

**REPORT
OF THE
COMPTROLLER AND
AUDITOR GENERAL OF INDIA**

**FOR THE YEAR
1986-87**

(CIVIL)

VOLUME II

GOVERNMENT OF WEST BENGAL

IX
53-B-1

Recd. from Mr.
Finance (B) Dep H.

on 21.7.89 vide
Liby. File No GP-1/89

Rs. NP.

Rs. 24=00

[Free of Cost]



70264

West Bengal State Library

TABLE OF CONTENTS

				<i>Reference to</i>	
				<i>Paragraph</i>	<i>Page</i>
PREFATORY REMARKS	..	..	..		iv
CHAPTER I—OVERVIEW	..	..	..	1	1-8
CHAPTER II—GENERAL					
Grants to Local Bodies and others—Utilisation					
certificates of grants, loans and advances	..		2.1		9-11
Audit of financial assistance to Local Bodies					
and others	..	..	2.2		11-12
Audits entrusted to the Comptroller and					
Auditor General	..	..	2.3		12-13
CHAPTER III—AUDIT UNDER SECTION 14	..				15
Overall results of audit of Autonomous Bodies	..		3.1		17-26
AGRICULTURE DEPARTMENT					
Bidhan Chandra Krishi Viswavidyalaya	..		3.2		26-30
EDUCATION (HIGHER) DEPARTMENT					
North Bengal University	..	..	3.3		30-31
EDUCATION (SCHOOL) DEPARTMENT					
District School Boards	..	..	3.4		31-36
LOCAL GOVERNMENT AND URBAN DEVELOPMENT					
DEPARTMENT					
Municipalities and Notified Area Authorities	..		3.5		36-40
PANCHAYATS AND COMMUNITY DEVELOPMENT					
DEPARTMENT					
Zilla Parishads	..	..	3.6		40-44
RELIEF AND WELFARE DEPARTMENT					
West Bengal Social Welfare Advisory Board	..		3.7		44-52
CHAPTER IV—AUDIT UNDER SECTION 15	..				53
CO-OPERATION DEPARTMENT					
Financial assistance to Co-operative Societies	..		4.1		55-61

				<i>Reference to</i>	
				<i>Paragraph</i>	<i>Page</i>
CHAPTER V—AUDIT UNDER SECTION 19				..	63
METROPOLITAN DEVELOPMENT DEPARTMENT					
Part I—Calcutta Metropolitan Development Authority					
Solid Waste Management				5.1	65-71
Sewerage and Drainage Project				5.2	71-78
Remodelling of Tallah-Palta Water Main ..				5.3	78-83
Excessive expenditure on establishment ..				5.4	84
Purchase of defective equipment				5.5	84-85
Unfruitful expenditure on sewer line				5.6	85
Infructuous expenditure due to premature development of land				5.7	86
Idle road works equipment				5.8	86-87
Non-recovery of dues				5.9	87
Loss due to non-preferment of claims in time ..				5.10	87-88
Extra expenditure due to termination of contract ..				5.11	88-89
Cost and time overruns on repairs to a reservoir ..				5.12	89-90
Wasteful outlay on procurement of equipment ..				5.13	90
Infructuous expenditure on procurement ..				5.14	91
Avoidable expenditure due to mismatched procurement				5.15	91
Wasteful expenditure on pipe laying				5.16	91-92
Loss due to non-preferment of a claim ..				5.17	92
Part II—Hooghly River Bridge Commissioners					
Injudicious import of torsteel bars				5.18	92-93
Inadmissible payment on carriage of stone chips ..				5.19	93-94
HOUSING DEPARTMENT					
West Bengal Housing Board					
Construction of uninhabitable houses ..				5.20	94-95
Unproductive expenditure on a market complex ..				5.21	95
Loss on sale of houses				5.22	95-96
APPENDICES					97
Appendix 2.1 .. Utilisation certificates awaited in September 1987 for the grants paid by Government up to March 1986					98
3.1 .. Statement showing excess payment of ex-gratia festival relief to Municipal employees					99

PREFATORY REMARKS

As mentioned in the Prefatory Remarks of Volume I of the Report of the Comptroller and Auditor General of India for the year 1986-87 (Civil) -Government of West Bengal, the results of test audit under the various provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 in respect of financial assistance given to local bodies and other autonomous authorities are set out separately in this volume.

2. Chapter I is an overview of this Report bringing out the significant audit findings.

CHAPTER I

OVERVIEW

1. This volume of the Report contains besides chapter on 'General' observations, four audit reviews and forty five audit paragraphs in the remaining four chapters under various provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Synopsis of findings on Audit reviews and important paragraphs is given below with cross references to the paragraphs in other chapters.

1.2 Chapter II—General

1.2.1 *Grants to Local Bodies and others—Utilisation certificates of grants, loans and advances*

During 1986-87, Rs 199.57 crores were paid as grants to local bodies etc. Utilisation certificates for Rs 97.67 crores for grants and loans given to local bodies upto March 1986 were awaited upto September 1987.

[Paragraph 2.1]

1.3 Chapter III—Audit under Section 14 Audit Review

1.3.1 *West Bengal Social Welfare Advisory Board*

West Bengal Social Welfare Advisory Board (WBSWAB) was established in 1953-54 for promotion of social welfare activities. During 1980-81 to 1986-87 the Board spent Rs 898.68 lakhs out of Rs 903.66 lakhs received from the Central Social Welfare Board (CSWB) and the Government of West Bengal as grants.

Of the amount spent, over 50 per cent was on establishment salaries and allowances.

The monitoring and documentation of socio-economic programmes were poor. Bulk of the loans given remained unrecovered.

Under Supplementary Nutrition Programme the target of 276 lakh children days to be fed with grants totalling Rs 30.50 lakhs was achieved only to the extent of 116 lakh children days at a cost of Rs 29.01 lakhs.

The impact of the programme of condensed courses of education for adult women, conducted by voluntary organisations, out of grants of Rs 65.32 lakhs given to them remained unassessed.

A destitute home constructed at a cost of Rs 16.90 lakhs was utilised to the extent of 43 per cent.

[Paragraph 3.7]

Audit Paragraphs

1.3.2 Overall results of audit of Autonomous Bodies

Government grants of Rs 113.99 lakhs released for specific purposes remained unutilised for more than five years with District School Boards while development grants of Rs 1,276.25 lakhs were lying unspent with Zilla Parishads and Municipalities.

Two District School Boards, five Zilla Parishads and ten Municipalities had diverted Government grants of Rs 391.81 lakhs for general purposes.

Advances amounting to Rs 355.69 lakhs paid by 4 Zilla Parishads, 3 Universities, 10 Municipalities and 1 District School Board for various purposes had not been adjusted and outstanding rates and taxes of 14 Municipalities amounted to Rs 154.81 lakhs.

[Paragraph 3.1]

1.3.3 Bidhan Chandra Krishi Viswavidyalaya

Out of Rs 441 lakhs advanced by Bidhan Chandra Krishi Viswavidyalaya (BCKV) during 1977-78 to 1979-80, Rs 90 lakhs were not recorded in their Payment-cum-Adjustment Register and no watch was kept over their adjustments. Out of Rs 351 lakhs recorded in the Register Rs 323.16 lakhs were lying unadjusted up to December 1986.

While fixing pay according to the revised pay scales with effect from 1st April 1978 the employees of Viswavidyalaya were allowed extra benefit not intended in the rules which resulted in an overpayment of Rs 8.33 lakhs.

Payment of house rent allowance at a flat rate of 15 per cent of pay to the employees resulted in the excess payment of Rs 3.87 lakhs.

[Paragraph 3.2]

1.3.4 *North Bengal University*

Erroneous fixation of pay of the non-teaching employees of Raiganj College and Cooch Behar B.T. and Evening College in the revised scales had resulted in excess payment of Rs 1.25 lakhs.
[Paragraph 3.3]

1.3.5 *District School Boards*

Out of Government grants of Rs 40.29 lakhs released since 1970-71 to District School Boards of Nadia, Purulia and 24-Parganas under "Attendance Scholarship Scheme" for girl students only a sum of Rs 3.89 lakhs was utilised.

Against Government grants of Rs 71.45 lakhs to Nadia and 24-Parganas District School Boards released during 1974-75 to 1985-86 for free supply of dress to girl students of the primary and junior basic schools, the District School Boards utilised only a sum of Rs 34.65 lakhs.

Due to delay/non-deposit of provident fund subscriptions of the primary teachers together with the own contributions of the Boards into the Post Office Savings Bank Accounts, the Purulia District School Board had to bear an extra liability of Rs 43.87 lakhs on account of interest payable to the subscribers.

Out of the total amount of Rs 4.30 lakhs received by the Nadia District School Board in 1979-80 and 1980-81 for free supply of slates and exercise books to students of primary schools under an incentive scheme, the Board spent only Rs 3.09 lakhs in 1983-84 and 1984-85.

Alleged misappropriation of Rs 2.01 lakhs by an employee was detected by the 24-Parganas District School Board. Although a complaint was lodged in December 1982 with the police, and a Departmental Enquiry Committee set up in February 1983, no progress was reported till December 1987.

[Paragraph 3.4]

1.3.6 *Municipalities and Notified Area Authorities*

Occupiers of 11,000 holdings of Ashokenagar-Kalyangarh Municipality refused to pay municipal taxes due to non-confering of property rights on them which resulted in non-collection of taxes amounting to Rs 88.27 lakhs.

Kandi Municipality received grants of Rs 14.60 lakhs during 1978-79 to 1981-82 for repair/reconstruction of houses damaged by floods of 1978, conversion of service privy into sanitary latrines and construction of a commercial estate and a community hall.

But in several cases the grants were paid to non-eligible persons and the construction of the estate and hall was not taken up for over seven years.

Five municipalities (Burdwan, Cooch Behar, Khardah, Purulia and Chakdah) paid during 1979-80 to 1983-84 ex-gratia festival relief to their employees at a rate higher than that prescribed by Government resulting in excess payment of Rs 12.91 lakhs. Despite specific instructions of Government the Municipalities did not start recovery.

[Paragraph 3.5]

1.3.7 Zilla Parishads

Out of Rs 68.13 lakhs received as loans from Government, Birbhum and Burdwan Zilla Parishads disbursed Rs 60.49 lakhs to rural people for reconstruction or repair of houses damaged by flood of 1978. Neither any completion certificate was received in most of the cases nor any action was taken to recover Rs 24.87 lakhs from the defaulting loanees.

Due to delay in distribution of wheat seeds by Birbhum Zilla Parishad, the drought affected farmers were deprived of the benefit of agricultural inputs for which Rs 15.44 lakhs were spent.

For planting 55,045 seedlings in rural areas the Burdwan Zilla Parishad allowed assistance at rates higher than those fixed by the Government, leading to extra expenditure of Rs 3.30 lakhs.

In utilising Government grant of Rs 1.96 lakhs for setting up six cottages for 150 destitute children and for their vocational training, the Jalpaiguri Zilla Parishad set up only two cottages and maintained 39 children incurring Rs 3.43 lakhs and that too without imparting any training. The Parishad also failed to surrender the cottages or increase the intake of children, as directed by Government.

[Paragraph 3.6]

1.4 Chapter IV—Audit under Section 15 Audit Review

1.4.1 Financial assistance to Co-operative Societies

The total number of Co-operative institutions in West Bengal at the close of Co-operative year 1985-86 was 30,181 including 8,434 societies under liquidation.

At the end of the Co-operative year 1984-85 the total paid up share capital of the societies was Rs 14,572 lakhs of which the contribution of Government was Rs 5,058.40 lakhs.

The documentation connected with investments in societies, dividends received etc. was inadequate.

There was decline in 1985-86, in the receipt of dividends (Rs 27.53 lakhs) and return on investment (0.51 per cent) as compared to 1983-84.

The amount of loans outstanding against the Co-operative societies at the end of March 1986 was Rs 1,385.42 lakhs as against Rs 1,319.91 lakhs in March 1985.

Out of grants of Rs 2,673.64 lakhs released between 1980-81 and 1985-86, utilisation certificates for Rs 2,332.47 lakhs or 87 per cent of total were awaited.

Out of 22,279 live societies at the end of Co-operative year 1983-84, 8,536 societies (38 per cent) earned profit, 6,419 societies (29 per cent) ran at losses while the rest of the societies just broke even.

Audit of 6,275 auditable societies remained pending while audit fees outstanding at the end of 1985-86 were Rs 89.21 lakhs.

Short term loans of Rs 2,394 lakhs advanced to West Bengal Co-operative Marketing Federation Limited remained unrealised for about two to eight years.

The activities of the Co-operative societies vis-a-vis their impact on socio-economic conditions of the members of the societies and the state as a whole were not monitored nor evaluated.

[Paragraph 4.1]

1.5 Chapter V—Audit under Section 19 Audit Reviews

1.5.1 Solid Waste Management

Calcutta Metropolitan Development Authority has been implementing from 1977-78, a scheme called "Solid Waste Management" for collection, transportation and disposal of garbage arising in the city.

