delivery units for the implementation of the scheme. Optimum level of manpower of all such individual units including their specific roles and responsibilities was specified under the scheme. For establishment and functioning of these units, Central Government provided financial support⁵³ to the State Governments. The Department also directed (March 2010 and February 2015) the State *Samity* and District Units for filling-up of vacant posts.

However, in the case of the State *Samity* as well as three test-checked District Units, the staff position showed improvement only during 2017. Till 2016, all these functionaries ran with substantial staff shortage *vis-à-vis* normative requirement as detailed in **Table 2.3.2**.

Table 2.3.2: Manpower available with State Child Protection Society and District Child Protection Units

Service Delivery Structures under ICPS	Manpower required (Number)	Men-in-position as of March				
		2013	2014	2015	2016	2017
State Child Protection Society	13	5	5	5	5	11
Test-checked district:						
Kolkata	12	6	7	7	6	10
Malda	12	NA	7	7	7	7
Murshidabad	12	NA	8	7	12	12
Purba Medinipur	12	6	8	8	11	12
Uttar Dinajpur	12	5	8	8	8	8

Source: State Child Protection Society as well as test-checked District Child Protection Units

⁴⁹ @ ₹30.00 lakh per year for each State having more than 15 districts.

⁵⁰ Kolkata: ₹3.00 lakh in 2013-14, Purba Medinipur, Murshidabad and Uttar Dinajpur: ₹3.13 lakh (₹0.13 lakh in 2010-11 and ₹3.00 lakh in 2014-15) and Malda: ₹3.00 lakh in 2014-15.

⁵¹ Kolkata: ₹2.72 lakh, Purba Medinipur: ₹3.13 lakh, Murshidabad: ₹1.64 lakh, Uttar Dinajpur: ₹3.13 lakh and Malda: ₹0.06 lakh.

⁵² Previously known as District Child Protection Society.

⁵³ 75 per cent upto 2014-15 and 60 per cent from 2015-16 onwards.

Such improvement in staff position, however, did not result in improvement in preliminary activities (especially in the planning process) in those districts. Moreover, staff shortage in the district units of Malda and Uttar Dinajpur could potentially affect their performance in identification of vulnerable children and providing of services to them.

During Exit Conference (February 2018), the Secretary pointed out that the recruitment process was under the purview of District Magistrates for which a committee was already in place.

2.3.7 Legitimacy of Child Care Institutions

Non-adherence to provisions of JJ Act for registration of CCIs

Both the Juvenile Justice (Care and Protection of Children) Act, 2000 (December 2000) and the JJ Act, 2015 (December 2015) mandated for registration of all Children Homes/ Child Care Institutions (CCIs) within six months from the respective date of commencement of the Acts. Such registration was to be renewed every five years. Further, the renewal applications were to be mandatorily disposed of within six months of application. Purpose of such registration was to keep a watch on the purpose and capacity of the home/ institution. Defaulting homes/ CCIs are punishable with fine or imprisonment or both. The Ministry of Women & Child Development (Ministry), GoI also emphasised (March 2012) on identification of unregistered CCIs and strict imposition of penalties. Hon'ble Supreme Court also emphasised (February 2013 and September 2015) on registration of CCIs under the JJ Act.

Out of 272 NGO-run CCIs in the State, 176⁵⁴ (65 per cent) were unregistered and 41 registered institutions were running with expired registrations. This represented utter disregard on the part of the Department towards legitimacy of the CCIs and lack of concern about the adequacy of capacity of these CCIs in providing care to vulnerable children.

Audit further observed the following in five test-checked districts:

- Validity of registration of six⁵⁵ out of 38 NGO-run homes in five test-checked districts had expired between March 2015 and March 2016. Registrations of these NGOs were yet to be renewed despite lapse of one to two years from expiry of validity period, though they had applied for renewal.
- Registrations of 12 test-checked Open Shelters in Kolkata were not issued despite receipt of their applications between March and December 2016.
- In case of four⁵⁶ Specialised Adoption Agencies, notifications for registration were issued without mentioning their capacity in violation of the stipulation of the Act⁵⁷.

⁵⁴ NGO-run: 196 minus 20 Government-run

⁵⁵ CNCP: 2 (Kolkata:1 and Uttar Dinajpur:1), Children with Special Needs (CWSN):1 (Purba Medinipur) and CCL:1 (Uttar Dinajpur and SAA:2 (Murshidabad:1, Uttar Dinajpur:1).

⁵⁶ Kolkata: 3 (Indian Society for Sponsorship and Adoption, Indian Society for Rehabilitation of Children and SICW) and Purba Medinipur: 1 (VLN).

⁵⁷ Section 41(2) of the Act, 2015

- Registration indicating category of “Juvenile Children” was issued in Uttar Dinajpur to run a boys’ home for Children in Conflict with Law, though the Act does not provide such category⁵⁸ of homes.

The Departmental indifference towards the aspect of registration would be further vindicated by the fact that ICPS funds amounting ₹ 11.30 crore were disbursed to 15 to 21 unregistered CCIs⁵⁹ in Kolkata during 2012-17. Further, ₹ 2.55 crore⁶⁰ was disbursed to four⁶¹ NGOs of Kolkata, Uttar Dinajpur and Purba Medinipur despite non-renewal of their registrations.

In reply (January 2018), the Department stated that registration was an ongoing process. It also added that initiatives for registration had been taken. As regards release of funds to unregistered CCIs, the department stated that funds were released to CCIs pending renewal of registration, as they were running institutions.

Evidently, the aspect of time-bound registration was not sufficiently prioritised. Further, release of funds to unregistered homes on the plea of running of the institutions lacked justifications. In fact, Hon’ble Supreme Court directed (September 2015) the State Government to ensure shifting of children from unregistered CCI to registered ones. Release of funds to CCIs without valid registration was, thus, made in violation of the directive of the Apex Court.

Non-prioritisation of the aspect of registration had diluted the basic tenet of Government control on the Child Care Institutions. It also facilitated functioning of the CCIs/ Open Shelters without due adherence to the schematic norms in terms of capacity, infrastructure, amenities, etc. as discussed in the subsequent paragraphs.

During the Exit Conference (February 2018), the Departmental Secretary informed that provisional registration had been issued very recently in December 2017 keeping in mind the amendment of Juvenile Justice Act in December, 2015.

2.3.8 Functioning of Child Care Institutions

Child Care Institutions (CCIs) include Children’s Home⁶², Observation Home⁶³, Special Home⁶⁴, Open Shelters⁶⁵ and Specialised Services for Children with Special Needs. CCIs are run either by Government or by NGO.

Audit visited 50 such institutions (29 Child Care Institutions, 12 open Shelters and nine Specialised Adoption Agencies) of five test-checked districts jointly with officials of District Units during March to June 2016. During such inspections, various deviations from schematic requirements were noticed, which are discussed in the subsequent paragraphs.

⁵⁸ The Act provides only Observation Home and Special Home for Child in conflict with law.

⁵⁹ Open Shelters run by NGOs.

⁶⁰ Kolkata: ₹1.40 crore, Purba Medinipur: ₹0.69 crore and Uttar Dinajpur: ₹0.46 crore.

⁶¹ Kolkata: 1 (All Bengal Woman’s Union), Purba Medinipur: 1 (Nimtouri Tamluk Unnayan Samity) and Uttar Dinajpur: 2 (St. John Ambulance Association and Bharat Shevashram Sangha).

⁶² Children’s Home are for the placement of children in need of care and protection for their care, treatment, education, training, development and rehabilitation (Section 50).

⁶³ Observation Homes are for temporary reception, care and rehabilitation of any child alleged to be in conflict with law during the pendency of any inquiry under the Act (Section 47 of the Act).

⁶⁴ Special Homes are for rehabilitation of those children in conflict with law who are found to have committed an offence and who are placed there by an order of the JJB (Section 48).

⁶⁵ Open Shelters are community based facility of street children in need of residential support on short-term basis to protect from abuse and keeping them from a life on street.

2.3.8.1 Non-preparation of Individual Care Plan (ICP)

As per JJ Rule⁶⁶, Individual Care Plan (ICP) was to be prepared in specified format⁶⁷. This was a comprehensive development plan of each child under the custody of CCI. These individual plans were to be prepared by the CCIs considering the attributes like i) health needs, ii) emotional support, iii) psychological support, iv) educational needs, v) training needs, vi) religious belief, etc. It was to be prepared in consultation with the District Child Protection Units (DCPUs) and approved by Child Welfare Committee (CWC)/ Juvenile Justice Board (JJB). ICPs were to be reviewed every six months.

Audit visited 50 CCIs (including 12 Open Shelters) in five test-checked districts jointly with DCPU officials and observed the following:

- The position of preparation of individual plans in the test-checked CCIs was as mentioned in **Table 2.3.3**.

Table 2.3.3: Status of preparation of ICPs in test-checked districts

Districts	CCIs test-checked	Children staying in those CCIs	ICP Prepared	ICP Not Prepared
Malda	4	95	22	73
Murshidabad	7	275	173	102
Kolkata	23	918	378	540
Purba Medinipur	10	301	301	-
Uttar Dinajpur	6	114	114	-
Total	50	1703	988	715

Source: Records of the DCPUs and test-checked CCIs

Thus, the test-checked CCIs of Malda, Murshidabad and Kolkata fell substantially short in preparing the individual plans in respect of the children under their custody. CCIs of these three districts did not prepare such plans at all for 56 per cent of children.

- In 50 CCIs, 988 individual plans were neither prepared in prescribed format nor approved by the CWC/ JJB.
- Six-monthly reviews of the individual plans were not done in four⁶⁸ test-checked districts.
- In Kolkata and Malda, 16 CCIs⁶⁹ considered the personal files of children (522) as ICP, instead of prescribed format.

Thus, the basic mechanism meant for monitoring and transforming the life of children was not followed. The Department failed in its duty in providing assistance to most vulnerable sector of the population.

In reply (January 2018), the Department stated that the CCIs were to prepare and update these plans. It was also added that CCIs were instructed to prepare ICPs in prescribed format.

⁶⁶ Rule 2 (ix) of Juvenile Justice Rule, 2016

⁶⁷ Form 7 as prescribed by JJ Rule, 2016

⁶⁸ Kolkata, Murshidabad, Uttar Dinajpur and Malda.

⁶⁹ Kolkata: 14 (including 11 Open Shelters) and Malda: 2

The Departmental Secretary, during the Exit Conference (February 2018), accepted that there was much room for progress in preparation of ICPs. It was further intimated that the Department was striving to improve the scenario through training and monitoring. It was also apprised that the Department was taking the help of UNICEF⁷⁰ in the formulation, implementation and monitoring of the State Plan of Action for Children as well as the District Plan of Action for Children in Malda.

2.3.8.2 Over-crowding of children in CCIs

Under Section 41(2) of JJ Act, the State Government, while issuing registration, was to determine and record the capacity of a Child Care Institution (CCI) in accommodating children. The same was done to control the number of inmates in each CCI based on its infrastructural capacity, so that the basic living standards and level of care were not compromised.

A joint visit by Audit to 50⁷¹ CCIs in five test-checked districts with DCPU officials showed instances of over-crowding as detailed in **Table 2.3.4**.

