



**Report of the
Comptroller and Auditor General of India
on
General and Social Sector
for the year ended March 2017**



**Government of West Bengal
Report No. 6 of 2018**

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Preface

This Report on General and Social Sector for the year ended March 2017 has been prepared for submission to the Governor of West Bengal under Article 151 of the Constitution of India for being laid before the Legislative Assembly of West Bengal.

This Report contains significant results of the performance audit and compliance audit of departments and autonomous bodies of the Government of West Bengal under the General and Social Sector including Correctional Administration, Food & Supplies, Finance, Health & Family Welfare, Home (Police), Judicial, Minorities Affairs & Madrasah Education, Panchayat & Rural Development, Public Health Engineering, School Education, Urban Development & Municipal Affairs and Women & Child Development and Social Welfare Departments.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2016-17 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2016-17 have also been included wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Overview

Overview

This Report of the Comptroller and Auditor General of India relates to matters arising from performance audit of selected programmes/ activities and Government organisations and compliance audit of Government Departments, their functionaries and autonomous bodies under the General and Social Sectors.

The present report contains four performance audits (including one Information Technology based Audit) and eleven paragraphs arising out of Compliance Audit, which *inter alia* include comprehensive coverage of two themes.

The significant observations contained in this report are discussed in brief in the following paragraphs.

1. Performance Audits

(i) *Drug Control in West Bengal*

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. 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.

Shortage of manpower

- 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.

(Paragraph 2.1.6)

Licensing and renewal

- In respect of 5,191 (1,358 retail and 3,833 wholesale) cases of sellers, particulars of licenses were not available.
- Renewal certificates were issued only against the cases which involved change in the nature of the ownership of the unit. The drug controlling authorities did not conduct any inspection in case of renewal. The drug manufacturing/ selling businesses were allowed to continue merely on the basis of remittance of fees.
- Manufacturing Drug Licenses were issued by the DDC without incorporating the list of drugs to be manufactured. As such the correctness of items of drugs for renewal could not be ensured.
- The Directorate issued certificate of renewal/ Good Manufacturing Practices (GMP)/ Good Laboratory Practices (GLP) in favour of 12 firms even though products of these firms were found 'Not of Standard Quality (NSQ)' multiple times by different Drug Testing Laboratories.

- Thirty six blood banks were functioning without valid licences for the last 15 to 20 years.

(Paragraph 2.1.6)

Inspections, sample testing and prosecutions

- On the plea of heavy work load of Inspectors and limitations in the testing capacity of the State Drug Control & Research Laboratory (SDCRL), the target of four samples per month was reduced to three in every two months. Hence, quality control measures were significantly diluted. There was a shortfall ranging between 89 and 100 *per cent*, in inspection of establishments licensed for sale of drugs.
- Samples of sera, vaccine and cosmetics were not drawn for testing. This left ample scope for distribution of sub-standard drugs.
- DDC did not take action in respect of 43 (22 *per cent*) cases out of 199 Not of Standard Quality (NSQ) drugs. Show-cause notices were issued to 23 firms for manufacturing NSQ drugs. However, 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 prosecution was not initiated despite lapse of three to four years.

(Paragraph 2.1.7)

Functioning of the State Drug Control and Research Laboratory

- In West Bengal, there is only one laboratory *viz.* State Drug Control & Research Laboratory (SDCRL), Kolkata for testing samples drawn from the manufacturing and selling units by Drug Inspectors. SDCRL was not accredited with National Accreditation Board for Testing and Calibration of Laboratories (NABL). Punitive action could be taken against the manufacturer/ supplier of NSQ drugs only on the basis of test reports of the SDCRL.
- Out of 9,617 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.

(Paragraph 2.1.8)

Consumption of NSQ drugs by patients of Government hospitals

- The time taken for receiving test reports of 13 NSQ drugs was delayed between 10 to 52 days. Distribution of NSQ medicines was not blocked in Store Management Information System (SMIS). This resulted in consumption of NSQ drugs by the patients in Government health facilities.
- In four test-checked districts, 62 *per cent* of the medicines were distributed to patients without sending samples to Health & Family Welfare Department approved Testing Labs.

-
- In four test-checked districts, cost of 26 NSQ medicines amounting to ₹ 16.95 lakh was paid to the vendors.

(Paragraph 2.1.9)

The drug control in the State suffered due to these deficiencies. Significant number of manufacturers/ sellers continued to be in the drug business without valid licences. 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 drugs. Thus, consumers in the State remained exposed to serious health hazards from NSQ drugs.

(ii) Distribution of Superior Kerosene Oil through Public Distribution System

Introduction

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 in the State by West Bengal Kerosene Control Order, 1968 (Control Order) as amended from time to time. The State Government did not incur any expenditure for distribution of SKO. However, it fixed the incidental expenses payable to the Dealers/ Agents and was fully responsible for management of the distribution chain of SKO for its equitable distribution among the intended beneficiaries.

Deficiencies in distribution of SKO

- The combined population of Kolkata and Bidhannagar as per Census 2011 was 47, 12,208 which was much less than the number of Individual Ration Cards (IRCs) (64,26,484) tagged with the Agents. This resulted in reduction in per capita allocation. This also led to accumulation of undistributed SKO with the Dealers. There was also the possibility of siphoning of SKO into the open market.

(Paragraph 2.2.7)

Consumers paying higher charges on SKO

- In 14 districts, the district authorities introduced, a separate level called Big Dealers between Agents and Dealers. The stated reason was that big tankers of Agents could not travel to remote rural areas to reach the Dealers' selling points. The practice continued despite the fact that rural areas of these 14 districts were now better connected by *pucca* roads.
- The District Controllers of Food and Supplies (DCFSSs) were to ensure that where big dealers acted as intermediaries, the IRC holders were not required to pay higher price for SKO. However, in Raiganj Sub-Division, where Big Dealers existed, in December 2016 a litre of SKO reached the consumer at a price of ₹ 21.16. In the absence of Big Dealers, the price would have been ₹ 19.42. Hence, the consumer had to pay ₹ 1.74 extra for every litre of SKO.

- The State Government allowed handling and evaporation loss of SKO for Agents and Dealers at Kolkata at one *per cent* and two *per cent* respectively. It was observed by Audit that there was no system to verify the actual shortage. This was despite the Department's instruction that the allowed loss should not exceed the actual.

(Paragraph 2.2.7)

- 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.

(Paragraph 2.2.8)

Unexplained mismatch in quantities

- In Kolkata, during the period under review (60 months), stated total quantity of SKO sold by agents never matched the quantity received by dealers. In 40 months, dealers attached to agents received 40.51 lakh litres less SKO (20 *per cent*) than the stated quantity sold by agents (206.52 lakh litres).

(Paragraph 2.2.9)

Audit of Distribution of Superior Kerosene Oil through Public Distribution System revealed that deficiencies pointed out had resulted in increase in the price payable by consumers. On the other hand, full entitled quantities to consumers were not allocated. Thus, distribution of Superior Kerosene Oil through Public Distribution System at a subsidised price did not secure the objective of equitable and economical distribution of SKO.

(iii) Integrated Child Protection Scheme

Introduction

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. It envisaged to i) strengthen child protection at family and community level through creation of database and knowledge-base for child protection services, ii) institutionalise essential services, iii) strengthen structures and iv) enhance capacities at all levels. However, the Performance Audit has thrown light on many areas of deficiencies.

Project Implementation Plans

- As per guidelines, annual financial plan and its implementation plan were to be prepared by the State. Implementation plans fixing achievable physical targets were not prepared. As such Audit was unable to reach any conclusion about the adequacy and effectiveness of the departmental efforts in providing assistance to vulnerable children.

(Paragraph 2.3.6)

Legitimacy of Child Care Institutions

- Hon'ble Supreme Court had directed (September 2015) the State Government to ensure shifting of children from unregistered Child Care Institutions (CCIs) to registered ones. However, instead of complying with the directive of the Apex Court, ₹ 11.30 crore was disbursed to 15 to 21 unregistered CCIs in Kolkata during 2012-17.

(Paragraph 2.3.7)

Non-imparting formal education and vocational training

- 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 Children in Conflict with Law.
- There were no arrangement for providing vocational training in 12 CCIs (477 children) and eight Open Shelters (197 children).

Other deficiencies

- In case of two Open Shelters with 63 children in Kolkata, there was no staff to take care of children during the night.
- Two Government-run Homes, 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 in conflict with law (CCL) and Children in need of care and protection (CNCP). As a result, the spirit of the Act and scheme was breached.

(Paragraph 2.3.8)

Adoption

- Home Study Reports of 143 (83 per cent) prospective adoptive parents were found pending beyond the admissible period of 30 days. Thirty six cases were pending for three to six months, 29 cases for six months to one year and seven cases for more than one year.
- SSAs were to file adoption petitions before court within seven days from the date of acceptance of the child by adoptive parents. However, this was delayed in 110 cases. The delays ranged between one and more than six months as against the permissible limit of seven days from the date of acceptance of child by the adoptive parents. Further, 31 petitions were pending in Courts for issue of final adoption orders.

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.

(Paragraph 2.3.9)

Deficiencies in maintenance of Child Tracking System

- Eight CCIs with 431 children did not maintain Track Child, a web-enabled data management system aimed for child protection, reporting and monitoring of child protection schemes. There were 316 children in 12 Open Shelters who were outside the ambit of Track Child. The vulnerability of these children to go missing becomes high.

(Paragraph 2.3.13)

The Women & Child Development and Social Welfare Department along with Government-run as well as NGO-run Child Care Institutions have been playing an important role in protection of vulnerable children through implementation of the Integrated Child Protection Scheme. However, the Performance Audit identified many areas of deficiencies in planning, implementation and monitoring. Children in un-registered institutions remained outside the ambit of monitoring, leaving doubts on the safety, security and standard of care in institutions. 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.

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

Introduction

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.

Best practices for development of system viz User Requirement Specification, Data dictionary and Virtual Private Network connectivity were not followed.

Failure to ensure transparency and fair competition

- Access controls were not properly defined. As a result responsibility for errors of omission and commission could not be fixed.
- The limitations of the system coupled with further dilution of the controls by the WBCSSC, had grossly undermined the basic tenet of fair selection. While many eligible candidates were deprived of calls for Personality Test (PT), many ineligible ones were unduly allowed to appear in the PT and eventually some of them were selected for recruitment. Analysis of data pertaining to 1st RLST (Clerk) revealed that in 1,110 cases, eligible candidates were not called for PT and Type Test even after obtaining marks higher than the lowest scoring candidates called for PT. On the other hand, 24 ineligible candidates were called for PT. There were 12 instances of such ineligible candidates being finally empaneled for recruitment.

(Paragraph 2.4.6)

Unfair selection

- 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.
- Analysis of data pertaining to 1st RLST (Group D) revealed that in six cases, 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. Further, the Commission had not maintained any physical records beyond a period of six months from the date of publication of final panel list.

(Paragraph 2.4.7)

Absence of Audit trail

- 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.

(Paragraph 2.4.7)

Performance Audit of West Bengal Central School Service Commission has thrown light on instances of various control failures rendering the system susceptible to manipulation. There were various areas of control weaknesses and business rules violations in the IT Application used by WBCSSC, which rendered the results of the system unreliable.

2. Compliance audit observations

(i) Detailed compliance audit on Working of Digha Sankarpur Development Authority

Audit of activities of the Digha Sankarpur Development Authority (DSDA) has highlighted the following financial and operational deficiencies.

- Instances of idling of assets, especially newly constructed shops meant for rehabilitation of vendors, indicated deficient planning.
- Incomplete Storm-Water Drainage System and non-implementation of Solid Waste Management project resulted in discharge of contaminated water into the sea and open dumping of waste on the coast.

(Paragraph 3.1)

(ii) Detailed compliance audit on Implementation of Rashtriya Swasthya BimaYojana in West Bengal

- The State had not started covering new categories of beneficiaries (street vendors, *beedi* workers, domestic workers, building and other construction workers and MGNREGA workers) targeted to be brought under the scheme.
- The insurance companies fell short of the target of empanelling at least two hospitals in a block/ municipality. As many as 76 blocks/ municipalities in five test-checked districts were found to have either only one hospital or no hospital empanelled at all.

- Expeditious settlement of claims was crucial for successful implementation of health insurance scheme. However, the pace of settlement of claims by the insurance companies was unsatisfactory. In three of the test-checked districts, 3792 claims worth ₹ 1.90 crore for the period 2014-17 were pending. A number of private hospitals in two test-checked districts had discontinued services under the RSBY attributing the same to unsatisfactory services of the Insurance Companies.
- The RSBY patients had often to purchase medicines from shops in the open market. Thus, the basic aim of cashless treatment was not achieved.

(Paragraph 3.2)

(iii) Some other significant observations of non-compliance

Kolkata Metropolitan Development Authority did not consider the prevailing market value of land while raising demand of service charge for a sub-lease permission for 2.5 acres of land at Anandapur, Kolkata. This resulted in a loss of revenue of ₹ 18.08 crore.

(Paragraph 3.4)

Asansol Durgapur Development Authority allowed a contractor to deviate from the Detailed Project Report for a drain work at Durgapur. Such deviation reduced the scope of work. However, there was no revision in the contractual amount. This was tantamount to extending undue benefit of ₹ 7.30 crore to the contractor.

(Paragraph 3.5)

The objective of scientific management of municipal solid waste covering Asansol Urban Agglomeration Area in Bardhaman district remained unachieved. This was due to failure of Asansol Durgapur Development Authority and Asansol Municipal Corporation in arranging for encumbrance-free land coupled with non-supply of minimum guaranteed quantum of municipal solid wastes by urban local bodies. This resulted in open dumping of solid waste, which caused ground, surface water and air pollution.

(Paragraph 3.7)

Public Health Engineering Divisions in Jalpaiguri and North 24 Parganas districts initiated execution of water supply projects without ensuring clear title of the work sites. As a result, the works could not be completed. This also rendered the expenditure of ₹ 2.54 crore on the unfinished works unproductive. Hence, the residents of Uttar Latabari town in Jalpaiguri and Parmadan and Pathuria *mouza* in North 24 Parganas remained deprived of safe drinking water.

(Paragraph 3.9)

The authorities of both NRS Medical College & Hospital and the School of Tropical Medicine failed to detect the erroneous interpretation of the extant Government directives by contractors. They allowed excess payment of ₹ 1.67 crore on cleaning services during March 2015 to February 2017.

(Paragraph 3.10)

Chapter 1

Overview of the General and Social Sector

Chapter 1: Overview of the General and Social Sector

1.1 About this Report

This Report covers matters arising out of the audit of State Government Departments and Autonomous Bodies under the General and Social Sectors. The primary purpose of this Report is to bring to the notice of the Legislature the important results of audit. Auditing Standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of audit are expected to enable the Executive to take corrective action as also to frame policies and directives that will lead to improved financial management of the organisations contributing to better governance.

The Report has been organized in three chapters as under:

- Chapter 1, in addition to explaining the authority, audit jurisdiction, planning and extent of audit, provides a brief analysis of the expenditure of the Departments under the General and Social Sectors for the last five years, response of the Government to draft paras/ Performance Audits and follow up action on Audit Reports.
- Chapter 2 of this Report contains observations of performance audit on Social/ General Sector activities. This year, performance audits on Drug Control in West Bengal, Integrated Child Protection Scheme and Distribution of Superior Kerosene Oil through Public Distribution System have been included in the Report. Besides, a performance audit report on Information Technology (IT) based audit on Integrated Online Examination System of West Bengal Central School Service Commission has also been included in this chapter.
- Chapter 3 contains significant observations arising out of compliance audit of various Departments and their functionaries. Apart from individual paragraphs, this chapter includes reports on certain themes such as working of Digha Sankarpur Development Authority and Implementation of Rashtriya Swasthya Bima Yojana in West Bengal.

1.2 Profile of the General and Social Sector and audit jurisdiction

As per the Budget Publication, the Government of West Bengal releases 67 grants related to its various departments every year. The office of the Principal Accountant General (General & Social Sector Audit), West Bengal, is mandated to conduct audit of 2,259 units of various levels related to 34 Grants under General and Social Sectors. Besides, this office conducts audit of 126 bodies/ authorities which are either substantially financed from the Consolidated Fund of the State or audit of which have been entrusted by the Government under various sections of the Comptroller and Auditor General's DPC (Duties, Powers and Conditions of Service) Act, 1971 under these two sectors. List of the departments, autonomous bodies and companies under the audit jurisdiction of the office of the Pr. AG (G&SS Audit), West Bengal is shown in *Appendix 1.1*.

Trend of expenditures in major Departments under the audit jurisdiction of office of the Pr. AG (G&SS Audit), West Bengal during 2012-17 is shown in **Table 1.1**.

Table 1.1: Trend of expenditures of the Departments under the audit jurisdiction of office of the Pr. AG (G&SS Audit), WB with annual expenditure exceeding ₹ 100 crore

(₹ in crore)

Name of the Department	2012-13	2013-14	2014-15	2015-16	2016-17
Backward Classes Welfare	917.58	914.16	645.44	1,484.31	1,068.11
Child Development	\$	2,311.90	2,376.33	2,466.75	2,713.08
Correctional Administration	165.92	186.42	206.38	197.95	232.73
Development and Planning	284.24	271.87	294.00	343.36	323.23
Disaster Management	478.17	493.58	530.63	759.57	1,603.93
Finance	55,038.79	66,944.10	67,013.18	57,860.49	53,899.43
Fire & Emergency Services	194.33	225.29	199.19	282.25	246.64
Food & Supplies	3,004.44	2,707.30	1,288.35	3,958.69	8,156.28
Health and Family Welfare	3,901.64	4,723.99	6,252.44	7,727.98	8,124.24
Higher Education	2,016.97	2,444.05	2,488.52	2,631.41	2,960.22
Home	3,815.12	4,398.54	4,961.14	5,541.62	5,979.40
Housing	468.92	645.37	735.77	765.16	783.29
Information and Cultural Affairs	133.91	152.72	230.19	283.48	318.75
Judicial	454.32	466.78	517.09	533.17	620.01
Labour	383.48	505.42	706.38	652.11	753.50
Mass Education Extension and Library Services	202.36	198.82	224.60	241.25	277.99
Minority Affairs and Madrasah Education	1,356.33	1,746.10	1,973.57	1,814.35	1,579.78
Municipal Affairs	3,046.66	3,265.59	4,051.33	5,039.45	6,196.70
Panchayats and Rural Development	5,091.40	6,605.50	13,897.12	16,975.89	14,988.96
Public Health Engineering	1,009.33	1,354.22	1,429.32	1,879.02	1,947.16
School Education	13,849.86	14,500.99	16,592.53	16,833.02	18,599.25
Self-Help Group & Self-Employment	164.80	198.71	237.91	455.17	450.15
Technical Education & Training	366.21	468.12	641.51	622.37	699.19
Tribal Development	-	-	493.94 [#]	494.26 [#]	588.67 [#]
Urban Development	1,526.70	1,823.64	1,520.33	1,688.41	1,608.69
Women Development and Social Welfare	2,320.00 [*]	484.72	868.78	1,178.11	1,253.31
Others ¹	691.41	795.98	860.36	968.57	1,052.30
Total		1,00,882.89	1,18,833.68	1,31,254.33	1,37,024.99

Source: Sub-Head Accounts 2012-13 to 2016-17 and Appropriation Accounts.

^{*} Represents combined figures of Women & Child Development and Social Welfare Department. Child Development got separated w.e.f. 2013-14.

^s Subsumed in the figures of Women Development and Social Welfare Department.

[#] Came into being in November 2013, however, allotment made from 2014-15 onwards.

1.3 Authority for audit

Authority for audit by the CAG is derived from articles 149 and 151 of the Constitution of India and the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 (DPC Act). CAG conducts audit of expenditure of State Government departments under Section 13² of the CAG's DPC Act. CAG is the sole auditor in respect of autonomous bodies, which are audited under sections 19 (2), 19 (3) and 20 (1) of the DPC Act. In addition, CAG also conducts audit of other autonomous bodies which are substantially

¹ Others include Civil Defence, Law, Parliamentary Affairs, Governor's Secretariat, Council of Ministers, Personnel & Administrative Reforms, Legislative Assembly Secretariat, Refugee Relief & Rehabilitation and Sports & Youth Services.

² Audit of (i) all expenditure from the Consolidated Fund of State (ii) all transactions relating to Contingency Funds and Public accounts and (iii) all trading, manufacturing, profit & loss accounts, balance-sheets & other subsidiary accounts.

financed by the Government under Section 14 of DPC Act. Principles and methodologies for various audits are prescribed in the Regulations of Audit & Accounts, 2007, Auditing Standards and Performance Audit guidelines issued by the Indian Audit & Accounts Department.

1.4 Planning and conduct of Audit

Compliance Audit is conducted as per the annual audit plan. Units for audit are selected on the basis of risk assessment, which involves issues of topicality, financial significance, social relevance, internal control systems of the units, past instances of defalcation, misappropriation, embezzlement, etc. as well as findings of previous Audit Reports. Apart from the above parameters, all departmental units as well as important directorates and district level units are audited annually, so that fund flow to their subordinate formations come to the notice of Audit.

Inspection Reports are issued to the heads of units after completion of audit. Based on the replies received, audit observations are either settled or further action for compliance is advised. Important audit findings are processed further as draft paragraphs for inclusion in the Audit Report.

In case of performance audits, objectives and criteria are framed and discussed in entry conference with the concerned organisation. After conducting audit, the draft report is issued to the concerned Department. Observations arising out of audit effort are also discussed with the Departmental head in exit conference.

Formal replies furnished by the Department as well as views expressed by the Heads of Departments in exit conferences are carefully considered while finalising the materials for inclusion in the Audit Report. Audit Reports are laid before the State Legislature under Article 151 of the Constitution of India.

1.5 Lack of response of Government to audit

Principal Accountant General (General & Social Sector Audit), West Bengal, (PAG) arranges to conduct periodical inspection of Government Departments to test-check compliance to rules and regulations in transactions and to verify the regularity in maintenance of important accounting and other records as per the prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs) issued to the heads of offices inspected with copies to the next higher authorities. Important irregularities and other points detected during inspection, which are not settled on the spot, find place in IRs. Serious irregularities are brought to the notice of the Government by the office of the PAG.

Under the Regulations on Audit & Accounts, 2007, the officer in charge of the auditable entity shall send the reply³ to an Inspection Report (IR) within four weeks of its receipt. On intimation of any serious irregularity by Audit, the Government shall undertake *prima facie* verification of facts and send a preliminary report to Audit confirming or denying the facts within six weeks of receipt of intimation. Where the fact of major irregularity is not denied by the

³ Even if it is not feasible to furnish the final replies to some of the observations in the audit note or inspection report within the aforesaid time limit, the first reply shall not be delayed on that account and an interim reply may be given indicating the likely date by which the final reply shall be furnished.

Government in the preliminary report, the Government shall further send a detailed report to the Audit within three months of preliminary report indicating the remedial action taken to prevent recurrence and action taken against those responsible for the lapse.

Besides above, Finance Department of Government of West Bengal had also issued instructions (August 1982)⁴ for prompt response by the executive to IRs issued by the PAG to ensure timely corrective action in compliance with the prescribed rules and procedures and to ensure accountability for the deficiencies, lapses, etc. observed during inspections.

A six monthly report showing the pendency of IRs is sent to the Principal Secretary/ Secretary of the respective department to facilitate monitoring and settlement of outstanding audit observations in the pending IRs.

Inspection Reports issued up to March 2017 relating to 241 offices under four departments⁵ showed that 1463 paragraphs relating to 416 IRs had remained outstanding at the end of March 2017. It was observed that replies were received only in case of nine⁶ out of 81 IRs issued during the period from April 2016 to March 2017 relating to these four departments.

Department-wise and year-wise break-up of the outstanding IRs and Paragraphs are detailed in **Appendix 1.2**.

The unsettled IRs contain 270 paragraphs involving serious irregularities like theft, defalcation, misappropriation, etc. of Government money, loss of revenue and shortages, losses not recovered/ written off amounting ₹ 768.08 crore. The Department-wise and nature-wise analysis of the outstanding paragraphs of serious nature showed the following position:

Table 1.2: Analysis of outstanding paragraphs on serious irregularities (₹ in lakh)

Name of the department	Cases of theft/ defalcation/ misappropriation		Loss of revenue		Shortage/ losses neither recovered nor written off		Total	
	No. of paras	Amount	No. of paras	Amount	No. of paras	Amount	No. of paras	Amount
Disaster Management	10	29.81	02	63.25	06	34.99	18	128.05
Home (Police)	02	37.23	67	3,389.20	44	38,436.02	113	41,862.45
Urban Development	17	3,862.50	89	29,754.03	05	242.50	111	33,859.03
Technical Education & Training	06	32.84	04	177.63	18	747.61	28	958.08
Total	35	3,962.38	162	33,384.11	73	39,461.12	270	76,807.61

Source: Inspection Reports of respective units

Audit committees, comprising the Principal Secretary/ Secretary of the administrative departments and representatives of the Finance Department and Audit, were formed in 30 out of 34 Departments under the General and Social Sector for expeditious settlement of outstanding Inspection Reports/ paragraphs. Audit Committees were not formed by the remaining

⁴ Vide Memo No. 5703 (72)/FB dated 29.08.1982, effective from June 1982.

⁵ Home (Police) Department: 102 offices; Disaster Management Department: 57 offices; Technical Education & Training Department: 75 offices and Urban Development Department: 7 offices.

⁶ Home (Police) Department: 4 IRs; Disaster Management Department: 2 IRs; Technical Education & Training Department: Nil and Urban Development Department: 3 IRs.

four Departments⁷ under the General and Social Sector. Of the 30 Departments where audit committees were formed, meetings were held by only four⁸ Department during April 2016 to March 2017 where 68 paragraphs and 25 Inspection Reports were settled. Though other 26 Departments had Audit Committees, they did not hold any meeting during this period.

It is recommended that Government should ensure that a procedure is put in place for (i) sending replies to IRs/ paras as per the prescribed time schedule, (ii) recovery of losses/ outstanding advances/ overpayments, etc. in a time-bound manner and (iii) holding at least one meeting of each audit committee every quarter.

1.6 Response of the departments to draft audit paragraphs

Regulations of Audit & Accounts, 2007 stipulate that responses to draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India should be sent within six weeks⁹.

Draft paragraphs are forwarded to the Secretaries of the concerned Departments drawing attention to the audit findings and requesting them to send their response within prescribed time frame. It is also brought to their personal attention that in view of the likely inclusion of such paragraphs in the Audit Reports of the Comptroller & Auditor General of India which are placed before the Legislature, it would be desirable to include their comments on these audit findings.

Draft Paragraphs/ Performance Audits proposed for inclusion in this Report were forwarded to the Secretaries of the concerned departments between April 2016 and January 2017 through letters addressed to them personally. The concerned Departments/ Directorates did not send replies to eight out of 14¹⁰ Paragraphs/ Performance Audits featured in Audit Report.

The responses of concerned Departments/ Directorates as well as replies to initial audit memos, wherever received, have been suitably incorporated in the Report.

1.7 Follow up on Audit Reports

Audit Reports were not being laid before the Legislature in a timely manner as Audit Reports pertaining to the years 2011-12 and 2012-13 were laid together in July 2014. Similarly, Audit Reports of 2013-14 and 2014-15 were laid together in July 2016. The pattern indicates that in violation of the spirit of Constitutional and Legislative provisions, the State Government had made the laying of Audit Report, a biennial exercise.

Audit Report for the year 2015-16, which was submitted to the Governor in February 2017, was laid in March 2018.