The cost of the scheme initially estimated at Rs 850 lakhs has been revised twice and the latest estimate of cost is Rs 1,195 lakhs. The expenditure incurred upto October 1986 is Rs 882.06 lakhs.

Bulk of the amount of Rs 111.59 lakhs towards construction

of buildings and procurement of equipment for changing over to a new ward system of collection and removal of garbage has become unproductive, since the new system could not be introduced. Out of 100 ward depots to be constructed to cover the entire city, only 16 have been completed and 5 are under construction at a cost of Rs 56.37 lakhs. Some completed wards were diverted for other purposes.

In the engagement of a consultant, an expenditure of Rs 43.95 lakhs proved excess or avoidable or infructuous.

There is an unresolved dispute between the Calcutta Metropolitan Development Authority and Calcutta Municipal Corporation about the receipt of transport equipment valued at Rs 28.53 lakhs.

Expenditure of Rs 27.47 lakhs in connection with a pilot study proved infructuous.

The expected improvements in collection, removal and disposal of garbage have not been achieved even now.

[Paragraph 5.1]

1.5.2 *Sewerage and Drainage Project*

From 1973, the Calcutta Metropolitan Development Authority had incurred a total expenditure of Rs 4,401.22 lakhs and Rs 332.58 lakhs for civil works and mechanical works respectively connected with schemes for improving drainage and preventing water-logging in the city.

Mechanical cleaning of the Calcutta Sewerage System initiated in 1973 did not progress satisfactorily and the performance was far below the level to keep the system free of silt. The out-turn from mechanical equipment for such cleaning, procured at a cost of Rs 179.38 lakhs was poor.

Lands costing Rs 105.18 lakhs, acquired long before formulation of Tollygunge Sewerage Scheme, remained substantially unutilised. Main sewer lines laid at a cost of Rs 18.50 lakhs proved useless and the expenditure infructuous. The scheme was abandoned after an expenditure of Rs 97.58 lakhs.

Ultadanga Pumping Station of Maniktala Sewerage Scheme constructed at a cost of Rs 52.18 lakhs has remained idle for over eight years.

Maniktala Drainage Scheme completed at a cost of Rs 253 lakhs failed to reduce water-logging.

The expenditure of Rs 145 lakhs on the drains for Cossipore and Chitpore Drainage Project became unproductive.

Capital expenditure of Rs 43.96 lakhs on procurement of a dredger and barges remained largely unproductive.

The impact of all the schemes on preventing water-logging in the city was minimal.

[Paragraph 5.2]

AUDIT PARAGRAPHS PERTAINING TO CALCUTTA METROPOLITAN DEVELOPMENT AUTHORITY

1.5.3 *Remodelling of Tallah—Palta Water Main*

This project of Calcutta Metropolitan Development Authority for laying a new pipeline, first awarded in 1969 has not been completed even by March 1988, after nineteen years.

The work of laying a steel pipeline awarded for completion by the middle of 1974, at an estimated cost of Rs 109 lakhs has been going on for the past thirteen years, but is still incomplete after an expenditure of Rs 335 lakhs.

For this work three contracts were awarded and all of them terminated. The same Contractor 'A' actually executed the work under all the three contracts. The management of the three contracts was inadequate. Recovery to the tune of Rs 148.54 lakhs could not be enforced.

Due to delays, the pressure main pipe laid in 1929 is still under use with patch work repairs.

[Paragraph 5.3]

1.5.4 *Excessive expenditure on establishment*

A divisional office created in 1982, had very little work till March 1987. Expenditure of Rs 16.93 lakhs incurred on maintenance of establishment was incommensurate with its work expenditure of Rs 1.51 lakhs on boundary pillars and walls.

[Paragraph 5.4]

1.5.5 *Purchase of defective equipments*

Equipments procured in 1981 at a cost of Rs 13.75 lakhs and accepted without trial run and performance test, were found defective and lying idle for over six years.

[Paragraph 5.5]

1.5.6 *Idle roadworks equipments*

Road construction equipments costing Rs 56.49 lakhs purchased between 1976 and 1982 were lying idle for over five years.

[Paragraph 5.8]

1.5.7 *Loss due to non-preferment of claims in time*

Reimbursement of freight of Rs 4.33 lakhs paid for cement supply could not be obtained due to delay in preferring claims.

[Paragraph 5.10]

OTHER AUDIT PARAGRAPHS

1.5.8 *Injudicious import of torsteel bars*

Import of 900 tonnes of torsteel bars worth Rs 67.74 lakhs for Second Hooghly Bridge project proved unnecessary. This surplus is proposed to be disposed of at a loss of Rs 13.64 lakhs.

[Paragraph 5.18]

1.5.9 *Construction of uninhabitable houses*

Lack of coordination between the West Bengal Housing Board and the Calcutta Corporation led to unproductive capital outlay of Rs 37.13 lakhs on 76 uninhabitable houses constructed near a 'Bhagar' (dumping ground of dead animals).

[Paragraph 5.20]

CHAPTER II

GENERAL

2.1 Grants to Local Bodies and others—Utilisation certificates of grants, loans and advances

2.1.1 Details of grants

During 1986-87, Rs 199.57 crores were paid as grants to local bodies and others which formed 7.40 *per cent* of Government's total expenditure on Revenue account.

The grants were paid mainly for maintenance of educational institutions, hospitals and charitable institutions, construction and maintenance of school and hospital buildings, improvement of roads and communications under municipalities and local bodies as under:

	Capital	Main- tenance grants	Deve- lopment grants	Other grants	Total
	(Rupees in crores)				
Universities and Educational Institutions	—	154.08	—	0.03	154.11
Municipal Corporation and Municipalities	—	0.01	0.15	27.08	27.24
Government Sponsored Development Agencies	—	—	1.13	—	1.13
Zilla Parishad and Panchayat Raj Institutions	0.20	1.96	—	7.03	9.19
Cooperative Societies	—	0.01	—	0.20	0.21
Hospitals and Charitable Institutions	—	1.12	—	1.01	2.13
Others	0.16	0.42	1.51	3.47	5.56
Total	0.36	157.60	2.79	38.82	199.57

2.1.2 Utilisation of grants

Departmental Officers sanctioning grants are required to certify to Audit proper utilisation of the grants. Utilisation certi-

ificates for grants aggregating Rs 218.51 crores were received up to September 1987; those for Rs 53.13 crores (in 913 cases) paid as grants up to March 1986 had not been received (September 1987) despite repeated reminders. The departmentwise details of outstanding certificates are given in Appendix 2.1. Of these, 417 certificates for Rs 8.50 crores were pending for more than three years.

Utilisation certificates of grants for Rs 25 lakhs and above are due for more than three years from the departments mentioned below:

Department	Number of certificates	Amount (Rupees in lakhs)
1. Cottage and Small Scale Industries	98	463.68
2. Fisheries	34	128.65
3. Finance	20	107.01
4. Commerce and Industries	117	61.34
5. Animal Husbandry and Veterinary Services	11	35.47

2.1.3 *Utilisation of loans and advances*

Out of 1,156 utilisation certificates (Rs 54.03 crores) due to be received by Audit for loans given by Government up to March 1986, 37 certificates (Rs 9.49 crores) were received leaving 1,119 certificates (Rs 44.54 crores) to be received (September 1987).

Departmentwise break up of wanting utilisation certificates is given below:

Department	Number of outstanding utilisation certificates	Amount (Rupees in crores)	Year to which the earliest outstanding certificates relate
1. Cottage and Small Scale Industries	421	10.72	1957-58
2. Cooperation	442	24.24	1960-61
3. Panchayats and Community Development (Panchayat)	112	0.42	1963-69
4. Animal Husbandry and Veterinary Services	8	0.18	1975-76

Department	Number of outstanding utilisation certificates	Amount (Rupees in crores)	Year to which the earliest outstanding relate
5. Fisheries	15	0.15	1975-76
6. Development and Planning	33	3.38	1981-82
7. Local Government and Urban Development	61	4.34	1982-83
8. Health and Family Welfare	7	0.43	1983-84
9. Panchayats and Community Development (Community Development)	18	0.46	1983-84
10. Development and Planning (T & CP)	2	0.22	1985-86
Total	1,119	44.54	

In the absence of these certificates it is not possible for Audit to check that the recipients had spent the grants and loans on the intended purposes.

2.2 Audit of financial assistance to local bodies and others

According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the accounts of bodies and authorities substantially financed by grants or/and loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General of India. For this purpose, a body or an authority is deemed to be substantially financed in a year if the total amount of grants and loans received by it during the year, including the unutilised balance, if any, of grants or/and loans of the previous year(s), is not less than Rs 5 lakhs (Rs 25 lakhs from the year 1983-84 accounts) and is also not less than 75 *per cent* of the total expenditure of the body or authority in that year.

As in the previous years, for identification of such bodies and authorities, all administrative departments of the State Government were requested in April 1987, to furnish information about grants and loans given by them and their subordinate offices to the bodies and authorities during 1986-87 along with the total expenditure for the year of such bodies and authorities. This requirement of Audit was also brought to the notice of the

Finance Department as well with the request to make available the relevant information for the previous years from the defaulting departments and offices. However, no information for 1986-87 has been received (September 1987) from several departments including the departments of Education, Health and Family Welfare, Agriculture, Panchayats and Community Development, Relief and Welfare, Cottage and Small Scale Industries, Development and Planning (except Additional Employment Programme, Jhargram Branch), Commerce and Industries, Local Government and Urban Development which normally release large grants and loans. Of these, the following Departments did not furnish similar information from the years indicated against each:

Health and Family Welfare	.. From 1971-72
Education	.. From 1978-79
Cottage and Small Scale Industries	.. From 1983-84
Panchayats and Community Development	.. From 1983-84
Agriculture (except Planning Cell)	.. From 1984-85
Commerce and Industries (except Planning and Mines Branch)	.. From 1984-85
Development and Planning (except Town and Country Planning)	.. From 1985-86

Where any grant and/or loan is given to any body or authority for any specific purpose from the Consolidated Fund, Section 15 of the same Act, requires that the Comptroller and Auditor General shall scrutinise the procedure by which the sanctioning authorities had satisfied themselves as to the fulfilment of the conditions, subject to which such grants and loans were given.

2.3 Audits entrusted to the Comptroller and Auditor-General

Besides audit under Section 14 and 15 of the Act as mentioned above, the Comptroller and Auditor General of India also conducts audit of the accounts of certain autonomous bodies/authorities, the regular audit of which has been entrusted to him under Section 19(3)/20(1) of this Act.

According to the provisions of Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the reports on the accounts of an autonomous body the audit of which is entrusted to the Comptroller and Auditor General of India under Section 19(3) of the Act are required

to be submitted, with effect from 1983-84, to the State Government for laying before the Legislature of the State. Out of five autonomus bodies (non-commercial) which were under the audit of the Comptroller and Auditor General of India in terms of the provisions of Section 19(3) of the Act, accounts of two autonomous bodies (West Bengal Housing Board from 1983-84 to 1986-87 and West Bengal Comprehensive Area Development Corporation from 1984-85 to 1986-87) were not submitted (September 1987) while there was delay of over four months in submitting (November 1987) accounts by another organisation (Calcutta Metropolitan Development Authority for 1986-87). Reaction of the Government on a suggestion made (August 1985) by Audit about submission of accounts by these autonomous bodies within a period of three months after the close of the accounting year with a view to expediting submission of the audit reports thereof to the State Legislature is awaited (September 1987).

In respect of five other autonomous bodies (non-commercial), the audit of accounts of which was entrusted to the Comptroller and Auditor General of India under Section 20(1) of the same Act, the audit reports are to be submitted to Government and the concerned bodies. Of them, accounts of one Autonomous Body (Asansol-Durgapur Development Authority) for the years from 1980-81 to 1984-85 were not submitted since inception. Two other autonomous bodies, *viz.*, Siliguri-Jalpaiguri Development Authority (1982-83 to 1984-85) and Haldia Development Authority (1983-84 to 1984-85) did not submit (September 1987) accounts for audit. The submission of accounts from 1984-85 to 1986-87 by the West Bengal Khadi and Village Industries Board was also awaited (September 1987). Non-submission of accounts was mainly due to non-compilation of annual accounts by the organisation.

The matter was reported to Government (September 1987); reply has not been received (March 1988).

CHAPTER III—AUDIT UNDER SECTION 14

CHAPTER III

AUDIT UNDER SECTION 14

3.1 Overall results of audit of Autonomous Bodies

3.1.1 *Number of Autonomous Bodies*

As at the end of March 1987, there are 492 autonomous bodies under the statutory audit control of the Examiner of Local Accounts in the Office of the Accountant General (Audit)-I, West Bengal. Of them, 80 as detailed below categorywise attracted audit under section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, as ascertained from accounts wherever compiled by the bodies or information otherwise made available to audit.

Sl. No.	Autonomous bodies	Total	Number attracting section 14(1) of the Act
(1)	(2)	(3)	(4)
1.	District School Boards	15	15
2.	Zilla Parishads	16	16
3.	Universities	8	7
4.	Municipalities, Town Committees and Notified Area Authorities	110	42
5.	Panchayat Samities	328	—
6.	Improvement Trusts	2	—
7.	Municipal Corporations	2	—
8.	Miscellaneous	11	—
		492	80

Audit reports in respect of all the above mentioned autonomous bodies are submitted to the Government as per provisions of the respective Acts under which the bodies were set up.