Table 2.3.4: Position of over-crowding in test-checked CCIs

Name of the CCI and category	Validity status of registration	Capacity	Accommodated	Excess
CINI Shelter Home (Open shelter)	Not yet registered	25	29	4
Tiljala Shed (Open shelter)		25	29	4
Ganna Unnayan Parishad (Open shelter)		25	28	3
Institute of Psychological and Educational Research (IPER) (Open shelter)		25	28	3
Calcutta Social Project (Open shelter)	Not yet registered	25	38	13
Indian Society for Sponsorship & Adoption (Specialised Adoption Agency)	Registration expired in March 2017	32	49	17
Society for Indian Children Welfare (Specialised Adoption Agency)		25	39	14
Children Home for Girls Malda (Children Home)	Government-run	25	47	22
Ashar Alo I & II (Children Home)	Registration expired in March 2017	50	83	33
Suryodaya Children Home for Deaf and Dumb (Home for Children With Special Needs)	Government-run	25	41	16
Unmesh (Home for Children With Special Needs)	Registration expired in March 2017	50	64	14

Source: Records of the DCPUs and test-checked CCIs

Such over-crowding had put excess pressure on the existing living amenities in those CCIs compromising the standard of living and level of care.

In reply, the Department noted (January 2018) the facts as pointed out by Audit.

2.3.8.3 Inadequate infrastructure in CCIs

Scheme guidelines provide required infrastructure under 'Minimum Standard of Care' for children in institutions establishment under JJ Act. Audit visited

⁷⁰ United Nations International Children's Emergency Fund

⁷¹ (Open Shelters: 12, Specialised Adoption Agencies: 9 and Other CCIs: 29)

41 CCIs (Open Shelter: 12 and Other⁷² CCIs: 29) with DCPU officials in five test-checked districts and noted infrastructural deficiencies as detailed in **Table 2.3.5**.

Table 2.3.5: Deficiencies in infrastructure in test-checked CCIs

Requirement as per scheme guidelines	Audit Findings
<p>For Open Shelters:</p> <ul style="list-style-type: none"> • Scheme envisaged each open shelter to accommodate 25 children. • Minimum carpet area (including kitchen and bathroom) of an Open Shelter for 25 children should be 2000 Sq. ft. (40 sq. ft. per child in dormitory rooms). • Each child should be provided with one separate cot, i.e., there should have been 25 cots in each open shelters. 	<p>Out of 12 open Shelters visited:</p> <ul style="list-style-type: none"> • Against the requirement of 25 in each, actual availability of cots ranged between 12 and 22 in six⁷³ Open Shelters. No cot was available in one⁷⁴ Open Shelter. So, the children had to sleep on mattresses spread on the floor. • Four⁷⁵ shelters had areas in the range of 600 (30 per cent) to 850 Sq. ft. (43 per cent) against the norms. Minimum prescribed standard of 40 Sq. ft. per child in dormitory rooms was not adhered to. This led to congestion.
<p>For Child Care Institutions: Scheme guidelines under ‘Minimum Standard of Care’ mandates an area of 40 sq. ft. per juvenile/ child in dormitory rooms for accommodation of 50 juveniles/ children in an institution having one unit.</p>	<p>Out of 29 CCIs visited by Audit: Ten test-checked CCIs had areas ranging between 440 and 1820 sq. ft. in dormitory rooms against the norm of 2000 sq. ft. Area of 40 sq. ft. per juvenile/ child was not maintained.</p>
<p>Scheme guidelines specify 60 cots (including 10 cots for sick room) of a unit of 50 children.</p>	<p>407 cots were available against 465 children in six⁷⁶ CCIs. This led to sharing of cots by children in those CCIs.</p>
<p>Every CCI should have Sick/ First aid room with 10 beds as provided by the scheme.</p>	<p>In five test-checked CCIs having 217 children (boys: 104 and girls: 113), there was no Sick/ First aid room with beds.</p>
<p>Guidelines under ‘Minimum Standard of Care’ mandate provision of Recreation room in an institution having capacity of 50 children.</p>	<p>No Recreation room was found in nine CCIs having 352 children.</p>
<p>Under the Minimum Standards of Care, scheme guidelines stipulate five bathrooms and eight toilets for accommodating 50 children in an institution.</p>	<p>In 11⁷⁷ CCIs, 24 bathrooms were found against the norm of 55 bathrooms. In 17⁷⁸ CCIs, 83 toilets were available against requirement of 223.</p>

⁷² Other CCIs include Children Home including home for Children with Special Needs: 22, Observation Home: Six and Special Home: One

⁷³ Open Shelters run by CINI, Tiljala Shed, Humanity Association, Songs of Unity and Liberty and Pub Paschim.

⁷⁴ W.B. Committee of National Council of Women in India

⁷⁵ Humanity Association, Tiljala Shed, Song of Unity and Liberty and Pub Paschim

⁷⁶ **Kolkata:** Calcutta Orphanage for boys and girls and Ashar Alo; **Purba Medinipur:** Snehanir and Sonali; **Murshidabad:** Shilayan Home for girls.

⁷⁷ **Kolkata:** Calcutta Orphanage for boys and girls, Girls home run by PKOJKP; **Purba Medinipur:** Bodhodaya run by Vivekananda Lokshiksha Niketan, Snehanir run by Nimtouri Tamruk Unnyan Samity, Sister Nivedita Observation home run by Nabakishore Sangha and Swamiji Observation Home; **Uttar Dinajpur:** Children in need of care and protection (CNCP) home for boys run by Bharat Sevashram, Girls’ home run by St. John Ambulance, Suryodays children home for deaf and dumb for girls and JCL Home for boy run by St. John Ambulance.

⁷⁸ **Kolkata:** Calcutta Orphanage for boys and girls, Boys and Girls home run by PKOJKP and Ashirbad Boys Home run by Hope India Foundation; **Purba Medinipur:** Sister Nivedita Observation Home, Swamiji Observation Home, CNCP Home for boys run by CINI Moyna, Tapoban Sisu Abas run by Kajla Janakalyan Samity, Unmesh run by Haldia Samaj Kalyan Parishad and Snehanir run by Nimtouri Tamruk Unnyan Samity; **Murshidabad:** Shilyan Home for Girls, Kazi Nazrul Islam Children home for boys and Ananda Ashram; **Uttar Dinajpur:** CNCP home for boys run by Bharat Sevashram and Girls’ home run by St. John Ambulance and **Malda:** Boys home run by Hyderpur Shelter of Malda.

Requirement as per scheme guidelines	Audit Findings
Scheme guidelines specified that institutions must be located in a congenial child friendly environment in natural surroundings with adequate open space for outdoor activities of children.	Out of 23 premises visited, space for outdoor activities of children was not available in 13 premises having 466 children. In three ⁷⁹ CCIs having 100 children, children were not allowed outdoor activities despite availability of playground and sports items. Four ⁸⁰ CCIs had no boundary walls. Safety and security of 113 (boys: 98 and girls: 15) were compromised in those CCIs.

Source: Physical verification and records of the test-checked CCIs

Thus, the standard of living of the children in many test-checked CCIs fell short of normative requirement.

In reply, the Department noted (January 2018) the infrastructural deficiencies in CCIs as pointed out by Audit. It also added that CCIs would be instructed to arrange for providing adequate infrastructure.

2.3.8.4 Non-imparting formal education and vocational training

(a) Formal Education: Scheme guidelines specified that every institution had to provide formal school education to children residing in CCIs. In special cases, CCIs was to provide non-formal education.

Joint verification of 41 CCIs by Audit with DCPU officials showed the following:

- Formal school education was not provided to 218 (26 per cent) out of 840 children accommodated in 16 Children Homes.
- No facility of either formal or non-formal education was available in six Observation Homes and one Special Home (accommodating total 91 Children in Conflict with Law).
- Out of 316 children of 12 Open Shelters, 310 were availing of formal school education. The remaining six children were under six years.

(b) Vocational training: Scheme guidelines provided that every institution had to provide vocational education to young adults for economic independence after being discharged from institutions. Joint visit of 29 CCIs and 12 Open Shelters showed that there were no arrangement for providing vocational training in 12 CCIs (477 children) and eight Open Shelters (197 children).

In reply, the Department noted (January 2018) the facts as pointed out by Audit for future guidance.

2.3.8.5 Unsatisfactory sanitation and hygiene

As per scheme guidelines, each CCI should maintain sanitation and hygiene. However, in 41 test-checked units (29 CCIs and 12 open Shelters), Audit found the following:

⁷⁹ Kazi Najrul Islam Children's Home in Murshidabad, Suryadaya Home for Deaf and Dumb boys and girls in Uttar Dinajpur.

⁸⁰ Purba Medinipur: Tapoban Sisu Abas run by Kajla Janakalyan Samity, Swamiji Observation Home run by Amar Seba Sangha, CINI Moyna and Uttar Dinajpur: CNCP Girls Home run by St. John Ambulance.

- In 13⁸¹ CCIs with 525 children and six⁸² Open Shelters with 184 children, the dormitories, kitchens, bathrooms and toilets were not clean indicating insufficient attention towards sanitation and hygiene.
- Sanitary pads were not provided to 97 girl children in two⁸³ CCIs, while in one⁸⁴, these were provided irregularly.

This indicated that the health and sanitation issue had been compromised in those CCIs.

In reply, the Department accepted and noted (January 2018) the facts as pointed out by Audit. It also added that the CCIs had been instructed to provide sanitary pads regularly.

2.3.8.6 Non-adherence to approved diet-chart

Scheme guidelines under Minimum Standards of Care stipulated that diet scale for children should include adequate quantity of cereals, pulses, vegetables, fruits, milk, meat, fish, etc. A Nutrition expert shall be a member of Mess Committee⁸⁵ who shall ensure that the food served is balanced, nutritious and varied in compliance with diet scales.

Audit found that food was not provided to children as per the schematic norms in two Government-run CCIs for Children with Special Needs in Uttar Dinajpur. Further, milk and bananas were to be provided to children daily with breakfast. Records showed that during the period from April 2014 to May 2017, milk was served only sporadically upto July 2016, which was discontinued since August 2016. Bananas were provided intermittently during 2014-17.

In reply, the Department stated (January 2018) that explanation would be sought from CCIs in this regard.

2.3.8.7 Children in Child Care Institutions in violation of norms and procedure

The JJ Act, read with rules framed thereunder, envisaged different types of institutions and statutory bodies for taking care of children with different types of vulnerabilities. Specific modalities have also been prescribed with the custody and care of such children based on the type of vulnerability. During joint physical inspection of Child Care Institutions with district unit officials in five test-checked districts, Audit found the following:

- Under the provisions of JJ Act, specific orders of Juvenile Justice Board (JJB)/ Child Welfare Committee (CWC) were necessary to place juveniles in conflict with law/ children in need of care and protection (CNCP) respectively under the custody of CCI. It was observed that

⁸¹ **Kolkata:** Calcutta Orphanage for boys and girls, Kasba Girls home and Ashirbad home for boys both run by Hope India Foundation; **Purba Medinipur:** Sonali Home for CWSN Girls run by Dakshin Gholpukuria Sonali Sangha-o-Pathagar, Snehanir for CWSN girls run by Nimtouri Tamluk Umyan Samity; **Murshidabad:** Kazi Nazrul Islam Children's Home for boys and Ananda Ashram for boys run by Government; **Uttar Dinajpur:** CNCP Home for boys run by Bharat Sevashram and Suryodaya Home for Deaf & Dumb boys run by Government; **Malda:** Children's Home for girls run by Government.

⁸² Bengal Service Society, Tiljala Shed, Huminity Association, UBDI, Calcutta Social Project and WBCNCWI.

⁸³ **Kolkata:** Calcutta Orphanage for girls and **Uttar Dinajpur:** Girls' home run by St. John Ambulance.

⁸⁴ Suryodaya Home for Deaf and Dumb girls in Uttar Dinajpur.

⁸⁵ It is a committee comprising children in an institution for planning meal with the help of a Nutritionist.

243 CNCP and 28 children in conflict with law were staying without the order of the CWC/ JJB in seven⁸⁶ test-checked CCIs. This indicated that children were being kept in these CCIs without following due legal procedure.