⁷ Mass Education Extension & Library Services, Fire & Emergency Services, Self-Help Groups & Self Employment and Tribal Development Department.

⁸ Public Health Engineering Department- 2 meetings, Health & Family Welfare Department-1 meeting, Food & Supplies Department-1 meeting and Home Department-1 meeting.

⁹ State Government's Finance (Budget) Department, in its order issued in August 1982, however, directed all the Departments to submit their responses to proposed draft paragraphs within one month.

¹⁰ Excluding paragraphs of general nature each involving a number of Departments.

After tabling of the Reports of the CAG of India in the State Legislature, the State Government Departments are required to submit *suo motu* replies to the audit observations within one month. Review of outstanding replies on paragraphs included in the CAG's Reports on the General and Social Sector of the Government of West Bengal up to 2015-16 showed that replies on 217 paragraphs pertaining to the period 1981-82 to 2014-15 involving 28 Departments (excluding omnibus paragraphs involving a number of Departments) remained outstanding as of December 2017 (**Appendix 1.3**). Out of 217 paragraphs, 36 paragraphs pertaining to 2005-06 to 2014-15 were selected for discussion by the Public Accounts Committee (PAC). The remaining 181 paragraphs pertaining to the period 1981-82 to 2012-13 have not been selected.

As stipulated in the Rules of Procedure of the PAC, the administrative Departments were required to take suitable action on the recommendations made in the Reports of PAC presented to the State Legislature and submit comments on the action taken or proposed to be taken on those recommendations within six months.

Action Taken Notes on 18 paras contained in 15¹¹ Reports of the PAC, presented to the Legislature from 1993-94 to 2015-16 had not been submitted by 10¹² Departments to the Assembly Secretariat as of January 2018. These 15 Reports of the PAC had suggested disciplinary action, non-recurrence of incidents, etc. A few significant cases are elaborated in **Appendix 1.4**.

Thus, actions taken by administrative Departments on the recommendations of the PAC were found to be inadequate and wanting.

¹¹14th PAC Report 1993-94, 36th PAC Report 1999-2000, 14th PAC Report 2002-03, 18th PAC Report 2003-04, 29th PAC Report 2004-05, 1st PAC Report 2006-07, 4th PAC Report 2006-07, 9th PAC Report 2006-07, 32nd PAC Report 2010-11, 33rd PAC Report 2010-11, 29th PAC Report 2009-10, 2nd PAC Report 2012-13, 3rd PAC Report 2012-13, 12th PAC Report 2014-15 & 2015-16 and 13th PAC Report 2014-15 & 2015-16.

¹² Finance, Health & Family Welfare, Higher Education, Home, Municipal Affairs, Panchayat & Rural Development, Public Health Engineering, School Education, Social Welfare and Urban Development Departments.

Chapter 2

Performance Audits

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.
North Bengal Medical College & Hospital	Pantoprazole, Omeprazole, Rabeprazole	Excessive and un-controlled use of such drug enhanced the probability of some deadly disease like stomach cancer.
	Lignocaine Adrenaline Inj., Bupivacaine Inj., Betadine Lotion	Feeble action of drugs leading to delayed recovery of patients.
North Bengal Medical College & Hospital	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.

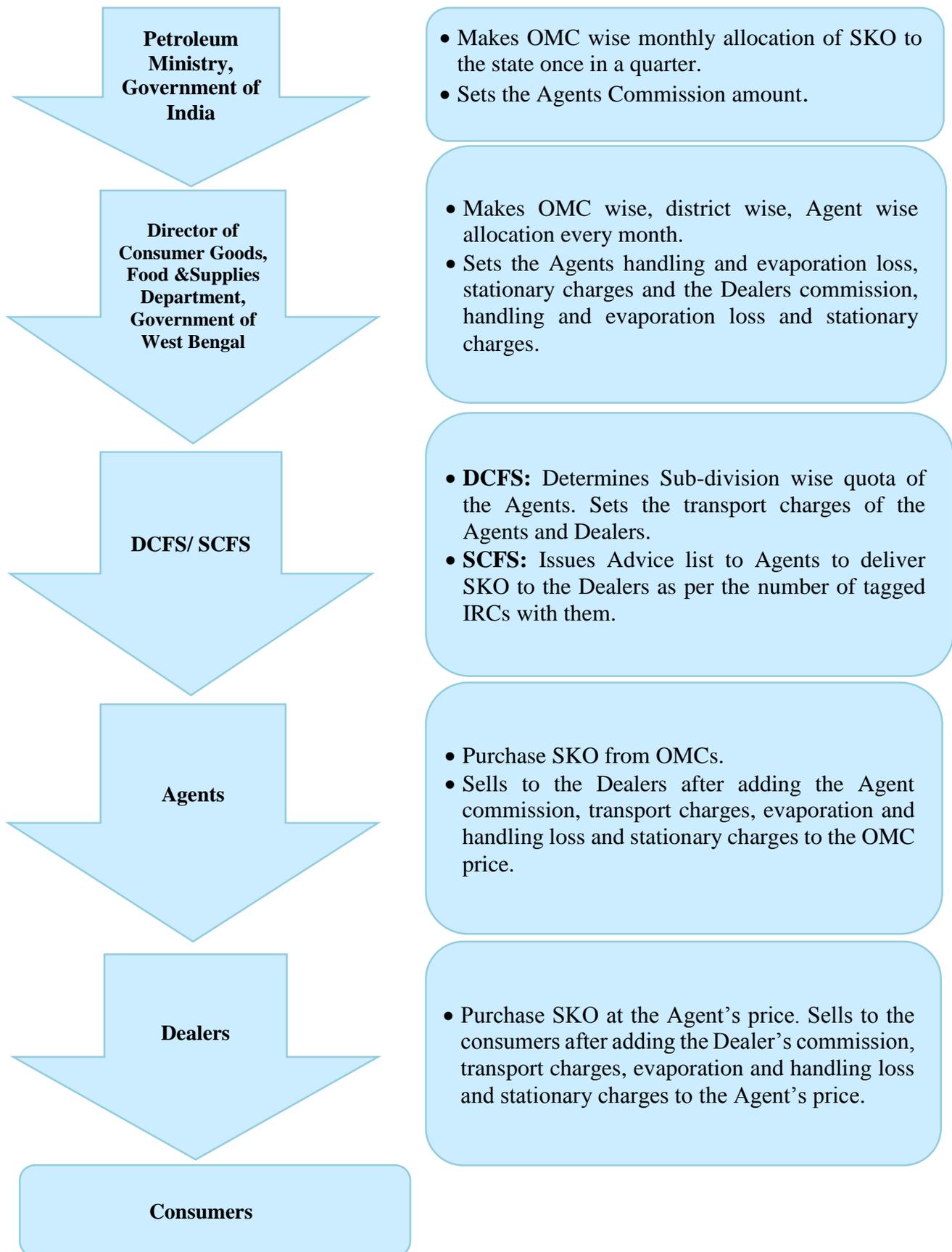
The distribution chain of SKO involves Oil Marketing Companies (OMCs), Agents and Dealers. Allocation is done by the Ministry of Petroleum for the State on a monthly basis once in a quarter. The DCG makes district-wise, OMC-wise and Agent-wise allocations. The Agents lift their SKO quota from the OMCs. 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**.

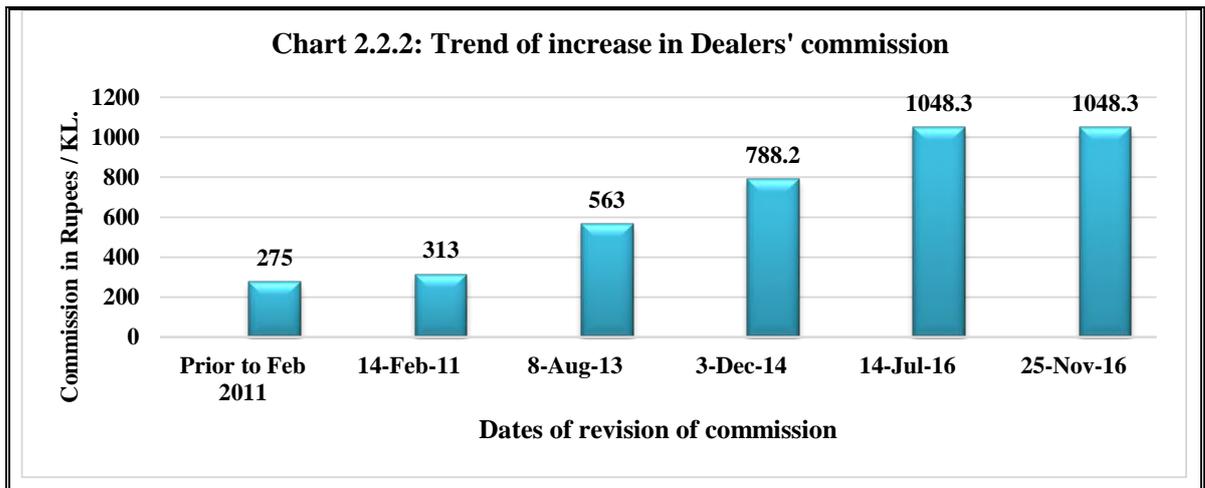
Table 2.2.3: Components of SKO price

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>i.e.</i>, 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 <i>per cent</i>) to 850 Sq. ft. (43 <i>per cent</i>) 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 Tamuk 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 Tamuk 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 Ghospukuria 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

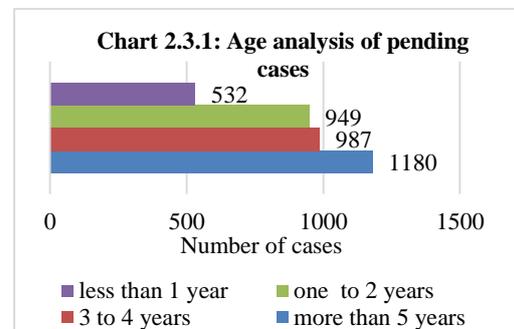
Statutory support services include Child Welfare Committee (CWC), Juvenile Justice Board (JJB) and Special Juvenile Police Units (SJPU) which are established under the Act¹¹⁷ as well as scheme for dealing with the children in need of care and protection (CNCP) and Children in conflict with Law (CCL).

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

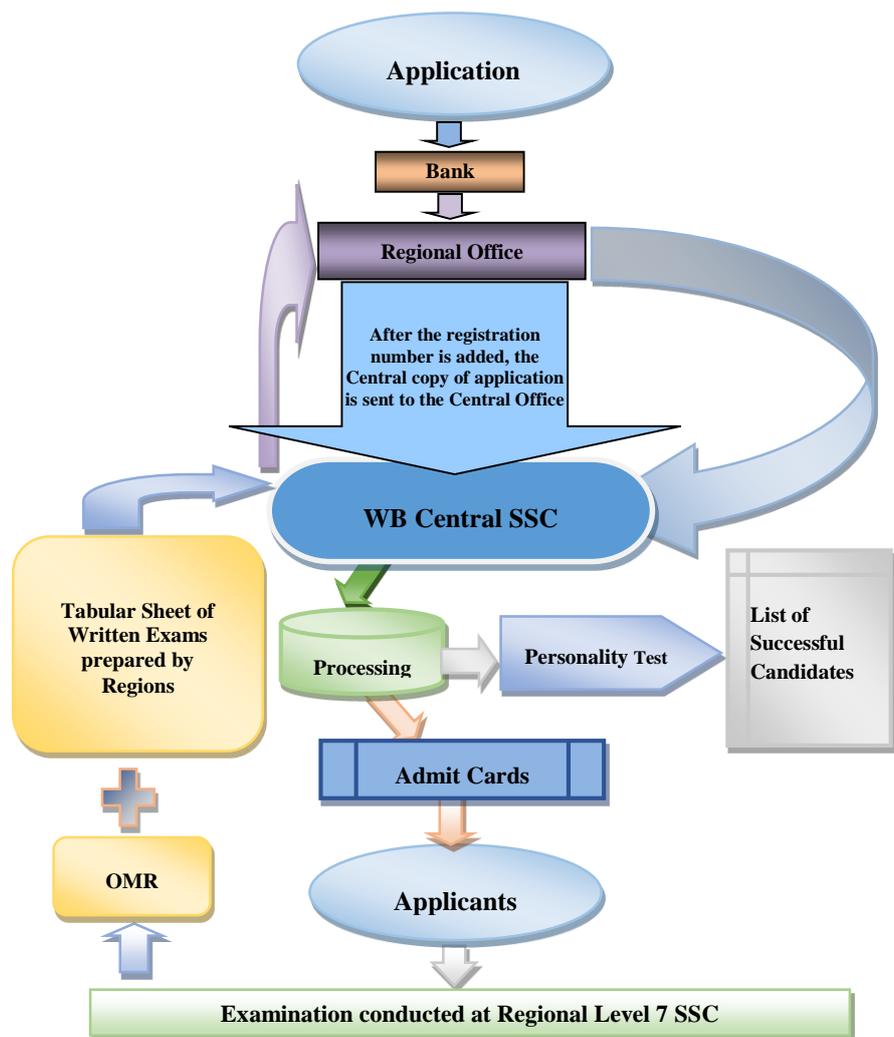
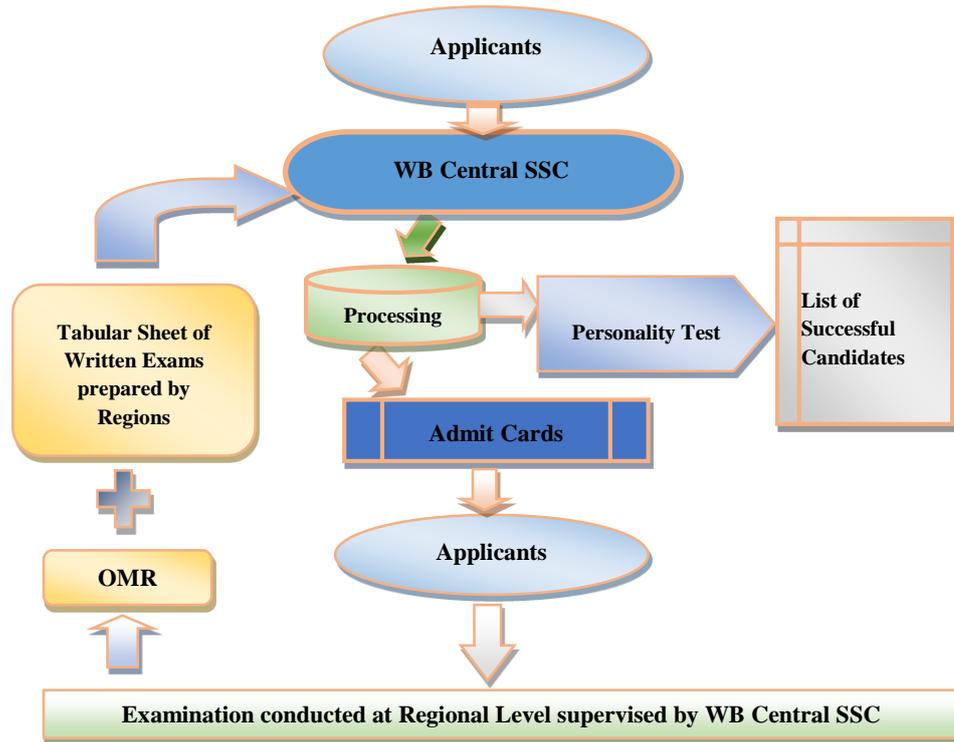


Chart 2.4.2: Process Flow Diagram of Examination System 12th RLST onwards



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.

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.



Online UPS remaining non-functional at Northern Region, Malda

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 furnish any reply though called for.

(b) Unauthorised change in caste category of candidates

Business rules¹⁴² 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.

Chapter 3

Compliance Audit

Chapter 3: Compliance Audit

URBAN DEVELOPMENT & MUNICIPAL AFFAIRS DEPARTMENT (DIGHA SANKARPUR DEVELOPMENT AUTHORITY)

3.1 Working of Digha Sankarpur Development Authority

Digha Development Authority was constituted in 1993 as a Statutory Body under the Urban Development Department. Consequent upon inclusion of Sankarpur in its jurisdiction in September 2003, it was renamed as Digha Sankarpur Development Authority (DSDA). As of March 2017, a total 17,220.04 acres of land spread over 51 *mouzas*¹ of Digha and Sankarpur in Purba Medinipur district was the “Planning Area” under its jurisdiction. It included 1,127.53 acres of land acquired by DSDA. Out of its planning area, it also had 8,752.62 acres of land in 42 *mouzas* adjoining to the coast of the Bay of Bengal. Objectives of DSDA included (i) preparation of development plan and (ii) undertaking projects and schemes for the entire planning area to develop Digha and Sankarpur as an attractive beach destination for tourists.

DSDA² functions under the administrative control of Urban Development & Municipal Affairs Department³. Its activities are managed by a Board constituted by the State Government as per provisions of Section 11 of the West Bengal Town and Country (Planning and Development) Act, 1979 (WBTCP Act). The Executive Officer (EO), who is the Member Secretary of the Board, supervises activities of DSDA. There are four wings *viz.* Engineering, Planning, Administrative and Accounts wings under DSDA. The EO is assisted by engineers in their respective fields.

Working of DSDA was subjected to audit between January and April 2017 encompassing a period from 2011-12 to 2016-17. Records of the Urban Development & Municipal Affairs Department (UD & MA) and DSDA were test-checked. The objectives of audit was to examine whether

- Planning for development of the area was effective;
- Schemes taken up for infrastructure development were appropriate. These were executed keeping in view development of sea-side tourist destination at Digha and adjoining areas;
- Coastal zone rules and regulations had been complied with in course of development of the area;
- Financial management was prudent and
- Internal controls were adequate and functioning of DSDA was adequately monitored.

For assessing the performance of the DSDA, the criteria used were sourced from

- Norms and procedures laid down in the West Bengal Town and Country (Planning and Development) Act, 1979;

¹ *Mouza is a land area consisting of one or more village/ settlement for administrative purpose.*

² *Established under the West Bengal Town and Country (Planning and Development) Act, 1979.*

³ *Erstwhile Urban Development Department has since been merged with Municipal Affairs Department in December 2016.*

- Guidelines of individual schemes framed by Government of India (GoI)/ Government of West Bengal (GoWB) and executed by DSDA;
- Acts and rules relating to environment (*viz.* Environment (Protection) Act 1986, Coastal Regulation Zone (CRZ) Notification 2011);
- Public Works (PW) Code and
- Development Authority (Audit & Accounts) Rules, 1981 (DA Rules).

Audit Findings

3.1.1 Financial management

The main sources of funds of DSDA included grants/ subsidy from the State/ Central Government for different development schemes and loans from State Government. Besides, DSDA earned revenue from sale proceeds/ lease rent of land, shops, etc. and by levying various charges/ fees⁴. The summarised position of total income and expenditure of DSDA during 2011-12 to 2016-17 was as shown in **Table 3.1**.

Table 3.1: Income and expenditure of DSDA during 2011-12 to 2016-17

(₹ in lakh)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Surplus brought forward from last year	0.00	46.51	334.20	759.02	845.31	963.00
Total Income	408.16	645.51	787.96	576.54	670.37	1,383.01
Total Expenditure	361.65	357.82	363.14	490.25	552.68	903.19
Accumulated surplus	46.51	334.20	759.02	845.31	963.00	1,442.82

Source: Annual Accounts of DSDA

Non-preparation of annual budget: According to Section 110 of the WBTCP Act read with Development Authority Rules, DSDA was to submit budget to the State Government for the next financial year on or before 1 November every year, showing the estimated income and expenditure in prescribed forms.

It was, however, noticed that DSDA did not prepare annual budget for the years 2011-12 to 2016-17. All development schemes were taken up on the basis of availability of funds from the State Government.

The DSDA replied that the administrative department prepared a provisional budget mainly on the basis of current year's expenditure. The reasons for absence of submission of specific budget provision by DSDA, was, however, not on record.

3.1.2 Developmental Plan: Land Use & Development Control Plan (LUDCP)

Under Section 31 of the WBTCP Act, every Development Authority should within two years of declaration of planning area and with the approval of State Government, prepare Land Use & Development Control Plan (LUDCP).

⁴ Sale of forest products/ wood, stalls, development charges, tourist civic amenities charges, penalty of plot, room service, fees & subscription (from parking, catering unit, lavatory, picnic spot, stall & plot transfer, hoarding, Government library, boating & entry fees from park), rent of guest house & land, interest from savings account, term deposits, etc.

The objective was formulating the policy and the general proposal in respect of the development of land and indicating broadly the manner⁵ in which the land is proposed to be used.

It was observed that out of total 17,220.04 acres (51 *mouzas*) of land under the planning area, DSDA had prepared LUDCP only for 8,752.62 acres (51 *per cent*) covering 42 *mouzas*. This was approved (March 2001) by the UD Department. The LUDCP for the remaining area of 8,467.42 acres (nine *mouzas*) was not firmed up as of August 2017 even after lapse of over five years from the dates of notification. Assessment and identification of areas available for various development works were thus restricted to that extent leaving possibilities of unplanned growth in its planning area.

Out of the total available funds of ₹ 38.62 lakh meant for preparation of LUDCP, DSDA utilised ₹ 25.73 lakh (66.62 *per cent*) during 2010-11 to 2015-16. The balance amount of ₹ 12.89 lakh (33.38 *per cent*) had been parked in the personal deposit account (maintained in Treasury) as of March 2016. However, the preparation of LUDCP of the remaining nine *mouzas* was not finalised as of August 2017.

In reply, the DSDA authority stated that the LUDCP could not be prepared as the classification of land and demarcation of High Tide Line, Low Tide Line and Hazard Line had not been finalised. The reply was not tenable as nothing was forthcoming from the records to indicate that adequate steps were initiated for finalisation of the LUDCP for the remaining *mouzas*.

3.1.3 Activities under Integrated Coastal Zone Management Plan (ICZMP)

GoI sanctioned (June 2010) a world bank assisted pilot project 'ICZMP' for West Bengal at a cost of ₹ 65.25 crore which was subsequently revised to ₹ 77.44 crore. The objective was to achieve sustainable development of coastal and marine areas by preserving and protecting the biological diversity of coastal ecosystem. The project was to be implemented during April 2010 to March 2015. The aim of the project was to attract tourists and boost the economic condition of the local people without any adverse effect on the environment. ICZMP components like (i) Solid Waste Management (SWM), (ii) Development of Drainage System (DDS), (iii) Beach Cleaning & Sanitation, (iv) Beach Beautification & Illumination and (v) Livelihood Generation were selected for implementation by DSDA.

3.1.3.1 Incomplete Storm-water Drainage System

There was no comprehensive storm water drainage system⁶ at Digha-Sankarpur area. Drains, constructed to flush out excess water during high tides, had also carried sullage⁷. Due to this, polluted water was ultimately discharged into the sea. To upgrade the existing drainage system, DSDA

⁵ Such as residential, industrial, commercial, agriculture, natural scenic beauty, forest, wild life, natural resources, fishery, landscaping for public and semi-public open space, parks, playgrounds, water bodies, etc.

⁶ Storm water is the excessive quantity of surface water that flows over the ground consequent upon rainfall, which may cause flood in the area thereby causing damage to life or property. The storm water drainage system helps prevent floods by diverting these surface water into nearby waterways.

⁷ Waste water from household excluding waste liquid or excreta from toilets.

took up (June 2010) the work of covered storm water drainage system at Digha at a cost of ₹ 41.40 crore under ICZMP. Initial DPR was prepared by West Bengal Consultancy Organisation Ltd. It was approved by Institute of Environmental Studies and Wetland Management (IESWM), an institute under the Environment Department working as the State Project Management Unit for ICZMP, West Bengal. A private concern, I-Win Advisory Services Ltd., was supervising the implementation of the project on behalf of the Institute.

As of March 2017, the authority could execute drainage works of 20 km. at a cost of ₹ 26.22 crore out of targeted length of 41 km. The balance work could not be completed even after lapse of six years from initiation of work. This was due to non-availability of free work fronts due to unauthorized encroachment. Further, the design of the drain had no provision for routine cleaning of silt and sediments. An unsuccessful demonstration⁸ (November 2013) on cleaning of drain made it evident that the cleaning would never be possible without using costly machinery. The drains and covers, moreover, were hazardous to pedestrians. No efforts, however, were found to be taken by DSDA as of April 2017 either to arrange for cleaning machineries or for corrective action.

During physical verification (April 2017) by Audit conducted jointly with DSDA officials it was observed that:

- The drainage works were segregated in seven zones. The works had been carried out intermittently, where sites were available for construction. The drains were not connected to the outfalls.
- In four⁹ zones, drains were constructed along the middle of the road. The perforated holes on the concrete cover slabs, for passing of water to the drain, were found blocked/ choked by mud, sand and vegetative growth.
- In two¹⁰ zones, the cover slabs were laid above the level of the existing road. This rendered the construction works unfruitful, as it could not drain out the storm water.

The polluted sewerage continued to be discharged into the sea, as the drainage work was incomplete. Chemical analysis of sea water conducted (August 2016) by West Bengal Pollution Control Board (WBPCB) revealed that the water had become alkaline and had an irritating effect on the skin. Further, the Total Suspended Solids¹¹ value had been increased from 22 in August 2010 to 232 in April 2016. This had an adverse impact on the aquatic life. The level of Dissolved Oxygen¹² in water had been decreased from six (in July 2014) to 1.80 in January 2016 putting aquatic life in stress.

⁸ Organized in presence of contractors, consultants and representatives of the State Project Management Unit

⁹ Zones 1 to 4

¹⁰ Zones 3 and 4

¹¹ Total Suspended Solids (TSS) include particles suspended in water, which will pass through the filter. For clear water TSS < 20 mg./lt., TSS between 40 and 80 mg./lt. represents cloudy water, while TSS > 150 mg./lt. usually denotes dirty water.

¹² Dissolved Oxygen is the amount of gaseous oxygen dissolved in the water.



Polluted water discharging into the sea near Jagannathghat temple at Old Digha



Stagnant water inside the incomplete storm water drain near New Digha (Jatra Nala)

3.1.3.2 Non-implementation of Solid Waste Management (SWM) Project

Digha-Sankarpur was visited by 3.15 crore tourists during the period 2012-17¹³. It had developed into a major coastal tourism hub. As per a survey¹⁴ (August 2013), out of an average daily waste of 15 Tonnes Per Day (TPD) generated in the DSDA area, 3.36 TPD was disposed of in the open dumping site near Jatranala adjacent to the sea. An Integrated Solid Waste Management Project, at an estimated cost of ₹ 9.22 crore, was sanctioned (June 2010) under World Bank assisted ICZMP. It covered the source segregation, collection, transportation, processing and scientific disposal of waste. The cost of operation & maintenance (₹ 2.16 crore *per annum*) of the project was to be borne by DSDA. The project was not implemented by DSDA for want of funds for operation and maintenance. As a result, waste was dumped on the coast which led to environmental hazards.



Solid wastes dumped at Jatra Nala near sea



Solid wastes dumped roadside at Jatra Nala near sea at New Digha

3.1.3.3 Unfruitful expenditure on Hawkers' Kiosk at Old Digha

DSDA took-up (March 2013) a project of Integrated Beach Front Development consisting of various development components¹⁵ at a total expenditure of ₹ 10.30 crore. It was observed that DSDA had incurred an expenditure of ₹ 7.63 crore as of March 2017.

The scope of work included construction of 56 Hawkers Kiosks, which was completed at a cost of ₹ 1.14 crore. After construction of Kiosks, the

¹³ Upto June 2016

¹⁴ Done by Credit Rating Information Services of India Limited Risk and Infrastructure Solutions Ltd. for Integrated Solid Waste Management at Digha.