3.1.2 *Delay in preparation of annual accounts by the bodies*

It would be noticed from the table given below that there had been persistent delay in compilation of annual accounts by the different autonomous bodies attracting section 14 of the Comptroller and Auditor-General's (DPC) Act, 1971 (May 1987).

Sl. No.	Autonomous Bodies	Number of Autonomous Bodies involved	Accounts in arrear ranging from/to	Number of accounts in arrear
(1)	(2)	(3)	(4)	(5)
1.	District School Board	10	1977-78 to 1986-87	36
2.	Municipality	10	1980-81 to 1986-87	27
3.	University	5	1981-82 to 1986-87	23
4.	Zilla Parishad	6	1984-85 to 1986-87	8

Non-preparation of annual accounts of the autonomous bodies can have serious implications in terms of funds being utilised for purposes other than for which those were earmarked. In the absence of such accounts it has not been possible to verify in audit as to whether there are instances of diversion of earmarked funds or other cases of misutilisation of funds.

3.1.3 *Audit notes and paras outstanding*

Audit notes and paras are submitted to the bodies concerned and copies thereof endorsed to the Government so that appropriate action is taken to remedy matters within a reasonable time.

The number of audit notes/paras issued up to March 1987, but remaining outstanding at the end of September 1987 alongwith money value involved therein, are indicated in the table below:

Sl. No.	Local Bodies	Number of audit notes outstanding in respect of bodies coming under section 14 of C & AG's Act	Number of audit paras outstanding	Earliest year from which outstanding	Money value involved (Rupees in lakhs)
1.	Zilla Parishads	170	4,284	1955-56	2,108.76
2.	District School Boards (DSB)	186	5,859	1956-57	474.69
3.	Municipalities, Town Committees and Notified Area Authorities	303	7,272	1958-59	323.47
4.	Universities	38	1,212	1960-61	530.32
	Total	697	18,627		3,437.24

3.1.4 *Common defects and irregularities noticed in audit of Autonomous Bodies*

Common defects noticed in audit during the year 1986-87 of autonomous bodies coming under section 14 of the Comptroller and Auditor General's Act, 1971 are mentioned below:

(i) *Non-preparation of Annual Budget Estimates*

The following bodies did not prepare any Budget Estimate for the years noted against each:

Unit	Year	Expenditure incurred (Rupees in lakhs)
(a) District School Board		
1. 24-Parganas	1978-79	805.57
2. Cooch Behar	1979-82	931.96
(b) Municipality		
1. Ashokenagar-Kalyangarh	1978-81	44.45
2. Berhampore	1978-79	32.67
(c) Vidyasagar University	1981-86	191.90
		<hr/> 2,006.55

(ii) *Non-compilation of Balance Sheets*

Under the provision of Rules framed under the Bengal Municipal Act, 1932 the municipalities are required to prepare a consolidated balance sheet in a prescribed form showing their assets and liabilities. The following municipalities did not prepare balance sheets for the years noted against each:

Sl. No.	Name	Year of Accounts
1.	Cooch Behar	1978-84
2.	Ashokenagar-Kalyangarh	1978-81
3.	Berhampore	1978-79
4.	Siliguri	1978-79
5.	Ranaghat	1979-80
6.	Purulia	1970-81
7.	Krishnanagar	1981-83

(iii) *Failure to conduct Internal Audit*

Internal audit as prescribed under relevant Acts and Rules framed thereunder was not conducted as detailed below:

Nature of bodies				Number of annual accounts for which internal audit not conducted
1. Universities	..	..	..	30 accounts from 1960-61
2. District School Board	..	..	..	4 accounts from 1978-79
3. Zilla Parishad	..	..	..	9 accounts from 1980-81

3.1.5 *Unutilised Government grants given to District School Boards*

Grants released for specific purposes to District School Boards remaining unspent for over five years are indicated below (March 1987).

Purpose of grant (No. of districts involved)				Amount lying unspent for		
				5-10 years	Above 10 years to 15 years	Above 15 years
				(Rupees in lakhs)		
1. Construction and repair of school buildings (4)	..	..	..	16.62	13.88	13.04
2. Amenities to students (3)	..	..	..	19.61	3.31	2.88
3. Furniture and equipment (4)	..	..	..	3.12	2.76	3.45
4. Miscellaneous (4)	..	..	..	1.25	20.86	13.21
				— —	— —	— —
				40.60	40.81	32.58

Total Rs. 113.99 lakhs

3.1.6 *Unspent Government grants given to Zilla Parishads/Municipalities*

During test check it was noticed that the accounts of the following Zilla Parishads/Municipalities were closed with large amounts of unutilised Government grants meant for development purpose.

District	Purpose of grant	Year of account	Amount (Rupees in lakhs)
(a) Zilla Parishads	Rural Development programme		
Howrah	Ditto	1980-81	100.98
Nadia	Ditto	1980-81	72.59
Bankura	Ditto	1981-82	160.88
Malda	Ditto	1981-82	103.12
Burdwan	Ditto	1982-83	162.94
Midnapore	Ditto	1982-83	200.55
24-Parganas	Ditto	1982-83	171.82
Purulia	Ditto	1982-83	91.33
(b) Municipalities	Development of Municipal area/roads		
Siliguri	Ditto	1979-80	33.97
Burdwan	Ditto	1979-80	50.89
Nabadwip	Ditto	1979-80	26.65
Purulia	Ditto	1981-82	37.88
Ashokenagar-			
Kalyangarh	Ditto	1982-83	9.74
Chakdah	Ditto	1983-84	20.08
Cooch Behar	Ditto	1983-84	19.88
Habra	Ditto	1983-84	12.95
			1,276.25

3.1.7 Diversion of Government grants

Diversion of Government grants for purposes other than those intended as noticed during audit (1986-87) are given below:

Unit (1)	Position at the end of the year (2)	Amount diverted (Rupees in lakhs) (3)
1. District School Board		
24-Parganas	1978-79	72.10
Nadia	1981-82	1.84
2. Zilla Parishad		
Nadia	1980-81	9.05
Howrah	1980-81	7.50
Malda	1981-82	84.29
Bankura	1981-82	56.20
Midnapore	1982-83	75.42
3. Municipality		
Siliguri	1979-80	2.05
Berhampore	1979-80	2.40
Burdwan	1979-80	34.43
Nabadwip	1979-80	8.72
Purulia	1981-82	23.38
Ashokenagar-Kalyangarh	1982-83	3.48
Khardah	1982-83	2.46
Cooch Behar	1983-84	3.82
Chakdah	1983-84	2.35
Habra	1983-84	2.32
		<hr/> 391.81

The diversions were made generally to meet establishment and contingent expenses. The diversions have not been regularised so far (July 1987).

3.1.8 *Overdue loan recoveries*

The following bodies defaulted in repayment of Government loans although the instalments had fallen due long ago.

Unit				Year of accounts	Amount unpaid (Rupees in lakhs)
Zilla Parishad					
Midnapore	..	..	..	1979-80	23.79
Howrah	..	..	..	1980-81	40.69
Malda	..	..	..	1981-82	28.75
Burdwan	..	..	..	1981-82	11.12
24-Parganas	..	..	..	1982-83	35.04
Purulia	..	..	..	1982-83	4.00
Municipality					
Berhampore	..	..	..	1978-79	2.09
Ranaghat	..	..	..	1979-80	6.57
Nabadwip	..	..	..	1979-80	5.10
Krishnanagar	..	..	..	1982-83	2.90
Santipur	..	..	..	1983-84	6.09
Chakdah	..	..	..	1983-84	1.40
					<hr/> 167.54

3.1.9 *Outstanding advances*

Adjustment of substantial amounts of advances given for various purposes was found to be in arrears on the dates mentioned against each in respect of the following bodies:

Unit				Amount (Rupees in lakhs)	Date
Zilla Parishad					
Nadia	..	..	..	4.70	March 1981
Bankura	..	..	..	51.48	March 1982
Malda	..	..	..	3.61	March 1982
Purulia	..	..	..	19.54	March 1983

Unit			Amount (Rupees in lakhs)	Date
University				
Burdwan	..	..	22.17	March 1980
Kalyani	..	..	51.07	March 1981
Rabindra Bharati	..	..	12.49	March 1987
Municipality				
Berhampore	..	..	4.95	March 1979
Burdwan	..	..	15.49	March 1980
Purulia	..	..	9.54	March 1982
Bishnupur	..	..	19.56	March 1983
Khardah	..	..	16.23	March 1983
Serampore	..	..	12.68	March 1983
Basirhat	..	..	8.68	March 1983
Krishnanagar	..	..	6.81	March 1983
Cooch Behar	..	..	5.61	March 1984
Chakdah	..	..	3.40	March 1984
District School Board				
24-Parganas	..	..	87.68	March 1979
			<hr/> 355.69	

3.1.10 *Utilisation of Government grants*

Utilisation Certificates/Statement of expenditure relating to Government grants for development activities in rural West Bengal sub-allotted to the Panchayat Samitis had not been submitted (March 1987) in respect of the following Zilla Parishads:

District			Year of accounts	Amount involved (Rupees in lakhs)
Howrah	..	..	1980-81	50.87
Nadia	..	..	1980-81	21.12
Midnapore	..	..	1981-82	328.10
Bankura	..	..	1981-82	58.32
Malda	..	..	1981-82	13.82
Purulia	..	..	1982-83	361.29
24-Parganas	..	..	1982-83	10.01
				<hr/> 843.53

3.1.11 *Arrears in collection of municipal revenue*

The outstanding revenue towards rates and taxes in the 14 municipalities as shown below amounted to Rs. 154·81 lakhs:

Sl. No.	Municipality	Year of accounts	Amount of rates and taxes in arrears (Rupees in lakhs)
1.	Siliguri	1978-79	28·97
2.	Berhampore	1978-79	24·09
3.	Nabadwip	1979-80	11 52
4.	Ranaghat	1979-80	7 73
5.	Ghatal	1979-80	1·32
6.	Kandi	1981-82	2 21
7.	Krishnanagar	1982-83	20·10
8.	Khardah	1982-83	13·22
9.	Bishnupur	1982-83	9 43
10.	Serampore	1982-83	3·63
11.	Basirhat	1982-83	3·17
12.	Cooch Behar	1983-84	18 06
13.	Chakdah	1983-84	6 86
14.	Habra	1983-84	4·50
			<hr/> 154 81

3.1.12 *Provident Fund balances*

Abstracts of Provident Fund balances of primary school teachers and employees were not maintained in respect of the following bodies:

Bodies	Amount involved (Rupees in lakhs)
1. District School Boards (Cooch Behar, Nadia, 24-Parganas and Purulia) ..	790·75
2. Municipalities (Ranaghat, Krishnanagar, Ashokenagar-Kalyangarh, Siliguri, Berhampore, Habra and Nabadwip) ..	14·80
3. Zilla Parishads (Nadia and Bankura)	8 57
<hr/> 814·12	

3.1.13 *Non-submission of vouchers for audit*

The District School Board, 24-Parganas, could not produce 2,595 vouchers in support of expenditure of Rs. 147.76 lakhs incurred during the year 1978-79.

The matter was reported to Government (October 1987); reply has not been received (March 1988).

AGRICULTURE DEPARTMENT

3.2 Bidhan Chandra Krishi Viswavidyalaya

3.2.1 *Irregularities in accounting and adjustment of advances*

The Bidhan Chandra Krishi Viswavidyalaya (BCKV) was established in September 1974. Despite being pointed out by audit repeatedly since July 1979, the Viswavidyalaya had not so far (October 1987) framed any rules about maintenance of accounts to keep watch over adjustment of advances paid.

During audit (between October 1986 and March 1987) of the accounts on advances of the institution for the years 1977-78 to 1979-80, it was noticed that advances totalling Rs. 441 lakhs were paid for purchase of materials, execution of works, purchase of books, equipment and furniture, payment of wages and purchase of miscellaneous items through the departmental heads. The Viswavidyalaya, however, maintained one Payment-cum-Advance Register wherein it was noticed that final payments as well as advance payments were recorded. A review in audit of the Payment-cum-Adjustment Register vis-a-vis the cash book and vouchers revealed that out of Rs 441 lakhs paid as advances during 1977-78 to 1979-80, a sum aggregating Rs 351 lakhs only was recorded therein. Thus, for the balance of advances amounting to Rs 90 lakhs, the Viswavidyalaya had no control and consequently there was no watch over their adjustments. The Viswavidyalaya could not produce records about adjustment of these advances totalling Rs 90 lakhs with supporting adjustment vouchers and actual payees' receipts.