The Department in its reply (January 2018) remained silent on the above fact.

- Scheme guidelines stipulated that no child shall remain in the care of a Specialised Adoption Agency⁸⁷ (SAA) for more than one year. However, 72 children in nine SAAs were staying for more than one year in violation of the said norms.

In reply, the Department admitted the fact and stated that only non-adoptable children were staying for more than one year. The reply was not acceptable as they had to be transferred to Children Home with the approval of CWC.

The Secretary stated during the Exit Conference that overstay of children in State Adoption Agencies beyond one year was not the general trend. However, it was assured to look into the specific cases pointed out by Audit.

- As per norms of Open Shelters, children requiring care for more than 30 consecutive days had to be referred to Children's Homes through CWC. However, 158 children in 10 Open Shelters (out of 12 inspected by Audit) were retained for more than a year violating the norm.

In reply, the Department stated that the matter would be taken up with CWC and direction would be issued to the Open Shelters for production of all such children before the CWC.

2.3.8.8 Other deficiencies in functioning of CCIs

During joint inspection of 41 CCIs (including 12 Open Shelters) with DCPU officials, Audit found the following deficiencies:

- In case of two⁸⁸ Open Shelters with 63 children in Kolkata, there was no staff to take care of children during night.
- Scheme guidelines provide that homes for CCL and CNCP shall function from separate premises. Two Government-run Homes⁸⁹ - one each in Murshidabad and Malda - were running both Children's Home and Observation Home from same premises. This had resulted in mixing of children (CCL and CNCP) which was against the spirit of Act and scheme.

On non-availability of staff during night, the Department stated (January 2018) that the matter would be looked into. It also added that initiatives had been taken for opening separate homes for CNCP to avoid mixing of CCL and CNCP.

⁸⁶ Calcutta Orphanage (Boys) (81), PKOJKP (Boys) (23), Nirapad (Boys) (45), ABWU (Girls) (8), Malda Children Home (Girls) (4), Calcutta Orphanage (Girls) (82) and Shilayan Home for Girls (28).

⁸⁷ Under Section 65 of JJ Act, an institution established by the State Government or by a voluntary or non-governmental organisation for housing orphans, abandoned and surrendered children, placed there by order of the CWC, for the purpose of adoption.

⁸⁸ Open shelter run by Calcutta Social Project and Open shelter run by United Bustee Development Association.

⁸⁹ **Murshidabad:** Shilayan Home for girls and **Malda:** Children's Home for Girls. Both with approved capacity of Children's Home and Observation Home.

2.3.9 Non-institutional care

The Act and the Rules provide for rehabilitation and reintegration of children through family-based non-institutional care by way of sponsorship, adoption, etc.

2.3.9.1 Sponsorship

Under Section 2(58) of JJ Act, sponsorship means provision of supplementary support, financial or otherwise, to the families to meet medical, educational and developmental needs of the child. Sponsorship can be for two reasons - preventive and rehabilitative. Preventive sponsorship is an effort towards preventing children from becoming destitute/ vulnerable (through child marriage, engagement as child labour, etc.). In rehabilitative sponsorship, children residing in institutions are restored to families (de-institutionalisation) with assistance. Sponsorship support⁹⁰ is provided to family so that the child is able to remain in his family and continue his/ her education.

Sponsorship was provided to 219 children (Preventive: 109 and Rehabilitative: 110) in 17 districts till March 2017. Out of the funds received under this component of the scheme, the State *Samity* disbursed only 27 per cent⁹¹ (₹ 1.63 crore) to District Units. The progress in expenditure in the test-checked district was very low. Only eight per cent (₹ 3.51 lakh) of the sponsorship funds released (₹ 42.50 lakh) by the State *Samity* was utilised in the five test-checked districts during 2012-17. Audit attempted to analyse the reasons for such under-utilisation of funds from the records of the five test-checked districts and noticed the following:

- In Kolkata and Uttar Dinajpur, assistance was not provided to any of the nine identified children till March 2017.
- Scheme guidelines stipulated to release sponsorship assistance at the rate of ₹ 2000 per month per child from April 2014. However, only ₹ 1000 per month per child was provided in three⁹² test-checked districts.

Due to under-implementation of the component of sponsorship, the growth and development of the targeted child in a family environment was not achieved. It also affected de-institutionalisation of children from CCIs through rehabilitative measures. As a result, the basic objective of preventing a child from becoming/ continuing to be a destitute was not achieved.

The Department in its reply (January 2018) stated that funds could not be disbursed in absence of proper guidelines as the same were issued in July 2014. It also stated that guidelines including preventive sponsorship had been modified recently. Department also attributed under-utilisation of funds to late receipt of the same from the Ministry. The reply was not acceptable as the Department failed to utilise funds received during earlier years.

⁹⁰ @ ₹2000 per child per month from April 2014

⁹¹ ₹1.63 crore out of ₹5.95 crore

⁹² Purba Medinipur, Murshidabad and Malda.

2.3.9.2 Adoption

Adoption⁹³ is a process through which a child who is permanently separated from biological parents and becomes a legitimate child of a new set of parent(s). The new parents are referred to as adoptive parents with all the rights, privileges and responsibilities that are attached to this relationship. The Act empowers⁹⁴ the State Government to recognise one or more of its institutions or voluntary organisations in each district as a Specialised Adoption Agency (SAA). The orphaned, abandoned or surrendered children would be placed under the custody of these SAAs for rehabilitation either through repatriation to their own families or by adoption.

(a) Issues relating to the functioning of Specialised Adoption Agencies: Audit visited nine Specialised Adoption Agencies (SAAs) jointly with District Unit officials in five test-checked districts and found the following:

- As per scheme guidelines, each SAA was to install one cradle at the door step for receiving abandoned babies. However, it was not installed in one⁹⁵ SAA in Kolkata. In five⁹⁶ SAAs, cradles were found neither secure nor fit for all weather.
- Minimum Standards of Child Care in SAA under the Central Adoption Resource Authority (CARA) guidelines require that walls and surroundings of SAA building had to be bright and stimulating. For visual stimulation, rooms were to be well painted and decorated with toys, animal cut outs, etc. However, rooms, walls and surroundings of three⁹⁷ test-checked SAAs were not bright, stimulating or decorated for visual stimulation.
- In terms of Section 35 (3) of JJ Act, 2015, children below six years of age are placed in SAA and in a Children's Home, if above six years. Under the provision of CARA guideline, 2015, SAAs were required to report all transfer cases in advance to the Child Welfare Committee, District Units, State Adoption Resource Authority and CARA. Without obtaining necessary order, one SAA⁹⁸ transferred eight children on attaining the age of six to another Children's Home run by same NGO in another district. Such unmonitored shifting of children is fraught with risk.

The adoption process was protracted because of the following issues:

- Home Study Reports⁹⁹ of the Prospective Adoptive Parents¹⁰⁰ should be completed within 30 days from the date of submission of

⁹³ Section 56 to 68 under JJ Act, 2015 and Scheme guidelines

⁹⁴ Section 65 of the JJ Act, 2015

⁹⁵ SAA run by Indian Society for Rehabilitation of Children (ISRC).

⁹⁶ **Purba Medinipur:** SAA Run by Nimtouri Tamluk Unnayan Samity, SAA run by Vivekananda Loksiksha Niketan, **Murshidabad:** SAA run by Beldanga Bhagirati Sadan, SAA run by Domkal Vikas Kendra and **Malda:** SAA run by Haiderpur Shelter of Malda.

⁹⁷ SAA run by Indian Society for Sponsorship and Adoption (ISSA), SAA run by Indian Society for Rehabilitation of Children (ISRC) and SAA Run by Nimtouri Tamluk Unnayan Samity.

⁹⁸ ISSA, Kolkata

⁹⁹ Under the provision 2(15) of CARA guidelines Governing Adoption of Children, 2015 and JJ Rule 2(VIII), Home Study Report (HSR) means a report containing details of the adoptive parents, which includes social and economic status, family background, description of home, standard of living, compatibility between spouses and other family members, health status, etc.

¹⁰⁰ Under the provision 2(24) of CARA guidelines Governing Adoption of Children, 2015, Prospective Adoptive Parents (PAP) means a person or persons eligible to adopt a child.

documents in Child Adoption Resource Information and Guidance System (CARINGS¹⁰¹). Home Study Reports of 143 (83 per cent) prospective parents out of 172, were found pending beyond the admissible period of 30 days. Further analysis showed that 36 cases were pending for three to six months, 29 cases for six months to one year and seven cases for more than one year.

- SAAs were to file adoption petition before court within seven days from the date of acceptance of the child by the adoptive parents. In 110 cases pertaining to eight SAAs, there were delays in filing petitions before court. The delays ranged between one and three months in 26 cases, three and six months in 17 cases, while in 10 cases delay was for more than six months.
- Courts were to issue final adoption orders within two months of filing petition. In test-checked districts, 31 petitions were pending beyond the permissible time. Analysis of delay showed that 15 cases were outstanding for three to six months, nine cases for six months to one year and two cases for more than one year.

Such delays in finalising home study reports as well as in filing adoption petitions would very likely have an effect of de-motivating and deterring prospective adoptive parents.

In reply, the Department stated (January 2018) that the matter of transferring children without order of CWC would be looked into. The Department also added that additional social workers had been appointed to expedite Home Study Reports and sensitisation workshop had been conducted. Sensitisation workshop had also been conducted for Learned District Judges for awareness to expedite disposal of pending cases in collaboration with West Bengal Judicial Academy.

(b) Absence of SAA-CCI linkage for adoption: According to the JJ Act, all CCIs shall ensure that all orphan or abandoned or surrendered children under their care are reported, produced and declared legally free for adoption (by the CWC). The Act further provided that all institutions would develop formal linkages with nearby SAA and shall furnish details of the children declared legally free for adoption to that SAA. This was further emphasised (August 2015) by the Department to curb illegal/ informal adoptions. Ministry of Women & Child Development, Government of India also emphasised (May 2016) on such linkage.

Audit observed that SAA-CCI linkage was not done in 63 CCIs (56 per cent) out of 112 in the State. In the five test-checked districts, 25¹⁰² (60 per cent) out of 42 CCIs were not linked. It was noticed that the linked CCIs had identified 31¹⁰³ adoptable children.

Further, in seven Open Shelters, 16 children were found to be orphans. Six of them were less than six years. These children were to be placed in SAA/ Children's Home (CCI) from where they could be rehabilitated¹⁰⁴.

¹⁰¹ An online database for adoptable children maintained by Specialised Adoption Agencies (SAAs) developed by CARA for monitoring.

¹⁰² Kolkata: 10, Malda: 1, Murshidabad: 2, Purba Medinipur: 11 and Uttar Dinajpur: 1.

¹⁰³ Kolkata: 10, Purba Medinipur: 10, Murshidabad: 1, Uttar Dinajpur: 9 and Malda: 1.

¹⁰⁴ Section 66 of JJ Act, 2015 and Scheme provision under SAA for age upto six years.

Thus, the basic objective of ensuring rehabilitation of children to family life through adoption could not be fulfilled. This was mainly attributable to non-linkage of SAA-CCI and non-identification of children.

The Department in its reply (January 2018) stated that capacity building of SAA-CCI linkage had been conducted.

2.3.10 Incomplete service delivery structure of Emergency Outreach Services

Under the scheme, 'Childline' is a 24/7 emergency phone outreach service which can be accessed by dialing 1098. An NGO, Childline India Foundation, was functioning as 'Mother NGO' with the responsibility of expansion and monitoring of Child line services in districts/ cities of the country. Scheme guidelines also stipulated the structure (including a Nodal Organization, a Collaborative Organization and upto six District Sub-Centres/ a Support Organization in case of urban areas) for ensuring effective service.