¹⁵ (i) Development of Vendor Rehabilitation (including Hawkers' Kiosks), (ii) Children's park & landscaping at Old Digha near Kalyan Kutir opposite Saikatabas, (iii) Development of Vendor Rehabilitation at New Digha and (iv) Landscaping of Jagannath Mandir Ghat near Marine Aquarium.

Government decided (December 2014) to shift¹⁶ these Kiosks to make provision for sitting arrangements and gardening. Accordingly, the Kiosks were shifted (November 2015) at an expenditure of ₹ 39.71 lakh. No survey/ feasibility study regarding demand of stalls at the new location, was, however, conducted before shifting of the kiosks.

Audit scrutiny showed that out of 56 Kiosks, only 13 were distributed. The remaining 43 Kiosks were lying undistributed as of April 2017 for lack of demand.

Thus, the purpose of hawkers' rehabilitation in Old Digha remained largely unachieved even after an expenditure of ₹ 1.54¹⁷ crore due to unplanned shifting of site. In its reply, the authority stated (May 2017) that the rest of the stalls would be distributed shortly. However, prospect of the same appeared bleak as the hawkers had not shown any interest to shift to these new stalls.

3.1.3.4 Idle expenditure on construction of shops at New Digha

DSDA constructed (February to November 2015) 30 single storied shops at an expenditure of ₹ 45.64 lakh for rehabilitation of hawkers. It was observed that none of these shops were distributed among the vendors as of April 2017 for reasons not on record. Thus, the expenditure remained idle for more than 17 months. In reply, DSDA stated that the stalls would be distributed shortly.

3.1.3.5 Unfruitful expenditure on installation of water supply pumps

CRZ Notification, 2011 prohibits drawal of ground water and related construction within coastal areas with the following exceptions:

- (i) In the areas inhabited by local communities and only for their use;
- (ii) In the areas between 200 meters and 500 meters of High Tide Level, the drawal of ground water shall be permitted only when done manually through ordinary wells for drinking, horticulture, agriculture and fisheries and where no other source of water is available and
- (iii) It can be tapped only with the concurrence of the State Ground Water Board.

Public Health Engineering Department (PHE Department) sanctioned (October 2013) 'Mandarmoni and adjoining *mouzas* Water Supply Scheme' for supply of piped potable drinking water to six *mouzas* of Ramnagar-II Block. This was to cover a design population¹⁸ of 9,000 (fixed) and 7,000 (floating) including 5,000 fishermen at an expenditure of ₹ 3.42 crore. The scheme was executed by the PHE Division, Tamluk. The completed work included (i) sinking of two ground tube wells, (ii) construction of one concrete overhead reservoir, (iii) installation of one Pump House and (iv) 85 *per cent* of distribution of pipeline (out of total executable length of 26.635 km.) at a cost of ₹ 2.17 crore. Neither DSDA nor the PHE Division had sought approvals from West Bengal State Coastal Zone Management Authority (WBSCZMA), though the scheme was executed in CRZ. Even the No-Objection Certificate (NOC) of the State Ground Water

¹⁶ From the site near Saikatabas to Bay-Café side at western side of 1st Ghat/ Jagannath Ghat Sea approach road.

¹⁷ ₹ 1.14 crore + ₹ 0.40 crore

¹⁸ Design of water supply and sanitation scheme is the projected population of a particular coverage area, estimated for the design period.

Board had not been obtained for drawal of water from CRZ area. As a result, the Honorable National Green Tribunal, Eastern Zone had imposed (May 2016) an injunction on any further construction in the area. Hence, the work had been lying incomplete since May 2016.

Thus, violation of stipulations prescribed under the CRZ Notification, 2011 led to an unfruitful expenditure¹⁹ of ₹ 2.17 crore on a water supply scheme in CRZ area.

3.1.4 Deficiencies in collection of revenue

In course of scrutiny in audit, it emerged that there were deficiencies in the collection of revenue, as explained in **Table 3.2**.

Table 3.2: Instances of deficiencies noticed in collection of revenue

Sl. No.	Category of revenue to be collected	Audit Criteria	Findings in audit	Audit Comments
1	Short-charging of transfer fees against sub-lease of land	As per notification ²⁰ issued by the UD Department in November 2010, the Development Authorities were to charge fees against allowing permission for transfer of land on sub-lease, subject to a ceiling of ₹ 30,000 per <i>cottah</i> or one-fourth of the market value of land whichever was higher.	DSDA had allowed 40 cases of transfer or sub-lease of land during 2012-13 to 2016-17 (up to January 2017) involving 32 plots of land. DSDA had charged less than the stipulated minimum amount (<i>i.e.</i> one-fourth of the market value certified by the Additional District Sub-Registrar (ADSR), Ramnagar, Purba Medinipur) as transfer fees in contravention of the notification. Against the minimum chargeable transfer fee of ₹ 10.17 crore in those 40 cases of sub-lease, DSDA had collected only ₹ 4.62 crore. This resulted in a loss of revenue of ₹ 5.55 crore.	The authority, in reply, stated that the prescribed procedure was followed since October 2016. However, the reply was not tenable as deviation was observed in January 2017 also.
2	Loss of revenue due to non-collection of Tourist Civic Amenities Charges (TCAC)	As per provisions of the WBTCP Act, 1979 and Gazette Notification (September 1995), DSDA was to collect TCAC from tourists (occupying rooms at Hotels/ Lodges/ Guest houses) within jurisdiction of DSDA.	Records of Tourism Department showed that 3.15 crore tourists visited Digha-Sankarpur during the period from 2012-13 to 2016-17 (up to December 2016). An amount of ₹ 25.16 crore was to be collected from those tourists. However, only ₹ 2.47 crore was collected as TCAC resulting in loss of revenue of ₹ 22.69 crore.	The authority attributed (April 2017) the same to dearth of manpower and lack of infrastructure for collection of revenue. The reply was not tenable as nothing was on record to indicate that adequate initiatives were taken to address the issue.
3	Loss of revenue due to non-collection of development charges at enhanced rate	Under Section 102 and 103 of the WBTCP Act, 1979 as amended from time to time, Development Authorities were to impose and collect development charges in respect of Planning Areas under its jurisdiction. The development charges were to be levied upon	The rates of development charges were revised from time to time by the Department. The last revision of rate was done by the UD Department in September 2008. DSDA, however, felt that the new rate was exorbitantly high and continued to levy development charge at older rate (fixed in August 2005). In October 2011 and later in October 2015, DSDA appealed to the UD Department for reduction of rate, which had not been acceded to by the department.	The authority had voluntarily foregone possible revenue of ₹ 1.20 crore ignoring order of the Government.

¹⁹ Includes committed liability of ₹ 0.97 crore

²⁰ Notification no. 3930-UD/O/MLA-11/2010 dated 23.11.2010

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Sl. No.	Category of revenue to be collected	Audit Criteria	Findings in audit	Audit Comments
		the persons or body carrying out any development work or change in nature of use of any land under Authorities' area.	Test-check showed that in 291 cases pertaining to the period 2011-12 to 2016-17 (February 2017) authority had collected an amount of ₹ 1.38 crore at the old rates against ₹ 2.58 crore leviable at new rates. This resulted in short-realisation of ₹ 1.20 crore.	
4	Loss due to non-collection of sanitation charges	In order to meet the expenditure incurred on conservancy services ²¹ in Digha/Sankarpur/Mandarmoni having no municipality/corporation, DSDA proposed (July 2014) the Department of Urban Development for levy of Civic Amenities Charges (sanitation charges) at the rate of ₹ 50 per room per year from the owners of hotel within the DSDA area.	The Department approved the said proposal in August 2014. DSDA, however, did not collect the sanitation charges from the hotels till March 2017 for reasons not on record. No efforts were taken to collect the sanitation charges though DSDA engaged a private agency for collection of TCAC on commission basis. It was seen that there were 582 hotels (509 in Digha-Sankarpur and 73 in Mandarmoni) consisting 10,433 rooms under the jurisdiction of DSDA. Thus, ₹ 5.22 lakh (10,433 rooms x ₹ 50 per room per year) could have been earned annually since September 2014.	In reply, the authority stated that the sanitation charges would be collected on completion of Sewerage Treatment Plant (STP). The reply was not tenable as records did not indicate the inter-relation between the collection of sanitation charges and completion of STP.
5	Loss of revenue on leasing out of a tourist lodge	The authority decided (December 2014) to lease out "Saikatabas" tourist lodge at Digha including its catering unit.	The Authority floated (May 2015) online notice of Expression of Interest. However, no response was received. Resultantly, second call was made (June 2015) against which four ²² bidders had participated with highest bid price of ₹ 1.25 crore per year offered by Agency A ²³ . DSDA, however, cancelled (June 2015) the tender on the plea of "unavoidable circumstances" without citing any specific reason. In July 2015, the authority fixed the reserve price at ₹ 1.50 crore and called for (September 2015) the tenders for the third time. This time, only two bidders responded, highest bid price being ₹ 1.10 crore per year offered by Agency B ²⁴ . The contract was awarded to the highest bidder (Agency B) for an initial period of one year for 2016-17, renewable for another two years.	The specific reason for cancellation of the second tender, which had fetched the higher offer (of Agency A), was not intimated to Audit though called for. It indicated lack of transparency in the process. Thus, cancellation of the second bid for reasons not on record resulted in annual loss of revenue of ₹ 15 lakh. The authority stated that the highest bid in second call was below the reserve price. The reply was not tenable as the reserve price of ₹ 1.50 crore was fixed (July 2015) after cancellation of the second bid. Moreover, authority accepted the third bid offer well below the reserve price.

Source: From the records of DSDA

²¹ Civic services like street lights, water supply, cleaning of roads, drains, sanitation, etc.

²² 1. Apanjan Hotels Pvt. Ltd., 2. Gitanjali Hotel & Restaurant, 3. Punjab Sweets Hotel & Restaurant and 4. Maa Debi Chandi Hotel-cum-Restaurant.

²³ Maa Debi Chandi Hotel-cum-Restaurant

²⁴ Punjab Sweets Hotel & Restaurant

3.1.5 Miscellaneous issues

3.1.5.1 Wasteful expenditure on installation of LED Display Boards

DSDA installed two Light-emitting Diode (LED) Display Board at Digha in March 2015 at a cost of ₹ 14.54 lakh for the convenience of the tourists. Neither of the boards functioned for even a single day since installation. It was further observed that out of the two boards, one installed at Old Digha had been destroyed. DSDA invited (September 2014) tenders for repair and leasing out of the display board installed at New Digha for commercial purposes; but, no agency had put forth their bid.

Thus, the expenditure of ₹ 14.54 lakh on installation of display boards remained unproductive. In reply, the authority stated that it was mainly due to saline weather of the area that the display boards became non-operational.

The reply was not tenable as the issue of saline weather was not contemplated prior to installation of the board. It indicated planning deficiency on the part of DSDA.

3.1.5.2 Installation of Decorative Street Light without tender formalities

As per instruction of Finance Department issued in June 2012, open tender should invariably be invited for the supply of articles or stores or for execution of works and services worth ₹ 1 lakh or more.

Scrutiny of records showed that the authority had undertaken (December 2011) the work “Decorative Street Light Arrangement from Digha By-Pass to New Digha sea beach” at an estimated cost of ₹ 51.14 lakh. The work, was, however, awarded (December 2011) to a contractor without inviting open tenders.

In reply (April 2017), the authority stated that the authority would adhere to financial norms/ provisions in future.

3.1.5.3 Encroachment of DSDA land

Review of records revealed that for the purpose of WBTCP Act, the “Planning Area” under the jurisdiction of DSDA was spread over an area of 17,220.04 acres (in 51 *mouzas*) as of March 2017. Out of this Planning Area, 1,127.53 acres was acquired by DSDA. Out of the acquired land, DSDA failed to take physical possession of 28.503 acres of land, as the same was encroached upon by unauthorised occupants. There was no record to show any effort of DSDA to take administrative measures to prevent/ remove encroachment therefrom. In reply (April 2017), the authority stated that efforts would be taken to evict the unauthorised occupants.

3.1.6 Conclusion

Audit of activities of the Digha Sankarpur Development Authority has highlighted various deficiencies. Lack of initiative on the part of the authorities in tapping the possibilities for enhancing its revenue was apparent. There were instances of idling of assets, especially newly constructed shops meant for rehabilitation of vendors. It was indicative of deficient planning.

As the Digha Sankarpur Planning Area fell under the Coastal Regulation Zone, various restrictions on development activities were in place. Instances, were, however, noticed where DSDA implemented various developmental and infrastructural activities without requisite approval from appropriate

authorities. Incomplete Storm Water Drainage System and non-implementation of Solid Waste Management project resulted in discharge of contaminated water into the sea and open dumping of waste on the coast.

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

HEALTH & FAMILY WELFARE DEPARTMENT

3.2 Implementation of Rashtriya Swasthya Bima Yojana in West Bengal

Government of India (GoI) introduced²⁵ ‘Rashtriya Swasthya Bima Yojana (RSBY)’ from 2008-09 to provide health insurance cover to Below Poverty Line (BPL) families. The beneficiaries under RSBY were entitled to hospitalisation coverage up to ₹ 30,000. The coverage extended to a maximum of five members of the family. The family included the head of the household, spouse and up to three dependents. The Government fixed the package rates for the hospitals for various interventions.

The scheme: To provide health insurance coverage, State Government selected one or more health Insurance Companies (ICs) on a periodical basis through tenders. The ICs were required to empanel sufficient number of Government and private health providers/ hospitals, so that beneficiaries need not travel far. The premium amount was to be shared by the GoI and the State at 60:40 ratio (75:25 prior to 2015-16). The empanelled hospitals, after rendering free treatment to the patients, were to prefer the claim to the IC/ Third Party Administrator (TPA). The claims were to be settled within 30 days. The beneficiary had to pay a one-time fee of ₹ 30 at the time of enrolment. Apart from this, the Central Government also paid ₹ 60 per beneficiary as the cost of card.

Organisational set-up: In West Bengal, the scheme was first implemented by the Labour & Employment Department. From September 2013, it was transferred to the Health & Family Welfare (H&FW) Department. The State Nodal Agency (SNA) was responsible for implementation of RSBY in the State. The SNA was headed by the State Nodal Officer (SNO)²⁶, who was also the Secretary, H&FW Department.

Audit coverage: The audit of “Implementation of RSBY in West Bengal” was conducted during January to June 2017 covering the period 2012-17. The records of SNA, RSBY and District Nodal Officers (DNOs) of six districts²⁷ were test-checked. Audit team also visited some Government hospitals and Private Nursing Homes empanelled for RSBY in the test-checked districts. The audit findings are discussed in the following paragraphs.

²⁵ The scheme was originally introduced by the Ministry of Labour & Employment, Government of India, wherefrom the responsibility of carrying out the scheme was shifted to the Ministry of Health & Family Welfare with effect from April 2015.

²⁶ The State Nodal Officer (SNO) was assisted at the district level by the Additional District Magistrates, designated as District Key Managers (DKMs). The DKMs were in turn assisted by the District Nodal Officers (DNOs). At Gram Panchayat/ village level, the Accredited Social Health Assistants (ASHAs) were nominated as Field Key Officers (FKOs). They were to visit each enrolment station jointly with the IC representatives for identification and enrolment of beneficiaries and issue of Smart cards.

²⁷ Bardhaman, Murshidabad, Uttar Dinajpur, Dakshin Dinajpur, Paschim Medinipur and Jalpaiguri selected through random sampling method. The district of Alipurduar was created from 25 June 2014 after bifurcation of Jalpaiguri district. RSBY operations for the new district were continued from the Jalpaiguri for some time even after its bifurcation.

Audit Findings

3.2.1 Coverage of beneficiaries

As of June 2017, the GoI considered i) the people belonging to the Below Poverty Line (BPL), ii) Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) Job Card Holders and iii) Handloom Weavers (from 2016-17) as eligible beneficiaries under the RSBY scheme in West Bengal. As per the guidelines of RSBY as well as the agreements executed between the Insurance Companies (ICs) and the SNA, enrolment of the beneficiaries was to be undertaken by the ICs. During the enrolment period, the ICs were to enrol and issue Smart cards to the BPL beneficiaries with the help of Accredited Social Health Assistant (ASHA) workers. The enrolment was to be done at the enrolment station/ village level based on the soft data on beneficiaries provided by the SNA. Further, the enrolment process was to continue at the designated centres even after the enrolment period was over to provide smart cards to the remaining beneficiaries. The enrolment process was to be repeated every year. The ICs in consultation with the State Government/ Nodal Agency were to chalk out the enrolment cycle up to the village level. During enrolment, a Government official was to identify the beneficiaries in presence of the insurance representative.

Scrutiny of records of the District Nodal Offices of the six test-checked districts as well as State Nodal Agency (SNA) relating to enrolment of RSBY beneficiaries during 2012-17 indicated the following:

3.2.1.1 Progress in enrolments

The main objective of the scheme was to i) provide the enrolled beneficiaries with a health insurance cover and ii) to protect them from the financial shocks arising out of emergency medical situations. This meant that adequate coverage of beneficiaries through enrolment was a top priority.

Audit scrutinised the records and the following came to notice.

Table 3.3: Status of enrolment in test-checked districts

Sl. No.	Audit findings
1	No enrolment was done in three municipalities ²⁸ in Bardhaman district by the National Insurance Company for the policy period subsequent to April 2014. Consequently, 71,251 beneficiaries were deprived of the intended benefits of the scheme.
2	In Jalpaiguri District, three blocks ²⁹ had registered substantially low enrolment percentage (31 to 35 per cent) for the policy period subsequent to March 2015. DNO, Jalpaiguri attributed the low enrolment to old database, lack of adequate service providers and non-availability of private hospitals with adequate facilities. It was further informed that this led to lack of interest among the beneficiaries in the scheme.
3	In Murshidabad district, the TPA (who was to act as an intermediary) engaged for the enrolment works, failed to work in a proper and systematic manner ³⁰ . As such, higher rate of enrolment was not achieved. Further, sufficient number of enrolment kits were not provided. It was found that majority of the kits had technical problems.

Source: Records of concerned DNAs

²⁸ Jamuria, Asansol and Raniganj.

²⁹ Raiganj (30.94 per cent), Moynaguri (34.92 per cent) and Sadar (34.87 per cent).

³⁰ Through preparation of enrolment plan/ conducting Information Education Communication (IEC) activities/ ensuring authentic identification of beneficiaries during enrolment, etc.

3.2.1.2 Discontinuation of enrolment process for various periods

Under RSBY, enrolment of beneficiaries was to be carried out as a continuous process. As per RSBY guidelines and the last Memorandum of Understanding (MoU) signed between the SNA and Insurers, the period of insurance contract was for three years, subject to yearly renewal. In the test-checked districts, the last round of enrolments concluded during March 2014 to February 2015. However, after the end of the respective original policy periods³¹, all the contracts were extended up to March 2017 on *pro-rata* premium basis. This resulted in stopping of fresh enrolments in the test-checked districts for various periods ranging upto three years (from May 2014) in anticipation that a new scheme would be introduced.

In reply, SNA, RSBY stated (March 2017) that no further enrolment was allowed by GoI after March 2015, as it was decided by GoI to roll out a new scheme in place of RSBY. It was further stated that GoI had not permitted SNA to go for new enrolment following selection of new ICs. The reply was not acceptable as the SNA had not given any specific proposal to GoI for conducting fresh enrolment. Further, in a meeting regarding status of implementation of RSBY held (February 2016) between the GoI and the States, fresh enrolment was permitted by GoI for the existing approved categories of RSBY for auto renewal.

Moreover, GoI directed (April & May 2017) the GoWB to continue with the selection of ICs as well as fresh enrolment of beneficiaries under RSBY on expiry of the RSBY policy on 31 March 2017. GoWB selected National Insurance Company and New India Assurance Company as IC for 14 districts and seven districts respectively from May 2017 through e-tender. The newly selected ICs commenced operation in 13 districts. However, new enrolment was not started.

The SNA, RSBY later stated (June 2017) that every endeavour was being taken to prepare the list of beneficiaries based on the eligibility criteria of RSBY. Once the list was finalised, new beneficiaries would be enrolled shortly.

3.2.1.3 Non-extension of the coverage of RSBY to new categories of beneficiaries

GoI, since the introduction of RSBY in 2008-09, had extended the benefits of the scheme to other categories of people as well. The categories included street vendors, *beedi* workers, domestic workers, building and other construction workers and Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) workers. In July 2013, GoI decided to further extend the coverage to some other categories³². Detailed guidelines for extension of the coverage *viz.*, identification, registration and funding pattern were spelt out.

For closer co-ordination, State Level Implementation Committee (SLIC) was constituted (December 2013) with representatives from various line

³¹ During March 2015 to February 2016

³² Rickshaw pullers, rag pickers, mine workers, sanitation workers and auto rickshaw/ taxi drivers.

departments³³. Apart from the first meeting³⁴ in May 2014, no subsequent meeting of SLIC was convened. These categories of beneficiaries were not covered under the scheme till the date of audit (May 2017).

In reply, SNA stated that due to non-submission of relevant database within the stipulated time by the concerned departments, those categories were not included as beneficiaries of the scheme. The reply was indicative of laxity of the line departments coupled with failure of the SNA to follow up the matter effectively. As a result, extension of health security cover to other marginalised categories of unorganized workers was not achieved.

3.2.2 Information Education Communication (IEC) activities

3.2.2.1 Inadequate IEC activities by the ICs

The IEC activities aimed at generation of awareness among various categories of targeted groups of beneficiaries prior to enrolment rounds. The District Key Managers (DKMs) concerned were to ensure effective IEC activities by the ICs and extend all possible support in this regard.

As per the Operational Manual for RSBY, the IC should ensure that the beneficiaries were made aware of benefits of the scheme adequately³⁵. As per the agreements with State Nodal Agency, the ICs were to prepare and implement a communication strategy in consultation with SNA. The Insurers were also required to share a draft IEC plan with the Nodal Agency within 15 days of signing of the contract.

Scrutiny of RSBY records in the test-checked districts showed that no such IEC plan had been forwarded by the ICs to the District Key Managers (DKMs). Further, no detailed year-wise IEC micro-planning had been shared with the DKMs.

During extension of policy period³⁶, GoI directed³⁷ the State to ensure that the respective ICs had conducted adequate IEC activities regarding extension of policy periods. A certificate in this regard was to be submitted by the State, while submitting requests for release of the Central share of the premium. Records of test-checked private (18) and Government (16) hospitals showed that no IEC activity was undertaken by the respective ICs in the hospital premises during the audit period. There was nothing on record to indicate any action initiated by the DKMs for laxity of the ICs.

There were no records available at the State/ district level regarding IEC activities undertaken by the ICs during the period of audit. As such, how the RSBY authorities satisfied themselves of the adequacy of IEC activities undertaken by the ICs, could not be ascertained in audit.

³³ Health & Family Welfare, Labour, Panchayat & Rural development and Transport & Municipal Affairs departments.

³⁴ As a pilot for convergence in implementation of Major Social Security Schemes for Unorganised Workers in West Bengal.

³⁵ Through village level meetings, wall paintings, display of IEC materials, house-to-house distribution of leaflet/ slip in vernacular, loudspeaker announcement, etc.

³⁶ i.e. while extending the policies beyond the original period on pro-rata premium basis up to March 2017 (as discussed in para 3.2.1.2).

³⁷ March 2015, September 2015 and March 2016.

3.2.2.2 Irregularities in supply of IEC materials to the districts

For successful implementation of any scheme, effective dissemination of relevant information to the target group forms an essential component. In June 2012, State Nodal Agency³⁸ decided to distribute banners, posters, etc. to relevant administrative institutions, hospitals, offices and nodal points of interior areas of each district. A private agency was selected through tender for supply of materials³⁹ for IEC activities under RSBY in different districts. Accordingly, 88,924 banners (General Banner, Response Elicit Banner, MGNREGA Banner) and 63,00,520 stickers worth ₹ 4.43 crore were supplied by the agency. These were forwarded to 15 different districts of West Bengal. Scrutiny of records of the offices of the SNA and the DNOs in the test-checked districts revealed the following:

- **Non-printing of posters:** Posters envisaged to be supplied to different institutions⁴⁰ for effective IEC activities were not printed at all.
- **Non-supply of material to Dakshin Dinajpur:** No IEC material was forwarded to Dakshin Dinajpur district. The DNO, Dakshin Dinajpur also confirmed this.

In reply, SNA attributed non-printing of posters to absence of any requisition from the districts. It was also stated that the Dakshin Dinajpur District authorities had not communicated requirements for IEC materials. The reply was not tenable because the SNA asked the district authorities to indicate different⁴¹ spots and places for IEC activities only. The types and quantities of the different IEC materials (*i.e.* banners, posters, stickers, etc.) had not been called for. The requisitions received from the district authorities contained numerous spots⁴² earmarked for posters. Moreover, it was the responsibility of the SNA to ensure adequate IEC activities in the district.

3.2.2.3 Irregularities in maintenance of records relating to IEC materials

The following irregularities in maintenance of records relating to IEC materials were noticed:

- In Bardhaman district, stock registers were not maintained for the entire period of audit. As such, Audit could not verify actual receipt of banners and stickers worth ₹ 43.98 lakh sent to Bardhaman district by the SNA.
- Challans for supply of banners and stickers to Paschim Medinipur district were furnished by the SNA. The stock register was, however, not furnished by the district authority for the entire period of audit.
- In Bardhaman district, no RSBY related Cash Book was found for the period from April 2012 to December 2013. Similarly, in Uttar Dinajpur district, no cashbook prior to 20 June 2014 was found. In absence of

³⁸ The Directorate of Employees State Insurance Scheme

³⁹ General Banner (GB), Response Elicit Banner (RE), MGNREGA Banner and stickers.

⁴⁰ Namely, Health Sub-centres, ICDS, High Schools, Jr. High Schools, MSK, SSK, Ration shops, etc.

⁴¹ As the Banners were to be placed in District HQ, Sub-Division, Block, GP, Rural Hospital, BPHC, Health Centre, Nodal Railway Stations, Key Highway Points and Samsad while the posters were required for Health Sub-centre, ICDS, High School, Jr. High School, MSK, SSK and Ration shops.

⁴² For **Murshidabad** district, Health Sub-centre: 832, ICDS: 8516, Pry. School: 3172, High & Jr. High School: 856, MSK: 202, SSK: 1582 and Ration shop: 1370.

For **Paschim Medinipur** district, Health Sub-centre: 858, ICDS: 9009, Pry. School: 4200, High & Jr. High School: 746, MSK: 232, SSK: 2459 and Ration shop: 1434.

Cash Book, the expenditure incurred on account of IEC materials could not be ascertained in audit.

Thus, there was laxity on the part of the district authorities of Bardhaman, Uttar Dinajpur and Paschim Medinipur in maintaining basic records relating to RSBY.

3.2.3 Settlement of claims

The hospitals, both private and public, were to raise daily claims to the Insurance Companies for all the beneficiaries treated and discharged under RSBY. As per the agreements with the State Nodal Agency, the Insurers were required to complete settlement of claims within one month from the date of receipt. In case of rejection of a claim, the same was to be communicated⁴³ to the hospital within one month. Further, the GoWB directed (February 2016) the ICs to pay one *per cent* of the claim amount for every fortnight of delay beyond 30 days in settling the claims.

The SNA stated that there were no pending claims of the districts for the period 2012-13 to 2015-16. In this regard, records of the six DNOs of test-checked districts alongwith some hospitals/ nursing homes were test-checked. During test-check several instances of claims remaining outstanding, as discussed in the subsequent paragraphs, were noticed.