The yearwise position about adjustment of advances paid during 1977-78 to 1979-80 as recorded in the Payment-cum-

Adjustment Register and the balances lying unadjusted (December 1986) is given in the following table:

Year		Amount advanced as per Payment- cum-Adjustment Register	Amount adjusted	Amount lying unadjusted up to December 1986
(Rupees in lakhs)				
1977-78	..	244.50	9.48	235.02
1978-79	..	89.09	6.68	82.41
1979-80	..	17.40	11.67	5.73
Total	..	350.99	27.83	323.16

The table above shows that advances totalling Rs 323.16 lakhs or 92 *per cent* of total advances were still (December 1986) remaining unadjusted even after the lapse of six years. No steps have been taken by the Viswavidyalaya to ascertain the actual position about utilisation and settlement of the advances paid.

The matter was reported to Government (August 1987); reply has not been received (March 1988).

3.2.2 Unaccounted cash

During the period from 11th February 1983 to 13th February 1985, the Dean of the Faculty of Veterinary and Animal Sciences had two campuses at Belgachia and Kalyani (Mohanpur) and two separate cash books were maintained for the two campuses for the funds obtained from the Bidhan Chandra Krishi Viswavidyalaya from time to time for paying the salary of staff and meeting contingent expenses. In February 1985, the campus at Belgachia was closed and merged with the faculty at Mohanpur. The cash book of Belgachia campus revealed a cash balance of Rs 1,03,044.27 on 13th February 1985, the date on which it was merged with the Mohanpur campus. It was, however, noticed in audit that closing balance of Rs 1,03,044.27 on that day of the Belgachia campus representing undisbursed cash was not brought into account on that date or thereafter (July 1987), in the cash book of the Mohanpur campus.

From the details of cash balance recorded by the Cashier on 13th February 1985 in the cash book of Belgachia campus it

was noticed that a sum of Rs 1,029 only was actually held in cash and the balance amount of Rs 1,02,015.27 had been advanced to officials against hand chits during November 1978 to February 1985. The chits produced before audit in support of such advances were merely acquittances of moneys received by certain persons, but orders of competent authority for payment of advances out of the undisbursed cash and purposes of such payments were not kept on record. It was noticed in audit that this practice of irregular payment out of undisbursed cash was in vogue in the Belgachia campus since November 1978. The actual position about adjustment of amount of Rs 1,02,015.27 as on 13th February 1985 was not available.

The matter was reported to Government (July 1987); reply has not been received (March 1988).

3.2.3 Overpayments due to irregularities in implementation of revised pay scales

Prior to April 1, 1978, the non-teaching employees of Bidhan Chandra Krishi Viswavidyalaya were in receipt of a total interim relief of Rs 40 p.m. on two elements viz., interim relief of Rs 26 and additional interim relief of Rs. 14 of which the latter was allowed by Government to be treated as pay for determination of pay slabs for Dearness Allowances (DA) entitlements. Government introduced (April 1979) revised scales of pay for the non-teaching employees of the Viswavidyalaya with effect from April 1, 1978, with the stipulation that pay of the employees should be fixed at appropriate stages in the revised scales with reference to the aggregate of their existing pay, DA and element of interim relief plus a booster of Rs 13. The employees were given an option to come under the revised scale from April 1, 1978 or from the day following the date of earning the first or second increment after March 31, 1978.

It was noticed in audit (March 1987) that the Viswavidyalaya initially fixed (July 1979) the pay of the employees as stipulated above but subsequently, however, decided (February 1982) to fix their pay *de novo* by treating the two elements of interim relief as Rs 25 and Rs 15 respectively keeping the total at Rs 40 p.m. The increase in the existing rate of additional interim relief was made by the Viswavidyalaya without any Government approval although such enhancement unduly placed a section of the employees in higher pay slabs entitling them to higher rates of DA on April 1, 1978, for the purpose of fixation of pay in revised

scales. The Viswavidyalaya also decided (September 1981) to allow the employees to retain their existing dates of increment even after fixation of their pay in revised scales though no such benefit was admissible under the prescribed terms and conditions for implementation of the scales.

Thus owing to fixation of pay at higher stages on account of unauthorised changes in the sanctioned rates of interim relief and irregular retention of existing dates of increments in revised scales, a total amount of Rs 8.33 lakhs had been overpaid to 629 non-teaching employees of the Viswavidyalaya up to July 1987.

The Registrar of the Viswavidyalaya stated in March 1987 that the rates of interim relief were revised and premature increments were granted to the employees in the revised scales as the same were to the advantage of the employees.

The matter was reported to Government (September 1987); reply has not been received (March 1988).

3.2.4 *Excess Payment of house rent allowance*

The teaching and non-teaching employees of the Bidhan Chandra Krishi Viswavidyalaya were eligible to draw house rent allowance at the same rate and on the same terms and conditions as sanctioned by the State Government from time to time for Government employees. Government revised the rate of house rent allowance to 15 *per cent* of pay up to a limit of Rs 275 per month with effect from 1st January 1979 subject to the condition that house rent allowance payable to employees drawing pay above Rs 1,250 should be limited to Rs 188 per month unless they produce rent receipts/rental valuation certificates in support of drawal of such allowance at the flat rate of 15 *per cent*. It was, however, noticed in audit (March 1987) that certain employees of the Viswavidyalaya drawing pay above Rs 1,250 per month did not produce any rent receipt or rental valuation certificate and yet they were allowed to draw house rent allowance at 15 *per cent* of pay (up to Rs 275 p.m.) without restricting the same to Rs 188 p.m. resulting in a net excess payment of Rs 3.87 lakhs to 763 employees of the Viswavidyalaya during the period from 1st January 1979 to 31st March 1986. No reasons were furnished by the Viswavidyalaya for not regulating payment of house rent allowance as per orders of Government nor had any steps been taken for regularisation of recurring overpayments or recovery of overpayments (July 1987).

The matter was reported to Government (September 1987); reply has not been received (March 1988).

EDUCATION (HIGHER) DEPARTMENT

3.3 North Bengal University

3.3.1 *Unfruitful expenditure*

In September 1981, the Vice-Chancellor of the North Bengal University had sanctioned an estimate of Rs 1.12 lakhs prepared by the University Engineer for sinking of a reinforced cement concrete well for provision of supply of water in the eastern sector of the University campus. The work was to be executed out of grant sanctioned by the Government for the purpose. The work of construction of the well was entrusted to a contractor in November 1981 on competitive basis for completion of the work by February 1982. It was noticed in audit (July 1987) that the contractor executed the work partially up to 3rd February 1982 and thereafter stopped execution on account of some defects in the machinery employed by him for sinking work. Although the University had extended the time for completion of the work up to 15th June 1982, the contractor did not resume the work.

The contractor was paid a total sum of Rs 0.51 lakh (Rs 0.42 lakh in March 1982 and Rs 0.09 lakh in July 1985) in running account bills for work done up to 3rd February 1982. Although the work remained incomplete, no action has been taken so far (July 1987) by the University authorities to penalise the contractor for non-completion of the work or to get the work done through other agencies. The expenditure of Rs 0.51 lakh met out of Government grants till July 1985, thus, remained unfruitful.

The matter was reported to the Government (September 1987); reply has not been received (March 1988).

3.3.2 *Excess payment due to erroneous fixation of pay*

The State Government sanctioned (April 1979) revised scales of pay for the non-teaching staff of the North Bengal University (other than officers), with effect from 1st April 1978. The mode of fixation of pay as laid down in the Government Order stipulated that the pay should be fixed at the stage next above the sum total of pay as on 31st March 1978 (or any other date an individual employee opts to come under the revised scale), dearness allowance, interim relief, dearness pay up to

1st April 1977 and a booster of Rs 13. Failure to fix pay in accordance with this Government order resulted in excess payment of Rs 1.25 lakhs as detailed below:

(a) While fixing the pay of the non-teaching staff of the Raiganj College, a constituent college under the North Bengal University, in the revised scale with effect from 1st April 1978 benefits not sanctioned by Government was extended. One additional increment in the revised scale was added and then pay was fixed in respect of persons who had received one promotion in their service period and two additional increments to those who did not get any promotion during their service period. Such irregular fixation of pay extending unauthorised increments resulted in excess payment of salary to the non-teaching staff of the college. Excess payment calculated in audit to end of April 1987 amounted to Rs 0.91 lakh to 29 non-teaching persons.

(b) While fixing the pay of the non-teaching staff of the Cooch Behar B.T. and Evening College under the revised scale as mentioned above it was noticed in audit that after fixation of pay in the revised scale as per Government order, two additional increments at the revised rates of increments were added in respect of 7 non-teaching staff which resulted in excess payment of Rs 0.34 lakh up to March 1987.

The University has not initiated so far action to rectify the erroneous fixations of pay and to recover the amounts paid in excess (July 1987).

The matter was reported to Government (August 1987); reply has not been received (March 1988).

EDUCATION (SCHOOL) DEPARTMENT

3.4 District School Boards

3.4.1 Nadia, Purulia and 24-Parganas District School Boards

Poor utilisation of grants under Attendance Scholarship Scheme

In order to encourage attendance of girl students studying in classes I to V in Primary and Junior Basic Schools, the State Government had sanctioned a scheme "Attendance Scholarship" since 1970-71 for payment of scholarship to the eligible girl students through the District School Boards (DSBs). The value of the scholarship was fixed at Rs 12 per student per annum. The payment of scholarship was limited to students whose parents

had a monthly income of Rs 250 or less provided they maintained attendance in at least 60 *per cent* classes held during the first 8 months of the concerned calendar year.

During audit of the accounts of Nadia, Purulia and 24-Parganas DSBs between April and July 1987 it was noticed that during 1970-71 to 1979-80 these DSBs received grants from the Government totalling Rs 40.29 lakhs, of which only a sum of Rs 3.89 lakhs was utilised, leaving a balance of Rs 36.40 lakhs unutilised. The percentage of utilisation varied between 2 and 42 as indicated in the table below:

Name of the DSB	Year of receipt	Amount of grants received	Year of utilisation	Amount of grants utilised	Unspent grants	Percentage of utilisation
(Rupees in lakhs)						
Nadia ..	1970-71 to 1979-80	9.12	1976-77 1977-78 1979-80	0.42	8.70	5
Purulia ..	1970-71 to 1979-80	7.28	1975-76 to 1983-84	3.08	4.20	42
24-Parganas ..	1972-73 to 1979-80	23.89	1977-78	0.39	23.50	2

The position of utilisation of grants beyond the years mentioned in the above table could not be seen in audit as compilation of the accounts were in arrears.

Reasons for non-utilisation of the grants in some years and partial utilisation in some other years were neither stated by the DSBs nor kept on record. Due to poor implementation, the benefit expected from the scheme was not fully realised.

It was also seen in audit that documents connected with the scheme were not maintained properly. Records indicating either the basis on which the Government grants were released to the DSBs or the number of students on roll of the schools under each year were not made available for audit.

Records showing the names of the girl students to whom scholarship amounting to Rs 3.89 lakhs were disbursed by the

three DSBs, their parents' income, percentage of attendance etc. which were pre-requisites for disbursement of scholarship were also not maintained.

The matter was reported to Government between July and September 1987; replies have not been received (March 1988).

3.4.2 *Nadia and 24-Parganas District School Boards*

Free Supply of school dress to girl students

In order to popularise and expand education among the girl students in the Primary and Junior Basic Schools (Classes-I to V) in rural areas under the District School Boards (DSBs) in the State, Government introduced from 1974-75 the scheme for free supply of school dress to girl students whose parents' income did not exceed Rs 100 per month. This ceiling was raised to Rs 250 from 1976-77.

Nadia and 24-Parganas DSBs received grants of Rs 71.45 lakhs for the scheme up to March 1986, of which they could spend only Rs 34.65 lakhs up to 1984-85 leaving Rs 36.80 lakhs or more than half unspent. While the DSB, Nadia utilised 68 *per cent* of the grants it was only 33 *per cent* in the case of DSB, 24-Parganas, as shown below:

Name of the DSB	Year of receipt	Amount of grants received	Year of utilisation	Amount of grants utilised	Unspent grants	Percentage of utilisation
(Rupees in lakhs)						
Nadia ..	1974-75	31.04	1974-75	21.22	9.82	68
	to		to			
	1977-78		1979-80			
	1979-80		1982-83			
	1983-84		1984-85			
24-Parganas ..	1985-86	40.41	1977-78	13.43	26.98	33
	to		to			
	1977-78		1979-80			
	1979-80					

Reasons for non-utilisation of the grants in some years were neither intimated by the DSBs, nor were kept on record. Due to

partial implementation the benefit expected from the scheme was not fully realised.

Besides, the necessary details such as, the number of students eligible to get the supply of dress, the number of those students to whom dress had been supplied, the particulars of their parents' income to confirm eligibility for the benefit, etc. were not kept on record by the DSBs. Nor was the basis on which Government released further grants before utilisation of earlier grants by the DSBs available on records.

The matter was reported to Government (July and September 1987); reply has not been received (March 1988).