Audit noticed the following as regard to the Rural Model in four¹⁰⁵ test-checked districts:

- Nodal Organizations¹⁰⁶ were not set up in two districts (Uttar Dinajpur and Malda).
- No District Sub-Centre¹⁰⁷ was set up in two¹⁰⁸ districts, though the requirements were communicated to the Mother NGO.
- Only four¹⁰⁹ District Sub-Centres were available in other two¹¹⁰ districts against the norm of twelve.

The Department in its reply (January 2018) admitted the facts and stated that the matter would be brought to the notice of the Ministry of Women and Child Development (MWCD), GoI through the Department.

2.3.11 Irregularities in disbursement of scheme funds to CCIs

2.3.11.1 Injudicious disbursement of funds

Scheme funds are provided to CCIs for different purposes like maintenance charge of children, salary of staff, expenses on Specialised Medical Assistance and providing nutritious food to CWSN. It was observed that ₹ 1.27 crore was disbursed to CCIs injudiciously as explained below:

(a) **Excess disbursement of Maintenance Charge of children:** The scheme provided maintenance charges of children @ ₹ 2000 per child per month to the CCIs. Audit observed that funds were disbursed to seven test-checked CCIs for more children than those actually residing in these homes. Against 2825 children¹¹¹ actually residing in these homes during April 2015 to November 2016, funds were released for 4571 heads. This had resulted in excess expenditure of ₹ 43.08 lakh.

¹⁰⁵ Purba Medinipur, Murshidabad, Uttar Dinajpur and Malda.

¹⁰⁶ Nodal Organisation for Childline services is an academic institute or non-government organisation with networking, coordination and research skills for monthly reporting to Mother NGO and conducting Need Assessment Study.

¹⁰⁷ Sub-centre is an established network comprising one head and a team of four members assisted by volunteers for conducting outreach and awareness services and visit villages under their operation.

¹⁰⁸ Purba Medinipur and Uttar Dinajpur

¹⁰⁹ Murshidabad: three and Malda: one

¹¹⁰ Murshidabad and Malda

¹¹¹ Cumulative number of children for the period

(b) Specialised Medical Assistance for Children With Special Needs: The scheme provided for an expenditure at the rate of ₹ 4,400 per child per month towards Specialised Medical Assistance for Children With Special Needs (CWSN). This amount was to be paid in addition to normal maintenance charge. Audit observed that Specialised Medical Assistance was disbursed against 1723 CNCP heads of test-checked five homes¹¹² though these children were not CWSN. This had resulted in excess expenditure of ₹ 83.80 lakh from scheme.

In reply, the department stated (January 2018) that excess funds would be adjusted at the time of subsequent allotments.

2.3.11.2 Irregularities related to CWSN funds

(a) Mis-utilisation of funds: Scheme provided funds to CCIs for providing nutritious food and medical treatment of CWSN. By diverting funds received for 44 CWSN girls during April 2014 to June 2015, one NGO¹¹³ spent ₹ 18.62 lakh¹¹⁴ for purchase of land (₹ 13.74 lakh), payment of electricity bill (₹ 2 lakh) and for another women's home run by the same NGO (₹ 2.88 lakh).

(b) Parking of funds: Audit came across instances of parking of CWSN funds in two homes¹¹⁵ in Uttar Dinajpur district. Fund of ₹ 79.67 lakh received (between September 2014 and November 2016) towards Specialised Medical Assistance for 1844 heads was parked in bank accounts of these homes.

Thus, the children with special needs of these three homes were deprived of the medical treatment and nutritious food.

The Department in its reply stated (January 2018) that the matter would be looked into and necessary action would be taken.

(c) Double disbursement of funds: Before the commencement of the scheme, Government-run CCIs used to draw the funds meant for maintenance of children from the Government Treasury. Subsequent to commencement of the scheme, scheme funds began to be transferred to the bank accounts of homes. Audit noted that three Government-run homes in Murshidabad continued to draw funds from the treasury despite receiving the scheme funds in their bank accounts. In this way, three Government-run homes in this district accumulated ₹ 1 crore¹¹⁶ in their bank accounts as of March 2017.

The State Samity in its reply stated (January 2018) the facts. The Samity further stated that the matter would be taken up with the Department for necessary action. The Department forwarded the reply without any further comment.

The above instances of mis-utilisation and parking of funds affected the scheme implementation in these homes to that extent.

¹¹² Four NGO-run and one Government-run.

¹¹³ Nimtouri Tamruk Unnayan Samiti, which is operating home for CWSN in Purba Medinipur.

¹¹⁴ ₹ 13.74 lakh for purchase of land, ₹ 2.00 lakh for arrear electricity bill and ₹ 2.88 lakh for another Home.

¹¹⁵ Suryodaya Home for Deaf & Dumb Boys and Girls.

¹¹⁶ Shilyan Home for girls: ₹ 33.56 lakh, Kazi Nazrul Islam home for boys: ₹ 22.54 lakh and Ananda Ashram home for boys: ₹ 44.17 lakh.

2.3.12 Statutory support services

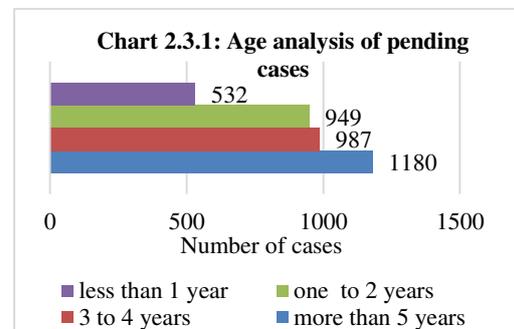
Statutory support services include Child Welfare Committee (CWC), Juvenile Justice Board (JJB) and Special Juvenile Police Units (SJPU) which are established under the Act¹¹⁷ as well as scheme for dealing with the children in need of care and protection (CNCP) and Children in conflict with Law (CCL).

2.3.12.1 Functioning of Juvenile Justice Boards

Under the provisions¹¹⁸ of Act, the Juvenile Justice Board (JJ Board) dealt with the cases involving children in conflict or alleged to be in conflict with law (CCL) with the basic aim of their socio-legal rehabilitation and reformation, not punishment. Section 4(1) provided that the State Government should constitute one or more JJ Board for every district.

JJ Board had been constituted in all the 20 districts of the State as mandated by Act. However, Audit noticed the following with regard to their functioning:

Pendency of cases before JJBs: Section 14 of the JJ Act specifies that the enquiry by the Board shall be completed within a maximum period of six months from the date of the first production. Under section 16 of the Act, pendency of cases shall be furnished to District Magistrate on quarterly basis. However, analysis of all the pending 3648¹¹⁹ cases in test-checked districts as of March 2017 showed that:



Source: Records of the JJBs of test-checked districts

- In all five test-checked districts, Boards were functioning with Principal Magistrates and Assistant Public Prosecutors working only for the second half of working days.
- The Act¹²⁰ mandates categorisation of cases into (i) petty, (ii) serious and (iii) heinous offences. The cases of petty offences were to be disposed of by the Board through summary proceedings. Under Section 14(4), petty cases remaining inconclusive after six months shall be terminated. Audit, however, found that this categorisation of cases was not done in Kolkata. In the remaining four districts, there were 295¹²¹ petty cases which were not terminated despite lapse of six months.

Non-compliance of provisions of categorisation and disposal of cases were the reasons attributable to accumulation of pending cases before Boards.

- Under Section 13, a Social Investigation Report on the juvenile was to be prepared for completion of enquiry by the Boards to ascertain the circumstances in which the alleged offence was committed. These reports were to be prepared by the Legal-cum-Probation Officer¹²² (LCPO) and

¹¹⁷ Under Section 4 and 27 of JJ Act, 2015

¹¹⁸ Section 4, 2(13), 7, 8 and 21 of JJ Act, 2015

¹¹⁹ Kolkata: 483, Purba Medinipur: 260, Murshidabad: 1615, Uttar Dinajpur: 280 and Malda: 1010.

¹²⁰ Under Section 14, Section 1(33), (45) and (54) of JJ Act, 2015

¹²¹ Purba Medinipur: 49, Murshidabad: 74, Uttar Dinajpur: 38 and Malda: 134.

¹²² One of the Scheme specified roles and responsibilities of LCPO is to prepare and submit SIRs.

submitted within two weeks from the date of the first production. It was seen in five test-checked districts that Social Investigation Reports of 2619¹²³ cases (69 per cent) were yet to be prepared out of 3815¹²⁴ pending cases. In three¹²⁵ test-checked districts, LCPOs were not available for one to four years during audit period.

Delayed preparation of Social Investigation Reports compounded by non-availability of LCPOs in DCPUs was one of the reasons for delay in disposal of cases.

- Under the provisions¹²⁶ of JJ Rule, Special Juvenile Police Unit (SJPU) or the Child Welfare Police Officer (CWPO) had to submit a Social Background Report (SBR) of child in a format prescribed by JJ Rules. SBRs were pending in 55 per cent (1838¹²⁷ out of 3314¹²⁸) of cases. The period of pendency, however, could not be analysed in audit due to absence of proper records.

Absence of such background reports was one of the reasons for delayed disposal of cases.

Thus, the basic objective of expeditious disposal of cases was compromised.

In reply, the facts including reasons for pendency as pointed out by audit had been reiterated (January 2018) by the Department. The Department also stated that it had approached the Judicial Department for engagement of full time Principal Magistrate. It also moved the Home Department for expediting the same.

2.3.12.2 Deficiencies in the functioning of Child Welfare Committees

Under the provisions¹²⁹ of the JJ Act, Child Welfare Committees (CWC) were to discharge the duties in relation to child in need of care and protection. The Act further required one or more CWCs to be established for each district.

Audit noted the following with respect to the functioning of the CWCs:

Accumulation of cases before CWCs: The State had 3,214 cases involving 1,547 boys and 1,667 girls pending before CWCs. Due to improper maintenance of records, pendency of cases could not be analysed in any of the test-checked districts. CWC, Kolkata attributed the accumulation of cases to non-implementation of Sponsorship Programme in a full-fledged manner, non-conducive environment of child in family, delayed fulfilment of formalities as the main reasons for huge pending cases before CWCs.

- Under section 36, the Committee had to submit a quarterly report on the nature of disposal of cases and pendency of cases to the District Magistrate for review. In four out of five test-checked districts (except Uttar Dinajpur), the following discrepancies in quarterly progress reports were noted:

¹²³ Kolkata: 140, Purba Medinipur: 170, Murshidabad: 1519, Uttar Dinajpur: 131 and Malda: 659.

¹²⁴ Kolkata: 501, Purba Medinipur: 272, Murshidabad: 1695, Uttar Dinajpur: 298 and Malda: 1049.

¹²⁵ Kolkata: 4 years, Malda: 1 year and Murshidabad: 3 years

¹²⁶ Rule 2(xvi), 8, 10 and Form-I of JJ Rule

¹²⁷ Purba Medinipur: 12, Murshidabad: 1210, Uttar Dinajpur: 143 and Malda: 473.

¹²⁸ Purba Medinipur: 272, Murshidabad: 1695, Uttar Dinajpur: 298 and Malda: 1049.

¹²⁹ Section 27 of the JJ Act, 2015

- Pending cases of previous quarters were not carried forward as opening balances in Quarterly Progress Report (QPR) of subsequent quarter in three¹³⁰ districts. In Kolkata, number of cases heard on the first day of quarters was taken as the opening balance and cases heard on the last day of the quarters was shown as closing balance.
- In Murshidabad, opening balances as well as closing balances of cases in all QPRs were taken as 'Nil'. Number of cases attended by CWC during quarter were shown as disposed without rehabilitation. This led to discrepancies between the data reflected in QPRs and data derived from Case Registers as indicated in **Table 2.3.6**.