3.2.3.1 Outstanding claims

Test-check of records of the selected health service providers in three test-checked districts⁴⁴ showed that several claims raised by the health service providers remained unsettled for long. Repeated pursuance by the hospital authorities with the ICs and the District Grievances Redressal Committees (DGRCs) failed to overcome the impasse as detailed in **Table 3.4**.

Table 3.4: Position of outstanding claims in test-checked districts

Sl. No.	Audit findings	Impact
1.	The DNO, RSBY, Murshidabad intimated (May 2017) that 513 claims worth ₹ 27.35 lakh were pending for settlement. Scrutiny, however, showed that actually 2,265 claims worth ₹ 1.18 crore for 2014-16 remained unsettled till the date of audit. In reply, DNO Murshidabad stated that during 2014-15, the RSBY portal was offline. Besides, there was communication gap between the IC/ TPA and the nursing homes regarding uploading of data. This resulted in pendency of claims. The claims for 2015-16 were pending due to other technical reasons. The DNO also attributed such delays to delaying tactics and non-compliance on the part of the Insurance Companies/ TPAs.	These instances indicated that there was a need of introducing a suitable redressal mechanism to identify and expeditiously settle long outstanding claims.
2.	In Paschim Medinipur district, 428 claims worth ₹ 17.35 lakh pertaining to 2015-16 and 430 claims worth ₹ 12.76 lakh relating to 2016-17 raised by the hospitals remained unsettled till the date of audit (May 2017). Such pendency in settlement of claims were attributable to inter district claims and non-uploading of the claims by the hospitals due to server problem.	
3.	In Dakshin Dinajpur, outstanding claims in respect of two inactive private hospitals and one functional hospital pertaining to the period 2014-16 stood at ₹ 9.05 lakh. In February 2016, H&FW Department advised the DGRCs to impose penalty of ₹ 25,000 per decision for the first month and ₹ 50,000 per month thereafter on the IC/ TPA for non-settlement of long outstanding claims. However, neither any such penalty was imposed nor the matters were referred to State Grievances Redressal Committee (SGRC). The DNO, Dakshin Dinajpur, however, stated that there was no pending claim in the district.	

Source: Records from DNAs and data obtained from server

⁴³ Informing that it could, if required, appeal to the District Grievances Redressal Committee.

⁴⁴ Murshidabad, Paschim Medinipur and Dakshin Dinajpur.

3.2.3.2 Outstanding inter-District and inter-State Claims

The inter-IC Claims within a State were to be shared⁴⁵ amongst all ICs in a meeting convened at the State Nodal Agency every month (preferably in the first week). Similarly, inter-IC Claims outside the State were to be shared amongst all ICs in the National Nodal officer (NaNO) meetings convened at the GoI/ Ministry every month. In both the cases, the claims should be settled within the next 30 days of such sharing. While SNAs should review these claim settlements on a monthly basis and ensure compliance to the timelines, Ministry would review the settlements at the NaNO meeting.

Test-check of records disclosed the following:

- Out of total pending claim of ₹ 10.31 lakh for the year 2014-15 for Dhulian Nursing Home in Murshidabad, ₹ 9.01 lakh pertained to Inter State Claims. The Nursing Home Authorities had repeatedly taken up these cases with the IC⁴⁶ as well as the DGRC. The same, however, remained unsettled till the date of audit. The IC stated that it had stopped releasing payments for claims⁴⁷ lodged under RSBY due to non-receipt of premium from Government.
- In Bardhaman, 669 inter-district claims worth ₹ 42.55 lakh remained unsettled since 2014-15. Consequently, the service to the inter-district RSBY patients in Bardhaman district was affected.
- In the DGRC meeting (July 2016) of Paschim Medinipur district, private hospitals raised the issue of non-settlement of inter-district claims. These hospitals were informed by the DNO that the TPAs of the respective districts were to settle the cases. However, in an earlier DGRC meeting (May 2016) the concerned TPA had intimated that it had nothing to do with the TPA of other district.
- It was noticed that a large number of patients from the adjacent districts and states came to various hospitals of the State for treatment under RSBY. Majority of such claims raised in respect of those patients by the empanelled hospitals remained unsettled. Repeated pursuance by the hospitals with the ICs and DGRCs in this regard yielded very little or no result.

Thus, non-adherence to the Government orders and guidelines on time bound settlement of claims had led to accumulation of claims in the districts. The DGRCs had neither taken a firm stand on the ICs for settlement of the pending claims nor escalated the matters to SGRC level. The DGRCs did not impose any penalty on the defaulting ICs.

In reply, SNA stated that it had introduced day to day electronic monitoring through the web portal from March 2015. It further stated that 99 per cent of the claims⁴⁸ were settled within 30 days. Test-check of records of DGRC as well as of the hospitals/ nursing homes, however, revealed otherwise. As such, the claim of SNA, RSBY regarding timely settlement of claims was not acceptable. The SNA was silent about holding of meetings at SNA for

⁴⁵ As per guidelines (July 2012) for settlement of claims of the hospitals under RSBY

⁴⁶ ICICI Lombard Insurance Company

⁴⁷ relating to inter-state claims

⁴⁸ including inter-insurance claims

settlement of inter-district insurance claims. In respect of Inter State claims, it was stated that the same was monitored by the Central Government through NaNO meetings. However, information furnished to the GoI by the SNA on pending Inter State Claims was not intimated.

3.2.4 Performance of the Insurance Companies

3.2.4.1 Poor coverage of health care providers

Availability of empanelled hospitals in close vicinity was an important requirement for easy access of the beneficiaries to the health care providers. The overall responsibility for empanelment of Health Care Providers under RSBY was on the IC. In June 2014, GoI introduced mandatory performance evaluation criteria⁴⁹ for the ICs. Any proposal for extension/ renewal of policies was to be accompanied by requisite performance evaluation in appropriate format. It was prescribed that there should be at least two hospitals in each block. The failure to comply with such criteria would render the ICs ineligible under the scheme.

As of March 2017, 76 blocks/ municipalities⁵⁰ in five test-checked districts, either had no hospital or less than two empanelled hospitals. No action was, however, taken by the district and state authorities against the defaulter ICs till the date of audit.

It was, however, claimed by SNA that all eligible public and private hospitals in the districts were empanelled under RSBY scheme and there were no more eligible hospitals for empanelment.

The SNA did not explain the reason of absence/ shortage of hospitals in those blocks of test-checked districts.

As the health care services were not available in close vicinity, the population of those blocks/ municipalities were deprived of the benefits under the scheme.

3.2.4.2 Performance relating to settlement of claims

As per monitoring parameters to measure the performance of the ICs, if ten *per cent* of claims remained unpaid at the end of 30 days the IC would be charged five points. If such claims remaining unpaid were in the range between 10 and 25 *per cent*, the IC would be charged 10 points. Further, if the said parameter was in the range between 25 and 40 *per cent*, the IC would be charged 15 points.

Till the date of audit, neither the SNA nor the district authorities undertook any evaluation of the performances of the ICs as per the criteria stipulated by GoI. In a reply, the SNO stated that the evaluation process was underway. The percentage of claims remaining unpaid within the stipulated period of 30 days in the six test-checked districts ranged between 38 and 100 *per cent*. Details regarding settlement of claims in the districts are at **Appendix 3.1**.

⁴⁹ The threshold limits were fixed as 5-7 points, 8-13 points, 14-21 points and 21 points and above. If the limits were exceeded, the ICs could be docked a percentage of the total premium amount. Even there were provisions for cancellation of renewals of the ICs and debarring them from bidding in subsequent years.

⁵⁰ Uttar Dinajpur: 10, Dakshin Dinajpur: 5, Paschim Medinipur: 21, Bardhaman: 25 and Murshidabad: 15.

Scrutiny, however, showed that no action was taken either by the district or by the state authorities to impose penalty for poor performance till the date of audit. Reasons for such inaction was not intimated to audit, though called for.

This assumed significance in view of the fact that a number of private hospitals in the two test-checked districts had discontinued services under the RSBY. These hospitals attributed the same to unsatisfactory services of the ICs.

3.2.4.3 Non-recovery of refund of premium

The ICs were required to refund part of the premium if claim ratio (*i.e.* Claim paid/ Premium received) for the full period of insurance policy was less than 70 per cent. The refundable amount⁵¹ would be equal to the difference between actual claim ratio and 70 per cent of the premium paid. The SNA would return proportionate central share to the Ministry once the premium was refunded by the IC. It was observed that during January 2015 to December 2016, the claim ratio in Kolkata and Uttar Dinajpur⁵² district fell short of 70 per cent. As such ₹ 1.62 crore stood recoverable from the IC on this count. However, recovery⁵³ from the IC was awaited till the date of audit. In reply, the SNA stated that it had issued a letter to the concerned IC regarding refund of the amount. The IC, in turn, informed that the refund was in process.

3.2.5 Extension of facilities to the beneficiaries

3.2.5.1 Non-compliance by the IC

The objective of RSBY scheme *inter alia* stipulated that the beneficiaries would receive increased access to healthcare services. Test-check of records in selected districts revealed the following:

- There were 12 active Government hospitals and seven active private hospitals empanelled⁵⁴ under RSBY in Uttar Dinajpur. Out of these seven private hospitals, RSBY was running only in one private hospital. The other private hospitals were reluctant to provide RSBY facility. The reluctance was attributable to difficulties faced by them towards reimbursement⁵⁵ of claims. It was, however, noticed that the RSBY contract with the same IC was renewed in December 2016 in respect of those six hospitals. RSBY service, however, was not resumed in those hospitals. In January 2017, the DKM, RSBY, Uttar Dinajpur intimated the SNO that RSBY facility in the district was severely hampered due to the activities of the IC. He also requested to replace the existing IC with any other *bonafide* and reputed one. No further development was, however, forthcoming.

No penalty was imposed on the defaulting IC either by SNA or by DGRC. Thus, the RSBY programme was hampered due to non-compliance to the terms and conditions of service by the IC.

⁵¹ Payable within 90 days from the end of the policy to SNA

⁵² Claim ratios: **Kolkata (Round: II)**: against general premium: 69.92 per cent and Pro rata extension: 42.85 per cent; **Uttar Dinajpur (Round IV)**: against general premium: 68.65 per cent and Pro rata extension: 48.64 per cent. In both the cases M/s ICICI Lombard was the IC.

⁵³ despite lapse of more than 90 days from the end of the policy period

⁵⁴ As per information furnished by SNA, RSBY

⁵⁵ From the IC *i.e.* M/s ICICI Lombard

- Nine Government hospitals⁵⁶ and eight private ones were empanelled for RSBY in eight Blocks/ Municipalities of Dakshin Dinajpur. Out of these eight empanelled private hospitals, only two⁵⁷ were functional and the rest were inactive for different periods. Test-check of records of two inactive private hospitals⁵⁸ revealed that they had long pending claims. The hospital authorities had expressed their grievances (May 2015) to the District Magistrate on the services of the concerned IC.

Thus, non-functioning of the private hospitals/ nursing homes in the district limited the scope of providing health care facilities to the RSBY beneficiaries of the district.

3.2.5.2 Inadequate infrastructural facilities in the empanelled hospitals

RSBY guidelines stipulated that hospital and other health facilities with desired infrastructure for inpatient and day care services needed to be empanelled⁵⁹. The guidelines further stipulated that all Government hospitals⁶⁰ could be empanelled provided they had the facility to read and manage smart cards.

Information on availability of infrastructural facilities was available in respect of 99 BPHCs/ RHs of six test-checked districts empanelled under RSBY. Test-check of records and information furnished by the District authorities showed the following:

- Only four RHs⁶¹ of Paschim Medinipur had facilities for caesarean delivery. All the remaining 95 health centres either did not have an Operation Theatre (OT) or had OTs for minor operations only.
- Only six Health Centres in Bardhaman and two in Paschim Medinipur, had specialised departments other than Gynaecology and General Medicine.
- Out of the above-mentioned 99 BPHCs/ RHs, 52⁶² were the sole empanelled health care facilities in the respective blocks. Consequently, the RSBY beneficiaries had to travel large distances for proper treatment.

This restricted the scope of extending treatment for the beneficiaries.

3.2.6 Rogi Sahayata Kendras

Approved Programme Implementation Plan (PIP) of National Health Mission (NHM) stipulated setting up of Rogi Sahayata Kendras (RSKs) for dissemination of necessary and accurate information to patients and relatives. The RSKs were to be set up at Medical College Hospitals, District Hospitals, Sub-divisional Hospitals and State General Hospitals. In October 2014,

⁵⁶ Balurghat DH, Gangarampur SDH and 07 RH/ BPHCs.

⁵⁷ Indian Red Cross Society at Balurghat and Life Care Nursing Home at Banshihari

⁵⁸ Sandhya Nursing Home and Diagnostic Centre at Gangarampur and Buniadpur Seba Sadan at Buniadpur

⁵⁹ After being inspected by qualified technical team of the IC or their representatives in consultation with the District Nodal Officer, RSBY and approved by the District Administration/ State Government/ SNA.

⁶⁰ including Primary and Community Health Centres

⁶¹ Belda RH, Chandrakona RH, Belpahari RH, and Kharikamathani RH.

⁶² 16 BPHC/ RHs in Bardhaman, 6 in Uttar Dinajpur, 5 in Dakshin Dinajpur, 13 in Paschim Medinipur and 12 BPHC/ RHs in Murshidabad.

the SNO, RSBY, allowed engagement of two Rogi Sahayaks (RSs) for RSK of all RSBY empanelled BPHC/ RHs of the State.

Scrutiny of functioning of RSKs in the six test-checked districts revealed the following:

- In Murshidabad district, no RS was engaged in 26 empanelled RH/ BPHCs. The same was attributed to non-availability of the Chairman of the selection committee⁶³.
- Despite directions of SNO, RSBY, no RS was engaged in 10 BPHC/ RHs⁶⁴ of Paschim Medinipur⁶⁵ and Bardhaman districts⁶⁶ till the date of audit. The reasons for same were neither forthcoming from the available records nor intimated to Audit.

Non-engagement of RSs led to impediments in extension of support to the RSBY beneficiaries in the BPHCs/ RHs of these districts.

3.2.7 Irregularities in utilisation of RSBY fund

As per operational guideline⁶⁷ for RSBY, all procurements, out of accumulated RSBY fund, were to be done through Store Management Information System (SMIS)⁶⁸. The respective RSBY empanelled Government hospital would upload the quantum of RSBY fund at their disposal in the SMIS. On receipt of RSBY claim settlement amounts from the ICs, the same would be automatically entered⁶⁹ in the SMIS server. Moreover, expenditure for procurement of non-catalogue items should not exceed 30 *per cent* of the claim amounts fund received from the ICs.

Scrutiny of records in the test-checked public hospitals revealed the following irregularities in utilisation of RSBY funds:

- In five hospitals⁷⁰, no effort was made by the hospital authorities to enter the accumulated RSBY funds in the SMIS server. Thus, procurement of catalogue and non-catalogue items out of RSBY fund was not done through SMIS by these hospitals. One hospital⁷¹ attributed the same to non-receipt of proper guidelines.
- In many cases, procurement of drugs and consumables for RSBY patients was made from outside medicine shops. Due to non-availability of medicines in store, some patients had to procure medicines from outside on reimbursement basis. In four test-checked hospitals, 12,946 RSBY patients⁷² had to procure medicines worth ₹ 52.88 lakh⁷³ from outside during 2013-17.

⁶³ A selection committee, chaired by the Chairman of the ASHA selection Committee of the district, was to select NGOs to run the RSKs.

⁶⁴ Belpahari RH, Kharika Mathani RH, Mohanpur BPHC, Gopiballavpur RH, Tapsia RH, Bhangagarh RH, Binpur RH and Chilkigarh BPHC.

⁶⁵ BPHCs/ RHs empanelled during March – November 2014

⁶⁶ in Ramjivanpur BPHC

⁶⁷ Issued in August 2015 by the Strategic Planning & Sector Reform Cell, Health & Family Welfare Department.

⁶⁸ an online application used by the H&FW Department

⁶⁹ through the linkage of RSBY server with the SMIS server

⁷⁰ Balurghat District Hospital, Birpara SG Hospital, Kandi SD Hospital, Ghatal SD Hospital and Gangarampur SD Hospital.

⁷¹ Birpara SG Hospital

⁷² Out of 14,030 patients treated

⁷³ most of which had been reimbursed except for ₹0.54 lakh in two hospitals

Thus, the basic objective of providing cashless treatment to the RSBY beneficiaries was not achieved in these hospitals.

3.2.8 Laxity in pursuance of rejected cases

In terms of RSBY guidelines, the beneficiaries were to be provided treatment free of cost for all ailments covered under the RSBY scheme. The Healthcare provider shall be reimbursed as per the package cost specified in the tender or as mutually agreed upon in case of unspecified packages. The Insurer was to ensure that the claim of the hospital was settled within a month⁷⁴. In case a claim was rejected, the information⁷⁵ was to be sent to the hospital within a month. Insurer was to inform the hospital that it could prefer an appeal to the District and/ or State Level Grievance Redressal Committee, if felt necessary.

Scrutiny of records of three hospitals revealed that they did not take any initiative to settle rejected claims worth ₹ 94.19 lakh as detailed in **Table 3.5**.

Table 3.5: Details of rejection cases in three test-checked hospitals

Name of the hospital (date of empanelment)	No. of patients treated	No. of claims raised	No. of claims not raised	Value of claims raised (₹ in lakh)	No. of claims rejected	Value of claims rejected (₹ in lakh)	Reasons for rejection
Murshidabad Medical College & Hospital (January 2013 and February 2014)	18,856 since empanelment	15,933	2,923	537.30	1,266	40.68	<ul style="list-style-type: none"> • Admission for evaluation and diagnosis only; • Delay in uploading claims;
Jalpaiguri District Hospital (August 2012)	6,213 during 2015-17	6,213	Nil	145.51	1,207	36.37	<ul style="list-style-type: none"> • Zero balance claims; • Diagnosis not clear/ justified;
Alipurduar District Hospital (December 2013)	6,149 since empanelment	6,149	Nil	189.53	619	17.14	<ul style="list-style-type: none"> • Eligibility of the claim could not be ascertained; • Query reply not received.
		28,295	2,923	872.34	3,092	94.19	

Source: Records of the test-checked districts

The hospital authority never took up the matter of rejection with the DGRC for settlement of the claims.

In reply, Superintendent, Jalpaiguri District Hospital stated (June 2017) that action had been taken against the Rogi Sahayaks for negligence in settling the rejected claims.

⁷⁴ on receipt of claim data by the IC or their representatives

⁷⁵ alongwith the claim rejection information

3.2.9 Monitoring

3.2.9.1 Operations of DGRC

(a) Inadequate number of DGRC meetings: RSBY guidelines prescribed setting up of District Grievances Redressal Committee (DGRC) to redress grievances⁷⁶ under RSBY. Accordingly, the DGRCs, in different districts, were constituted (December 2013). The District Magistrates, District Key Managers (DKM)⁷⁷ and Chief Medical Officers of Health (CMOsH) of the respective districts were the Chairman, the member Convenor and one of the members of the committee respectively. The DGRCs were to meet once in every month for addressing the grievances in the respective grievances committees.

A substantial number of grievances⁷⁸ from the stakeholders were pending in some districts. Scrutiny of records revealed that against the norm of 234 meetings, only 34 meetings⁷⁹ of DGRC were held in the six test-checked districts during January 2014 to March 2017.

(b) Non-functional Redressal Management System: For ensuring disposal of complaints and grievances in an effective and time bound manner, “Central Complaint/ Grievance Redressal System” was designed (April 2012) by the GoI. The web based system required Nodal Officers/ Coordinators (to be designated by the SNA) at each level to respond to the queries/ complaints with corresponding entries in the web portal wherever required. After entry in the page, an automatic Unique Complaint Number (UCN) would be generated. The complaints would thereafter be transferred to the DGRC/ SGRC/ National Grievances Redressal Committee (NGRC) who would hear the parties and take decisions within 30 days.

Scrutiny, however, showed that the web window titled “Central Complaint/ Grievance Redressal System” was non-functional. None of the grievances in the six test-checked districts was routed through the web based portal. Consequently, the objective of monitoring the disposal of complaints and grievances in an effective and time bound manner was not achieved. The reasons were not intimated to Audit.

(c) Non-settlement of grievances within the stipulated period: It was stipulated in the Operational Manual for RSBY⁸⁰ that the DGRC would take a decision within 30 days of receiving complaint from aggrieved party. It was further stipulated in the Operational Manual that the escalation from DGRC to SGRC (and subsequently to NGRC) would happen, if the issue was not resolved within 30 days.

⁷⁶ As regards benefits to the beneficiaries, claims of the hospitals and functioning of the ICs and its agencies.

⁷⁷ ADM in charge of RSBY

⁷⁸ 72 grievances in Jalpaiguri district and 308 in Dakshin Dinajpur district during the audit period.

⁷⁹

	2013-14	2014-15	2015-16	2016-17
Bardhaman	01	04	05	02
Murshidabad	01	Nil	04	02
Uttar Dinajpur	01	01	01	04
Dakshin Dinajpur	Nil	Nil	02	01
Paschim Medinipur	Nil	Nil	02	02
Jalpaiguri	Nil	Nil	01	Nil

⁸⁰ As well as in the agreements between the SNA and the ICs

It was noticed that 308 and nine grievances were raised by the hospital authorities of Dakshin Dinajpur district and Uttar Dinajpur district respectively in the DGRC meetings held during 2015-17. None of the cases were settled within the stipulated period of 30 days. It was further noticed that there were no recorded minutes for the three DGRC meetings held in Dakshin Dinajpur district. Consequently, the grievances and actions taken by the DGRC thereon in these meetings could not be ascertained by Audit.

3.2.9.2 Failure to conduct Medical Audits

The Secretary, H&FW Department and SNO, RSBY passed (February 2014) an order to constitute a medical Audit team⁸¹ in each district to review implementation of RSBY in the district. It was advised by the Department that the DKMs and CMOHs should organise Medical Audit⁸² in at least five hospitals per month.

Scrutiny of records relating to Medical Audit under RSBY in six test-checked districts showed that no Medical Audit was conducted till 2016-17 in Uttar Dinajpur, Dakshin Dinajpur and Jalpaiguri district. In Paschim Medinipur district, only two Medical Audits were conducted (one each in 2015-16 and 2016-17) whereas in Murshidabad district, only one Medical Audit was conducted. The inadequacy in conducting medical audits in contravention of the directives of the H&FW Department was indicative of a lackadaisical monitoring by the district authorities. The reasons for inadequate number of medical audits in the test-checked districts were not stated though called for.

3.2.9.3 Non-formation of State Coordinating Committee

As per agreements between the SNA and the ICs, a State Coordinating Committee for RSBY was to be set up to review performance under the Agreement on a periodic basis. No State Coordinating Committee was, however, notified by the SNA.

SNA stated that though such committee was not notified, monitoring meeting (though without formal minutes) with the ICs and TPA as well as consultation meets were conducted at regular intervals. SNA's claim to have reviewed the performances of the ICs, was, however, not acceptable. This was in view of instances of inadequate IEC activities, delayed claim settlement, non-levying of penalty on the ICs, non-refund of premium by the relevant ICs, etc.

3.2.10 Conclusion

A number of Below Poverty Line families had been brought under the coverage of health insurance under the Rashtriya Swasthya Bima Yojana. However, there remained much scope for improvement.

The State had not started covering new categories of beneficiaries targeted to be brought under the scheme. Coverage of the scheme was also adversely affected by deficient Information Education Communication activities.

The insurance companies fell short of the target of empanelling at least two hospitals in a block/ municipality. As many as 76 blocks/ municipalities in the five test-checked districts had either only one hospital or no hospital empanelled at all.

⁸¹ Headed by the Dy. CMOH –I of the respective district

⁸² Based on the higher packages booked by hospitals as per the MIS report of SNA server

Expeditious settlement of claims was crucial for successful implementation of health insurance scheme. However, the pace of settlement of claims by the insurance companies was unsatisfactory. Test-check revealed outstanding claims, especially those involving inter-District and inter-State settlements. The District Grievance Redressal Committees (DGRCs) had neither taken a firm decision on the insurance companies for settlement of the pending claims nor escalated the matters to the State Level Committee. No penalty was imposed by the DGRCs on the companies for under-performance. This assumes significance in view of the fact that a number of private hospitals in two test-checked districts had discontinued services under the RSBY attributing the same to unsatisfactory services of the Insurance Companies.

The poor RSBY patients had to purchase medicines from outside shops spending their own money. As a result, the basic aim of cashless treatment was not achieved.

As evidenced from the instances of inadequate number of DGRC meetings, non-functional Redressal Management System, etc., monitoring mechanism were not working.

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

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

3.3 Avoidable expenditure on procurement of rice

District authorities of North 24 Parganas, Malda and Murshidabad procured 2.35 lakh quintal of Rice under Wheat based Nutrition Programme from outside agencies. The procurement was done at higher rates instead of lifting the same from FCI at cheaper rates. This had resulted in an avoidable expenditure of ₹ 43.19 crore during 2014-17.

Ministry of Women & Child Development, Government of India (GoI) introduced (1986) Wheat Based Nutrition Programme (WBNP) under the Integrated Child Development Scheme (ICDS). WBNP aimed at providing nutritious/ energy food to children below six years of age and expectant/ lactating women. Under this scheme, GoI allocated rice on a quarterly basis to the States through the Food Corporation of India (FCI) at Below Poverty Line (BPL) rates⁸³. Women & Child Development and Social Welfare Department (Department), Government of West Bengal was responsible for implementation of the programme in the State. The programme was to be implemented through the district/ block level authorities⁸⁴. As per benchmark fixed through the policy guidelines of the GoI, at least 70 per cent of the allocated rice was to be lifted by the State. The responsibility for ensuring that the allocations earmarked by the GoI did not lapse vested on the Department.

⁸³ *i.e. the subsidized rate at which food grains were sold to the Below Poverty Line population under the Public Distribution System.*

⁸⁴ *District Programme Officer (DPO), ICDS and District Magistrate of the concerned districts*

Records of the District Magistrates (DMs) of three districts⁸⁵ relating to WBNP were checked in audit. It was observed that during 2014-17, out of a total 10.29 lakh quintal of rice allocated, only 2.10 lakh quintal (20 per cent) was lifted from FCI at BPL rate⁸⁶ (*Appendix 3.2*) by these DMs. Further scrutiny showed that despite substantial quantum of allocated rice remaining un-lifted (5.24 lakh quintal) from FCI, 2.35 lakh quintal of rice was procured by these three districts from other sources⁸⁷ at higher rates⁸⁸. This resulted in an avoidable expenditure of ₹ 43.19 crore from government exchequer as shown in *Appendix 3.2*.

In reply, the concerned district authorities⁸⁹ stated the following:

- The district authority, North 24 Parganas attributed (February 2017) the procurement of rice from other sources to the procedural delays involved in procurement of rice from FCI. The reply was not tenable as a more proactive approach was required to avoid the procedural delays.
- The district authority, Murshidabad attributed (December 2016) non-procurement of rice from FCI to non-availability of transport contractors for lifting the rice from FCI godown and its delivery to different ICDS godowns. The reply was not tenable, since there was a failure on the part of the district authority to finalise the selection process of transport contractors in due time.
- The District Programme Officer, Malda intimated (March 2017) that FCI had not agreed to allow time extension for lifting of rice as sought for by the district. The reply was not tenable as extension of time for lifting was allowed only in case of operational constraints faced by FCI like non-availability of stock at the godown, problem of labour, etc. Further, the district authority should have resolved the issue of transportation before placing the requisition to FCI. This reflected an unpreparedness on the part of the authority in the procurement process.