3.4.3 Purulia District School Board

Teachers' Provident Fund Accounts

As per the Provident Fund Rules for the employees (including primary teachers) of the District School Boards (DSBs) in the State, the monthly subscriptions deducted from the salary bills of the teachers, along with equal amount of contributions of the DSB, are required to be deposited in the Postal Savings Bank Accounts by the 4th of the following month. Further, the West Bengal Non-Government Educational Institutions and Local Authorities (Control of Provident Fund of Employees) Act, 1983 provides that balances standing at the credit of the Provident Fund Accounts of employees of the Non-Government Educational Institutions (including DSBs) on the 15th March 1984 and subsequent amounts of monthly subscriptions etc. to Provident Fund Account should be deposited into the Treasury for which the subscribers would be entitled to interest on their provident fund balances at the same rate at which the State Government employees are allowed interest on their fund balances.

Purulia DSB failed to make timely deposit of the monthly subscriptions deducted from the primary teachers' salary bills along with its contributions in the Postal Savings Bank Accounts up to the year 1983-84 (part) and thereafter into the Treasury. It was noticed in audit (May 1987) that the delay in deposit of provident fund moneys for the year 1979-80 to 1983-84 (part) ranged between 36 months and 52 months. The Provident Fund deductions for a part of 1983-84 (22 circles) and from 1984-85 to 1986-87 have not been deposited into Treasury so far (May 1987). As a result of the delay in deposit as well as non-deposit of pro-

vident fund moneys, the liability for payment of interest to the teachers' Provident Fund Accounts devolved upon the DSB.

Reasons for such delays in deposits/non-deposits and consequent assumption of extra liability for payment of interest of Rs 43.87 lakhs out of the Primary Education Fund of the DSB have not been intimated (July 1987).

The matter was referred to the Government (September 1987); reply has not been received (March 1988).

3.4.4 *Nadia District School Board*

Incentive scheme for students of primary schools

In December 1979, the Government had introduced an incentive scheme for free supply of slates and exercise books to the students of primary schools. The scheme provided for supply of one slate to each student of classes I and II and one set of four exercise books to each student of classes III and IV.

The Government released grants amounting to Rs 2.15 lakhs during 1979-80 and another sum of Rs 2.15 lakhs during 1980-81 to the Nadia District School Board for implementation of the scheme. It was noticed in audit (April 1987) that the District School Board did not initiate any action for supply of slates and exercise books to the primary school students in the district during the four years 1979-80 to 1982-83. However, during the next two years 1983-84 and 1984-85, the Board spent a sum of Rs 3.09 lakhs for the purpose of supply of slates and exercise books leaving a balance of Rs 1.21 lakhs still remaining unspent (April 1987).

Due to the failure of the Board to take appropriate administrative action the primary school students were deprived of the incentive scheme approved by the Government for four years fully and for two years partially. Reasons therefor have not been stated (July 1987). Besides, the District School Board could not produce any record to audit showing schoolwise distribution of slates and exercise books made through the Head Teachers of the schools during the years 1983-84 and 1984-85.

The matter was reported to Government (August 1987); reply has not been received (March 1988).

3.4.5 *24-Parganas District School Board*

Alleged misappropriation

The monthly salary of teachers under the District School

Boards (DSBs) in the State is disbursed through money orders (MO). The salary bills are drawn in the respective circle offices and sent to the DSB office along with as many number of filled-in MO forms as there are teachers included in the bills for making remittances through Post Office after the bills are passed and cheques signed by the President of the DSB.

From September 1981 the dealing assistant of the Gaighata circle of the 24-Parganas DSB in course of processing the bills received from the circle office, used to tamper with the figures under columns 'Total' and 'Net Amount payable', by inflating figures in respect of one or more pages of some bills and draw 'pay orders' for higher amounts than actually due. The bills were submitted through the Head Clerk and the Finance Officer of the DSB to the President of the Board for signing the pay orders and cheques.

After the cheques had been signed by the President, the dealing assistant used to write up MOs in the names of fictitious persons who were not teachers of DSB for the excess amounts drawn in the bills and receive the misappropriated amounts through the Post Office.

The defalcation came to light in December 1982 when the DSB lodged a police complaint against the dealing assistant alleging, *inter alia*, misappropriation of Rs 2.01 lakhs by him. The dealing assistant was, immediately placed under suspension. A Departmental Enquiry Committee was set up (February 1983) by the DSB for enquiring into the charges framed against him (February 1983). However, no progress has been made for more than four years. The DSB stated (April 1987) that it had no information about the action taken by police on the FIR. The findings of the Enquiry Committee were also not made available to audit (July 1987).

The matter was reported to Government (September 1987); reply has not been received (March 1988).

LOCAL GOVERNMENT AND URBAN DEVELOPMENT DEPARTMENT

3.5 Municipalities and Notified Area Authorities

3.5.1 *Ashokenagar-Kalyangarh Municipality*

Loss of municipal revenue

Ashokenagar-Kalyangarh Municipality was established in

February 1968, prior to which the State Government allotted within its municipal area more than 11,000 holdings to the refugees from the erstwhile East Pakistan, without conferring on them any right to the property. The first assessment of valuation of the holdings within that Municipality took effect from April 1974. But the Municipality could not realise any rate (tax) as the occupiers of the holdings refused to pay on the ground that they were not the owners of those holdings in the absence of any right to the property, although Government held (December 1970) that as per provisions of the Bengal Municipal Act, as amended, the allottees of the holdings were liable to pay municipal rates as their owners. As a result, the Municipality suffered loss of revenue to the extent of Rs 88.27 lakhs for the years 1974-75 to 1986-87.

The Municipality had referred (September 1976) the matter to the Additional District Magistrate, 24-Parganas (North) for obtaining directives from the Government in the matter; but no such directives have been received by the Municipality so far (April 1987).

The matter was reported to Government (May and August 1987); reply has not been received (March 1988).

3.5.2 Cooch Behar Municipality

Irregular payment of advances to the Municipal employees

The Commissioners of the Cooch Behar Municipality in a resolution adopted in October 1982, irregularly authorised payment of special festival advances at the rate of Rs 300 per head to all its non-teaching employees, in addition to usual ex-gratia festival relief of one month's pay, to be recovered from their arrear salary on account of revision of pay-scales (introduced by the Government in April 1982 and effective from April 1981) or in 8 monthly instalments from their salary. Accordingly, a total sum of Rs 0.93 lakh was paid to the employees to end of March 1983.

It was noticed in audit (December 1987) that the advances were neither recovered from their arrears of salary paid during 1982-83 nor from their regular monthly salary so far.

Reasons for the irregular payment of advances to the Municipal employees and also circumstances in which the advances could not be recovered so far have not been intimated.

The matter was reported to Government (September 1987); reply has not been received (March 1988).

3.5.3 *Ghatal Municipality*

Non-accountal of pipes

Ghatal Municipality purchased in January 1979, 11,161 running feet of galvanised iron pipes with sockets from two firms of Calcutta at a total cost of Rs 0.65 lakh without any scheme or work in hand and without inviting tenders. It was noticed in audit (February 1987) that the materials were not entered in the stock register nor was there any indication of their utilisation. The pay order on the bills was signed by the Chairman of the municipality but payments to the suppliers were made in cash instead of by cheques as required under provision of the Municipal Account Rules framed under the Bengal Municipal Act, 1932. Besides, suppliers' rates for the materials were ex-godown in Calcutta, but no evidence of expenditure on carriage charges for transporting the materials to the municipal stores, situated at a distance of about 100 kms from Calcutta, was available to establish the receipt of the material by the municipality.

The matter was reported to Government (July 1987) for conducting an enquiry in the matter. The reply has not been received (March 1988).

3.5.4 *Kandi Municipality*

(a) Irregularities in disbursement of house repair grants

During 1978-79, the Government sanctioned a grant of Rs 11.65 lakhs to the Kandi Municipality for assisting repair of family houses within the municipal area damaged by the flood during the year 1978. The assistance was to be limited to families whose monthly income was below Rs 500 and fixed at Rs 500 for major repair and Rs 250 for minor repair. The municipality spent the entire amount of the grant (Rs 11.65 lakhs) during the year 1978-79.

It was noticed in audit (July 1987) that while disbursing the grant, the municipality did not apply the criteria of monthly income to ensure that the benefit of the grant was extended only to eligible families. Besides, grants totalling Rs 1.15 lakhs were disbursed during 1978-79 to 311 persons in different mohallas under the municipality who had no holdings according to

municipal records and reasons therefor have not been stated (July 1987).

(b) Irregular utilisation of Government grant

The Kandi Municipality received another grant of Rs 1.95 lakhs during the period from 1978-79 to 1981-82 for conversion of service privies into sanitary latrines.

It was noticed in audit that out of Rs 1.56 lakhs disbursed to end of March 1982, a sum of Rs 0.41 lakh was irregularly paid to owners of 37 holdings where sanitary latrines were already constructed prior to payment of grants mentioned above. Further, a sum of Rs 0.47 lakh was paid to 45 families who were not owners of any holdings as per the Assessment Register of the Municipality. The total irregular expenditure out of the Government grant was Rs 0.88 lakh.

(c) Unnecessary retention of Government grant

The Municipality received a total grant of Rs 1 lakh (Rs 0.50 lakh in December 1978 and Rs 0.50 lakh in November 1979) for construction of a Commercial Estate and a community hall. It could not spend the grants so far (July 1987) as the sites for the purpose of construction of Commercial Estate and community hall could not be selected, leading to unnecessary retention of the grant of Rs 1 lakh for over seven years.

The matter was reported to Government (September 1987); reply has not been received (March 1988).

3.5.5 Excess payment of ex-gratia festival relief to Municipal employees

Mention was made in para 6.5.6 of the Report of the Comptroller and Auditor General of India for the year 1984-85 (Civil) about excess payment of ex-gratia festival relief of Rs 2.44 lakhs by seven municipalities to their employees beyond one month's pay plus dearness allowances or wages as admissible. No recovery of the amounts paid in excess has been made so far (January 1988).

Similar excess payment of ex-gratia festival relief amounting to Rs 12.91 lakhs by five other municipalities during the years 1979-80 to 1983-84 as shown in Appendix 3.1. came to the notice of audit during 1986-87. Government did not approve payment of festival relief at a higher rate than that prescribed and instructed (September 1984) all the municipalities to effect recovery of the excess payments and to submit report of compliance.

No reasons were adduced by the municipalities for such excess payment. Nor were any steps taken by them for recovery of the excess payments (December 1987).

The matter was reported to Government (October 1987); reply has not been received (March 1988).

PANCHAYATS AND COMMUNITY DEVELOPMENT DEPARTMENT

3.6 Zilla Parishads

3.6.1 Birbhum and Burdwan Zilla Parishads

Irregularities in utilisation of loans

Government released Rs 59.13 lakhs as loans to Birbhum Zilla Parishad (1980-81 to 1983-84) and Rs 9 lakhs to Burdwan Zilla Parishad (1980-81) for extending financial assistance for reconstructions/repairs of rural houses in the districts damaged by the floods of 1978. Scrutiny by audit (April 1987) revealed the following irregularities in the utilisation of these loans.

(i) Out of the above allotments received from Government, loans totalling Rs 53.86 lakhs were distributed by Birbhum Zilla Parishad to 991 persons up to March 1987 and Rs 6.63 lakhs by Burdwan Zilla Parishad to 86 persons up to July 1986 leaving unspent balances of Rs 5.27 lakhs and Rs 2.37 lakhs respectively. Reasons for non-distribution of the balances lying unspent (July 1987) with the Zilla Parishads for more than three to six years were not made available for audit.

(ii) According to the guidelines the loans were to be disbursed in two equal instalments and the loanees were to complete the works within 6 months from the drawal of first instalment and to furnish a certificate of completion within one month from the date of such completion. Birbhum Zilla Parishad could not make available to audit any such completion certificate from the loanees concerned while Burdwan Zilla Parishad had not obtained such certificates from 81 out of 86 persons who had been granted loans (July 1987). In the absence of the completion certificates, the Zilla Parishads could not ensure that the loans disbursed by them were utilised for the purpose for which they were granted.

Records of Birbhum Zilla Parishad further revealed that 79 persons who had drawn their first instalment amounting to Rs 2.53

lakhs between 1981-82 and 1983-84 were not paid the second instalment of loan as they had not at all taken up any construction work. However no steps had yet been taken by the Parishad to recover the unused loans from them (July 1987).

(iii) The loans were repayable by the borrowers in fifteen equated annual instalments with interest at 8 per cent per annum. The overdue instalments of loan and interest realisable from the borrowers amounted to Rs 23.96 lakhs up to March 1987 in Birbhum Zilla Parishad and Rs 0.91 lakh up to July 1987 in Burdwan Zilla Parishad. No steps had so far (July 1987) been initiated by the Parishads to recover the amounts as a public demand by institution of certificate proceedings against the defaulters as envisaged in the guidelines of the scheme. Reasons for not taking action as stipulated in the guidelines were not on record (July 1987).

The matter was reported to Government (September 1987); reply has not been received (March 1988).

3.6.2 *Birbhum Zilla Parishad*

Delay in distribution of fertilisers to farmers affected by drought

Government allotted (August 1982) Rs 10 lakhs to Birbhum Zilla Parishad for arranging free distribution of paddy seeds by the 10th September 1982 among the small and marginal farmers affected by the unprecedented drought prevailing in the district during 1982-83. The Parishad, instead, decided (September 1982) to utilise the amount for distribution of pre-kharif Rabi seeds including wheat seeds on the advice of the District Monitoring Committee. Government thereupon released a further allotment of Rs 10.25 lakhs (February 1983) for supply of fertiliser kits to the farmers along with wheat seeds proposed to be distributed by the Parishad through its Panchayat Samitis.