Table 2.3.6: Discrepancies between the QPRs and the data available from case register

District	2013-14		2014-15		2015-16		2016-17	
	Number of cases as per							
	QPR	Case Register	QPR	Case Register	QPR	Case Register	QPR	Case Register
Kolkata	219	820	271	1631	182	2400	302	3288
Purba Medinipur	279	-	274	318	351	395	218	419
Murshidabad	Nil	61	Nil	174	Nil	304	Nil	432
Uttar Dinajpur	9	9	35	35	27	27	38	38
Malda	25	204	29	190	53	22	158	387

Source: CWCs of respective districts.

Above discrepancies indicated the need for capacity building of CWC members. Lapse in monitoring at State level was also a reason behind this discrepancy in QPRs.

- During 2012-17, CWC, Kolkata placed 272 children out of 2,543 to homes like Don Bosco Ashalayam, Sree Ramkrishna Ananda Ashram, Loreto Rainbow home, Free to Kids Charitable Trust, etc. which were not registered under the JJ Act. As a result, these children remained outside the ambit of 'Trackchild', a monitoring tool available with the registered CCIs.
- **Irregularities at CWC, Malda:** As per Scheme, the activities of Childline is to produce children before the CWC for ensuring care and protection. Under the provisions¹³¹ of Act, CWC is responsible for care, protection, treatment, development and rehabilitation of children. Malda district does not have any Children's Home for boys. As such, CWC Malda sent CNCP boys to Co-ordinator Childline instead of sending the child to a CNCP Home¹³² of a nearby district. Audit found that during 2012-17, 470 boys were sent to Childline this way. Audit also noticed that DCPU, Malda provided ₹ 12.39 lakh to Childline as child related expenses¹³³ during 2012-17. Child related expenses which had to be utilised at the end of CWC/ JJB as provided by scheme was utilised by the DCPU on this count.

In reply, the Department stated (January 2018) that the matter was being taken up with the CWCs. In case of placement of the children to un-registered CCIs, it was also added that efforts had been made to register those CCIs.

¹³⁰ Kolkata, Purba Medinipur and Malda.

¹³¹ Section 29 and 30 of the JJ Act, 2015

¹³² Section 30(vii) of JJ Act, 2015

¹³³ Child related expenses includes medicine, transportation, food, etc.

2.3.12.3 Special Juvenile Police Unit

As per provisions¹³⁴ of Act, Special Juvenile Police Unit (SJPU) had been established in each district in the State. Child Welfare Police Officer (CWPO) had been designated in all police stations (491 as of March 2017) to deal exclusively with children. Audit noticed the following in this regard:

- As per decision taken at the meeting (November 2015) of the Committee of the Hon'ble Calcutta High Court on Implementation of JJ Act, all Police Stations were to be declared as Child Friendly Police Stations. In five test-checked districts, out of 153 PSs, only 34 (22 per cent) have been declared as child friendly.

In reply (January 2018), the Department stated that the matter would be referred to the Home Department.

2.3.13 Monitoring

Monitoring of children was done through online database portals namely 'TrackChild' under the provision of the scheme and 'CARINGS' under the provision 2(6) of CARA guidelines. The former was meant for CNCP and CCL while the latter was for adoptable children. As per the scheme guidelines, monitoring of implementation of the scheme was to be done through the Child Protection Committees (CPCs) at various levels and through City/ District Level Inspection Team. Further, a system of social audit was also to be put in place. These aspects are discussed in the succeeding paragraphs.

2.3.13.1 Deficiencies in maintenance of Child Tracking System

To bridge the gap between acute shortage of data and information pertaining to child protection related issues, the Ministry of Women and Child Development (MWCD), GoI had developed a web-enabled data management system namely 'TrackChild'. It was aimed for child protection data management and reporting as well as a tool for monitoring the implementation of all child protection schemes. All CCIs including CWC/ JJ Board were to maintain 'TrackChild'.

Joint physical inspection of CCIs in test-checked districts with DCPU officials, indicated the following:

- Out of total 1,221 children staying in 29 CCIs of test-checked districts, only 880 children in 21 CCIs were found in TrackChild. Eight¹³⁵ CCIs having 431 children did not maintain TrackChild.
- As per the provision of scheme, data on children staying in open Shelters were to be uploaded by the District Child Protection Units. Audit observed that 316 children staying in 12 Open Shelters were outside the ambit of TrackChild, as the Open Shelters did not submit their data to the district units.
- Despite non-availability of 152 children in CCIs, who had already been restored/ rehabilitated, their details continued to be hosted in the TrackChild of CCIs. This indicated irregular updation of the same by the CCIs.

¹³⁴ Under Section 2(55) and 107 of JJ Act, 2015, State Government shall constitute Special Juvenile Police Unit in each district and city and in every police station. At least one officer may be designated as Child Welfare Police Officer to exclusively deal with children either as victims or perpetrators.

¹³⁵ Children's Homes: Eight (Kolkata: Seven out of Eight and Malda: One out of Two)

- JJB, Kolkata and CWC, Uttar Dinajpur did not maintain Track Child.

Such perfunctory maintenance of the database went against the basic tenet of closer vigilance on the safety and security of the children in CCIs for which the online system had been introduced. Considering the possibility of child trafficking, it is important that up to date database be prepared urgently to address the issue of child security.

In reply, the Department stated (January 2018) that the matter was being taken up with districts and trainings imparted to ICPS functionaries. It was also added that many newly recruited data entry operators had joined and the same were being monitored regularly.

The reply of the Department was not acceptable as despite their monitoring, discrepancies persisted in data in Track Child till date of audit.

2.3.13.2 Deficient maintenance of Child Adoption Resource Information and Guidance System

For greater transparency in the adoption system, Central Adoption Resource Authority (CARA) stipulates maintenance of online database namely Child Adoption Resource Information and Guidance System (CARINGS) by all Specialised Adoption Agencies (SAAs).

Joint inspection of Specialised Adoption Agencies (SAA) with District Unit officials and the analysis of CARINGS data revealed the following:

- Details of all children accommodated in SAAs were not available in the database. It was observed that out of 147 children present in test-checked nine SAAs, database had details of 143 only.
- Under the scheme, children under CNCP up to six years of age, though not orphan or abandoned, were sent to SAA. However, the SAAs had access only to the CARINGS and not to TrackChild. Moreover, CARINGS did not have any option for entering data on CNCP. As a result, four SAAs could not upload data/ information of seven¹³⁶ CNCP children. As such, information on these children was neither in TrackChild nor in CARINGS.

In reply, the Department stated (January 2018) that the matter regarding CNCP had been taken up with CARA.

The Secretary, during the Exit Conference, attributed the deficiencies in maintenance of Child Tracking System and CARINGS to the persistent portal problem in absence of any linkage between the two systems and stated that the issue would be taken up with the GoI.

2.3.13.3 Formation of Child Protection Committees

For effective implementation and monitoring of the scheme, the Scheme envisaged formation of Child Protection Committees (CPCs) at all levels, namely State CPC, District CPC, Block Level CPC/ Ward Level CPC, Village level CPC.

Almost five years after introduction (December 2009) of scheme, the Department circulated (October 2014) guidelines for formation of those committees. It was decided (June 2015) that formation of committees in the State would be completed by August 2015. Audit, however, observed that there

¹³⁶ Purba Medinipur: 04 (NTUS: 01 and VLN: 03) and Murshidabad: 03 (Beldanga: 01 and Domkal: 02)

was substantial shortfall in formation of such CPCs in the State as of March 2017 as mentioned in **Table 2.3.7**.

Table 2.3.7: Progress in formation of CPCs

State/ Districts	Existing			Formed			To be formed		
	Wards	Blocks	Villages	Wards	Blocks	Villages	Wards	Blocks	Villages
West Bengal	2797	341	49447	1543	341	38487	1254	Nil	10960
Test-checked Districts:									
Kolkata	144	Nil	Nil	84	Nil	Nil	60	Nil	Nil
Purba Medinipur	98	25	3378	76	25	2725	22	Nil	653
Murshidabad	156	26	4245	83	26	4059	73	Nil	186
Uttar Dinajpur	75	09	1631	58	09	1184	17	Nil	447
Malda	49	15	2279	22	15	2279	27	Nil	Nil

Source: SCPS as well as test-checked DCPUs

The above table indicated that CPCs in 1254 Wards (45 per cent) out of 2797 and 10,960 villages (22 per cent) out of 49,447 were yet to be formed in state.

Further, in five test-checked districts, Audit found the following:

- Ward level CPCs in 199¹³⁷ Wards (38 per cent) out of 522 were yet to be formed.
- VLCPCs were formed in all villages of one district (Malda). These were yet to be formed in 1286¹³⁸ (14 per cent) villages out of 9254 in remaining three¹³⁹ districts.
- Functioning of Ward level CPCs/ Village level CPCs could not be verified by Audit in any of five test-checked districts owing to absence of records.

Thus, the mechanism for monitoring the implementation of the scheme was not fully put in place. As a result, distressed children at far flung areas or even within some municipal areas and those who were victims of child trafficking were deprived from the benefit of the scheme.

The Department in its reply (January 2018) stated that District Units had been entrusted with operationalisation of CPCs and funds for training had been sub-allotted to districts. It was also added that monitoring formats for CPCs had also been developed.

2.3.14 Conclusion

The Women & Child Development and Social Welfare Department alongwith Government-run as well as NGO-run Child Care Institutions has been playing an important role in protection of vulnerable children through implementation of the Integrated Child Protection Scheme. However, the Performance Audit has thrown light on many areas of deficiencies in planning, implementation and monitoring, which call for attention.

- Insufficient prioritisation on the aspect of registration of the Child Care Institutions is one of the major areas of concern. The Act had put utmost

¹³⁷ *Kolkata: 60 out of 144; Purba Medinipur: 22 out of 98; Murshidabad: 73 out of 156; Uttar Dinajpur: 17 out of 75 and Malda: 27 out of 49.*

¹³⁸ *Purba Medinipur: 653 out of 3378; Murshidabad: 186 out of 4245 and Uttar Dinajpur: 447 out of 1631.*

¹³⁹ *Purba Medinipur, Murshidabad and Uttar Dinajpur.*

emphasis on registration of the NGO-run Child Care institutions for control on their functioning. However, almost 80 *per cent* of such NGO-run institutions in the State were either un-registered or had been operating with expired registrations. The children in un-registered institutions remained outside the ambit of monitoring, leaving doubts on the safety, security and standard of care in institutions. This aspect calls for immediate attention of the Government.

- The Individual Care Plan, an important mechanism meant for monitoring and transforming the life of children in institutional and non-institutional care was not prepared. There were substantial shortfalls in this matter in majority of the test-checked districts including Kolkata.
- Implementation of rehabilitation mechanisms like sponsorship and foster care was yet to gather momentum.
- There were instances of many CCIs accommodating children beyond their capacities resulting in congestion and compromise in availability of basic amenities like cots, toilets, bath rooms, etc. Several CCIs did not facilitate education of children, while many lacked adequate facilities for their recreation.
- Children stayed in many CCIs without being routed through the legal mechanism of JJB/ CWC. Statutory Support mechanisms like JJB, CWC were saddled with un-disposed cases.
- Ward and Village level Child Protection Committees meant for grass root level monitoring were yet to be formed in all villages and wards.
- Audit also found discrepancies in the data base maintained for monitoring of children in CCIs raising doubts about the completeness and reliability of the data. The monitoring mechanism of the scheme needed strengthening.