It was the responsibility of the district authorities to ensure preparedness⁹⁰ especially in view of substantial additional expenditure involved in procurement of rice from sources other than FCI.

It was further observed from the records that the Department was aware of the inability on the part of the district authorities to lift the allocation earmarked by the GoI. Assurances were given (March 2016) by the Department to the GoI to maximise the lifting. The records, however, indicated that the procedural delays continued in the subsequent years also and consequently the declining trend in procurement from FCI persisted.

Thus, there was lacunae on the part of the department to streamline the procedural delays and optimise the lifting of allocated foodgrains from FCI.

⁸⁵ North 24 Parganas, Malda and Murshidabad.

⁸⁶ At the rate of ₹ 565 per quintal in 2014-16 and at the rate of ₹ 300 per quintal in 2016-17

⁸⁷ West Bengal Consumers Co-operative Federation Limited (CONFED), West Bengal Essential Commodities Supply Corporation (WBECSC) and Self Help Groups (SHGs).

⁸⁸ Ranged between ₹ 2,200 and ₹ 2,530 per quintal during 2014-17

⁸⁹ DPO, ICDS

⁹⁰ By identifying and selecting the suitable transporters and streamlining procedural issues

The lack of preparedness of the district authorities⁹¹ to lift the allocated quantities of WBNP rice from FCI godown was another major attribute. There was an avoidable expenditure of ₹ 43.19 crore from Government exchequer during 2014-17.

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

**URBAN DEVELOPMENT & MUNICIPAL AFFAIRS DEPARTMENT
(KOLKATA METROPOLITAN DEVELOPMENT AUTHORITY)**

3.4 Under-fixation of service charge leading to loss of revenue

KMDA did not consider the prevailing market value of land while raising demand of service charge for a sub-lease permission for 2.5 acres of land at Anandapur, Kolkata. Instead, it had taken into account a four year old rate. This resulted in a loss of revenue of ₹ 18.08 crore.

One of the functions of the Kolkata Metropolitan Development Authority (KMDA) is development of land for residential and commercial purposes by leasing out land to private agencies. For construction of an infrastructure tower⁹², KMDA had allotted in February 2006, 2.5 acres (151.25 *cottah*) of land at Anandapur, Ward no. 108 of Kolkata Municipal Corporation to an agency⁹³ on lease for 99 years. The land was handed over to the agency in May 2007. A Deed of Licence⁹⁴ (executed in December 2007) carried a stipulation that the land or any construction thereupon was not to be transferred or assigned without permission of the KMDA. However, after taking over possession, the agency approached (July 2007) KMDA for consent to sub-lease the land. This was rejected by KMDA (August 2007) on the ground that as per the existing policy of KMDA sub-leasing or sub-letting might be allowed for constructed space only and not for land. Subsequently, after construction upto two stories (out of sanctioned 20 stories) the agency again approached KMDA (March, April and June 2013) for allowing sub-leasing/ sub-letting/ assignment right of 100 *per cent* constructed/ to be constructed area (*i.e.* 20 story). This time KMDA granted (June 2013) sub-leasing permission to the agency against payment of 60 *per cent* of the current market value of land as onetime fee or service charge. Accordingly, KMDA raised (December 2013) a demand of ₹ 13.61 crore as service charge considering the land value of ₹ 15 lakh per *cottah*.

Audit scrutiny (November 2016) of the records of KMDA showed that KMDA did not raise the demand (December 2013) for the service charge for sub-lease on the basis of prevailing market rate. Instead KMDA took into account the land value (₹ 15 lakh per *cottah*) last revised in February 2009. This was done in spite of steep rise in the market value of land in that area since 2009 revision.

⁹¹ Malda, Murshidabad and North 24 Parganas.

⁹² Infrastructure tower was meant to house various industries, financial institutions, service providers, telecom companies, Information Technology & Information Technology Enabled Service companies, real estate developers and construction consultants, etc.

⁹³ M/s South City Projects (Kolkata) Limited

⁹⁴ The purpose of execution of Deed of Licence is to enable the Licensee to undertake the proposed construction in the allotted land premises.

From the records of the Additional District Sub-Registrar, South 24 Parganas it was seen that at the time of placing demand (December 2013) for service charge, the prevailing market rate for residential plots in the same municipal ward stood at ₹ 34.92 lakh per *cottah* or above. Compared with the same, KMDA could have earned additional ₹ 18.08 crore⁹⁵ had prevalent market value of the land in the same locality been taken into account while working out the amount of demand.

While endorsing KMDA's reply, Department was also of the view that KMDA raised the demand of service charge on the basis of land value approved by KMDA in March 2009, as KMDA further revised the land value only in February 2014.

The contention of the Department was not tenable as considering service charge on the basis of land value ratified four years ago indicated absence of a prudent financial management policy. In this process, KMDA not only allowed undue financial favour to the agency but also suffered a loss of ₹ 18.08 crore.

**URBAN DEVELOPMENT & MUNICIPAL AFFAIRS DEPARTMENT
(ASANSOL DURGAPUR DEVELOPMENT AUTHORITY)**

3.5 Undue benefit to a contractor on construction of a road-side drain at Durgapur

Asansol Durgapur Development Authority allowed a contractor to deviate from the Detailed Project Report in a turnkey contract for a drain work at Durgapur. Such deviation reduced the scope of work but there was no concomitant downward revision in the contractual amount. This was tantamount to undue benefit of ₹ 7.30 crore to the contractor.

Asansol Durgapur Development Authority (ADDA)⁹⁶ decided (December 2011) to implement a 9.936 km. long two-lane road project⁹⁷ in Durgapur. The Detailed Project Report (DPR) of the road work was prepared by ADDA. The project was approved (January 2012) by the Government of India (GoI) under Jawaharlal Nehru Urban Renewal Mission (JNNURM) at a cost of ₹ 77.82 crore⁹⁸. Scope of work⁹⁹ for the project, *inter alia*, included construction of 19,685.2 meter long (work volume - 67,532 cu.m.) rectangular covered type drain¹⁰⁰ on both sides of the road with pre-cast cover to be used as pedestrian footpath. The drain work accounted for approximately 43 per cent of the project cost. The work was awarded (August 2012) to the lowest bidder¹⁰¹ at a cost of ₹ 68.35 crore¹⁰² on turnkey basis. Detailed Bill of

⁹⁵ (₹ 34.92 lakh - ₹ 15 lakh) per *cottah* x 151.25 *cottah* x 60 per cent.

⁹⁶ A statutory authority under administrative control of Urban Development and Municipal Affairs Department.

⁹⁷ From Gammon Bridge to Gandhi More (NH-2) via Maya bazaar

⁹⁸ The cost of the project was to be borne jointly by Government of India (50 per cent), State Government (35 per cent), ADDA (10 per cent) and Durgapur Municipal Corporation (five per cent).

⁹⁹ As per volume II, Section 10 of bid document

¹⁰⁰ M-15 grade PCC for 63,595 cu.m. and M- 20 grade RCC for 3,937 cu.m.

¹⁰¹ M/s Adhunik Infrastructures Pvt. Limited (AIPL), a private agency.

¹⁰² Originally the work had been awarded for ₹ 64.75 crore. However, during execution, additional work of ₹ 3.60 crore was added to the project and the contract value was revised to ₹ 68.35 crore.

Quantities (BOQ) was, however, not submitted by the bidder in support of bid price before its selection¹⁰³. Detailed BOQ was analysed in audit. It was observed that quantity of ‘Surface Drain’ works offered to be executed fell far short¹⁰⁴ of the projected quantity as per the DPR. This resulted in the quoted and awarded bid being the lowest. ADDA authorities¹⁰⁵ overlooked such omission and allowed the ineligible lowest bidder to carry out the work. This was a clear indication of extension of an undue favour to the contractor. The work was completed in February 2016 and ₹ 66.75 crore had been paid to the agency. The final bill, however, was pending with ADDA.

The main objective of turnkey job was to complete the project work in all respects as per given¹⁰⁶ specification and drawing. During execution of the work, the contractor proposed¹⁰⁷ (December 2013) a revised drawing¹⁰⁸ in which drains of four different specifications were to be constructed. This was in deviation from the specification given in the DPR. The Executive Engineer, ADDA objected (December 2013) to the proposal on the ground of possible “maintenance problem in future”. The contractor, however, continued to execute the work following the revised drawing. ADDA, in a Board meeting (January 2016) approved the contractor’s proposal *post facto*. The financial implication of the modification in the scope of work was not, however, assessed by ADDA. At the instance of Audit, the Executive Engineer (EE), ADDA worked out (June 2016) the financial implication of the changes in the scope of work. It was observed that the above-mentioned change in scope of work resulted in reduction in the work value by ₹ 7.30 crore as shown in **Table 3.6:**

Table 3.6: Comparison between value of work contracted/ paid for vis-à-vis value of work actually executed

Length of drain work executed	Payment made as per contracted rate	Value of work actually executed	
		Rate per metre as assessed by the EE	Total value
8,454 metre	₹ 12,660 per metre	₹ 15,203 per metre	₹ 12,85,26,162
10,489 metre		₹ 3,604 per metre	₹ 3,78,02,356
366 metre		₹ 5,053 per metre	₹ 18,49,398
300 metre		₹ 10,832 per metre	₹ 32,49,600
Total: 19,609 metre	₹ 24,44,51,940*		₹ 17,14,27,516
		Excess payment:	₹ 7.30 crore

Source: Records of ADDA *For 19,309 metre as per contract

ADDA, however, continued to pay the contractor at the contracted rate without any downward revision of the amount payable based on the reduced value of work.

¹⁰³ in violation of the bid stipulation

¹⁰⁴ As against 19,685.2 metre of projected drainage work in the DPR, only 10,000 metre of drainage work was offered to be constructed in the detailed BOQ submitted by the contractor.

¹⁰⁵ Did not insist on the detailed BOQ at the time of finalization of the bid.

¹⁰⁶ As mentioned in the bid document prepared on the basis of DPR.

¹⁰⁷ 7,839 metre length road side open drain (either kuccha or pucca drain) in different chainages and 11,933 metre with other kind of line drain.

¹⁰⁸ Covering 19,309 metre

In reply (July 2017) the Department *inter alia* stated that ADDA had issued (February 2013) a percentage based Memorandum of Payment (MoP). The MoP, however, contained only the percentage breakup of ₹ 64.75 crore, being the lowest bid price.

The Department further stated that the excess payment of ₹ 7.30 crore required further computation and ADDA had been requested for the same¹⁰⁹. The department, however, accepted the fact that downward revision of the contractual amount was not considered by ADDA.

The reply was not tenable, as the referred MoP was based on a faulty detailed BOQ submitted by the contractor and accepted by ADDA. Besides, the computation in audit was based on actual execution and applicable rates thereto which were duly ratified by EE, ADDA and not on MoP. This ruled out any scope for ambiguity in computation.

Thus, ADDA accepted the revised drawing for drainage works as proposed by the contractor which reduced the scope of work in deviation from the DPR. The financial implications of such deviations were, however, not considered. As a result, full contractual amount was released without any price adjustment on account of reduction in the scope of work. This was tantamount to extension of an undue benefit worth ₹ 7.30 crore to the contractor. This was despite the Executive Engineer objecting to the proposal on the grounds of possible maintenance problem in future. Responsibility may be fixed as undue benefit had been extended to the contractor.

**URBAN DEVELOPMENT & MUNICIPAL AFFAIRS DEPARTMENT
(ASANSOL DURGAPUR DEVELOPMENT AUTHORITY)**

3.6 Unfruitful expenditure on a road project in Durgapur

Based on a faulty project report, Asansol Durgapur Development Authority started executing construction/ improvement of Durgapur Ring Road. The work was executed without obtaining statutory clearance from Forest Department and ensuring availability of land. Due to this the work was abandoned mid-way, rendering an expenditure of ₹ 4.69 crore unfruitful.

Rule 258 of the West Bengal Public Works Department Code provides that except in the case of emergent works such as repair of breaches, etc., no works should be started on land which has not been duly made over by the responsible civil officers. Further, as per provisions of the Forest Conservation (FC) Act, 1980 and subsidiary rules framed thereunder, prior approval from pertinent authority¹¹⁰ must be obtained before use of any forest land for non-forestry purposes. If the scheme involves use of forest as well as non-forest land, work on non-forest land also has to be started only after approval for use of Forest land is obtained.

¹⁰⁹ Further computation on the basis of comparison between the tender scope and actual execution

¹¹⁰ Ministry of Environment & Forests, Government of India.

Asansol Durgapur Development Authority (ADDA) took up construction of widening, improvement and maintenance of Durgapur Ring Road¹¹¹ over a cumulative length of 44.89 km.¹¹². The approved (August 2009) cost was ₹ 94.92 crore under Jawaharlal Nehru National Urban Renewal Mission (JNNURM). Out of the said length of the proposed road, 36.890 km. passed either through forest land (9.401 km.) or private land (27.489 km.). In the Detailed Project Report (DPR), prepared by one private consultant¹¹³ for ₹ 36.19 lakh, it was erroneously indicated that the road would run mainly through various semi-urban areas. As per DPR, the land belonged to ADDA. So, land acquisition for the project would not be required. ADDA accepted the DPR without checking the relevant land records before initiation of tender and execution of the work. After tender formalities, the work was awarded (June 2010) to a contractor¹¹⁴ for ₹ 83.59 crore.

Records of ADDA showed that the contractor started executing the work in October 2010. However, after executing the earthwork and embankment work for a length of approximately 15 km. in different stretches, the work had to be stopped (June 2011). It was due to resistance from the private land owners¹¹⁵ and the Forest Department¹¹⁶. The issue could not be resolved in spite of several correspondences with the authorities¹¹⁷ and stakeholders in the absence of clearances from the Forest Department. It was observed that for the executed portions of the work, the contractor was paid ₹ 4.33 crore (August 2011). Due to failure to acquire the required land, ADDA authorities terminated (November 2012) the contract and abandoned (March 2013) the project. ADDA, thereafter, had not taken any further initiative to complete the balance work. It also did not impose any penalty on the private consultant for preparation of faulty DPR. Meanwhile, several authorities reported¹¹⁸ that the condition of the existing stretches of road had deteriorated.

The Chief Executing Officer, ADDA, while accepted the facts (January 2018), stated that no extra payment was made except for the actual execution of the work. The Urban Development & Municipal Affairs Department, in turn forwarded (January 2018) the reply without offering any comments. The reply of ADDA was not tenable as abandoning the project mid-way had led to non-achievement of the objective of providing better connectivity along the Durgapur Ring Road. It also resulted in further deterioration of the road in its existing stretches. This fact was also corroborated by several authorities, local bodies and people in general, who demanded immediate repairing of the roads on several occasions.

¹¹¹ *With design, construction and maintenance for two years of the two lane carriageway facility from Raghunathpur on SH-14 to Dhupchuria via Molandighi with an additional link from Akandara to Fuljhore and finally ending at Dhupchuria on NH-2.*

¹¹² *Scope of the work comprised three parts namely Part-A: Raghunathpur to Molandighi- 10.896 km., Part-B: Molandighi to Dhupchuria- 26.311 km. and Part-C: Akandara to Fuljhore-7.683 km.*

¹¹³ *M/s Solo Consultancy Services*

¹¹⁴ *M/s Banowari Lal Agarwalla Private Limited now BLA Projects Pvt. Ltd.*

¹¹⁵ *Whose land was adjacent to the existing road*

¹¹⁶ *For execution of road work passing through the forest area*

¹¹⁷ *Forest Department, Durgapur Highway Sub-Division, SDL & LRO, BL & LRO, Sabhapati of PS, BDO, Gram Proddhan, etc. with intervention of Urban Development & Municipal Affairs Department (erstwhile Urban Development Department).*

¹¹⁸ *AE, Durgapur Highway Sub-Division, EE, Burdwan Highway Division II, Pradhan, Ichapur GP, SDO, Durgapur, etc.*

Thus, acceptance of a DPR without checking its veracity and initiation of construction work without obtaining statutory clearances/ ensuring availability of encumbrance free land culminated in abandonment of work. Resultantly, the expenditure of ₹ 4.69 crore on the unfinished work became unfruitful.

**URBAN DEVELOPMENT & MUNICIPAL AFFAIRS DEPARTMENT
(ASANSOL DURGAPUR DEVELOPMENT AUTHORITY)**

3.7 Failure of Municipal Solid Waste Management Project

The objective of scientific management of municipal solid waste covering Asansol Urban Agglomeration Area in Bardhaman district was not achieved. This was due to failure of Asansol Durgapur Development Authority and Asansol Municipal Corporation (i) in arranging for encumbrance-free land and (ii) non-supply of minimum guaranteed quantum of municipal solid wastes by urban local bodies.

Asansol Durgapur Development Authority (ADDA) conceptualised (2005) an Integrated Municipal Solid Waste Processing & Engineered Sanitary Landfill project. The purpose was to achieve a clean, pollution free environment¹¹⁹ in the urban agglomeration area encompassing Asansol Municipal Corporation (AMC), Durgapur Municipal Corporation (DMC) and municipalities of Raniganj, Jamuria and Kulti in Bardhaman district. The project included setting up of three treatment plants (estimated cost: ₹ 11.37 crore) at Durgapur, Raniganj and Asansol and a centralised Sanitary Land Fill Facility (estimated cost: ₹ 15.40 crore) at Raniganj. A consortium of two private partners¹²⁰ were assigned (July 2008) with the works in a Public Private Partnership (PPP) model on BOOT¹²¹ basis. An agreement¹²² was signed (December 2008) among ADDA (the nodal agency), five¹²³ Urban Local Bodies and the PPP partners enumerating the *inter-se* obligations and responsibilities. As per the agreement, the PPP partners were to set up all the treatment and landfill facilities at their own cost (₹ 26.77 crore). Encumbrance free sites were to be provided by ADDA or ULBs concerned for this. The PPP partners were to run the operation and maintenance of the facilities at its own expenses. ADDA was to release a capital grant of ₹ 9.60 crore to the PPP partners. The corporations/ municipalities agreed to supply the minimum guaranteed quantum of municipal solid wastes (MSW) to the processing plants for their economically viable functioning. They were to pay tipping fees¹²⁴ to the partners at the rate of ₹ 85 for each metric tonne of MSW processed. The capacity of waste treatment facilities and name of municipalities responsible for sending waste are shown in **Table 3.7**.

¹¹⁹ *Mandatory as per Municipal Solid Wastes (Management & Handling) Rules, 2000 (MSW Rules) enacted by the Ministry of Environment & Forests, Government of India.*

¹²⁰ *M/s Gujrat Enviro Protection & Infrastructure Limited (GEPIL) and M/s Hanjer Biotech Energies (Durgapur) Pvt. Ltd. (Hanjer) who formed a consortium, GEPIL being the lead consortium member and Hanjer being consortium member.*

¹²¹ *Build, operate, own and transfer for a period of 25 years.*

¹²² *Concession Agreement is a negotiated contract between a company and a government that gives the company the right to operate a specific business within the government's jurisdiction, subject to certain conditions.*

¹²³ *Asansol Municipal Corporation, Durgapur Municipal Corporation, Raniganj Municipality, Kulti Municipality and Jamuria Municipality.*

¹²⁴ *The amounts payable by ULBs to private partners at a rate of ₹ 85 per Metric Tonne MSW supplied for processing of the same.*

Table 3.7: Capacity of processing facilities and municipalities responsible for sending wastes

Site of waste treatment facilities	Initial capacity of the processing facilities	Minimum guaranteed MSW to be supplied	Name of Municipalities responsible to provide guaranteed MSW
	<i>Tonnes per day (TPD)</i>		
Durgapur site	300	120	Durgapur Municipal Corporation
Raniganj site	150	60	Raniganj and Jamuria Municipality
Asansol site	300	170	Asansol Municipal Corporation and Kulti Municipality
	750	350	

Source: Records of ADDA

During audit scrutiny of records (June 2016 and April 2017) of ADDA, it was observed that ADDA released ₹ 8.41 crore to the PPP partners as capital grant between January 2010 and February 2013. It was observed that PPP partners established processing facilities at Durgapur and Raniganj¹²⁵. Asansol site could not be developed for want of encumbrance-free land. The plants at Durgapur and Raniganj started functioning in 2010-11, but the same were shut down in October 2013 by the PPP partners. This was attributable to generation of insufficient revenue due to under-utilisation of waste processing capacity of the plants. Functioning of the Durgapur plant was also hampered by local disturbance. As of April 2017, MSW generated in all the corporations/municipalities remained untreated defeating the very objective of the project as well as the MSW Rules, 2000.

Audit analysed (April-May 2017) the factors leading to the failure of the project. It threw light on various deficiencies on the part of the ADDA as well as the municipalities/ corporations concerned as discussed below:

- For setting up the waste treatment facilities at Asansol, Asansol Municipal Corporation had handed over two plots of land (December 2008 and June 2010) at two different sites¹²⁶. Records showed that construction work at the first site had been stopped due to inaccessibility of the site, local disturbance and theft of materials. Construction could not be done in the second site on account of resistance of local people, encroachment, etc. The issue was repeatedly brought to the notice of the ADDA authorities (April 2010, May 2010, June 2010 and July 2010) by the PPP partners, however the same was not sorted out. ADDA identified another piece of Government land¹²⁷ and initiated (February 2010) the process of transfer of its possession for the project. However, before the same materialised, the partners had served¹²⁸ (June 2014 and October 2014) termination notice.

¹²⁵ Including the sanitary landfill site at Raniganj

¹²⁶ Kalipahari, Mouza- Mohishila, J.L. No. 37, PS-Asansol (in December 2008) and Damra, Mouza-Kotaldihi, J.L. No. 38, PS-Asansol (in June 2010).

¹²⁷ Mouza-Asansol, J.L. No. 35, PS-Asansol

¹²⁸ The attributable reasons were: a) non-availability of plot for the treatment plant at Asansol and b) failure of concerned ULBs to provide the Minimum guaranteed quantity of Solid waste per day to the other two Waste Treatment Facilities in any given month, thereby affecting the economic viability.

- Jamuria Municipality did not supply any MSW material to the treatment plant. Raniganj Municipality supplied 40 Tonnes per Day (TPD) of MSW against stipulated 60 TPD. Durgapur Municipal Corporation (DMC) supplied only 90 TPD of wastes against the guaranteed quantum of 120 TPD. Further, the materials actually supplied by DMC were found mixed with inert materials like materials of demolished building and silt from drains which caused damage to plant machineries.

Such shortfall or non-supply was mainly attributable to absence of a door to door collection system of waste materials, though stipulated in the MSW rules and other factors¹²⁹ like road connectivity, etc. As such, under-utilisation of the processing facilities adversely affected the economic viability of the project. This was also repeatedly flagged by the private partners.

The stalemate continued, though the ADDA authorities held meetings (November-December 2013) with all corporations/ municipalities and PPP partners. In December 2014, ADDA terminated the agreement and took over (December 2014) the possession of the processing plants and Sanitary Landfill Facility.

A third party¹³⁰ feasibility study (October 2015) was conducted by ADDA to assess the workability of the facilities at their present condition. It showed that all the created facilities at Raniganj and Durgapur were lying abandoned without any power connection. Many equipments and cables were reportedly missing. It was assessed that revival of the plants required re-installation of lost equipments, electrical facilities and capital maintenance involving substantial capital investment. No further development in this matter was noticed. During joint physical verification (April 2017) of Durgapur site conducted by Audit alongwith representatives of ADDA it was seen that the abandoned plant was being used as dumping place of raw MSW.

The Chief Executive Officer (CEO), ADDA, in June 2017 and again at the behest of the Finance Department in February 2018, also affirmed the fact of closure of the Raniganj and Durgapur plants.

Such dumping of untreated MSW in the open, in an uncontrolled manner, not only could affect the pollution levels but also pose environmental risks. This contention in audit was also corroborated from a Report on State of Environment, West Bengal, 2016 by the West Bengal Pollution Control Board. It indicated that uncontrolled open dumping of solid waste by the ULBs was polluting the ground water, surface water, air, etc. The Report also indicated that such uncontrolled open dumping posed environmental risks and could lead to degradation of the environment as well as adversely impact public health.

Thus, the objective of the solid waste management project covering Asansol Urban Agglomeration Area in Bardhaman district was not achieved. It was

¹²⁹ Lack of road connectivity, from GT road to Raniganj Plant, of appropriate quality & inadequate infrastructure for collection of waste and bringing it to the plant site.

¹³⁰ Department of Earth and Environmental Studies of National Institute of Technology, Durgapur, a premier Technological Institution under Ministry of Human Resource Development, GoI.

due to failure of ADDA and Asansol Municipal Corporation in arranging for encumbrance-free land coupled with non-supply of minimum guaranteed quantum of municipal solid wastes by urban local bodies.

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

**URBAN DEVELOPMENT & MUNICIPAL AFFAIRS DEPARTMENT
(BURDWAN DEVELOPMENT AUTHORITY)**

3.8 Laxity in approach coupled with extension of undue favour

Burdwan Development Authority (BDA) selected Bengal-Faith Health Care Private Limited (BFHCPL) for execution of Burdwan Health City project without ascertaining its financial capacity. There was laxity on part of BFHCPL in implementing the project. BDA did not take initiative to get the work done within the prescribed timeframe. This resulted in the project not starting even after more than 11 years since acquisition of land for the project.

Burdwan Development Authority (BDA) envisioned (April 2007) the Burdwan Health City project (project). The objective was to provide a reasonable level of health security¹³¹ to persons belonging to the economically weaker sections (EWS). The project was to be undertaken through a Public Private Partnership (PPP) model. The project envisaged construction and development of an integrated Health City Complex spread over 60 acres of land in *mouza* Goda, Burdwan. The project components *inter alia* included setting up of a 150 bedded indoor general hospital as the anchor facility¹³² with other health care services.

BDA awarded (February 2007) the project to a consortium¹³³ of Bengal CES Infratech¹³⁴ and Faith Healthcare Private Limited for implementing the project. As per Memorandum of Agreement (MoA)¹³⁵, BFHCPL was to conceptualise, design, mobilise, finance and complete the execution of the Health City project. The project was to be completed within a maximum period of five years from the date of handing over of encumbrance free land. The project was to be implemented in three phases.

The MoA, *inter alia*, stipulated that BFHCPL would

- set-up a 150 bedded indoor general hospital expandable to 500 beds as the anchor facility.
- provide 20,000 sq. ft. built up space to BDA free of cost for setting up Mother and Child Care Centre (MCCC).

¹³¹ Such as health insurance coverage and subsidised treatment facilities

¹³² Expandable to minimum 500 beds

¹³³ The consortium functioned under the name 'Bengal-Faith Health Care Private Limited' (BFHCPL)

¹³⁴ a joint venture of Consulting Engineering Services (CES) and WBIDC

¹³⁵ executed between BDA and BFHCPL

- provide funds for payment of premium to BDA for Health Insurance Policy¹³⁶ and BDA would be the master policy holder in respect of such contributory insurance policy. In case the envisaged health facilities did not materialise¹³⁷, BFHCPL would provide the health insurance facilities through other health service providers.
- provide subsidised healthcare services to the families belonging to the Economically Weaker Section (EWS)/ Below Poverty Line (BPL)/ Other Deprived Persons (ODP) categories within the Burdwan Planning Area through the facilities to be created.
- market the developed plots¹³⁸ on behalf of the BDA and lease¹³⁹ them out to the intending lessees. They would receive the premium¹⁴⁰ to accrue on this account as per terms and conditions entered into with the BDA.