Out of the above allotments, the Parishad spent Rs 5.36 lakhs during 1982-83 for procurement of 145 tonnes of wheat seeds and supplied the same to ten Panchayat Samitis of the district between September 1982 and December 1982. However corresponding steps for procurement of fertilisers were initiated by the Parishad only in June 1983 although fertilisers for wheat crop were required to be distributed latest by March 1983. A sum of Rs 10.08 lakhs was paid between June and August 1983 to two State level agencies (West Bengal Agro Industries Corporation and West Bengal State Cooperative Marketing Federation) for

supply of urea and other fertilisers direct to the Panchayat Samitis. Fertilisers costing Rs 9.19 lakhs were obtained by ten Panchayat Samitis between July 1983 and January 1984. Thus, due to delay ranging from 4 to 10 months in arranging supply of fertilisers, the drought affected farmers were denied the benefit of vital inputs necessary for wheat cultivation defeating the purpose for which Government released Rs 15.44 lakhs to the Parishad.

The short supply of fertilisers was due to the non-lifting by one of the Panchayat Samitis of fertilisers worth Rs 0.89 lakh. The Parishad had not so far (July 1987) taken any steps to obtain refund of this amount from the agencies concerned.

No reasons were adduced by the Parishad for the delay in arranging supply of fertilisers to the farmers and for not taking any steps for obtaining refund due on account of short supply of fertilisers (July 1987).

The matter was reported to Government (August 1987); reply has not been received (March 1988).

3.6.3 *Burdwan Zilla Parishad*

Extra expenditure on plantation of seedlings

The Government sanctioned cash grants of Rs 7.18 lakhs and 55,045 kg of foodgrains to the Burdwan Zilla Parishad in January 1983 for the purpose of planting seedlings in rural areas under the Forestry Scheme of the National Rural Employment Programme. Government issued instructions to the Parishad (May 1983) that the cost of plantation, including supply of seedling per tree should not exceed Rs 6 (Rs 4.50 in cash and one kg foodgrain valued at Rs 1.50). The Zilla Parishad advanced to 23 Panchayat Samitis and one non-Panchayat block a total amount of Rs 5.78 lakhs and all the foodgrains for planting 55,045 seedlings under the Scheme.

It was, however, noticed in audit (July 1987) that the Panchayat Samitis incurred expenditure for planting at the unit rate of Rs 12 (Rs 10.50 in cash and one kg foodgrain valued at Rs 1.50) instead of the cost of Rs 6 fixed by the Government. The Zilla Parishad did not maintain any record indicating the number of plantations made. The Parishad sought for post facto approval of the Government in May 1983 for higher rate which was rejected. The reasons for payment at a rate higher than the rate fixed by the Government for plantation were not

on record. The payment at the higher rate resulted in extra expenditure of Rs 3.30 lakhs.

The matter was reported to the Government (September 1987); reply has not been received (March 1988).

3.6.4 *Hooghly Zilla Parishad*

Idle equipment

Hooghly Zilla Parishad purchased in November 1979 a 10 tonne road roller at a cost of Rs 1.34 lakhs out of Government grant. After it was used only for 220 days up to August 1982 it developed mechanical troubles and became unserviceable. No steps were taken (up to November 1987) to repair and put it to use. In the meantime, the Parishad purchased two more road rollers in 1985-86 again with Government assistance.

The reasons for which the existing road roller was not repaired and made operational were not stated (November 1987) by the Parishad.

The matter was reported to Government (September 1987); reply has not been received (March 1988).

3.6.5 *Jalpaiguri Zilla Parishad*

Child Welfare Scheme

Government sanctioned (August 1981) a grant of Rs 1.96 lakhs to Jalpaiguri Zilla Parishad for implementation of a scheme for welfare of children in need of care and protection by setting up six cottages in the district for providing food, shelter and institutional care including vocational training to 150 destitute children.

It was seen in audit (July 1987) that the Parishad started (July 1981) one destitute home (Mal Shishu Mangal Kendra) in a hired accommodation at Mal for 50 children covering two such cottages. The remaining four cottages had not been opened (July 1987) due to non-availability of suitable buildings in tribal areas where they were proposed to be set up. Further, against intake capacity of the destitute home fixed as 50 children by the Parishad, the actual number of inmates in the home never exceeded 39 during the period up to March 1987. Government urged the Parishad (November 1984) either to increase the intake

or to surrender the cottages forthwith but no steps had yet been taken by the Parishad in this regard (July 1987).

The Parishad also spent Rs 3.43 lakhs up to 1986-87 for maintaining the inmates of the Mal Shishu Mangal Kendra but had not yet (July 1987) initiated steps to extend vocational training or any other form of curative services to the inmates as set forth in the schemes with a view to rehabilitating them. The Parishad, thus, failed to achieve the basic objective of taking care of and providing vocational training to 150 children although it had already spent Rs 3.43 lakhs up to 1986-87. Reasons for not taking suitable steps to increase the intake of destitute children and to impart vocational training to the inmates were not available in the records of the Parishad (July 1987).

The matter was reported to Government (September 1987); reply has not been received (March 1988).

RELIEF AND WELFARE DEPARTMENT

3.7 West Bengal Social Welfare Advisory Board

3.7.1 *Introductory*

The West Bengal Social Welfare Advisory Board (WBSWAB) was established in 1953-54 for promotion of social welfare activities. It is financed by grants from Central Social Welfare Board (CSWB) and the Government of West Bengal. The functions of the WBSWAB are to act as media for exchange of information between the field agencies viz., Family Child Welfare Projects (FCWP), Border Area Projects (BAP) and voluntary institutions, and the CSWB and vice versa, to supervise and report on the working of the aided voluntary institutions and to coordinate the welfare and development activities of the State Government and CSWB to avoid duplication.

3.7.2 The WBSWAB had implemented seven social welfare programmes sponsored by State Government and fifteen programmes sponsored by the CSWB up to 1986-87.

3.7.3 *Pattern of financing*

The State Government and the CSWB provided assistance to the WBSWAB in the form of grants for different activities as detailed below:

Nature of activities	Percentage of expenditure made by	
	CSWB	State Government
(i) Establishment cost of WBSWAB Head Quarters	50	50
(ii) Programmes of CSWB	100	Nil
(iii) Programmes of State Government including staff cost of Family and Child Welfare projects (FCWP)	Nil	100
(iv) Border Area Projects (BAP) including staff	67	33

The CSWB assistance given as working capital in respect of Socio-economic Programmes were recoverable in prescribed instalments from the beneficiaries and repayable to the CSWB by the WBSWAB.

3.7.4 *Receipt of grants and expenditure*

Between 1980-81 and 1986-87 WBSWAB had received grants aggregating Rs 903.66 lakhs from CSWB (Rs 353.02 lakhs including Rs 40.11 lakhs recoverable from the beneficiaries in prescribed number of instalments and repayable to the CSWB) and State Government (Rs 550.64 lakhs). Total expenditure incurred during that period was Rs 898.68 lakhs for CSWB Programmes (Rs 358.15 lakhs) and State Government Programmes (Rs 540.53 lakhs), indicating short receipt of Rs 5.13 lakhs from CSWB and excess receipt of grant Rs 10.11 lakhs from State Government. WBSWAB, however, placed demands for funds without preparing any annual budget estimates. The WBSWAB prepared only Receipts and Payments Account. These accounts were audited by the Comptroller and Auditor General of India up to 1981-82. From 1982-83 the accounts were audited by the Chartered Accountant up to 1985-86. Report on the accounts of 1985-86 was awaited (March 1988).

3.7.5 *Organisation*

The WBSWAB comprises 30 members, half of them including the Chairman being nominated by the State Government and the rest by the CSWB. The Board is constituted for 2 years

and the Chairman looks after the administration with the help of the Vice-Chairman. All programmes are implemented through 34 FCWPs, 12 BAPs and about 1,000 voluntary institutions located in Calcutta and in the districts. Functional committees, comprising 6-8 members formed with the approval of the CSWB and the State Government look after the administration of each of the FCWPs and BAPs.

3.7.6 *Coverage*

Test check in audit under Section 14 of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, of the accounts and other records for the period from 1980-81 to 1984-85 and general review of the records for the years 1985-86 and 1986-87 in the WBSWAB Head Quarters Office and other offices in Midnapore, Murshidabad, Nadia and 24-Parganas (South) districts disclosed the points mentioned in the succeeding paragraphs.

3.7.7 *Highlights of audit points*

—The percentage of expenditure on establishment out of the total expenditure has gone up steadily from 51 per cent in 1983-84 to 59 per cent in 1986-87.

—The monitoring and documentation of socio-economic programmes were poor. Bulk of the loans given remained unrecovered.

—Against the feeding target of 276 lakh children days between 1980-81 and 1984-85 under Supplementary Nutrition Programme for which grants totalling Rs 30.50 lakhs were released, the achievement was 116.02 lakh children days at a cost of Rs 29.01 lakhs.

—Impact of the Programme for augmenting nutrition to children through gram and groundnut implemented at a cost of Rs 28.20 lakhs between 1980-81 and 1986-87 remained unassessed due to non-submission of reports and returns.

—The impact of the programme for condensed courses of education for adult women meant for opening new vistas of employment for deserving and needy women, implemented by voluntary Organisations which received grants of Rs 65.32 lakhs, remained unascertained.

—A destitute home constructed at a cost of Rs 16.90 lakhs and maintained at a cost of Rs 2.52 lakhs between

1983-84 and 1986-87 was utilised only to the extent of 43 per cent.

—A Holiday Home constructed at a cost of Rs 7 lakhs remained underutilised.

3.7.8 Delay in receipt and release of grants

It was seen that 36 to 58 *per cent* of grants were released by the CSWB and State Government mostly in the last quarter of the year while WBSWAB also released 51 to 75 *per cent* of funds to the actual implementing agencies mostly in the last quarter. As a result, planning and execution of the schemes was adversely affected.

3.7.9 Higher establishment cost

Out of total 658 number of staff required for WBSWAB and its project offices, 643 number of staff were sanctioned and were in position.

The analysis of expenditure incurred on execution of programmes and on establishment for the years 1980-81 to 1986-87 is given below:

Year	Total expenditure (Rupees in lakhs)	Expenditure on execution of programme	Percentage of total expenditure incurred on programme implementation	Expenditure on establishment (Rupees in lakhs)	Establishment cost as percentage of total expenditure
1980-81	99.94	53.39	53	46.55	47
1981-82	114.28	59.30	52	54.98	48
1982-83	136.51	74.84	55	61.67	45
1983-84	129.54	63.76	49	65.78	51
1984-85	121.03	52.90	44	68.13	56
1985-86	153.41	66.68	43	86.73	57
1986-87	143.97	58.45	41	85.52	59

Thus, out of the total expenditure of Rs 898.68 lakhs, Rs 469.36 lakhs were spent on establishment charges. The establishment cost registered a gradually increasing trend from year to year leaving less funds for assisting beneficiaries of welfare activities.

3.7.10 *Special Socio-economic Programme*

Out of grants of Rs 30 lakhs (including Rs 23.14 lakhs recoverable from the beneficiaries) received from CSWB in 1978-79 and 1979-80 for economic rehabilitation of the needy women, destitutes and physically handicapped in the areas affected by floods of September-October 1978, the WBSWAB released Rs 7 lakhs in March 1979 and Rs 22.41 lakhs between April 1979 and September 1979 to 160 voluntary institutions.

With this financial assistance 249 schemes for distribution of 680 sewing machines, 150 handlooms, 1,100 cattle and 4,920 goats were to be implemented by the institutions for the benefit of 2,750 needy women. However, neither any progress reports, documents in support of purchases and audited accounts were furnished by the institutions nor were any bonds executed by the beneficiaries. No survey was undertaken by the WBSWAB to ascertain the position of implementation of the schemes for which Rs 29.41 lakhs were disbursed.

Out of the loan component of Rs 23.14 lakhs recoverable from the beneficiaries through the institutions, only Rs 4.33 lakhs were received by WBSWAB between 1979-80 and 1986-87, of which Rs 4 lakhs were remitted (March 1983) to CSWB. No steps were taken for realisation of the balance Rs 18.81 lakhs.

3.7.11 *Socio-economic Programme*

For implementation of 5 dairy schemes and 161 goat rearing schemes, WBSWAB disbursed assistance of Rs 20.81 lakhs including recoverable loans of Rs 16.97 lakhs between 1980-81 and 1986-87 to 129 institutions. Neither the audited statement of expenditure, quarterly progress reports, and documents in support of purchases were furnished by the Institutions nor were steps taken to monitor and evaluate the impact of the schemes on the socio-economic condition of the beneficiaries. Of the loan of Rs 16.97 lakhs recoverable at Rs 25 per month for dairy and Rs 12 for goat rearing, Rs 1.96 lakhs were realised leaving Rs 15.01 lakhs outstanding up to July 1987. The amount realised was kept with the WBSWAB (July 1987) instead of remitting it to the CSWB.