Thus, implementation of Integrated Child Protection Scheme is yet to gather sufficient momentum in the State calling for stringent monitoring and control by the Department.

2.3.15 Recommendations

The Government may consider taking steps for

- *Expediting creation of database of vulnerable children in every district in a time-bound manner;*
- *Prioritising the process of registration of Child Care Institutions with due adherence to the statutory requirements;*
- *Preparation and updation of Individual Care Plans in respect of each child in Child Care Institutions;*
- *Speedy disposal of cases pending with Child Welfare Committee/ Juvenile Justice Board;*
- *Strengthening the monitoring by creating Child Protection Committees and by ensuring the reliability and completeness of the databases and*
- *Exchange of information between the e-modules—TrackChild and CARINGS should be ensured in consultation with the GoI.*

SCHOOL EDUCATION DEPARTMENT

West Bengal Central School Service Commission

2.4 IT Audit of Integrated Online Examination System of West Bengal Central School Service Commission

Executive Summary

West Bengal Central School Service Commission (WBCSSC) was constituted in November 1997 under West Bengal School Service Commission Act, 1997. It was entrusted with the recruitment process of teaching and non-teaching staff in Government aided schools in West Bengal by conducting Regional Level Selection Tests (RLSTs). From 2009, WBCSSC introduced an online system for conducting the recruitment process named as Integrated Online Examination System. A Performance Audit of WBCSSC was conducted during January and July 2017 covering seven RLSTs to obtain an assurance that adequate controls were in place to ensure confidentiality, integrity, transparency and reliability of the system. The audit revealed certain inadequacies in the implementation process, described below:

- Best practices for development of system like User Requirement Specification, System Development Life Cycle, Data dictionary and Virtual Private Network connectivity were not followed which was likely to result in non-achievement of desired objectives.
- Access controls were not properly defined and enforced resulting non-fixation of responsibility for errors of omission and commission.
- The shortcomings of the system were used to intentionally manipulate the results to illegally benefit ineligible candidates. Changing the caste category, increasing the marks of academic scores, improperly escalating written examination marks, etc. of ineligible candidates would be tantamount to cheating.
- Deficiencies in mapping the business and fundamental rules in the system deprived eligible candidates the scope to appear in the Personality test.

2.4.1 Introduction

The West Bengal Central School Service Commission (WBCSSC) was constituted (November 1997) under the West Bengal School Service Commission Act, 1997. WBCSSC was responsible for the recruitment of teaching staff (Headmasters-HMs and Assistant Teachers-ATs) in all Government aided schools of West Bengal except schools under Gorkha Territorial Administration. Through an amendment in 2008, recruitment of non-teaching (NT) staff was also brought under WBCSSC. The recruitment processes were done through Regional Level Selection Tests (RLSTs). In order to computerise the entire recruitment processes, the Commission introduced an application named Integrated Online Examination System (IOES) in 2009.

One Database Administrator (DBA) looks after the entire system and is assisted by one Programme Officer, one Information Technology Floor Supervisor and several Input-Output Handlers. These personnel were hired by WBCSSC on contractual basis and their contracts were renewed from time to time.

The application was developed using Oracle at the back end and Java/asp.net at the front end. After introduction of the IT system, the Commission had held twelve recruitment examinations (RLSTs), of which results had been published only in respect of ten, till June 2017. The IT system was used for managing (i) submission of application (from 12th RLST), (ii) generation of Admit Cards, (iii) recording the marks obtained in written examination, (iv) calculating academic scores, (v) preparation of list of candidates called for personality test and (vi) generation of the final list of recommended candidates.

2.4.2 Process Flow Diagram

The process flow diagram of the entire examination process is depicted below:

Chart 2.4.1: Process Flow Diagram of Examination System till the 11th RLST

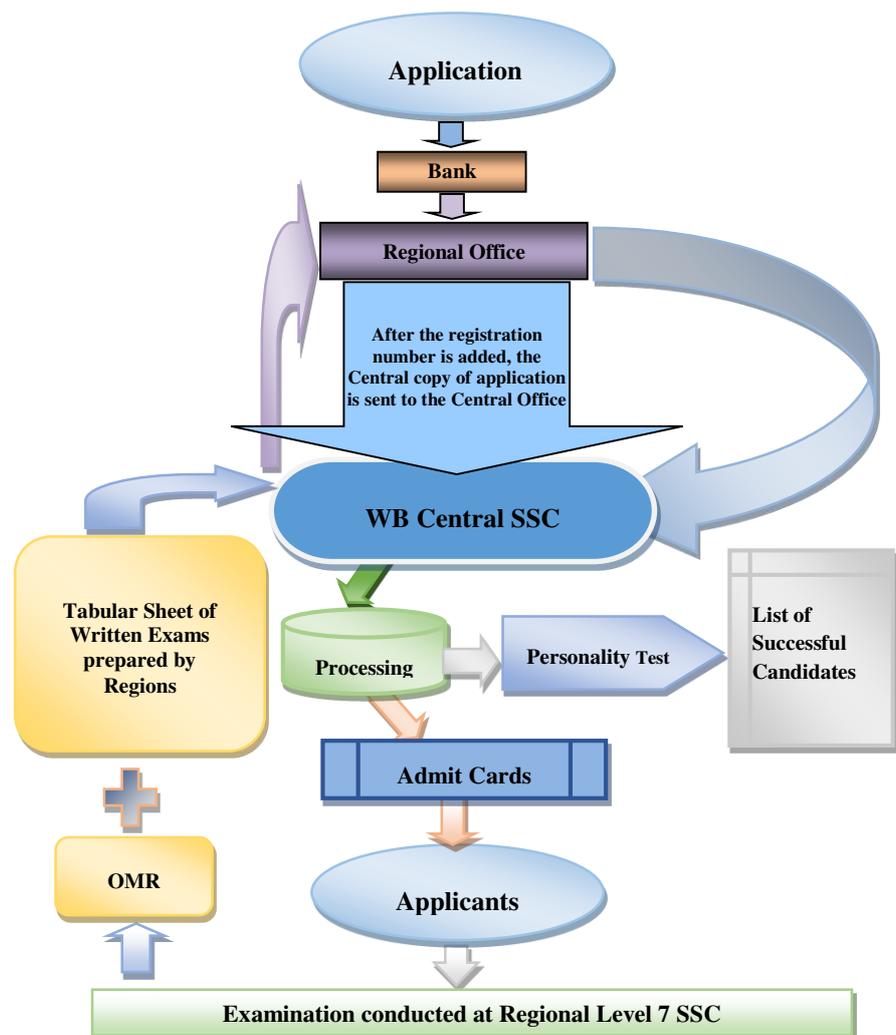
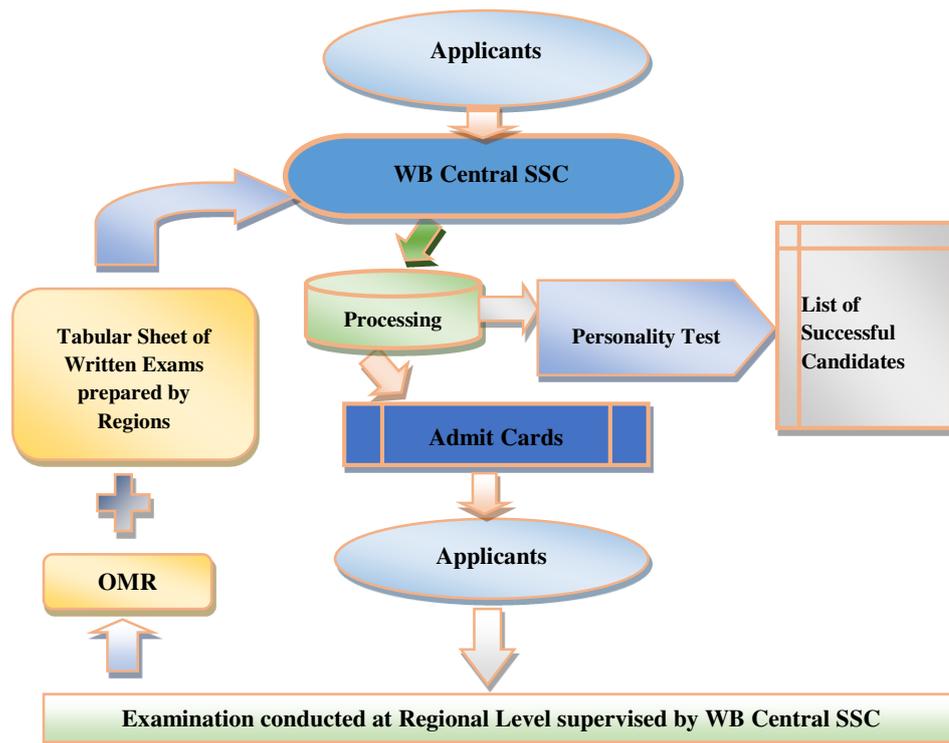


Chart 2.4.2: Process Flow Diagram of Examination System 12th RLST onwards



2.4.3 Audit objectives

The objectives of audit were to examine and assess whether:

- The IOES had been developed with in-built validation controls and proper mapping to all relevant business rules of the Commission as well as of the Government;
- Implementation of IOES had augmented the functional efficiency;
- Adequate controls were in place to ensure confidentiality, integrity and availability of data and
- Proper measures had been taken to ensure continuity of operations.

2.4.4 Audit criteria

The criteria used for Audit comments were sourced from

- Acts/ Rules governing constitution and functioning of WBCSSC and
- Notifications/ Orders/ Guidelines issued by WBCSSC and Government of West Bengal regarding recruitment process of teaching and non-teaching staff in the Government aided schools.

2.4.5 Audit coverage, scope and methodology

The present IT Audit of the IOES by the Commission was conducted between January and July 2017 through review of records and analysis of data of the Commission and two regional offices out of five selected through random sampling. The Audit covered records/ data pertaining to nine examinations (all completed examinations using IT system excepting the 12th RLST for Assistant Teachers and Headmaster/ Headmistress). The examination process has been explained in *Appendix 2.4.1*.

The data backup was handed over to Audit in different formats after authentication. Data initially supplied (in .dmp format) by WBCSSC pertaining to the 12th RLST lacked completeness as it did not contain academic and examination details. The data backup of 12th RLST as provided to Audit also did not contain (i) transaction tables, (ii) tables relating to marks of examinations and (iii) final panel list. Later, a table containing the details of the empanelled candidates was supplied in comma separated value (.csv) format. The table did not have identical structures among rows. So the later table could not be linked with the data back-up. As a result, analysis of results pertaining to the 12th RLST could not be done. Thus, lack of completeness of data backup for 12th RLST imposed a limitation in the scope of audit and necessary data analysis could not be carried out to frame audit observations.

The available data was restored in appropriate platform and analysed using Computer Assisted Audit Techniques (CAATs) viz., Interactive Data Extraction and Analysis (IDEA) and SQL Developer.

During exit conference (September 2017) the findings of audit were discussed with the Chairman of WBCSSC. While accepting the findings, WBCSSC has assured to look into the matter and comply with the recommendations.

Audit findings

2.4.6 General Controls

2.4.6.1 Absence of User Requirement Specification, System Development Life Cycle and Data Dictionary

A User Requirement Specification (URS) is the key document in the whole of the system development life cycle that is required for both business and regulatory reasons. URS is created before planning the development of an application.

The System Development Life Cycle (SDLC) is a framework, defining tasks performed at each step in the software development process. SDLC is a structure followed by a development team within the software organization. It consists of a detailed plan describing how to develop, maintain and replace specific software.

Though WBCSSC had chalked out system development requirements, it had not prepared any URS and data dictionary.

In absence of such vital documentations, WBCSSC failed to map its business rules in the system to deliver the intended output.