The examination of records in this regard disclosed the following:

- BDA acquired 57.24 acres of land and handed over possession of the land to BFHCPL in November 2006. The rationale for selection as offered by the BDA was that the bid submitted¹⁴¹ by BFHCPL was the most responsive¹⁴². It was, however, observed that the bidders submitted technical and welfare bids only. This indicated that the financial capabilities of the bidders were not judged prior to selection.
- It was observed from Administrative Report of BDA for the year 2007-08 that the project cost of Phase 1 of the project was ₹ 250 crore. BFHCPL paid the cost of acquisition of the land. Phase 1 of the project was to be completed by November 2011. BFHCPL, however, did not prepare any Detailed Project Report (DPR) for execution of the project. Audit could not ascertain as to how in absence of any detailed plans and estimates, actual execution of the project was taken up. It was further observed that BFHCPL executed (January 2010) three lease deeds¹⁴³ with the BDA. In course of execution, BFHCPL was allowed five extensions upto September 2018 even though the extended deadlines were repeatedly surpassed by them. BDA allowed such extensions each time¹⁴⁴ even though the rate of progress had been very slow and the project remained incomplete as discussed below.

¹³⁶ For the economically weaker sections/ population Below Poverty Line (BPL)/ other deprived persons (ODP) of the population belonging to the Burdwan Planning Area (BPA).

¹³⁷ Within the prescribed time frame

¹³⁸ The plots were to be developed for both residential and non-residential purposes. The facilities to be created included staff accommodation for Doctors, Eateries/ Restaurants, Mall/ Auditorium, etc.

¹³⁹ The lessee would be required to pay nominal annual lease rent to the BDA not exceeding ₹ 1 per sq. mt. of land in case of residential use and ₹ 10 per sq.mt of land in case of non-residential use.

¹⁴⁰ the terms and conditions did not elicit the mode of utilisation of the collected premium.

¹⁴¹ Out of the eight bidders

¹⁴² The criteria for responsiveness being that the bid was evaluated by an independent team of experts from IIT Kharagpur and IIM Joka.

¹⁴³ Included setting up of Mother and Child Care Centre, Trauma Care and Medical Research Centre and Common Services Area under phase-1 of the project.

¹⁴⁴ with the latest being upto December 2017

A joint physical verification of the site was conducted (August 2017) by Audit with an officer of the BDA. It was noticed that the construction work in the project site was limited to erection of a partially completed Trauma Care and Medical Research Centre (TCMRC) only. A make shift outdoor health clinic was running¹⁴⁵ in that TCMRC. The construction of indoor wards was incomplete and consequently no indoor facility commenced. The works in respect of Mother and Child Care Centre (MCCC) or Common Services Area (CSA) were yet to be taken up and vast areas of the project land were lying vacant.

- It was observed that consequent upon non-completion of the intended health facilities within the prescribed time-frame, a premium of ₹ 9.75 crore was recoverable¹⁴⁶ from BFHCPL. BDA did not prepare the beneficiary list and consequently transmit the same to BFHCPL. This allowed the BFHCPL to avoid the payment of premium. As a result, the intended beneficiaries were deprived of the benefits of the scheme.
- The works¹⁴⁷ relating to phase 2 and phase 3 of the project were not taken up at all. The construction of the indoor general hospital, the anchor facility, did not materialise at all. The attributable reason as cited by BFHCPL being lack of financial resources. This corroborated the audit contention that assessment of financial capacity of the bidder was a prime pre-requisite. Moreover, absence of a DPR denied Audit the scope to fathom the financial and physical commitments envisioned under these phases of the project. Further, as the works were not taken up the scope of generation of additional revenue through lease rent did not materialise.
- The MoA further stipulated that on failure to meet the agreed schedule for execution of the work, BFHCPL was liable to pay penalty of 0.1 *per cent* of the cost of the unfinished portion¹⁴⁸. There was no recovery of penalty, though the prescribed deadlines were never adhered to by BFHCPL. In absence of the DPR, Audit could not ascertain the actual penalty payable by BFHCPL.

Thus, laxity on the part of BFHCPL regarding execution of the project led to the project not starting even though more than 11 years had elapsed since acquisition of land for the project. There was lack of initiative on BDA's part to get the work done within the prescribed timeframe. The financial capacity of BFHCPL was not assessed prior to awarding the contract. BDA allowed repeated extensions of the timelines and failed to levy penalty for lack of adherence to the extended timelines. It was tantamount to extending undue favour to the BFHCPL. The concessional health facilities and health insurance facilities did not reach the targeted beneficiaries till date. BDA also lost the scope to generate additional revenue through lease rent due to non-execution of the subsequent phases of the project.

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

¹⁴⁵ Only seven doctors were conducting outdoor consultations once or twice a week for one to two hours.

¹⁴⁶ On account of the Health Insurance Policy

¹⁴⁷ Included setting up of the anchor facility of the indoor general hospital reduced to 350 beds.

¹⁴⁸ For every three months' delay in completion/ commissioning

PUBLIC HEALTH ENGINEERING DEPARTMENT

3.9 Unproductive expenditure on water supply scheme

Residents of Uttar Latabari, Jalpaiguri and Parmadan and Pathuria mouza of North 24 Parganas remained deprived of safe drinking water as the concerned PHE Divisions initiated execution of water supply projects without ensuring clear title of the work sites. This also rendered the expenditure of ₹ 2.54 crore on the unfinished works unproductive.

Rule 258 of the West Bengal Public Works Department Code provides that except in the case of emergent works such as repair of breaches, etc., no works should be started on land which has not been duly made over by responsible civil officers.

However, records of two divisions of PHE Directorate showed following two instances where initiation of work on private land, without obtaining the title on the same led to stoppage of work mid-way. This rendered an expenditure of ₹ 2.54 crore on the unfinished works unproductive.

(A) Public Health Engineering Department (PHED) accorded administrative approval (April 2003) for a water supply scheme at an estimated cost of ₹ 1.18 crore (Civil works: ₹ 109.19 lakh and Mechanical/Electrical works: ₹ 8.60 lakh). The objective was to provide potable water to the residents of Uttar Latabari town at Kalchini, Jalpaiguri. The civil components of the scheme included sinking of four tube wells at four different locations, construction of one switch room at each location, one overhead reservoir having capacity of 454 cubic metre at main worksite, rising main¹⁴⁹, distribution system, etc. The mechanical part comprised of installation of pumping machinery in four tube wells with electrical energisation¹⁵⁰. The site for the work was to be arranged by Kalchini Panchayat Samity. The work was to be completed within three years. Availability of land for construction of OHR free of cost was also assured by the Sabhadhipati, Jalpaiguri Zilla Parishad at the time of preparation of Detailed Project Report (DPR). The PHED accorded administrative approval of the project in consideration that requisite plots of land would be provided free of cost by the Sabhadhipati, Jalpaiguri Zilla Parishad.

Audit scrutiny (June 2016) of the records of the Executive Engineer, Jalpaiguri Division, PHE Directorate showed that the division had taken up the work of overhead reservoir (OHR). The work was taken up on a plot of private land earmarked by Pradhan, Latabari Gram Panchayat¹⁵¹ without formally acquiring it or ensuring clear title on the land.

It was further seen that in course of execution of the project, the owner of the land on which the OHR was constructed prayed for compensation for the land. The PHED referred the matter to the Land Acquisition authority in

¹⁴⁹ *Rising Main: A vertical pipe that rises from the ground to supply mains water*

¹⁵⁰ *Electrical energisation: Refers to providing electric supply*

¹⁵¹ *of Kalchini Block*

February 2012. The residual work¹⁵² remained stalled after incurring an expenditure of ₹ 1.02 crore¹⁵³ upto July 2012.

During joint physical inspection¹⁵⁴ of the sites (May 2016), the whole water supply scheme was seen lying incomplete and idle. The status of work was as below:

- Sinking of tube wells at four different locations were complete. The overhead reservoir at the main worksite¹⁵⁵ was built. However, pumping machineries were yet to be installed at that location.
- At second worksite¹⁵⁶, pumping machinery were installed. However, construction work for raising main was yet to be undertaken.
- At the third worksite¹⁵⁷ pumping machineries were installed. However, due to leakage and non-completion of distribution system water could not be extracted.
- At the fourth worksite¹⁵⁸, no pumping machinery was installed.

In reply, the PHED stated (December 2017) that all the works of the scheme (except for the 4th tube well) were commissioned in January 2017 and the inhabitants of the area were getting the benefit of the scheme. The commissioning of the 4th tube well was to be done after disposal of litigation regarding acquisition of land.

After receipt of the reply, further joint physical verification (January 2018) of sites was conducted by an Audit team alongwith the Asstt. Engineer, Alipurduar Sub-Division, PHE Directorate. It disclosed the following:

- Out of four pumps, only two pumps were installed at Rabindranagar and Netaji Palli. The pump at Netaji Palli functioned¹⁵⁹ on trial basis and stopped functioning in September 2017 due to damage of electric meter.
- The other two pumps were not installed at OHR site of Netaji Palli and Depot Para. Hence, there was no scope to provide electrical connectivity to these pump sets.

From the DPR it was noticed that to meet the daily water demand, all the four tube wells required pumping of eight hours per day. However, the pumps did not function properly. Moreover, the OHR remained unutilised in absence of installation of the pump set with electrical connectivity. This was due to lack of availability of land with clear title.

(B) The PHE Department proposed a ground water based piped water supply scheme in the year 2006-07 at an estimated cost of ₹ 2.19 crore (Civil works: ₹ 180.07 lakh and Mechanical/ Electrical works: ₹ 38.86 lakh).

¹⁵² installation and linkage of pump set, etc.

¹⁵³ Civil Part ₹90.45 lakh and Mechanical/ Electrical part ₹11.73 lakh

¹⁵⁴ Comprising an audit team and Asstt. Engineer, Alipurduar Sub-Division, PHE Directorate in Netaji Palli

¹⁵⁶ in Rabindranagar

¹⁵⁷ in Netaji Palli

¹⁵⁸ in Depot Para

¹⁵⁹ From January 2016, for 30 minutes per day.

The objective was to provide Arsenic free potable water facility to the residents of Parmadan¹⁶⁰ and adjoining Pathuria *mouza* in North 24 Parganas. The main components of the scheme under civil works were (i) sinking of two tube wells, (ii) one overhead reservoir (OHR) having capacity of 250 cubic metre at main worksite, (iii) rising main, and (iv) distribution system along with provision for Arsenic treatment plant. The mechanical works included installation of pumping machinery in two tube wells along with electrical energisation.

A provision for 27 *cottah*¹⁶¹ of land, that was to be acquired from private parties for this purpose, was made in the Detailed Project Report (DPR). Consent regarding availability of land was obtained from the respective local authorities¹⁶². The work was awarded (June 2009) for erection and commissioning of ground water based piped water supply scheme. It included three months' trial run and five years' operation and maintenance at a cost of ₹ 1.97 crore. The project was to be completed by the agency in 18 months.

Scrutiny (January 2017) of the records of the Executive Engineer, North 24 Parganas Water Supply Division-I disclosed that all major construction works were completed by the agency by March 2013. Payment of ₹ 1.52 crore was released to the agency. During scrutiny, it was noticed that proposal for acquisition of required land was initiated in the year 2009 itself and land details were sent to the PHED for necessary cabinet approval. However, the land acquisition process could not materialise by November 2014. Meanwhile, the State Government issued a new land acquisition policy for acquisition of land by direct purchase from land owner in November 2014. Due to this, the LA case got lapsed and the procedure of acquisition of land was started afresh. Again all the records related to acquisition of the land was forwarded (April 2015) to the District Magistrate and chairperson of Land Purchase Committee. Meanwhile, the land owners, remaining deprived of the land value for such a long period, created hindrances in the entry to the project site. This led to stalling of the project.

In reply, PHED stated (December 2017) that work of the scheme 'Energisation and commissioning of the first tubewell' was completed and the scheme was commissioned in June 2017. The inhabitants of the entire command area were getting water supply under the scheme. The work of 'Energisation and commissioning of the second tube well', however, could not commence as the approval for the land acquisition¹⁶³ was yet to be received from the competent authority.

In this context, reference is drawn to the DPR which contained that for meeting the ultimate daily water demand, both the tube wells required pumping of 16 hours per day. However, it was observed during site inspection (January 2018) that out of the two pumps, one was operated only on trial run

¹⁶⁰ Parmadan is located in the northern part of North 24 Parganas district. The scheme included two *mouzas* under Bagda block, the area is affected by the problem of Arsenic contamination in ground water.

¹⁶¹ A measure of land

¹⁶² The Pradhan, Sindrani Gram Panchayat and Sabhadipati, Bagda Panchayat Samity

¹⁶³ The proposal for cabinet approval, regarding acquisition of 0.40 acres of land for Parmadan project, was forwarded to Special Secretary, PHED in November 2017, approval is awaited as of date.

basis for intermittent period of time each day. This restricted any scope to store water in the Over Head Reservoir. The other pump was yet to be put to use due to absence of electrical connectivity. Moreover, the second tube well could not be commissioned, as approval of the competent authority for acquisition of land was awaited. Absence of encumbrance free land coupled with minimal functioning of the pump sets did not corroborate the reply that the entire command area was getting water supply under the scheme.

Thus, the PHE divisions started execution of water supply projects on the basis of assurance of local bodies without ensuring clear title of the work sites. Besides, there was undue delay in acquisition procedure leading to dissatisfaction among the land owners. All these culminated in stalling of the projects mid-way. This had not only rendered an expenditure of ₹ 2.54 crore on the unfinished works unproductive, but also deprived the targeted population of safe drinking water for years together.

HEALTH & FAMILY WELFARE DEPARTMENT

3.10 Excess payment on cleaning services

The authorities of both NRS Medical College & Hospital and the School of Tropical Medicine allowed excess payment of ₹ 1.67 crore on cleaning services during March 2015 to February 2017.

The Medical Superintendent-cum-Vice Principal (MSVP), NRS Medical College & Hospital (NRSMCH), Kolkata had engaged¹⁶⁴ (September 2014) a private agency¹⁶⁵ for outsourcing of cleaning and housekeeping services at NRSMCH for the period 2014-17 (from October 2014). As per the agreement, the agency was to engage 376 personnel for cleaning and housekeeping services. The hospital authority was liable to pay the minimum wage¹⁶⁶ as notified by the Labour Department from time to time¹⁶⁷, statutory charges and management fee¹⁶⁸ to the agency. The notifications of the Labour Department stipulated that the daily rate was to be arrived at by dividing the monthly rate by 26.

Audit scrutiny (November 2016) of the records of the NRSMCH showed that the agency, while submitting its claims, calculated the daily rate as per norms (*i.e.* by dividing the stipulated monthly wage by 26). The agency, however, for arriving at monthly rate multiplied the daily rate with actual number of days of the month (*i.e.* by 28 to 31 days). As a result, the claim of the agency for a month surpassed the monthly amount admissible¹⁶⁹ as per the agreement. Such incorrect application of Labour Department notifications resulted in undue

¹⁶⁴ Under the instruction (April 2014) of the Health and Family Welfare Department

¹⁶⁵ M/s Asiad Detective Bureau

¹⁶⁶ The Labour Department periodically notified minimum rate of wages applicable to different categories (Unskilled, Semi-Skilled, Skilled and Highly Skilled) of employees in clinical nursing home in the State.

¹⁶⁷ July 2014 (July 2014 to December 2014), July 2015 (July 2015 to December 2015), January 2016 (January 2016 to June 2016), June 2016 (July 2016 to December 2016) and December 2016 (January 2017 to June 2017).

¹⁶⁸ Statutory charge: 18.36 per cent of the wages and Management Fees: 7.3 per cent of the wages

¹⁶⁹ Monthly minimum rate of wages as notified by Labour Department, GoWB includes the wages for weekly day of rest.

claim of wage for additional two to five days per month per person. The hospital authorities did not detect the erroneous interpretation of extant Government directives by the agency and continued to pay the bills. As a result an excess payment of ₹ 1.48 crore during March 2015 to February 2017 was incurred. The same agency did not claim such additional wage¹⁷⁰ from two other medical college and hospitals during the same period, though the agreed terms of payment for all these hospitals were same.

Similar erroneous application of Government directives was also noticed (March 2017) in School of Tropical Medicine (STM), Kolkata. It was observed that the Director, STM paid an excess amount of ₹ 0.19 crore during September 2015 to January 2017 to another agency¹⁷¹ towards cleaning services.

Thus, the authorities of both NRS Medical College & Hospital and the School of Tropical Medicine failed to detect the erroneous interpretation of the extant Government directives by the contractors. They allowed excess payment of ₹ 1.67 crore¹⁷² on cleaning services during March 2015 to February 2017.

The matter was referred to Government in June 2017. Reply had, however, not been received (February 2018).

GENERAL

3.11 Cash management in Government Departments

Deficient cash management by Drawing & Disbursing Officers led to cash amounting ₹ 1.90 crore not being physically available, though included in the cash balance. This was facilitated by drawal of funds in excess of immediate needs and prolonged retention of the undisbursed cash. The practice was fraught with the risk of misappropriation of public money.

West Bengal Treasury Rules (WBTR) provide that:

- No money is to be drawn from the treasury unless it is required for immediate disbursement;
- All financial transactions are to be recorded in the cash book as soon as they occur under proper attestation by the Drawing & Disbursing Officer (DDO);
- Cash book is required to be closed every day and the head of the office is required to physically verify the cash balance at the end of each month and record a certificate to that effect; and
- Bills and date-wise analysis in respect of closing balance are also to be recorded.

¹⁷⁰ The same agency was also engaged in cleaning services in R G Kar Medical College & Hospital (engaging 344 personnel) and Bardhaman Medical College & Hospital (engaging 249 personnel). In these two hospitals, claims were raised based on the minimum rate of monthly wages notified by the Labour department.

¹⁷¹ M/s Zed Plus Security Guard and Cleaning Services

¹⁷² ₹ 1.48 crore plus ₹ 0.19 crore

Scrutiny of records of 16 DDOs in nine¹⁷³ districts including Kolkata showed instances of retention of heavy cash balance. Moreover, there were instances of unauthorized utilization of the undisbursed cash by the DDOs, as elaborated in the succeeding paragraphs. Evidently, the above WBTR provisions were not complied with. This practice was not only a financial irregularity by itself, but also can potentially lead to irregularities of more serious nature, like misutilisation or misappropriation of Government money.

Physical verifications of cash available in the cash chests were carried out by those 16 DDOs under seven Departments at the instance of Audit on various dates during April 2016 to April 2017. On those dates, aggregate Cash Book balance with those DDOs stood at ₹ 10.27 crore. However, on physical counting, it was seen that only ₹ 8.37 crore was available in the cash chests of those DDOs. Thus, there was a cash shortage of ₹ 1.90 crore. The DDO-wise position has been shown in *Appendix 3.3*. Of this shortage,

- Unadjusted vouchers and undisbursed cheques not produced before Audit accounted for ₹ 0.70 crore. Besides, ₹ 0.15 crore represented advances unauthorisedly given from undisbursed cash for various purposes. As the amounts remained outside the cash book, this practice was fraught with risk of serious financial malpractices.
- The overall shortage included unexplained shortage of ₹ 1.04 crore under eleven DDOs¹⁷⁴ including a case¹⁷⁵ of defalcation of ₹ 3.48 lakh.
- It was observed that three DDOs¹⁷⁶ produced lapsed cheques of ₹ 0.69 crore before Audit as physical cash balance. Steps need to be taken either to revalidate these lapsed cheques or attempts to be made to remit/ refund the amount to the proper Heads of Account/ person or authority. Further, out of ₹ 0.69 crore, cheques amounting to ₹ 3.53 lakh¹⁷⁷ were reported as missing.

Cases of non-adherence to the provisions of financial rules by DDOs have been pointed out repeatedly by Audit in earlier years. However, neither the DDOs nor the respective controlling officers could ensure recovery/ replenishment of the shortages or adjust/ settle the issues till date. Such irregularities, rather, continued indicating lack of control and monitoring at any level.

¹⁷³ Howrah (two offices), Kolkata (seven offices), Murshidabad (one office), Dakshin Dinajpur (one office), Darjeeling (one office), Uttar Dinajpur (one office), Jalpaiguri (one office), Hooghly (one office) and Purba Medinipur (one office).

¹⁷⁴ CMOH, Howrah; MSVP, Medical College & Hospital (MCH), Kolkata; Principal, Nursing Training School, Dakshin Dinajpur; Principal, B C Roy Post Graduate Institution of Paediatric Science, Kolkata; Registrar General, High Court, Appellate Side; Pr. Secretary, Finance Department; Superintendent of Police, Darjeeling; District Magistrate, Jalpaiguri; SDO, Chandannagore, Hooghly; SDO, Haldia, Purba Medinipur and Pr. Secretary, Minority Affairs and Madrasah Education Department.

¹⁷⁵ District Magistrate, Jalpaiguri

¹⁷⁶ Registrar General, High Court, Appellate Side, District Magistrate, Howrah and Pr. Secretary, Finance Department, Government of West Bengal.

¹⁷⁷ Registrar General, High Court, Appellate Side

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

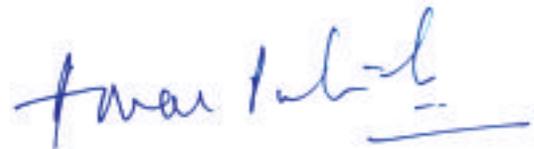
All these irregularities were facilitated by drawal of funds from treasury without need for immediate disbursements and retention of the undisbursed cash for prolonged periods by the DDOs.

Thus, non - adherence to the provisions of Treasury Rules and inadequate internal control over drawal and disbursement of cash by the DDOs continued to be a matter of concern. This had left the Department exposed to the risk of possible misappropriation of public money .

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

Kolkata

The 14 JUN 2018



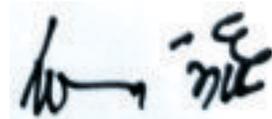
(AMAR PATNAIK)

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

Countersigned

New Delhi

The 18th June, 2018



(RAJIV MEHRISHI)

Comptroller and Auditor General of India

Appendices

Appendix 1.1
(Refer paragraph 1.2, page 1)

Audit jurisdiction of Pr. AG (General & Social Sector Audit), West Bengal

	Departments	Autonomous Bodies ¹
1	Backward Classes Welfare	Under Section 19 (2)
2	Civil Defence	Human Rights Commission
3	Child Development	State Legal Services Authority, West Bengal
4	Correctional Administration (erstwhile Jails)	19 District Legal Services Authorities
5	Disaster Management	West Bengal Building and Other Construction
6	Finance	Workers' Welfare Board
7	Fire & Emergency Services	Under section 19 (3)
8	Food & Supplies	West Bengal Comprehensive Area Development Corporation
9	Health & Family Welfare	West Bengal Commission for Women
10	Higher Education	West Bengal Heritage Commission
11	Home	West Bengal Commission for Backward Classes
12	Housing	West Bengal Housing Board
13	Information & Cultural Affairs	Kolkata Metropolitan Development Authority
14	Judicial	Under section 20 (1)
15	Labour & Employment	Siliguri Jalpaiguri Development Authority
16	Law	Shriniketan Santiniketan Development Authority
17	Mass Education Extension & Library Services	Asansol Durgapur Development Authority
18	Minorities Affairs & Madrasah Education	Digha Shankarpur Development Authority
19	Municipal Affairs	Haldia Development Authority
20	Panchayats & Rural Development ²	Jaigaon Development Authority
21	Parliamentary Affairs	Burdwan Development Authority
22	Personnel & Administrative Reforms	Bhangore Rajarhat Development Authority ³
23	Planning (erstwhile Development & Planning)	New Town Kolkata Development Authority
24	Public Health Engineering	Midnapur Kharagpur Development Authority
25	Refugee Relief & Rehabilitation	West Bengal State Council of Technical Education
26	School Education	West Bengal NGRBA Programme Management Group
		West Bengal Central School Service Commission
27	Self Help Group & Self Employment	West Bengal Regional School Service Commission (Eastern)
28	Sports	
29	Statistics & Programme Implementation	West Bengal Regional School Service Commission (Western)
30	Technical Education & Training	West Bengal Regional School Service Commission (Northern)
31	Tribal Development	
32	Urban Development	West Bengal Regional School Service Commission (Southern)
33	Women Development & Social Welfare	
34	Youth Services	West Bengal Regional School Service Commission (South Eastern)

Besides above, Pr. AG (G&SS Audit) is also responsible for audit of Chief Ministers Office, Legislative Assembly Secretariat and Governors' Secretariat.

¹ Excluding 63 bodies/ authorities substantially financed by the State Government and audited under Section 14 and 18 commercial/ quasi-commercial organisations

² P&RD though under Economic Sector, retained with Pr. AG for functional contiguity with PRI audit

³ Wound up and merged with West Bengal Housing Infrastructure Development Corporation Limited since 2011-12, however, closing accounts is yet to be received and audited.

Appendix 1.1 (Contd.)