3.7.12 *Infructuous expenditure*

CSWB sanctioned (March 1983) Rs 1.86 lakhs towards the cost of boat and matador van (Rs 1.45 lakhs), administrative expenses (Rs 0.11 lakh) and working capital loan to beneficiaries

(Rs 0.30 lakh), for payment to a voluntary organisation for augmenting water and road transport facilities for 100 needy women who were in the occupation of vending vegetables and fish. The organisation purchased (October 1984 and March 1985) one boat and one matador van at a cost of Rs 1.60 lakhs. As the beneficiaries were not interested in availing themselves of the transport facilities, the boat was transferred (August 1986) to Gosaba Border Area Project where it was used for the project while the matador van (cost: Rs 0.94 lakh) remained unutilised (May 1987). Approval to a proposal for handing over the matador van to another aided organisation was awaited (May 1987) from CSWB.

3.7.13 *Supplementary Nutrition Programme (State fund)*

The programme envisaged provision, out of State Government grants of supplementary nutrition to 400 children in each of 46 projects at the rate of 25 paise per child per day with locally available food for 300 days in a year. Health check-up and immunisation of the children with the assistance of the medical staff of the nearest Health Centre was also contemplated.

Against the total requirement of Rs 96.60 lakhs between 1980-81 and 1986-87, grants of Rs 37.01 lakhs were received from the State Government by the WBSWAB showing substantial shortfall in expected assistance.

Out of Rs 31.51 lakhs received between 1980-81 and 1984-85, Rs 30.50 lakhs were released by the WBSWAB to the project agencies. Against the target of 276 lakh children days to be fed between 1980-81 and 1984-85, 116.02 lakh children days were fed at a cost of Rs 29.01 lakhs; reasons for shortfall of 159.98 lakh (58 *per cent*) children days were attributed to short, irregular and untimely receipt of grants. Further, health check-up and immunisation of children were, however, not done by any authority. The position in respect of 1985-86 and 1986-87 was not made available.

3.7.14 *Supplementary Nutrition Programme (CSWB Fund)*

For providing supplementary nutrition through supply of gram and groundnut to 190 children under the age group 3-6 years in each of the 34 FCWPs, Rs 28.20 lakhs were spent during 1980-81 to 1986-87. Test check revealed that the ages of the children were neither noted in the attendance register of most of the centres nor verified by any authority. Health check-up and

immunisation were not done. Monthly progress reports of the programme were not sent by the projects as a result of which impact of the programme implemented at a cost of Rs 28.20 lakhs remained unassessed.

3.7.15 *Condensed Courses of Education for Adult Women*

The condensed course of education was aimed at opening new vistas of employment for a large number of deserving and needy women and creating a band of competent trained workers required to run the various projects, particularly in the rural areas, in the shortest possible time.

Out of Rs 67.45 lakhs received between 1980-81 and 1986-87 by the WBSWAB from the CSWB for distribution to the voluntary organisations, Rs 65.32 lakhs were disbursed.

It was seen that audited statements of accounts in respect of 44 institutions which received Rs 12.92 lakhs during 1980-81 to 1985-86 were not received by the WBSWAB (July 1987). The final results of the candidates who attended condensed course were also not intimated to WBSWAB.

There was no evidence on record to show that the main objective of generation of employment was achieved and the beneficiaries got employment after completion of the course.

3.7.16 *Loss in running of Sales Emporium*

For providing marketing facilities of the products processed by the distressed women attached to the production units run by voluntary organisations and the inmates of different Welfare Homes under State Government, a Sales Emporium was set up (September 1981) at Super Market, Behala at a cost of Rs 0.38 lakh, met from State Government grants.

Between September 1981 and March 1987, 4,819 customers purchased garments from the Emporium. Against total expenditure of Rs 4.23 lakhs during that period, sale proceeds received aggregated Rs 2.35 lakhs, resulting in loss of Rs 1.88 lakhs. The loss was met out of the general grants given by State Government.

Low performance of the Emporium and losses were ascribed (July 1987) by the WBSWAB to location of the Emporium on the 2nd floor of the Super Market which had little public attraction in the area, another big market nearby, non-provision of rebate on the sales price to attract customers and non-availability of variety of garments in the Emporium. No steps were taken to minimise the loss.

3.7.17 *Underutilisation of Destitute Home (Pankaj Acharya Mahila Nivas)*

The State Government sanctioned (February 1980) establishment of a Home in Krishnagar in Nadia district for accommodation of 100 poor and destitute women under age group of 18-45 years and for their economic and social rehabilitation. The Home constructed by the State Government between November 1980 and December 1982 at a cost of Rs 16.90 lakhs, was taken over by the WBSWAB in December 1982. The Home was opened in November 1983 with 30 inmates and the strength rose to 43 at the end of 1986-87 as against the capacity of 100 inmates.

Thus, the Home maintained at a total cost of Rs 2.52 lakhs between 1983-84 and 1986-87 remained underutilised to the extent of 57 *per cent* of total accommodation; reasons for which were not stated (July 1987).

3.7.18 *Underutilisation of Holiday Home (Chhuti)*

The State Government sanctioned (February 1981) Rs 7 lakhs for purchase of land and building at Digha for construction of a Holiday Home for lodging boys and girls under the age group 12-16 years participating in camps and belonging to families having monthly income of Rs 300 or less. Others are also allowed to avail the Holiday Home on payment of Rs 10 per day per room subject to availability. The Holiday Home constructed (January 1984) at a total cost of Rs 6.98 lakhs was inaugurated in February 1984 and handed over for management by WBSWAB. Its occupation started from May 1984 but it was occupied only for 96, 119 and 163 days during 1984-85, 1985-86 and 1986-87 respectively.

3.7.19 *Underutilised vehicles*

Log books and other records indicated that in 6 FCPWs in 3 districts, vehicles provided by CSWB (cost not available) remained mostly unutilised due to paucity of fund for fuel and the drivers had to remain idle for at least 25 days a month. The pay and allowances for the idle period of drivers of these 6 vehicles were estimated to be Rs 4.03 lakhs during 1980-81 to 1986-87. In another 3 FCWPs and 1 BAP the services of 4 drivers could not be utilised as the vehicles remained out of order for long periods ranging between 2 and 4 years leading to expenditure of Rs 0.90 lakh as pay and allowances for the idle periods.

3.7.20 *Training*

No training programme for the workers engaged in different projects under the WBSWAB was implemented.

3.7.21 *Monitoring and Evaluation*

According to the Annual Report of WBSWAB 1985-86 the Board has been functioning under serious handicaps for various reasons reducing its efficacy. The problems identified are undefined status of the Board; absence of co-ordination between the CSWB and the State Government with regard to the programme; absence of decision as to whether the target group would be given temporary relief or rendered tangible and durable benefit; absence of a system to bring the various welfare efforts of the Government under one canopy; non-availability with the Board of either the infrastructure or personnel to cope with many of the programmes etc.

According to the Board the CSWB is not inclined to know about the State Government programmes, nor is the State Government interested about the CSWB programmes. The report suggested redefinition of the objectives of welfare programmes, gearing up the activities of the voluntary institutions, updating the schematic budget, ensuring co-ordination, guidance and proper monitoring to make the efforts fruitful in human resources development. Action taken by State Government on this Report is not known.

The matter was reported to Government (August 1987); reply has not been received (March 1988).

CHAPTER IV—AUDIT UNDER SECTION 15

CHAPTER IV

AUDIT UNDER SECTION 15 CO-OPERATION DEPARTMENT

4.1 Financial assistance to Co-operative Societies

4.1.1 Introduction

A test check of the records maintained by the Registrar of Co-operative Societies (RCS), West Bengal in respect of financial assistance to Co-operative Societies/Institutions in the shape of (i) Investment in share capital, (ii) Loans, (iii) Grants and subsidies, (iv) Guarantees and other allied matters for the year 1985-86 was conducted between April 1987 and June 1987 under section 15(i) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 with a view to scrutinising the procedure by which the sanctioning authorities satisfied themselves as to the fulfilment of the conditions subject to which such financial assistance was rendered. Important points noticed during test check are discussed in succeeding paragraphs.

The total number of co-operative institutions in West Bengal as at the close of the co-operative year 1985-86 was 30,181 of which 8,434 societies were under liquidation. At the end of co-operative year 1984-85 the 22,576 live societies with the total membership of 64.17 lakhs had total paid-up share capital, contribution of Government in paid-up share capital and total working capital of Rs 14,572 lakhs, Rs 5,058.40 lakhs and Rs 1,210.35 lakhs respectively. Similar figures for 1985-86 were not made available for audit scrutiny.

4.1.2 Highlights of test check results

—**Documentation connected with investments in societies, dividends received, share scrips delivered was inadequate.**

—**The dividends received during 1985-86 were Rs 27.53 lakhs with a return of 0.51 per cent on investment, registering a decline from Rs 33.61 lakhs with a return of 0.69 per cent achieved in 1983-84.**

—**The amount of outstanding loan against different co-**

operative societies at the end of March 1986 was Rs 1,385.42 lakhs, as against Rs 1,319.91 lakhs in March 1985.

Out of grants of Rs 2,673.64 lakhs released between 1980-81 and 1985-86, utilisation certificates for Rs 2,332.47 lakhs (87 per cent) were awaited.

At the end of Co-operative year 1985-86, the number of liquidated societies was 8,434 or 28 per cent of total. The liquidator could not get hold of charges of 40 per cent of the liquidated societies.

At the end of the co-operative year 1983-84, out of 22,279 live societies, 8,536 (38 per cent) societies worked at profit, 6,419 (29 per cent) societies ran at losses while 7,324 (33 per cent) societies just broke even.

Audit of 6,275 societies remained pending while audit fees outstanding at the end of 1985-86 were Rs 89.21 lakhs.

Short-term loans of Rs 2,394 lakhs advanced to West Bengal State Co-operative Marketing Federation Limited remained unrealised for about two to eight years.

The activities of the Co-operative societies and their impact on socio-economic conditions of the members of the societies and the State as a whole were not monitored or evaluated.

4.1.3 Investments

According to the information furnished by the RCS in August 1986, the progressive investment of Government in share capital of the societies at the end of 1984-85 was Rs 4,394.99 lakhs. With new investments of Rs 427.92 lakhs during 1985-86, the progressive figure at the end of 1985-86 should have been Rs 4,822.91 lakhs instead of Rs 5,486.32 lakhs shown by the RCS. However, according to the Finance Accounts for the year 1985-86, investment during the year was Rs 701.42 lakhs and the upto date investment at the end of the year was Rs 7,327.03 lakhs. The discrepancy of Rs 273.49 lakhs in investment during the year 1985-86 and Rs 1,840.71 lakhs in upto date investment at the end of 1985-86 had not been reconciled (January 1988).

During 1985-86 there was a decline in the amount of dividend and rate of return on investment, as compared to 1983-84 as detailed below:

Year				Amount of dividend (Rupees in lakhs)	Percentage rate of return on investment
1983-84	..	..	..	33.61	0.69
1984-85	..	..	..	20.97	0.48
1985-86	..	..	..	27.53	0.51

No register of dividends showing the amounts of dividends due and receivable, actually received and dividends in arrear was maintained and therefore Audit could not look into these aspects.

4.1.4 *Receipt of share scrips*

Of total investment of Rs 5,486.32 lakhs up to 1985-86, share scrips for Rs 1,700.91 lakhs (31 *per cent*) were not received (July 1987). Government stated (November 1987) that the Co-operative Societies had been requested to submit the outstanding share scrips. The registers of the Directorate showing value of share scrips due, dates of retirement, scrips actually retired and value thereon were not maintained up to date (July 1987). Thus, value of shares retired in 1985-86 in addition to Rs 46.41 lakhs being the value of shares retired up to March 1985 could not be ascertained (July 1987).

4.1.5 *Loans*

According to Government (April 1987) total outstanding loans given to the societies as on 1st April 1985 was Rs 1,319.91 lakhs and loans disbursed during 1985-86 was Rs 65.61 lakhs. Of Rs 1,385.42 lakhs outstanding at the end of 1985-86, information about the total amount of loans that had fallen due for repayment was not available. However, Rs 4.49 lakhs (0.32 *per cent*) were realised during the year, leaving Rs 1,380.93 lakhs outstanding. The amount of interest due for recovery rose to Rs 317.98 lakhs as on March 1986 from Rs 286.18 lakhs as at March 1985. Information about utilisation certificates of loans received/remaining to be received was not furnished (July 1987).