It was also observed that hardware was purchased before development of the software. This resulted in underutilisation or non-utilisation of the hardware in the system due to compatibility issues.

2.4.6.2 Absence of a proper Business Continuity Plan

Business Continuity Plan (BCP) represents process of creating strategy for prevention and recovery to deal with potential risks and threats to the computer system. It ensures that business processes can continue during a time of emergency or disaster.

It was observed in audit that WBCSSC had no proper Business Continuity Plan for the system.

2.4.6.3 Failure to establish the Virtual Private Network connectivity posed a serious risk to data confidentiality

As part of the recruitment process, data received at regional offices were to be sent to WBCSSC for further processing. This process of transferring data from all five regional offices to WBCSSC was done manually prior to 2012. This, however, was fraught with an inherent transit risk involving loss of data and its confidentiality.



Computers purchased for running VPN remained non-functional at Bankura (Western Region)

In order to avoid such risk, WBCSSC conceptualised (October 2008) a Virtual Private Network (VPN¹⁴⁰) among (i) the Central and Regional offices of WBCSSC, (ii) Directorate of Secondary Education, (iii) School Education Department, (iv) Offices of the Minister-in-Charge (MIC) and (v) Principal Secretary of the School Education Department.

Accordingly, a private vendor was awarded (October 2008) the work at a contracted value of ₹ 3.16 crore.



Online UPS remaining non-functional at Northern Region, Malda

The vendor was to (a) deliver all materials (hardware and software), (b) establish, install and maintain VPN connectivity at all offices initially for a period of three years, (c) place one Resident Engineer (RE) to maintain a help desk with complaint lodging facility through software to be provided free of cost & (d) engage adequate number of service personnel at all sites of the project. Up to February 2010, the vendor had supplied the hardware and software items, but installation and commissioning of the VPN connectivity was not done. WBCSSC, however, released an amount of ₹ 3.24 crore to the vendor till March 2012.

Audit scrutiny revealed that VPN connectivity did not function at neither WBCSSC's headquarters nor in any of the regional offices. It was further observed that VPN system was not even installed at two test-checked regional offices (Western Region at Bankura and Northern Region at Malda). During field visits to those two regional offices, it was seen that hardware items like online UPS, Radio Mast, Polycom, Projector, etc., were lying idle.

The reasons for the VPN project remaining non-starter, as stated by WBCSSC were incompatibility of the backup software with the operating system (Power Linux-RHEL5) of the VPN. The failure to depute any RE by the vendor

¹⁴⁰ A virtual private network (VPN) extends a private network across a public network, and enables users to send and receive data across shared or public networks as if their computing devices were directly connected to the private network. Applications running across the VPN is therefore benefitted from the functionality, security and management of the private network.

at installation sites was another reason offered by WBCSSC. However, the vendor stated that due to non-preparation of sites at three regional WBCSSC offices (Eastern, South Eastern and Western), it could not establish the VPN connectivity. Incidentally, vendor refused to extend their warranty beyond March 2012 and entire project was shelved.

WBCSSC appointed (January 2009) PricewaterhouseCoopers (PwC), for providing technology consultancy and assistance including implementation and training services in respect of aforesaid work. Accordingly, an agreement was signed between WBCSSC and PwC in January 2009. In the agreement it was decided that PwC would develop a software with backbone connectivity support of VPN. PwC was to provide technical advice and assistance to WBCSSC's technical team. This was aimed to support the existing system and to develop the project for implementation of e-Governance based on a secured VPN connectivity. It was also decided that PwC would work with WBCSSC to finalize the "To-Be-Processes"¹⁴¹ and also advise and assist WBCSSC's team to align the existing recruitment system with the e-Governance plan of School Education Department. Scrutiny of records of WBCSSC showed that an amount of ₹ 1.71 crore was paid to PwC from March 2009 to March 2012.

However, PwC could not develop the software, since WBCSSC failed to establish the requisite VPN connectivity. WBCSSC also failed to fully computerise the examination process. It was observed in audit, that the regional offices were transmitting vital information like Optical Mark Recognition (OMR) sheets and tabular copies of answer booklets manually to the central office of WBCSSC.

In response, WBCSSC admitted the audit findings. However, WBCSSC stated that VPN was no more required for the connectivity among offices and department, as it had switched over (June 2015) to the online process. The reply was not tenable as failure of WBCSSC to anticipate the rapid technological advancements showed lack of planning. Further, VPN connectivity ensured security in comparison to public network for transmitting highly confidential data pertaining to recruitment process.

Thus failure on the part of WBCSSC in planning the future requirements for ensuring a secured connectivity over the long run resulted into unjustified expenditure of ₹ 4.95 crore (₹ 3.24 crore + ₹ 1.71 crore). This assumed significance as lack of secured connectivity could compromise the confidentiality and leaves scope for loss of data.

2.4.6.4 Retention of Physical records of the examination process

Government of India, Record Retention Schedule, 2012, in respect of physical records common to all Ministries/ Departments, *inter alia*, stipulates that all such records relating to recruitment processes should be preserved for at least ten years.

¹⁴¹ A "To-Be-Process" defines the future state of a business process in an organization. Typically, the goal is putting together the future state process so as to clarify how the business process will work, at some point in the future, once changes are made. Those changes could be technology changes or business process changes.

Starting from the 12th RLST examination (*i.e.*, 12th RLST for AT and HM and 1st and 2nd RLST for NT), WBCSSC decided not to preserve physical data which were more than six months old after publication of the merit list. The decision was taken in modification of the order of 2006 which had stipulated such retention of physical records for three years. The reasons for such decision were neither forthcoming from records nor any response was provided by WBCSSC though called for.

In a mixed environment where a computerised system needs manual intervention, comparing of manual records with system data becomes important to check the authenticity of data. Absence of manual records had resulted into the prospects of manipulations through human interferences as explained in the succeeding paragraphs.

2.4.6.5 Issues relating to Access Control

Access control is a security technique that can be used to regulate who or what can view or use resources in a computing environment.

There are two main types of access control: physical and logical. Physical access control limits access to campuses, buildings, rooms and physical IT assets. Logical access limits connections to computer networks, system files and data.

(a) Failure to ensure transparency and fair competition

Competitive examinations are held to ensure selection of the most suitable candidate, through a transparent and fairly conducted competition. WBCSSC was to prepare panels for appointment based on (i) the marks obtained in written tests with objective type multiple choice and subjective questions, (ii) marks for academic qualification and (iii) marks obtained in Personality Test (PT). However, a comparison between the marks indicated in the final panel list of selected candidates and the corresponding marks obtained by those candidates in written examination/ academic results (available from the system data) showed instances of mismatches. It was observed that in five out of 7,247 cases, marks obtained by candidates in written examination varied by 0.5 to 5.5 from those appearing in the final panel list of selected candidates (***Appendix 2.4.2***). Out of these five cases, one candidate who had failed in obtaining qualifying marks was called for PT and was subsequently empanelled in the final list.

This indicated overriding of the system while processing the marks of written examination and marks for academic qualification. It led to compromising the basic tenet of transparency and fair competition. This also resulted in selection of ineligible candidates.

The Commission did not furnished any reply though called for.

(b) Unauthorised change in caste category of candidates

Business rules ¹⁴² relating to recruitment process states that information submitted by a candidate at the time of submission of application would be essentially considered as final. Analysis of database relating to the 11th RLST (Assistant Teachers) revealed that in seven cases, the castes of candidates were changed during preparation of final panel list to the advantage of these candidates (***Appendix 2.4.3***).

¹⁴² Gazette Notification Number WB/CPS/K-41 (Part I) 2007 of September 2007

Hence, the caste status of these seven candidates was illegally manipulated for their selection. This is a rather serious matter as it deprived eligible SC/ST/OBC candidates of reservation benefits. WBCSSC, in its reply (November 2017) stated that errors detected subsequent to data entry in the system were corrected at a later stage in the system itself. As it was observed in audit that the final panel list included the names of ineligible candidates, the contention of the reply that the system was corrected subsequently does not hold good.

Thus, the business rules of the Commission and fundamental rules for filling-up reserved vacancies in the system was violated.

(c) Difference between marks to be awarded as per formula and marks calculated by the system

For selection of Assistant Teachers, WBCSSC formulated (September 2007) certain weightage (in the form of academic score) to be awarded to each candidate against his/ her past academic performance as per **Table 2.4.1**:

Table 2.4.1: Prescribed academic score based on past academic performance

Sl. No.	Name of the Examination passed	Academic score to be awarded		
		1st Division/ Class	2nd Division/ Class	Other Division/ Class
1	10th/ Madhyamik	5	4	3
2	12th/ Higher Secondary (HS)	5	4	3
3	Old HS (in lieu of School Final/ Madhyamik)	10	8	6
4	a Bachelor's degree in Honours	6	5	4
	b Bachelor's degree in Pass-Course	4 marks (fixed)		
	c Bachelor's Degree with Special Honours	5 marks (fixed)		
5	Post Graduate Degree	6	5	4
6	Degree or Diploma (B.T./ B. Ed, etc.)	3	2	1

Source: The Kolkata Gazette (Extraordinary, No. WB/CPS/K-41 (Part I) 2007 dated 26 September 2007, Schedule II, Part I)

Academic marks declared by a candidate at the time of filling-up the application form would be verified by respective regional offices. The score was to be calculated by the system based on the above mentioned formula. It was also stipulated that no change in the academic score would be allowed at any subsequent stage. Thus, the system should necessarily restrict any subsequent change in the academic score of a candidate.

Scrutiny of records, however, revealed the following:

- Data analysis pertaining to 10th RLST (Assistant Teachers) revealed that in a large number of cases, the academic scores calculated by IOES did not match with those calculated by Audit using CAAT. A synopsis of such cases is presented in **Table 2.4.2**:

Table 2.4.2: Number of cases with inaccurate score calculation for academic/ professional qualification

Regions	1 (Eastern)	2 (Northern)	3 (Southern)	4 (Western)	5 (South-Eastern)
Total number of candidates	61722	102059	60536	120420	61410
Number of candidates whose academic score did not match with that calculated by Audit. Of which –	6493	11021	8034	12553	8546
Number increased	3655	6561	4712	12553	5489
Number decreased	2838	4460	3322	0	3057
Number of empanelled candidates whose academic score did not match with that calculated by Audit.	429	479	483	641	451

Source: Analysis of data supplied by WBCSSC

It may be noted that a computer programme could not be selectively inconsistent in arithmetical computation, unless external interferences override the program algorithm and modify system calculated results. Evidently, in the above cases, the system data was manipulated. Such manipulations allowed ineligible candidates (in terms of marks declared by themselves while filling-up the forms) to be included in the final panel.

- In 11th RLST (Asst. Teachers), 43 candidates were called for PT by assigning academic weightage, though their academic marks were not recorded in the system. Out of these candidates, 28 candidates were empanelled in final merit list. Moreover, academic scores of 2264 candidates were increased by 1 to 24 in the system to allow them to be called for PT. Out of those 2264 candidates, 1596 were finally empanelled. Such manipulations allowed ineligible candidates to be included in the final panel list.

The Commission in its reply (November 2017), stated that wrong data was entered in the system initially by the data entry operators. When detected, WBCSSC had corrected only the academic scores of those erroneous entries without any change in the academic marks obtained. WBCSSC also stated that this was done in the system in view of different grading system of various Boards/ Universities/ Academic Institutions.

However, the reply was not acceptable in view of the following

- In all the above-mentioned cases, the candidates belonged to the Board/ Universities which do not follow grading system but award marks to its students. Hence, there should not have been any necessity for manual intervention for awarding weightage on those cases.
- As the system was designed to calculate the academic score automatically, utmost care should have been taken to ensure correctness of the data entered.
- The reply was also indicative of the fact that WBCSSC failed to define its policy for different grading system and subsequently mapping that rule in the system.