**Government Companies/ Corporations under the audit jurisdiction of
Pr. AG (G&SS Audit), West Bengal**

1	West Bengal Police Housing & Infrastructure Development Corporation Limited ⁴ (under section 19(1))
2	West Bengal Essential Commodities Supply Corporation Limited (under section 19(1))
3	West Bengal Film Development Corporation Limited (under section 19(1))
4	West Bengal Women Development Undertaking (under section 19(1))
5	West Bengal Housing Infrastructure Development Corporation Limited (under section 19(1))
6	West Bengal Medical Services Corporation Limited (under section 19(1))
7	Basumati Corporation Limited (under section 19(1))
8	West Bengal Swarojgar Corporation Limited (under section 19(1))
9	The Electro Medical and Allied Industries Limited (under section 19(1))
10	West Bengal Minority Development and Finance Corporation (under section 19(3))
11	West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation (under section 19(3))
12	West Bengal Backward Classes Development and Finance Corporation (under section 19(3))
13	West Bengal State Warehousing Corporation (under section 19(3))

⁴ Since Kolkata State Police Housing Corporation Limited merged with West Bengal Police Housing & Infrastructure Development Corporation Limited w.e.f. 01.04.2015

Appendix 1.2
(Refer paragraph 1.5, page 4)

Statement showing department-wise and year-wise list of outstanding IRs and paragraphs

Year	Disaster Management		Home (Police)		Urban Development		Technical Education and Training		Total	
	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras
1981-82	1	1	0	0					1	1
1982-83										
1983-84										
1984-85	1	1	0	0					1	1
1985-86										
1986-87										
1987-88										
1988-89										
1989-90										
1990-91	0	0	0	0	1	2			1	2
1991-92										
1992-93										
1993-94	0	0	0	0	1	1			1	1
1994-95	0	0	0	0	4	4			4	4
1995-96	0	0	0	0	2	5			2	5
1996-97	1	1	0	0					1	1
1997-98	2	2	0	0	2	2			4	4
1998-99	2	2	0	0					2	2
1999-2000										
2000-01	0	0	0	0	1	2			1	2
2001-02	1	1	0	0					1	1
2002-03	0	0	0	0	5	7			5	7
2003-04	1	2	1	1	1	1			3	4
2004-05	1	1	1	1	2	4	1	1	5	7
2005-06	0	0	0	0	1	2			1	2
2006-07	1	2	0	0	1	1	1	2	3	5
2007-08	1	1	3	7	6	10	5	27	15	45
2008-09	5	13	6	7	1	1			12	21
2009-10	6	28	1	3	4	5	10	29	21	65
2010-11	8	34	7	14	10	19	3	7	28	74
2011-12	0	0	6	8	1	2	5	14	12	24
2012-13	13	34	10	19	13	16	3	9	39	78
2013-14	9	28	26	67	15	45	19	41	69	181
2014-15	3	13	22	66	13	51	4	8	42	138
2015-16	3	9	29	109	16	88	16	78	64	284
2016-17	10	47	43	314	12	82	13	61	78	504
TOTAL	69	220	155	616	112	350	80	277	416	1463

Appendix 1.3
(Refer paragraph 1.7, page 6)

**Departments who did not submit *suo-motu* replies with number of paras/
reviews involved**

Sl. No.	Name of the Department	Number of Paras/ reviews involved in reports for the years					
		Upto 1997-98	1998-2012	2012-13	2013-14	2014-15	Total
1	Backward Classes and Welfare	01	03	-	-	-	04
2	Correctional Administration (erstwhile Jails)	-	-	-	-	01	01
3	Planning (erstwhile Development and Planning)	-	01	-	-	-	01
4	Disaster Management	-	01	01*	-	01	03
5	Finance	04	02	-	01	03 [£]	10
6	Finance (Taxation)	-	01	-	-	-	01
7	Fire & Emergency Services	-	-	01	-	-	01
8	Food and Supplies	-	02	-	-	01	03
9	Health and Family Welfare	26	25 [#]	01	03	03	58
10	Higher Education, Science and Technology and Biotechnology	-	-	-	01	01 [¥]	02
11	Home (Const. and Elec.)	-	02	-	-	-	02
12	Home (Police)	-	15	01	01	-	17
13	Home (Political)	-	01	-	-	-	01
14	Housing	-	06	-	-	-	06
15	Information and Cultural Affairs	-	04	01	01	-	06
16	Labour	-	04	01	-	01	06
17	Land and Land Reforms	-	01	-	-	-	01
18	Mass Education Extension & Library Services	-	01	01*	-	-	02
19	Minorities Affairs and Madrasah Education	-	01	-	01	-	02
20	Municipal Affairs	14	09 [#]	-	-	-	23
21	Panchayats and Rural Development	04	09 [#]	01*	01	02	17
22	Public Health Engineering	-	05	-	01	01	07
23	School Education	-	06 [#]	01	02	-	09
24	Sports and Youth Services	-	03	-	-	01	04
25	Technical Education and Training and Skill Development	-	01	01	-	-	02
26	Urban Development	-	09	05 ^β	01	03	18
27	Urban Development (Kolkata Municipal Corp.)	-	01	-	01	01	03
28	Women & Child Development and Social Welfare	02	04	-	01 [€]	-	07
Total		51	117	15	15	19	217

- ♣ Includes observations relating to Home (Police), Civil Defense, H& FW, Irrigation & Waterways and PHE Department also.
- £ Includes observations on Public Health Engineering, Health & Family Welfare and Agriculture Marketing Dept. also.
- * Includes para No 2.1 of Civil Audit Report No 2 of 2010-11 on District Centric Audit of Dakshin Dinajpur involving Health & Family Welfare, School Education, Development & Planning, Women & Child Development and Social Welfare, Panchayats & Rural Development, Public Health Engineering, Irrigation & Waterways, Power and Urban Development Departments.
- # Includes Para No. 4.1, 4.2, 5.3, 5.5, 5.6 & 6.2 of the Audit Report on Malda district for the year 2011-12.
- ¥ Includes observations on Urban Development also.
- ♠ Includes observations on Library Services and Municipal Affairs Department also.
- ♦ Includes observations on Municipal Affairs and Finance Department also.
- β Includes observations on Land & Land Reforms, Transport and Irrigation & Waterways Department also.
- € Includes observations on School Education and Health & Family Welfare Department also.

Appendix 1.4
(Refer paragraph 1.7, page 6)

**Statement showing significant recommendations of PAC against which Action Taken
Notes were outstanding from Departments**

Year of Audit Report with para number	PAC Report number and year	Name of the department(s)	Gist of the Audit Para	Recommendations of PAC
3.2.1 of AR 2010-2011	12 th PAC Report 2014-15 & 2015-16	Home (Police)	Procurement of unsuitable police vehicles for extremist affected areas	<p>The Committee <i>inter alia</i> recommended the following :</p> <p>The Department must meticulously examine the various operational requirements of the police forces from every essential aspect with careful consideration of the vulnerability and topography of the areas where the vehicles are required to be deployed and gather views of all concerned before finalisation of any plan before proceeding on any such procurement in future.</p> <p>In similar cases in future, before going ahead with the procurement of such heavy vehicles, various operational aspects of the vehicles are required to be put to field test. Purchase of vehicles on 'trial basis' without sufficient tests regarding their suitability should not normally be resorted to.</p>
3.4.2 of AR 2009-2010	13 th PAC Report 2009-10	Health and Family Welfare	Medical equipment lying idle	<p>The Committee <i>inter alia</i> recommended the following :</p> <p>Purchase of highly sophisticated medical equipment should be made only after proper and thorough assessment of requirements and availability of requisite infrastructure and trained manpower both at the doctors' and technician level.</p> <p>The department should take prompt and appropriate administrative/disciplinary actions against the defaulting officials after fixation of responsibilities for occurrence of incidents of procurement of sophisticated medical equipment at the Burdwan Medical College and Hospital without arranging for requisite infrastructure and manpower. Necessary steps may also be taken to ensure non-recurrence of such incidents.</p>

Source: PAC Reports

Appendix 2.1.1
(Refer paragraph 2.1.6.5 (ii), page 14)

List of firms which were issued renewal certificates despite finding major deficiencies during inspection

Sl. No.	Name and Address of the firm	Licence Nos.	Major findings of inspection	Renewal status	Drugs declared as NSQ on testing	Total no. of batches of the NSQ drug	Date of report
1	Associated Chemical & Pharmaceutical Industries, Doharia, P.O. Ganganagar, 24 PGNS (N)	DL – 1553 (M)	Manufacturing process and cleaning validation was to be performed. Stability chamber was to be procured. Water connection was to be provided at the Hot Zone, etc.	Renewal certificate issued with GMP ⁵ and GLP ⁶ .	Bengal Konium Chloride Solutions IP Benzyl Benzoate Application IP 25%	1 10	21.11.2012 07.09.2015 01.10.2015 02.12.2015 14.12.2015
2	La Chemico (P) Ltd., Taki Road, Kadambgachi, 24 PGNS (N)	DL(CS) – 9M & 7MB	Water system was not validated as per standard guidelines. Separate hygrometers were to be placed in the capsule/tablet coating/compression rooms. Five stage sub-culture process was to be developed. Paracetamol Oral Suspension was to be tested as per IP 2014, etc.	Renewal certificate not issued but, GMP and GLP had been issued upto 31.12.17 and 31.12.16 respectively.	Trifluotoparazine Tab Metronidazole Tab Metformin Tab IP Metformin Tab IP 500 mg. Metformin Hydrochloride Tab. IP 500 mg. Metronidazole IP 200 mg. Trimethoprim & Salphamethaxozole oral suspension Metronidazole IP 200 mg. Vitamin B Complex Tab NFI III	1 4 1 4 3 1 1	28.07.2015 18.08.2016 July 2015 15.06.2015 15.05.2015 18.02.2015 18.02.2015 21.11.2012

⁵ Good Manufacturing Practice

⁶ Good Laboratory Practice

Sl. No.	Name and Address of the firm	Licence Nos.	Major findings of inspection	Renewal status	Drugs declared as NSQ on testing	
					Name of the NSQ drug	Total no. of batches of the NSQ drug
3	A.N. Pharma Cia Pvt. Ltd., 14/1, Salua Dasadrone Main Road, Kolkata – 136	DL – 1466M & 741MB	Manufacturing process and cleaning validation was to be performed. Stability chamber was to be procured. Ref standard of all the API used is to be procured, etc.	Renewal certificate not issued but, GLP issued upto 31.12.16	Relivon – 1 (Risperidone Tab 1 mg.)	1 20.09.2016
4	M/s Indian Drug House, 66 Darir Road, Dhamaitala, 24 PGNS (S)	DL – 1381M	Manufacturing process and testing validation was to be performed. Procurement of HPLC machine was recommended to perform complete test of raw materials and finished product. Emulsifier was to be replaced in Benzyl Benzoate manufacturing section. Validation of AHU was also to be carried out. The firm was asked to engage more chemist for QC Section, etc.	Renewal certificate was issued earlier; GLP certificate was issued upto 31.12.15. The firm applied (July 2016) for renewal as well as CNC, but no inspection was done therefore.	Sodium Hypochloride	1 04.09.2015
5	M/s Greenco Biologicals Pvt. Ltd., GN-1, Saltlake City, Kolkata – 91	DL – 1460M & 628MB	Analytical method validation was to be performed for different products. Growth promotion test of medias was to be performed as per IP 2014. Arrangement for detection of metallic particles was to be provided.	Renewal certificate not issued but, GLP issued upto 31.12.16	Calcium Carbonate	15 19.08.2016 and 28.09.2016

Sl. No.	Name and Address of the firm	Licence Nos.	Major findings of inspection	Renewal status	Drugs declared as NSQ on testing		
					Name of the NSQ drug	Total no. of batches of the NSQ drug	Date of report
6	M/s Pharma Impex Ltd., 620, D.H. Road, Kolkata – 34	DL – 673 MB	Stability Study Chamber was to be procured. HEPA unit of RLAF of Dispensing booth of raw material store needed replacement. The Blending machine of β lactum Capsule section was to be provided with Dust extractor unit. All required column of HPLC was to be procured	Renewal certificate was issued earlier; GLP certificate was issued upto 31.07.17 on the basis of this IR.	Gentamycin Sulphate Inj. IP 80 mg. 2 ml. Diclofenac Sodium Inj. IP 75 mg. 3ml. Lignocaine 25 and Adrenaline	1 3 1	10.02.2016 25.11.2014 24.02.2015
7	M/s Life Pharmaceutical Pvt. Ltd., 53(P), 54(P), U.I.G.C., Howrah – 711316	DL – 1460M & 628MB	Both the filling and ampoule washing rooms of the injectable section was found in dirty condition. Procedure as laid down in D&C Rule for sterilization in lots was not followed. Complete test as per pharmacopoeia was not performed for all RM & FG due to non-availability of facility/reagents. Related substances were not tested for Ranitidine Hydrochloride IP and formulation (injection).	Show-cause notice was issued (November 2016) as to why their licence would not be suspended or cancelled for non-compliance with condition of licences.	Drotavarine Tab IP 40 mg.	2	17.07.2015
8	Pasture Laboratory Pvt. Ltd., 24, Bidhan Sarani, Kolkata -15	858M & 342MB	Effluent water treatment plant was not in use. SOP of Effluent water treatment was to be reviewed as various test of effluent water e.g. TSS, Ph, etc. not being done.	Renewal certificate not issued. GMP & GLP certificate Renewed.	—	—	—

Sl. No.	Name and Address of the firm	Licence Nos.	Major findings of inspection	Renewal status	Drugs declared as NSQ on testing		
					Name of the NSQ drug	Total no. of batches of the NSQ drug	Date of report
9	Dusap Pharmaceuticals, 115, BC Roy Road, Rajpur, 24 PGNS (S)	1324M & 584MB	Shortage in staff. Not performing micro-biological test of purified water. Raw material not kept in acceptable temperature. RLAF was not working properly in Beta-lactum capsul production as well as warehousing section. Proper change room not provided in Beta-lactum capsul section area. Equipment were not calibrated. Records of water tank cleaning was not available	Renewal certificate not issued. GMP & GLP certificate Renewed.	Iron & Folic Acid Syrups Duclean Antiseptic Lotion	2 4	11.04.2016 09.10.2013
10	Square Pharmaceuticals, Mahispota, Kolkata-113	1520M & 781MB	Raw material and finished goods were not tested as per Pharmacopoeial specification. Microbiological test for non-sterilized pharmaceutical product was not conducted. Temperature and humidity monitoring devise were not working properly. The firm is using material with extended life without having documented permission for it.	Renewal certificate not issued.	Ranitidine Hydrochloride Tabs IP	1	26.12.2011
11	Kansas Laboratory Pvt. Ltd., Kolkata-61	1594M & 817 MB	Space constraints was noticed. SOP of Production process and machine operation was yet to be	Renewal certificate not issued. GMP & GLP certificate Renewed.	Vitamin B complex Tab	1	09.04.2012

Sl. No.	Name and Address of the firm	Licence Nos.	Major findings of inspection	Renewal status	Drugs declared as NSQ on testing	
					Name of the NSQ drug	Total no. of batches of the NSQ drug
12	Panacea Biotech, Sodepur, Kolkata-111	703M & 265 MB	<p>prepared. Calibration of PH meter and conductivity meter were not carried out in water plant. In tablet section de-dusting machine with compression was not provided. In quality control section various test e.g. validity test for culture, growth promotion test for media related substance and limit test were not being performed. There was shortage of staff in quality control section compared to work load.</p> <p>Differential air pressure monitoring devises not yet provided. Records of testing of effluent water is not maintained. BAIT diagram not yet prepared. Stability chamber to carry out both real time and accelerated stability study not provided. Packing materials are stored on floor. The firm was using commercial sugar instead of Pharmaceutical grade sugar. Cleaning validation of manufacturing vats, storage tank, pipe line filling sealing machine</p>	Renewal certificate not issued. GMP & GLP certificate Renewed.	Ibuprofen Tab IP 200 mg.	1
						12.03.2013

Sl. No.	Name and Address of the firm	Licence Nos.	Major findings of inspection	Renewal status	Drugs declared as NSQ on testing		
					Name of the NSQ drug	Total no. of batches of the NSQ drug	Date of report
13	Superb Drugs, Dum Dum Road, Kolkata-2	836 MB	<p>was not performed. Dust extractor was not provided in tablet section. In quality control section HPLC, Stability chamber and BOD incubator for microbiology section was not procured.</p> <p>Medical examination of personnel was not conducted. Hygiene in solution preparation was not maintained. Air handling unit was not working properly. Temperature and humidity was not monitored. Capacity of autoclave is not sufficient as per the column of activity. Records of raw material was not maintained as per schedule U of the drugs and cosmetics rule 1945. It was noticed that various product was released without generation of microbial test report. Equipment in quality control section was not calibrated. Staffs were not properly trained. The firm was re inspected on 16.07.14 but non-compliance was noticed.</p>	<p>Renewal certificate not issued. GMP & GLP certificate Renewal withheld.</p>	<p>Aminophylline Injection IP (10 ml.) Quinine Dihydrochloride Injection IP</p>	<p>1 1</p>	<p>03.12.2014 04.12.2013</p>

Source: Directorate of Drug Control, West Bengal

Appendix 2.1.2

(Refer paragraph 2.1.6.6, page 14)

Deficiencies found by Drug Inspectors in test-checked four Blood Banks

Sl. No.	Name of Blood Bank	Deficiencies found
1.	MR Bangur Hospital Blood Bank	Non-engagement of registered nurses on full time basis; Absence of Autoclave machine, separate refreshment, registration and examination room with AC; Non-conducting of sterility test and requisite test for unexpected antibodies; physical verification of stored blood not done with proper SOP; Non-availability of reference books like Indian Pharmacopeia, Drugs and cosmetics Act, 1940 and Rule 1945; Non-calibration of equipment.
2.	Basirhat SD Hospital Blood Bank	Non-conducting quality control test of kits and reagents; Lack of facility for critical TTI/ TTD ⁷ tests by ELISA method; Absence of easily washable floor and walls to maintain hygiene; Not giving information to the authorities regarding change in technical person; Non-issue of Blood cross match slip to patients along with blood bags.
3.	Life care medical complex (P) Ltd. Blood Bank	Blood component section area was less than 50 square meter; Records not maintained to ascertain the time gap between collection of blood and its processing of component; Collection of blood in excess of component separation capacity and the consequent supply of extra units to Plasmagen, a blood product manufacturer; Non-mentioning of expiry date of the platelet on the label. Multiple units of blood supplied to single patient without issuing cross match cum slip for each unit.
4.	North Bengal Voluntary Blood Bank and Research Centre	Non-uniformity in quantity of collected blood unit due to non-calibration of blood collection monitor rendering amount of blood collected disproportional to the anti-coagulant added which may result in transfusion related health hazard; Non-conducting of requisite test for unexpected antibodies, quality Control test; absence of mandatory equipment like automatic ELISA readers with printers & washer.

Source: Records of the Directorate

⁷ Transfusion transmitted infection/ Transfusion transmitted diseases.

Appendix 2.1.3

(Refer paragraph 2.1.7.1, page 15)

Shortfall in inspections of drug selling units

Name of the District	Year	No. of inspections to be done	No. of inspections actually conducted	Percentage of shortfall
Kolkata	2012-13	11232 ⁸	36	99
	2013-14	11232	860	92
	2014-15	11232	858	92
	2015-16	11232	996	91
	2016-17	11232	711	94
Total		56160	3461	93.84
Murshidabad	2012-13	5314	0	100
	2013-14	5438	323	94
	2014-15	5683	463	92
	2015-16	5949	370	94
	2016-17	6113	444	93
Total		28497	1600	94.39
Malda	2012-13	2576	281	89
	2013-14	2676	165	94
	2014-15	2784	128	95
	2015-16	2915	196	93
	2016-17	3028	198	93
Total		13979	968	93.01
Jalpaiguri	2012-13	3348	146	96
	2013-14	3437	149	96
	2014-15	3582	184	95
	2015-16	3757	205	95
	2016-17	3873	196	95
Total		17997	880	95.11
Bardhaman	2012-13	8564	95	99
	2013-14	8734	286	97
	2014-15	8895	401	95
	2015-16	9124	388	96
	2016-17	9397	449	95
Total		44714	1619	96.38

Source: Directorate of Drug Control, West Bengal and Assistant Directors of Drug Control of respective districts

⁸ There were 11,232 licensed units as of December 2016 (Manufacturing units – 192, Modern Drug Wholesale – 4,315, Modern Drug Retail – 5,179, Homeo Retail – 1,546 units). Since year-wise figures of live licences were not provided by DDC, the minimum number of live units is assumed to be 11,232 every year.

Appendix 2.1.4

(Refer paragraph 2.1.7.3, page 17)

List of 32 drugs declared as not of standard quality (NSQ) and particulars of the test reports

Sl. No.	Name of drug/ cosmetic	Batch No.	Name of manufacturer	Brief particulars of test reports and follow-up action, if any
1	Vitamin B Complex Tab	110807	M/s Luxmi Pharmaceutical Works, P-18, Kanungo Park, Kolkata - 84	Assay of the active drug ingredient Pyridoxine Hydrochloride was 80 per cent as reported by the Government Analyst of SDCRL. An investigation was conducted on 18-12-2012 by the Inspector of drugs. Several irregularities were found during inspection. But, no such action was taken by the authority against the firm as of June 2017.
2	Salbut Tab	100301	M/s Luxmi Pharmaceutical Works, P-18, Kanungo Park, Kolkata - 84	Assay of the sampled drug was 85 per cent as reported by the Government Analyst of SDCRL. Despite the order of the Director, no investigation was conducted at the manufacturing premises. As the firm adduced the report, the concerned Inspector of Drug was directed (11-02-2013) by the Director to take necessary action as per the provision of the Act. But, the inspector did not take any action against the firm.
3	Irotone Liquid I	GSR-1101	M/s Calchem Laboratories, Ramkrishna Pally, PO Shyamnagar, 24 PGNS (N)	Assay of the active drug ingredients, Thiamine Hydrochloride was 47.76 per cent and Cyanocobalamine was 37.71 per cent as reported by the Government Analyst of SDCRL. According to DCC guidelines, prosecution was to be launched. Therefore, the matter was referred to Prosecution Cell on 31-07-2013. But, no prosecution was initiated by the authority against the firm as of June 2017.
4	Norfloxacin Tab IP 400 mg.	T-2811	M/s Emma Drugs & Chemicals, National Place, Buxarah, Howrah	Assay of the sampled drug was 32.33 per cent as reported by the Government Analyst of SDCRL. According to DCC guidelines, prosecution was to be launched. Therefore, the matter was referred to Prosecution Cell on 12-08-2014. But, no prosecution was initiated by the authority against the firm as of June 2017.
5	Halazone Tab	120657	M/s Luxmi Pharmaceutical Works, P-18, Kanungo Park, Kolkata - 84	Assay of the sampled drug was 46.84 per cent as reported by the Government Analyst of SDCRL. According to DCC guidelines, prosecution was to be launched. Therefore, the matter was referred to Prosecution Cell on 12-08-2014. But, no prosecution was initiated by the authority against the firm as of June 2017.

Sl. No.	Name of drug/ cosmetic	Batch No.	Name of manufacturer	Brief particulars of test reports and follow-up action, if any
6	Antaron	ANT-045	M/s Ronald Pharmaceuticals Pvt. Ltd., Phootala Canning Road, Kolkata - 144	Assay of active drug ingredient Dried Aluminium Hydroxide was 39.16 per cent as reported by the Government Analyst of SDCRL. According to DCC guidelines, prosecution was to be launched. Therefore, the matter was referred to Prosecution Cell on 20-11-2014. But, no prosecution was initiated by the authority against the firm as of June 2017.
7	Nihar Naturals Coconut Hair Oil	PM-078	M/s Marico Industries Ltd., Khasra No. 425/408/2, 54, 55 & 424/408/1, Vill. Toklon, Dhaula Kaun, Panota Sahib, Himachal Pradesh	The sampled drug failed in Description as reported by the Government Analyst of SDCRL. As per order of the Director, the matter was referred to Prosecution Cell on 18-06-2013. But, no prosecution was initiated by the authority against the firm as of June 2017.
8	Glanpan IV	A013005	M/s ANG Life Sciences (I) Pvt. Ltd., PO Manpura Tehsil Nalagarh, Dist. Solan, Himachal Pradesh	Assay of active drug ingredient Pantoprazole was 32.57 per cent as reported by the Government Analyst of SDCRL. According to DCC guidelines, prosecution was to be launched. Therefore, the matter was referred to Prosecution Cell on 12-03-2014. But, no prosecution was initiated by the authority against the firm as of June 2017.
9	LYCAL-D	B010413	M/s Duck Bill Drugs Pvt. Ltd., Behala Industrial Estate, 620, DH Road, Building No. 2, Kolkata-34	Assay of active drug ingredient Vitamin D ₃ was 37.82 per cent as reported by the Government Analyst of SDCRL. According to DCC guidelines, prosecution was to be launched. Therefore, the matter was referred to Prosecution Cell on 10-06-2014. But, no prosecution was initiated by the authority against the firm as of June 2017.
10	Supradyn	MH-1546	M/s Piramal Enterprise Ltd., K-1, Addl. MIDC Area, Mahad, Maharashtra.	Assay of the active drug ingredient Cyanocobalamine was 21.39 per cent as reported by the Government Analyst of SDCRL. According to DCC guidelines, prosecution was to be launched. Therefore, the matter was referred to Intelligence Cell on 14-01-2015. But, no prosecution was initiated by the authority against the firm as of June 2017.
11	Clopinol-AP	MT-123146	M/s Mascor Health Services Pvt. Ltd., Haridwar-249409	Assay of the active drug ingredient Clopidogrel Bisulphate was 216.32 per cent as reported by the Government Analyst of SDCRL. Director of Drug Control ordered for launching of prosecution. Therefore, the matter was referred to Prosecution Cell on 12-3-2015. But, no prosecution was initiated by the authority against the firm as of June 2017.

Sl. No.	Name of drug/ cosmetic	Batch No.	Name of manufacturer	Brief particulars of test reports and follow-up action, if any
12	Phensedyl New	PHB 1009	Abbott Healthcare Pvt. Ltd., Vill. Bhatauli Khurd, Baddi – 173205 Dist. Solan, HP	The Chlorpheniramine Maleate (0.857%) & Codeine Phosphate (0.679%) content of the sample were found much less than the claim.
13	Phensedyl New	PHB 9376	Piramal Healthcare Ltd., Vill. Bhatauli Khurd, Baddi – 173205 Dist. Solan, HP	The Chlorpheniramine Maleate (0.744%) & Codeine Phosphate (0.780%) content of the sample were found much less than the claim.
14	Cetramidosol	C 268	Chowdhury Chemical Works, Dharampore, Chinsurah, Hooghly	The Cetrimide (67.61%) and Chlorhexidine (0.781%) content of the sample were found much less than the claim.
15	Rabikon-D	RBD 101	Kon Test Chemicals Ltd., Mambapur Village, Jinnaram Mandal, Medak, Dist - 502313, AP	The Rabeprazole Sodium (62.85%) content of the sample was found much less than the claim.
16	Calcium with Vitamin D3 Tab	CD-084	Green Co Biologicals Pvt. Ltd., GN-1, Salt Lake City, Sector-V, Kolkata-91	The Vitamin D3 (11.89%) content of the sample was found much less than the claim.
17	Amclox	MSCA-56	Martin and Harris Laboratories Ltd., Plot No. 33-34, Sector-6 A, SIDCUL, Rangipur, Haridwar, Uttarkhand	The Dicloxacin Sodium (46.71%) content of the sample was found much less than the claim.
18	Omitrab-D	L 1662	DM Pharma, Dist. Solan, HP – 173 205	The Rabeprazole Sodium (34.9%) content of the sample was found much less than the claim.
19	Withania Somnifera (Dietary Supplement)	WS/D/173	Atrey Pharmaceuticals, Saraspur, Ahmedabad	The sample is identified for the presence of steroid.
20	Aciloc-RD	W10003	Cadila Pharmaceuticals Ltd., 1389, Dholka – 387 810, Dist. Ahmedabad	The Omeprazole Magnesium (67.63%) content of the sample was found much less than the claim.
21	Benzalkonium Chloride Solution IP	61204	Associated Chemical & Pharmaceuticals Ltd., Kolkata - 132	The Benzalkonium Chloride (201.78%) content of the sample was found much higher than the claim.
22	Saizole-D	4116	Santo Formulations, Deonghat, PO Saproon, Dist. Solan (HP)-173 211	The Pantoprazole (68.05%) content of the sample was found much less than the claim.
23	Gaspaz	GS 111	Supra Pharmaceutical Pvt. Ltd., SI No. 296/7/6 IDA Bollaram, Hyderabad	The Domperidone (64.6%) content of the sample was found much less than the claim.
24	RZOLE-DSR	5013588	Scott-Edil Pharmacia Ltd., 56, EPIP, Phase-Jharmajri-173205	The Rabeprazole Sodium (54.95%) content of the sample was found much less than the claim.
25	Blood Administration Set	PN-240	Shree Umiya Surgical Pvt. Ltd., 4704, GIDC, Phase-IV, Vatva, Ahmedabad	The sample does not confirm with respect to Sterility.
26	Rabium-20	KR 1507	Intas Pharmaceuticals, Rangpo, East Sikkim – 737 132	The Rabeprazole Sodium (62.57%) content of the sample was found much less than the claim.

Sl. No.	Name of drug/ cosmetic	Batch No.	Name of manufacturer	Brief particulars of test reports and follow-up action, if any
27	Genosedyl	P4 V020	Pro Laboratories Pvt. Ltd.	The Codeine Phosphate (2.05%) content of the sample was found much less than the claim.
28	RC Kuff Cough Syrup	RCS 1096	Wings Pharmaceuticals Pvt. Ltd.	The Codeine Phosphate (48.73%) content of the sample was found much less than the claim.
29	Ascoril Expectorant	11141491	Glenmark Pharmaceuticals Ltd., Solan (HP) – 174011	The Guaiphenesin (19.19%) content of the sample was found much less than the claim.
30	Duvepam DSR	515-4	Lanark Laboratories, Paonta Sahib – 173 025	The Domperidone (65.56%) content of the sample was found much less than the claim.
31	'INSTARYL' Expectorant	S 13601	Aglowmed Ltd., 50, Rajpur, Roorkee – 247 661	The Terbutaline Sulphate (252.57%) content of the sample was found much higher than the claim.
32	Rabalkem DSR	RBC – 1005 - TR	Tirupati Medicare Ltd. Dist – Sirmour, H.P.	The Rabeprazole Sodium (41.55%) content of the sample was found much less than the claim.

Source: Directorate of Drug Control, West Bengal and SDCRL

Appendix 2.1.5

(Refer paragraph 2.1.8.1, page 18)

List of unused equipment in SDCRL

Name of the equipment	Date of procurement	Cost (₹ in lakh)	Function	Present status
Liquid Chromatography Mass Spectrometry	March 2014	118.15	To detect the non-volatile sample of unknown molecular weight	Yet to be installed
High Performance Liquid Chromatography	January 2017	20.00	To separate, identify and quantify each component in a mixture	Kept idle without having operational password
Dissolution Apparatus	May 2014	3.65	--	Kept in idle condition
High Performance Thin Layer Chromatography	March 2014	59.18	For both quantitative and qualitative chemical analysis of drug samples	Kept in idle condition
Total		200.98		

Source: SDCRL

Appendix 2.4.1

(Refer paragraph 2.4.5, page 68)

Examination Process

The list of examinations (with published results) conducted by WBCSSC since introduction of the IT system and number of candidates is shown below:

Name of examination	Date of examination	No of applicants	Candidate called for PT	Empanelled candidate
10 th RLST AT, 2009	13.12.2009	418239	21098	13,677
10 th RLST HM, 2009	Not available	Not available	Not available	661
11 th RLST AT, 2010	10.10.2010	437001	17954	11723
11 th RLST HM, 2010	Not available	2411	1261	705
1 st RLST NT, 2010 for Clerk	22.08.2010	307136	4577	2320
1 st RLST NT, 2010 for Group D	29.08.2010	652930	12490	4927
1 st RLST NT, 2010 for Librarian	19.12.2010	5448	Not available	657
12 th RLST AT, 2011	29.07.2012, 02.09.2012	714445	Not available	28,425
12 th RLST HM, 2012	17.02.2013	Not available	Not available	985
2 nd RLST NT (Librarian), 2012	17.02.2013	Not available	Not available	129

Prior to 12th RLST, interested candidates had to apply for the examination in prescribed format available from designated banks and submit filled up forms in the same bank. On receiving the application forms from the banks, the regional offices affixed sticker mode unique registration number to each application form and transmitted the Central part of the application form to the WBCSSC HQs. Remaining part of the application was preserved in the regional offices. At WBCSSC HQs, the data entry operators entered all data in the system and generated a consolidated report of Check list from the system, which was sent back to regional offices for further scrutiny. After receiving the scrutinised data sheet from regional offices, necessary corrections were done in the system against relevant candidates. However, 12th RLST onwards, the online process of conducting examination required the candidate to register online in WBCSSC's website, against which a system generated application identification number (ID) was generated. Subsequently, the candidate needed to fill up all academic details online and pay examination fees either online or offline through bank. After submission of information and payment of fees by the applicant, admit card was generated and issued to the applicant on the basis of eligibility.

The examination consisted two papers *viz.*, objective type multiple choice questions and subjective questions. On obtaining minimum qualifying marks in both the papers and on verification of documents, a candidate is called for Personality Test (PT) and/or Type Test (TT), in case of Non-Teaching Staff. Based on the marks obtained by the applicants after considering the academic qualification, marks of OMR and written tests, PT and TT, final panel lists were prepared. The lists were prepared zone-wise, medium-wise, category-wise, gender-wise and subject-wise till 11th RLST. Starting from 12th RLST, WBCSSC discontinued preparing the zone-wise list.

Source: Records furnished by WBCSSC

Appendix 2.4.2

(Refer paragraph 2.4.6.5 (a), page 72)

List of candidates whose total scores were increased/ decreased in Final List of Empanelled Candidates

1st RLST NT (CLERK)

Registration Number	Roll Number	System Score				Caste	Score shown in the final panel list				Type Test	Total	RANK
		Academic	Written	Personality Test	Total		Academic	Written	PT	Total			
40105131600325	401051602284	8	15.50	3.33	26.83	SC	10.00	15.50	3.33	28.83	24.20	53.03	4

Source: Analysis of data supplied by WBCSSC

1st RLST NT (GROUP-D)

Registration No.	Roll No.	Caste	System Score			Score shown in the final panel list			RANK
			Written	PT	Total	Written	PT	TOT	
20106140801533	201060802773	SC	14.00	3.50	17.50	14.50	3.50	18.00	4
20106150805558	201060811419	SC	11.00	2.67	13.67	14.50	2.67	17.17	17
20109150800621	201090801663	SC	14.00	2.67	16.67	12.50	2.67	15.17	5
40107041500675	401071503395	ST	5.50	4.50	10.00	11.00	4.50	15.50	8

Source: Analysis of data supplied by WBCSSC

Appendix 2.4.3*(Refer paragraph 2.4.6.5 (b), page 72)***List of candidates whose castes were manipulated during preparation of Final Panel**

Sl. No.	Region	Registration	Subject Name	Category as entered in the system	Category as per the final panel list
1	Eastern	11101252700038	Political Science (H/ PG)	GEN	SC
2	Northern	21101091600188	History (H/ PG)	OBC	ST
3	Southern	31101130800007	Computer Science (H/ PG)	GEN	SC
4	Western	41101174400285	Bengali (P)	GEN	OBC
5	Western	41101284500229	Bio. Science (P)	SC	ST
6	Western	41101160600158	Chemistry (H/ PG)	GEN	SC
7	South-Eastern	51101125400002	Physical Education (P)	GEN	SC

Source: Analysis of data supplied by WBCSSC

Appendix 2.4.4

(Refer paragraph 2.4.6.5 (d), page 75)

List of candidates not called for PT even after scoring higher marks than the lowest marking empanelled candidate

District	Reservation Category	Marks (Academic+Written) obtained by the lowest ranking candidate finally empanelled	Number of candidates not called for PT even after scoring marks higher than Col. 3
1	2	3	4
Birbhum (1)	General (Male)	30.00	1
Burdwan (2)	General (Male)	30.00	36
	SC (Male)	16.50	4
Hooghly (3)	General (Male)	31.50	3
	General (Female)	30.00	3
	SC (Female)	11.50	3
Cooch Behar (4)	General (Male)	27.00	5
	SC (Male)	23.00	4
	SC (Male)	18.50	11
	SC (Male)	19.50	2
Uttar Dinajpur (7)	General (Male)	26.00	3
	SC (Male)	17.00	2
Dakshin Dinajpur (8)	General (Male)	27.50	3
Howrah (11)	General (Male)	28.00	11
	SC (Male)	7.50	1
South 24 Parganas (13)	General (Male)	29.00	33
	General (Female)	30.00	3
	SC (Male)	7.00	562
	SC (Female)	14.50	74
Purulia (14)	General (Male)	24.50	65
Bankura (15)	General (Male)	30.00	3
	SC (Male)	9.00	43
	SC (Female)	10.00	1
	ST (Male)	24.00	1
Paschim Medinipur (16)	General (Male)	29.50	31
	General (Female)	29.00	5
Purba Medinipur (17)	General (Male)	29.00	7
	General (Female)	19.50	120
	SC (Male)		4
	SC (Male)	19.50	58
	SC (Female)	20.50	4
Total			1110

Source: Analysis of data supplied by WBCSSC

Appendix 2.4.5

(Refer paragraph 2.4.6.5 (d), page 75)

List of candidates called for PT by manipulating (increasing) academic score

Registration	System Score		Score Calculated by Audit		Score shown in the final panel		Typing score	PT score	Final Rank
	Written	Academic	Academic	Increase in academic score	Written	Academic			
40105111602983	8.00	10.00	0.00	10.00	8.00	10.00	8.90	3.33	126
40105111609350	8.00	10.00	0.00	10.00	8.00	10.00	11.40	3.50	89
30105041200196	9.00	6.00	0.00	6.00	9.00	6.00	11.20	1.67	58
40105191703506	6.00	8.00	6.00	2.00	6.00	8.00	11.70	3.83	54
10105020101046	10.00	10.00	0.00	10.00	10.00	10.00	8.28	2.50	44
40105241700330	11.00	10.00	0.00	10.00	11.00	10.00	9.80	3.66	28
20105100900366	14.00	8.00	0.00	8.00	14.00	8.00	7.47	4.17	20
20105100902947	17.00	8.00	0.00	8.00	17.00	8.00	5.65	4.00	15
50105031800533	25.50	10.00	8.00	2.00	25.50	10.00	4.50	2.66	11
40105031400624	24.50	10.00	0.00	10.00	24.50	10.00	7.80	3.66	9
30105161200083	21.00	10.00	8.00	2.00	21.00	10.00	16.37	3.67	4
40105111602906	19.00	10.00	0.00	10.00	19.00	10.00	9.70	4.16	1
10105090200580	22.00	10.00	8.00	2.00	Not included in the panel		0.00	0.00	Not Selected
40105191702893	19.00	10.00	8.00	2.00	Not included in the panel		0.00	0.00	Not Selected
20105200503769	22.00	10.00	0.00	10.00	Not included in the panel		0.00	0.00	Not Selected
50105061803127	11.50	10.00	8.00	2.00	Not included in the panel		2.66	2.66	Not Selected
40105201702634	19.00	10.00	0.00	10.00	Not included in the panel		2.66	2.66	Not Selected
50105091900891	16.00	6.00	0.00	6.00	Not included in the panel		3.16	3.16	Not Selected
10105030100162	8.00	10.00	8.00	2.00	Not included in the panel		0.00	0.00	Not Selected
30105471100240	2.50	8.00	6.00	2.00	Not included in the panel		3.50	3.50	Not Selected
30105251200119	1.00	8.00	6.00	2.00	Not included in the panel		3.83	3.83	Not Selected
20105100902380	6.50	8.00	0.00	8.00	Not included in the panel		2.67	2.67	Not Selected
20105130800277	4.00	8.00	0.00	8.00	Not included in the panel		2.00	2.00	Not Selected
40105111602972	3.00	8.00	0.00	8.00	Not included in the panel		3.66	3.66	Not Selected

Source: Analysis of data supplied by WBCSSC

Appendix 2.4.6

(Refer paragraph 2.4.7.1, page 76)

List of Candidates whose applications were rejected by Regions but selected by WBCSSC for empanelment

Sl. No.	Registration No.	Roll No.	DOB	Category Rank	Gender Rank	Final Rank
1	30106251200209	301061204209	20.02.1970	66	MF2-31	31
2	40106061500923	401061543678	08.02.1990	350	MF2-212	212
3	40106141603828	401061603796	20.09.1986	334	MF2-141	141
4	40106121603348	401061631297	05.02.1989	557	F2-23	23
5	40106121603477	401061631358	02.10.1991	183	MF2-18	18
6	40107041501809	401071504630	24.11.1984	80	MF2-11	11

Source: Analysis of data supplied by WBCSSC

Appendix 3.1

(Refer paragraph 3.2.4.2, page 97)

Statement showing percentage of claims remaining unpaid within 30 days in the six test-checked districts

(Amount in ₹)

Period of policy	Total Claim		Total Paid		Total paid within 30 days		Total rejected		Percentage of claims unpaid within 30 days
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	
Uttar Dinajpur district									
01.04.2015 to 30.09.2015	334	1751150	329	1717650	235	1085150	NA	NA	38
01.10.2015 to 31.03.2016	474	890539	455	844791	218	354952	NA	NA	60
01.04.2016 to 31.01.2017	3139	5978556	2940	5362270	883	1715774	NA	NA	71
01.02.2017 to 31.03.2017	623	1004998	507	802450	111	133050	NA	NA	87
Dakshin Dinajpur district									
01.04.2014 to 31.03.2015	9027	46709856	8855	45893229	NA	NA	NA	NA	NA
01.04.2015 to 31.03.2016	3881	13287206	3624	12129147	2423	7354010	NA	NA	44.65
01.04.2016 to 31.03.2017	7083	19576100	6238	17083183	1679	3801444	NA	NA	80.58
Jalpaiguri district									
01.04.2015 to 30.09.2015	9448	46153268	9292	45386842	3974	18964995			58
01.10.2015 to 31.03.2016	25546	110744548	23311	101841324	3897	16565023	NA	NA	85
01.04.2016 to 31.01.2017	22228	101326945	21224	98326393	7496	33924784	NA	NA	66
01.02.2017 to 31.03.2017	4420	19517265	4120	17835675	846	3572000			80
Paschim Medinipur district									
01.04.2015 to 30.09.2015	9164	57834316	9027	56876884	3771	22983558			60
01.10.2015 to 31.03.2016	20973	128492299	20789	127274283	3975	24066878	NA	NA	81

Period of policy	Total Claim		Total Paid		Total paid within 30 days		Total rejected		Percentage of claims unpaid within 30 days
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	
01.04.2016 to 31.03.2017	28869	155931374	28664	154927632	7053	36787373	NA	NA	74
<i>Bardhaman district</i>									
01.04.2015 to 30.09.2015	28958	191850796	28195	186468518	18191	120275716	710	5066978	37
01.10.2015 to 31.03.2016	35363	221852003	34425	215710030	2127	9339670	930	6117973	94
01.04.2016 to 31.01.2017	67855	400235828	60420	355106972	34834	195418346	452	2120898	49
01.02.2017 to 31.03.2017	15966	93444215	14643	85819835	2037	11643162	313	1791606	86
<i>Murshidabad district</i>									
01.04.2015 to 30.09.2015	29515	195560633	28543	188647541	8860	57859378	NA	NA	70
01.10.2015 to 31.03.2016	38128	234895592	37416	231219047	48	268350	NA	NA	100
01.04.2016 to 31.01.2017	62834	377107682	48990	296086106	1853	10736045	NA	NA	97
01.02.2017 to 31.03.2017	10441	64042658	9943	61741159	1028	6302897	NA	NA	90

Source: Records of the District Magistrates of Murshidabad, Bardhaman, Paschim Medinipur, Jalpaiguri, Dakshin Dinajpur and Uttar Dinajpur

Appendix 3.2
(Refer paragraph 3.3, page 105)

List of procurement of rice from other sources at higher rate

Name of the district	Period	Total quantity of rice allotted by GoI	Minimum quantity of rice ought to be procured from FCI (@ 70 per cent)	Quantity of rice actually procured from FCI (percentage i.r.o total allotment)	Quantity of rice procured from other sources	Lowest rate per quintal procured from other sources in respective year	FCI rate per quintal	Difference of rate per quintal	Excess expenditure
				In Quintal			In ₹		
North 24 Parganas	2014-15	104891.40	73424.00	1113.00 (1)	59399.00	2400	565	1835	108997165.00
	2015-16	161900.00	113330.00	43571.00 (27)	54713.00	2200	565	1635	89455755.00
	2016-17	188086.00	131660	27347 (15)	26239.25	2530	300	2230	58513527.50
Malda	2014-15	63150.30	44205.21	11050.00 (17)	00	2400	565	1835	00
	2015-16	106700.00	74690.00	55900.00 (52)	00	2200	565	1635	00
	2016-17	102890.00	86780.00	18790.00 (18)	16602.50	2530	300	2230	37023575.00
Murshidabad	2014-15	115436.70	80805.69	00 (00)	51632.50	2400	565	1835	94745637.50
	2015-16	185585.71	129910.00	52881.41 (28)	26383.00	2200	565	1635	43136205.00
		1028640.11	734804.90	210494.41 (20)	234969.25				431871865.00

Source: Records of test-checked districts relating to settlement of claims

Appendix 3.3
(Refer paragraph 3.11, page 122)

Statement showing details of mismanagement of cash

(Amount in ₹)

Sl. No.	Name of the Office	Date of Verification by DDO at the instance of Audit	Book balance as per Cash Book on the day of Verification	Cash actually found on physical verification	Total shortage (-)/ Excess(+)	Unadjusted vouchers	Unauthorised advance from undisbursed cash	Unexplained cash shortage/ theft/ Defalcation	Lapsed cheques/ Drafts/ Banker's Cheque
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Health & Family Welfare Department									
1.	Chief Medical Office of Health, Howrah	24.08.2016	1608.02	0.00	1608.02	0.00	0.00	1608.02	0.00
2.	Medical Superintendent-cum-Vice President, Medical College and Hospital, Kolkata	03.10.2016	201385.00	195055.00	6330.00	0.00	0.00	6330.00	0.00
3.	Medical Superintendent-cum-Vice President, Murshidabad Medical College and Hospital, Murshidabad	13.02.2017	157542.00	0.00	157542.00	157542.00	0.00	0.00	0.00
4.	Principal, Nursing Training School, Dakshin Dinajpur	18.05.2016	107630.00	99253.00	8377.00	0.00	0.00	8377.00	0.00
5.	Principal, B C Roy Post Graduate Institution of Paediatric Science, Kolkata	03.10.2016	651706.00	536964.00	114742.00	0.00	0.00	114742.00	0.00
Correctional Administration Department									
6.	Superintendent, Presidency Correctional Home, Alipore, Kolkata	04.04.2016	949145.98	774303.39	174842.59	0.00	174842.59	0.00	0.00
Judicial Department									
7.	Register General, High Court, Original Side, Kolkata	08.12.2016	3136806.85	3120518.85	16288.00	40.00	16248.00	0.00	0.00

Sl. No.	Name of the Office	Date of Verification by DDO at the instance of Audit	Book balance as per Cash Book on the day of Verification	Cash actually found on physical verification	Total shortage (-)/ Excess(+)	Unadjusted vouchers	Unauthorised advance from undisbursed cash	Unexplained cash shortage/ theft/ Defalcation	Lapsed cheques/ Drafts/ Banker's Cheque
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
8.	Register General, High Court, Appellate Side, Kolkata	10.11.2016	1664937.00	291976.00	1372961.00	0.00	1019506.00	353455.00	0.00
Finance Department									
9.	Principal Secretary, Finance Department, Govt. of WB,	04.04.2017	22637571.38	6904699.75	15732871.63	0.00	0.00	8913511.93	6819359.70
Home (Police) Department									
10.	Superintendent of Police, Darjeeling	16.05.2016	36011947.00	35774558.00	237389.00	0.00	0.00	237389.00	0.00
Panchayat & Rural Development Department									
11.	DM, Uttar Dinajpur	18.05.2016	2699908.00	2486230.00	213678.00	0.00	213678.00	0.00	0.00
12.	District Magistrate, Jalpaiguri	08.08.2016	2744419.28	2303223.28	441196.00	0.00	92743.00	348453.00	0.00
13.	District Magistrate, Howrah	03.10.2016	29473494.00	29448494.00	25000.00	0.00	0.00	0.00	25000.00
14.	Sub-Divisional Officer, Chandannagore, Hooghly	30.11.2016	1733306.00	1695253.00	38053.00	0.00	5323.00	32730.00	0.00
15.	Sub-Divisional Officer, Haldia, Purba Medinipur	16.12.2016	498682.00	99519.00	399163.00	0.00	0.00	399163.00	0.00
Minority Affairs & Madrasah Education Department									
16.	Principal Secretary, Minority Affairs and Madrasah Education Department	03.04.2017	14659.00	0.00	14659.00	400.00	0.00	7607.00	6652.00
TOTAL			102684747.51	83730047.27	18954700.24	157982.00	1522340.59	10423365.95	6851011.7

Source: Physical Cash verification report of respective DDO

LIST OF ABBREVIATIONS USED IN THE REPORT

Abbreviations	Full Form
ADDA	Asansol Durgapur Development Authority
Addl.	Additional
ADM	Additional District Magistrate
ADR	Adverse Drug Reaction
ADSR	Additional District Sub-Registrar
AE	Assistant Engineer
AG	Accountant General
AMC	ADR Monitoring Centre
AMC	Asansol Municipal Corporation
ASHA	Accredited Social Health Assistant
Asstt.	Assistant
AT	Assistant Teacher
B.Ed	Bachelor of Education
B.T.	Bachelor of Training
BCP	Business Continuity Plan
BDA	Burdwan Development Authority
BDO	Block Development Officer
BFHCPL	Bengal-Faith Health Care Private Limited
BL& LRO	Block Land and Land Reforms Officer
BOOT	Build, operate, own and transfer
BOQ	Bill of Quantities
BPA	Burdwan Planning Area
BPHC	Block Primary Health Centre
BPL	Below Poverty Line
CAAT	Computer Assisted Audit Technique
CAG	Comptroller and Auditor General
CARA	Central Adoption Resource Agency
CARINGS	Child Adoption Resource Information and Guidance System
CCI	Child Care Institution
CCL	Children in conflict with law
CDSCO	Central Drug Standard Control Organisation
CEO	Chief Executive Officer
CES	Consulting Engineering Services
CMOH	Chief Medical Officer of Health
CMS	Central Medical Store
CNCP	Children in need of care and protection

Abbreviations	Full Form
CONFED	West Bengal Consumers Co-operative Federation Limited
CPCs	Child Protection Committees
CRZ	Coastal Regulation Zone
CSA	Common Services Area
.csv	Comma Separated Value
CWC	Child Welfare Committee
CWPO	Child Welfare Police Officer
CWSN	Children With Special Needs
D & C	Drugs & Cosmetics
DBA	Database Administrator
DCC	Drug Consultative Committee
DCFS	Divisional Controller of Food & Supplies
DCG	Director of Consumer Goods
DCPU	District Child Protection Units
DCR	Duplicate Carbon Receipt
DDC	Directorate of Drug Control
DDO	Drawing & Disbursing Officer
DGRCs	District Grievances Redressal Committees
DH	District Hospital
DKMs	District Key Managers
DM	District Magistrate
DMC	Durgapur Municipal Corporation
DNOs	District Nodal Officers
DPC	Duties, Powers and Conditions of Service
DPO	District Programme Officer
DPR	Detailed Project Report
DSDA	Digha Sankarpur Development Authority
Dy.	Deputy
EE	Executive Engineer
EO	Executive Officer
EWS	Economically Weaker Sections
FC	Forest Conservation
FCI	Food Corporation of India
FIR	First Information Report
FKOs	Field Key Officers
FMPS	Fair Price Medicine Shops
G&SS	General and Social Sector

Abbreviations	Full Form
GB	General Banner
GMP	Good Manufacturing Practices
GoI	Government of India
GoWB	Government of West Bengal
GP	Gram Panchayat
H&FW	Health & Family Welfare
HM	Headmaster
HS	Higher Secondary
HSR	Home Study Report
ICDS	Integrated Child Development Scheme
ICP	Individual Care Plan
ICPS	Integrated Child Protection Scheme
ICs	Insurance Companies
ICZMP	Activities under Integrated Coastal Zone Management Plan
IDEA	Interactive Data Extraction and Analysis
IEC	Information Education Communication
IESWM	Institute of Environmental Studies and Wetland Management
Inj.	Injection
IOC	Indian Oil Corporation
IOES	Integrated Online Examination System
IPC	Indian Pharmacopoeia Commission
IR	Inspection Report
IRC	Individual Ration Card holders
ISM	Indian System of Medicines
ISRC	Indian Society for Rehabilitation of Children
ISSA	Indian Society for Sponsorship and Adoption
IT	Information Technology
JJ	Juvenile Justice
JJB	Juvenile Justice Board
JNNURM	Jawaharlal Nehru Urban Renewal Mission
KL.	Kilo Litre
KMDA	Kolkata Metropolitan Development Authority
LCPO	Legal-cum-Probation Officer
LED	Light-emitting Diode
LPG	Liquified Petroleum Gas
LUDCP	Land Use & Development Control Plan
MCCC	Mother and Child Care Centre

Abbreviations	Full Form
MCH	Medical College & Hospital
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MiC	Minister-in-Charge
MoA	Memorandum of Agreement
MoP	Memorandum of Payment
MoU	Memorandum of Understanding
MSK	Madrasah Shiksha Kendra
MSVP	Medical Superintendent-cum-Vice Principal
MSW	Municipal Solid Wastes
MWCD	Ministry of Women and Child Development
NABL	National Accreditation Board for Testing and Calibration of Laboratories
NaNO	National Nodal Officer
NGO	Non-Government Organisations
NGRC	National Grievances Redressal Committee
NH	National Highway
NHM	National Health Mission
NJP	New Jalpaiguri
NOC	No-Objection Certificate
NRSMCH	NRS Medical College & Hospital
NSQ	Not of Standard Quality
NT	Non-Teaching
OBC	Other Backward Class
ODP	Other Deprived Persons
OHR	Overhead Reservoir
OMC	Oil Marketing Companies
OMR	Optical Mark Recognition
OT	Operation Theatre
PAB	Project Approval Board
PAC	Public Accounts Committee
PCC	Plain Cement Concrete
PDS	Public Distribution System
PHE	Public Health Engineering
PHED	Public Health Engineering Department
PIP	Programme Implementation Plan
PPP	Public Private Partnership

Abbreviations	Full Form
PPSWOR	Probability Proportional to Size Without Replacement
PS	Panchayat Samity
PT	Personality Test
PvPI	Pharmacovigilance Programme of India
PW	Public Works
PwC	PricewaterhouseCoopers
QPR	Quarterly Progress Report
RCC	Reinforced Cement Concrete
RDDC	Regional Director of Drug Control
RE	Resident Engineer
RE	Response Elicit Banner
RH	Rural Hospital
RLSTs	Regional Level Selection Tests
RO	Regional Office
RSBY	Rashtriya Swasthya Bima Yojana
RSKs	Rogi Sahayata Kendras
RSs	Rogi Sahayaks
SAA	Specialised Adoption Agency
SBR	Social Background Report
SC	Scheduled Caste
SCFS	Sub-Divisional Controller of Food & Supplies
SD	Sub-Division
SDCRL	State Drug Control and Research Laboratory
SDL& LRO	Sub-Divisional Land and Land Revenue Officer
SDLC	System Development Life Cycle
SDO	Sub-Divisional Officer
SG	State General
SGRC	State Grievances Redressal Committee
SHGs	Self Help Groups
SJPU	Special Juvenile Police Unit
SKO	Superior Kerosene Oil
SLIC	State Level Implementation Committee
SMIS	Store Management Information System
SNA	State Nodal Authority
SNO	State Nodal Officer
SQL	Structured Query Language
Sr.	Senior

Abbreviations	Full Form
SRSWOR	Simple Random Sampling Without Replacment
SSK	Shishu Shiksha Kendra
ST	Scheduled Tribe
STM	School of Tropical Medicine
STP	Sewerage Treatment Plant
SWM	Solid Waste Management
Tab	Tablet
TCAC	Tourist Civic Amenities Charge
TCMRC	Trauma Care and Medical Research Centre
TPA	Third Party Administrator
TPD	Tonnes per Day
TSS	Total Suspended Solids
UCN	Unique Complaint Number
UD & MA	Urban Development & Municipal Affairs Department
ULBs	Urban Local Bodies
UNICEF	United Nations International Children's Emergency Fund
URS	User Requirement Specification
VPN	Virtual Private Network
WBCSSC	West Bengal Central School Service Commission
WBECSC	West Bengal Essential Commodities Supply Corporation
WBNP	Wheat Based Nutrition Programme
WBPCB	West Bengal Pollution Control Board
WBSCZMA	West Bengal State Coastal Zone Management Authority
WBTCP Act	West Bengal Town & Country (Planning & Development) Act, 1979
WBTR	West Bengal Treasury Rules
WCD& SW	Women & Child Development and Social Welfare

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