- Lastly, by allowing access and modification to the back-end database (*i.e.*, changing academic scores) without modifying the basic academic marks obtained by candidates, WBCSSC rendered the system vulnerable to unauthorised manipulations. This was further compounded by inefficient audit trail.

Thus, taking advantage of limitations of the system coupled with further dilution of the controls by the WBCSSC, a number of ineligible candidates had been called for PT through manipulation of data. This had grossly undermined the basic tenet of fair selection.

(d) Unfair selection for Personality Test

Gazette notification¹⁴³ (July 2009) *inter alia*, stipulated that after successful submission of applications and written examinations, Regional offices of WBCSSC would prepare a (i) medium wise, (ii) category wise and (iii) gender wise list of candidates who would be eligible for Personality Tests (PT). The number of such qualified candidates called for PT could not exceed one and a half times of actual vacancies (in case of Headmaster and Assistant Teacher) or two times (in case of non-teaching) published at the time of declaration of the result of written examination. It was also stipulated that if the marks at the last position of the qualified list of candidates should be same for more than one candidate, all such candidates at that position would be called for the PT.

Analysis of data pertaining to 1st RLST (Clerk) revealed that in 1,110 out of 3,07,136 cases involving 16 districts, eligible candidates were not called for PT and Type test even after obtaining marks higher than the lowest scoring candidates called for PT (**Appendix 2.4.4**). On the other hand, 24 ineligible candidates were called for PT by increasing their academic marks (**Appendix 2.4.5**). Audit came across 12 instances of such ineligible candidates being finally empanelled for recruitment.

The Commission, in its reply (November 2017) stated that according to business rules of RLST, qualified candidates who cleared cut-off marks to be called for the personality test could not exceed 1.5 times of the number of actual vacancies. As such, all candidates who had obtained minimum qualifying marks were not called for PT. List of candidates called for PT depended upon the number of actual vacancies in that particular subject, medium and category.

The reply was, however, not acceptable as in the cases referred *ibid*, the candidates, even after obtaining more than minimum qualifying marks, were not called for PT. Moreover, the data analysis was conducted keeping in mind all the aforesaid factors (subject, category, medium and gender).

It is evident from the aforesaid observation that the system might have been accessed bypassing proper level of authorisation to violate Commission's own business rules. While many eligible candidates were deprived of calls for PT, many ineligible ones were unduly allowed to appear in the PT and eventually some of them were selected for recruitment.

¹⁴³ Sub rule 7 read with Sub rule 11 of Rule 13 the Gazette Notification No. WB (Part-I)/2009/SAR-251 dated 9 July 2009.

2.4.7 Application Controls

2.4.7.1 Non-synchronisation between regional data and central database leading to empanelment of ineligible candidates

The recruitment process to the posts of Gr. 'D' staff in 1st RLST involved submission of applications at regional offices of the Commission. After scrutiny of applications, Regional Offices (ROs) were to transmit physical copies to WBCSSC where the details of the candidates' data was recorded in the system. Then region-wise checklists were generated for further checking of data by the respective ROs. Those checklists were then examined by the ROs and sent back to Central office. Based on the feedback from the ROs, admit cards of eligible candidates were generated and issued to candidates. After examination, marks obtained in written examination were computed and eligible candidates were called for PT and subsequently the final panel was prepared.

Analysis of data pertaining to 1st RLST (Group D) revealed that in six out of 1,025 cases (*Appendix 2.4.6*) though the candidatures of applicants had been rejected by the regional commission offices, those candidates not only appeared in the examination but were also listed in the final panel for recruitment. This indicated that the system at the Central office of WBCSSC was unauthorisedly accessed bypassing the business rules to extend undue favour to those candidates who were eventually selected for the post. In fact, internal control mechanism was absent to check data received from the regions before processing them onwards for generation of admit cards.

The Commission, in its reply (November 2017) stated that the cases as pointed out by Audit could not be found in the system. The reply was not tenable as the analysis of data was solely done on the basis of data tables made available to audit. Further, the entire design of data analysis with all relevant tables, their correlations forming the cornerstone of the findings in audit, were handed over to WBCSSC for necessary cross-verification at their end.

Thus, scrutiny of data at WBCSSC level was inadequate which led to inclusion of candidates rejected at regional level in the final panel. The Commission had not maintained any physical records beyond a period of six months from the date of publication of final panel list. This restricted audit from checking the hard copies of the aforesaid applications at regional level and consequently reasons for rejection could not be ascertained. Non-synchronisation of regional and central database allowed ineligible candidates to be empanelled for recruitment. The reason for rejection was not made available by WBCSSC, though called for.

2.4.7.2 Absence of Audit Trail and proper log files

Audit trail is the evidence that demonstrates how a specific transaction was initiated, processed and summarised. Similarly, log files are used to record the actions of users and hence provide the system administrators and organisation management with a form of accountability. A system log can record who logged on the system and what applications, data files or utilities they used while being logged on. Thus, these facilities would aid the management to keep track of unauthorised access and amendments made in the system.

The system used by WBCSSC had no audit trail embedded in it. The log files were not designed properly to capture vital data in addition to the details of

log-in and log-out of users in the system. It was also observed in audit that though the system captured user id, it failed to capture log-in/ out time (6,294 cases each). In absence of any audit trail and proper log files, security of the system had been compromised.

2.4.7.3 Absence of proper Validation Controls

Data validation is the process of ensuring that a program operates on clean, correct and useful data. It uses routines, often referred to as validation control, that check for correctness, meaningfulness and security of data that are input to the system. The rules may be implemented through the automated facilities of a data dictionary, or by the inclusion of explicit application program validation logic. Gazette notifications and advertisements published for 1st RLST (NT), 2nd RLST (NT) as well as 10th, 11th and 12th RLSTs (AT) by WBCSSC specified that maximum admissible age of a candidate is 37 years. This may be relaxed for SC/ ST, OBC, physically handicapped by five years, three years and eight years respectively. In service person may apply till 55 years of age. The Commission prepared, region-wise (up to 11th RLST), medium-wise, subject-wise, gender-wise and category-wise list of vacancies to be filled up through the recruitment process. Thus, the system should have been designed by making all the aforesaid fields in the system as mandatory. However, instances of incorrect or inconsistent data were found in the system as enumerated below:

- Analysis of data of these examinations revealed that the system was unable to calculate the age of the applicant at the time of submission of the application. It was evident from the fact that in as many as 2,367 cases, the ages of the candidates were not only more than the maximum permissible age, but also beyond the age of retirement at the time of applying for the post. It was further observed that in 2,278 cases, the dates of birth were shown as numeral zero.
- Analysis of records pertaining to 1st RLST (NT), 11th RLST (AT) and 12th RLST (AT) revealed that in 2,967 cases, the categories of the applicants were not available in the system. The application lacked in other validations as well. Data analysis identified the following types of inconsistencies in the data, as detailed in **Table 2.4.3**:

Table 2.4.3: Types of inconsistencies in data

Sl. No.	Types of inconsistencies in data	No. of cases found
1	Examination status shown as unsuccessful but called for PT	376 (11 th RLST (AT))
2	Medium of instruction for examination left blank	4266 (11 th RLST (AT))
3	Citizenship not mentioned	698 (10 were finally selected) (10 th , 11 th , 12 th RLST (AT) & 1 st RLST (NT))
4	Gender shown as Nil	95 (11 th , 12 th RLST (AT) & 1 st RLST (NT))
5	Marks obtained shown as zero but academic score given more than zero	12721 (11 th RLST (AT))
6	System-calculated percentage of Academic marks did not match with Actual Percentage	6305 (11 th RLST (AT))

Source: Analysis of data supplied by WBCSSC

The Commission stated (November 2017) that wrong or blank data entry was made due to wrong or non-availability of the data in the application form. This indicated that entry of data in these crucial data fields were neither made mandatory nor were the business rules embedded in the system. The reply did not address such short-comings in the system development design.

2.4.8 Limitations in the database provided to audit

The audit of IOES was conducted on the basis of data made available by WBCSSC. However, the data provided by WBCSSC had major drawbacks imposing limitations on the scope of audit.

- i) Data backup provided to audit was not supported by any documentation and table structures.
- ii) Database normalisation is a process of organizing relational database to reduce data redundancy and improve data integrity. However, data backup provided to audit contained several duplicate and blank tables thus depicting lack of normalisation of the application as shown in **Table 2.4.4.**

Table 2.4.4: Inconsistency in database

RLST	Total no. of tables in the database	Duplicate tables	Blank tables
10 th RLST (AT)	462	10	128
10 th RLST (HM)	75	1	16
11 th RLST (AT) 11 th RLST (HM) 12 th RLST (AT) 1 st RLST (NT)	378	130	135

Source: Analysis of data supplied by WBCSSC

Thus, the system was not designed properly embedding proper validation controls which resulted in either inconsistency or incompleteness of vital information.

In absence of record definitions and table structures, the functionalities, constraints and inter-relationships among tables could not be ascertained. The audit analysis had to be carried out through discussions with the Data Base Administrator at each and every stage. In addition, lack of normalisation made the system cumbersome, slowed down the system and opened up the chances of unauthorised access.

2.4.9 Conclusion

Information Technology Audit of the IOES of West Bengal School Service Commission has thrown light on instances of various control failures rendering the system susceptible to manipulation as discussed below:

- The basic tenet of transparency and fair competition was jeopardised. It was observed that on a number of instances, marks of examinations and academic scores had been manipulated. Ineligible candidates had been called for PT and even got empanelled, while candidates having higher scores were excluded. This was done by overriding the system by taking advantage of its limitations in restricting any modification in the marks obtained in examination as well as academic/ professional score. This allowed the ineligible candidates to be selected through manipulation.

- WBCSSC did not have any system development documentation, data dictionary. The recruitment activity was computerised only partially allowing manual intervention at strategic control points.
- WBCSSC failed to establish secure connectivity among its offices to exchange confidential data. No proper business continuity plan was chalked out.
- WBCSSC also failed to map business rules and fundamental rules in the system. It led to instances like (i) system-calculated percentage of academic marks not matching with formula based percentage, (ii) examination status being shown as unsuccessful but the candidate getting call for PT, (iii) mandatory fields of religion/ gender/ citizenship remaining blank, marks obtained being shown as zero but academic score being awarded, etc.
- A sound system for maintenance of historical records (physical copy and soft copy) for future reference was not in place.

Thus, there were various areas of control weaknesses and business rules violations in the IT Application used by WBCSSC, which renders the results of the system unreliable.

2.4.10 Recommendations

- *WBCSSC should accurately map the business and fundamental rule which govern the recruitment process. The workflow with appropriate time-frames, role definitions at appropriate hierarchical levels should be aligned with the intended outcomes;*
- *Secure connectivity needs to be established between headquarters and field offices to ensure confidentiality and integrity of data and enforcing of accountability;*
- *Access controls need to be defined and enforced to ensure accountability;*
- *The IT application should have an appropriate control mechanism to ensure that the system captures and maintains complete and reliable data and to reduce/ eliminate the scope of unauthorised manipulations in the system. It should be embedded with proper validation controls. This in turn would ensure that unauthorised alterations do not leave any scope for selection of ineligible candidates;*
- *The Government needs to consider getting the matter investigated thoroughly and initiate appropriate action against the persons responsible and*
- *WBCSSC should formulate a proper business continuity plan and ensure its strict compliance so that it can smoothly resume its operations in the event of any interruption.*

The matter was referred to Government in September 2017; reply had not been received as of February 2018.