In four (among twentyone) ranges, out of loans aggregating Rs 534.09 lakhs disbursed up to March 1986, Rs 202.07 lakhs became due for recovery against which only Rs 1.22 lakhs were

recovered leaving a balance of Rs 200.85 lakhs (99.40 *per cent*) unrealised. Out of total interest of Rs 243.24 lakhs accrued up to March 1986, Rs 0.79 lakh only were realised, leaving Rs 242.45 lakhs (99.68 *per cent*) due for recovery (July 1987). In three ranges, against loans aggregating Rs 490.72 lakhs disbursed up to the end of 1985-86 utilisation certificates for Rs 256.93 lakhs were stated to have been received. Non-receipt of utilisation certificates for the remaining amount of Rs 233.79 lakhs for about one to seven years was ascribed to non-completion of projects. Government stated (November 1987) that the financial position of majority of co-operative societies being unsound they were not in a position to repay the loan amount; and that however, suitable action had been taken to realise the outstanding loan amount from the capable societies.

4.1.6 *Grants/Subsidies*

Out of Rs 2,673.64 lakhs of grants and subsidies paid to different co-operative societies (number not specified) between 1980-81 and 1985-86 for the purpose of toning up of management, purchase of furniture and fixtures, implementation of development schemes, etc. utilisation certificates for Rs. 2,332.47 lakhs (87.24 *per cent*) were not received (July 1987). The extent of utilisation certificates actually scrutinised and accepted by the RCS was not stated (July 1987). In two ranges, out of grants and subsidies of Rs 177.01 lakhs disbursed during 1984-85 and 1985-86 utilisation certificates for Rs 169.21 lakhs (95.59 *per cent*) were not received owing to non-completion of the projects/schemes. Government stated (November 1987) that steps were being taken for collection of utilisation certificates.

4.1.7 *Liquidated Societies*

Among the total number of 30,181 co-operative societies as on 30th June 1986, the number of liquidated societies was 8,434 or 28 *per cent* of the total. According to Government (November 1987) the liquidator could get hold of charges of 5,058 societies (60 *per cent*) and the charges of the remaining 3,376 societies could not be obtained from the ex-management of the societies, who were avoiding the delivery of charges. Particulars regarding total financial assistance, provided by Government by way of participation in share capital and as loans, grants and subsidies to those liquidated societies were not, however, furnished by Government (November 1987).

4.1.8 Working results of active Co-operative Societies

Out of 22,279 societies as on 30th June 1984, 8,536 societies (38.32 per cent) earned a profit of Rs 974.75 lakhs, 6,419 societies (28.81 per cent) sustained a loss of Rs 1,134.90 lakhs and 7,324 societies (32.87 per cent) were run on no-profit no-loss basis during 1983-84. Information for the years 1984-85 and 1985-86 was not furnished (July 1987).

Reasons for which 6,419 societies sustained losses amounting to Rs 1,134.90 lakhs during 1983-84 and 7,324 societies barely sustaining were not furnished, nor were steps taken for revitalisation of these societies (July 1987).

In four Range Offices test checked the working results of societies during 1984-85 and 1985-86 were as below:

Year	Total number of societies	Societies earning profit			Societies incurring loss			Number of societies with no-profit no-loss	
		Number	Amount of aggregate profit (Rupees in lakhs)	Percentage	Number	Amount of aggregate loss (Rupees in lakhs)	Percentage	Number	Percentage
1984-85	3,811	1,779	10.22	46.68	1,125	7.40	29.52	907	23.80
1985-86	3,615	1,781	69.44	49.27	1,007	155.49	27.85	827	22.88

4.1.9 Arrears in audit of Co-operative Societies

Under the provision of the Cooperative Societies Act, the RCS or any audit officer authorised by him will audit the accounts of the cooperative institutions at least once in a year. The position of arrears in audit as on 30th June 1986 is given below:

		Total number of societies as on 1st July 1985	Number of societies audited during the co-operative year 1985-86	Number of societies audit of which remained pending as on 30th June 1986
Working Societies	..	16,275	12,113	4,162
Auditable societies under liquidation	..	5,058	2,945	2,113
Total	..	21,333	15,058	6,275

The percentage of arrears in audit as on 30th June 1986 was 29, which was attributed by RCS (July 1987) mainly to non-preparation of annual accounts, seizure of books of the societies by police in large number of cases and lack of trained personnel, etc. The Managing Committees of the moribund societies were stated to be not interested in preparation of accounts. Government stated in November 1987 that attempts were being made to overtake the arrears.

4.1.10 *Audit fees outstanding*

Total audit fees outstanding (recoverable) at the end of March 1985 was Rs 79.69 lakhs and it rose to Rs 89.21 lakhs at the end of March 1986. Government stated (November 1987) that action had already been taken to realise the dues.

4.1.11 *West Bengal State Co-operative Marketing Federation Limited*

The Cooperation Department acting as an intermediary authority on behalf of Agriculture Department released short term loans aggregating Rs 2,394 lakhs between 1978-79 and 1984-85, repayable in single instalment with interest of 6.25 per cent per annum accruing thereon within six months from the date of drawal, to West Bengal State Co-operative Marketing Federation Limited (BENFED) for procurement and distribution of agricultural inputs. A further sum of Rs 600 lakhs sanctioned as short term input loan during 1985-86 was adjusted entirely towards repayment of previous loans. No further recovery of the loans were effected from BENFED, till now (November 1987), for two to eight years. No check was exercised by the sanctioning authority to ascertain whether the input loans released so far were utilised for the purpose for which these were sanctioned. The activities of the BENFED were also never reviewed. Government stated (November 1987) that the entire matter was under examination.

4.1.12 *Share capital contribution in Indian Farmers Fertiliser Co-operative Limited*

The State Government released Rs 115 lakhs to BENFED up to 1985-86 for share capital contribution to Indian Farmers Fertiliser Co-operative Limited (IFFCO) for supply of fertiliser on regular basis to BENFED. No documents to show supply of fertilisers on regular basis in proportion to the shares contributed nor to support receipt of share scrips in respect of total investment of Rs 125 lakhs up to 1985-86 in IFFCO could be produced

for audit. Details about dividends declared by IFFCO and received by BENFED were also not furnished (July 1987). Government stated (November 1987) that BENFED had received share scrips from IFFCO. Information about dividend earned from 1985-86 was awaited from BENFED.

4.1.13 Share capital contribution in Krishak Bharati Co-operative Limited

The State Government released Rs 155 lakhs to BENFED up to 1985-86 for share capital contribution to Krishak Bharati Co-operative Limited (KRIBHCO) for supply of fertiliser on regular basis in proportion to the shares contributed by BENFED. The KRIBHCO started production of urea from 1985-86 at its Hazira plant and its marketing in West Bengal had not started (July 1987). No documents showing receipt of share scrips in respect of the investments in KRIBHCO could be produced (July 1987). Government stated (November 1987) that BENFED had received share scrips from KRIBHCO.

4.1.14 Monitoring and evaluation

The activities of the co-operative societies, as well as their impact on socio-economic conditions of the members of the Societies and the State as a whole were never evaluated. There was also no system of monitoring the progress of the development of the co-operative movement nor of presentation of a consolidated picture of their activities.

CHAPTER V—AUDIT UNDER SECTION 19

CHAPTER V

AUDIT UNDER SECTION 19 METROPOLITAN DEVELOPMENT DEPARTMENT

Part II—Calcutta Metropolitan Development Authority (CMDA)

5.1 Solid Waste Management

5.1.1 *Introductory*

Collection, transportation and disposal of garbage in Calcutta city is primarily the responsibility of Calcutta Corporation. In 1974 it was estimated that 2,475 tonnes of garbage and silt were generated in the city daily. By 1985 the quantity of garbage and silt was expected to increase to 3,000 tonnes per day. All these garbage and silt were being dumped on road sides and were removed after much delay, causing unhygienic conditions in the city and hindrance to traffic.

A Committee appointed in 1974 by the Corporation for this purpose found that the Corporation had enough manpower but lacked infrastructure and equipment. Very old equipment and workshops, as well as old system of removal and transportation of garbage were found to be the main reasons for poor performance of the Calcutta Corporation in this area.

With a view to helping the Calcutta Corporation in bringing about improvement in the area of collection, removal and disposal of garbage, CMDA took up in 1977-78 a scheme named as 'Solid Waste Management', estimated to cost Rs 850 lakhs.

The scheme consisted mainly of a pilot study of the nature of solid waste; a pilot plant for conversion of waste matter into manure; construction of a ward depot in every ward of the city for collection of garbage before transportation to the dumping ground; provision of vats for initial collection of garbage from houses and pail depots for collection of night soil, procurement of additional equipment for collection, transport and improvement of garage facilities.

5.1.2 *Scope of audit*

A review of the scheme was undertaken by audit in 1986. In course of such review the accounts/records of the following units of the CMDA were test checked

- (a) Sewerage and Drainage Sector.
- (b) Solid Waste Management Divisions No. I and No. II.

5.1.3 *Organisational Set-up*

Since 1977 parts of the work under the scheme were given to different Sectors of CMDA for execution but due to lack of co-ordination amongst the sectors, the scheme was not making adequate progress. In 1981 Materials Sector alone was made responsible for implementation of the scheme. Even after this change, the progress was not satisfactory. Responsibility for execution was shifted to the Sewerage and Drainage Sector in 1984, making the Materials Sector responsible only for procurement of equipment. In 1986, on the basis of a representation from the Calcutta Municipal Corporation (CMC), responsibility for implementation of the remaining works under the scheme, excluding the on-going ones, was transferred to it.

5.1.4 *Highlights of the results of audit review*

—The cost of the scheme initially estimated as Rs 850 lakhs, was revised twice and the latest estimate of 1985 is Rs 1,195 lakhs. The expenditure incurred up to October 1986 was Rs 882.06 lakhs including an unsanctioned expenditure of Rs 28.45 lakhs on raising of vehicles.

—The scheme envisaged a new ward system of collection and removal of garbage. Against the required number of 100 ward depots to cover the entire city, construction of only 35 depots was taken up and the number was further reduced to 28. Of them 16 were completed and five were under construction at a total cost of Rs 56.37 lakhs. However, a number of completed wards were diverted for other purposes. Equipment costing Rs 55.22 lakhs procured for the scheme could not be used fully. Bulk of the amount of Rs 111.59 lakhs spent for introducing the new system has been unproductive so far.

—In the engagement of a consultant a total expenditure of Rs 43.95 lakhs proved excess or avoidable or infructuous.

—Extra expenditure of Rs 0.49 lakh and Rs. 3.75 lakhs had to be incurred primarily due to delay in handing over sites to the appointed contractors.

—There is an unresolved dispute between Calcutta Metropolitan Development Authority and Calcutta Municipal Corporation about the receipt of transport equipment valued at Rs 28.53 lakhs.

—Expenditure of Rs 27.47 lakhs in connection with a pilot study proved infructuous.

—Even after incurring a total expenditure of Rs 882.06 lakhs on this scheme, expected improvements in the collection, removal and disposal of garbage have not been achieved.

5.1.5 *Financial outlays*

The initial cost estimate of Rs 850 lakhs of the scheme was revised in 1982 and sanctioned for Rs 1,115.20 lakhs with the following break-up

- (i) Civil Works—Rs 672.70 lakhs.
- (ii) Procurement of Equipment—Rs 372 lakhs.
- (iii) Pilot Study—Rs 70.50 lakhs.

Administrative approval and financial sanction were issued in April 1982, for the entire project which had been under execution since 1977. The estimate was again revised to Rs 1,195 lakhs in 1985 but sanction for only the civil works component for Rs 677 lakhs has been issued so far (January 1987).

The sanctioned cost of various components and the actual expenditure up to October 1986 were as shown below:

	Sanctioned Amount	Expenditure
	(Rupees in lakhs)	
(i) Civil Works	677.00	421.18
(ii) Procurement of equipment	372.00	382.45
(iii) Pilot Study	70.50	49.98
Total	1,119.50	853.61

In addition to above, an expenditure of Rs 28.45 lakhs was incurred under the head 'Raising of vehicles' for which no sanction was accorded by the CMDA.

5.1.6 *Ward Depots*

The scheme envisaged construction of 100 ward depots each at a cost of Rs 4 lakhs, as a three storied structure having plinth area of 170 sqm. and open concrete floor of 350 sqm., to serve

as an intermediary transfer station for housing garbage disposal equipment and office and quarters for supervisors. But for want of land, it was decided by CMDA in consultation with CMC to construct only 35 depots. The number was again reduced to 28 out of which 16 were completed and 5 were in progress at a total cost of Rs 56.37 lakhs up to October 1986.

Out of these completed ward depots, the one at Circular Garden Reach Road costing Rs 3.17 lakhs (civil works only) was sold in 1984 by CMC to Calcutta Port Trust. The depot at Gopal Chatterjee Lane, costing Rs 3.03 lakhs was being utilised, unconnected with the scheme, as office of the Administrator, Thika Tenancy Act. The ward depot at New Alipore Market costing Rs 2.15 lakhs (up to December 1986) could not function as a ward depot, as there was no connecting road suitable for plying of heavy vehicle traffic. One ward depot at Ashok Avenue, Tollygunge was abandoned while under construction as the land did not belong to CMC after incurring an expenditure of Rs 0.58 lakh.

From the savings available due to reduction in the number of depots, it was decided to acquire four roll-on-off tippers at a cost of Rs 22.81 lakhs for handling the garbage at the ward depots. Since the ward depots were not initially designed to handle these tippers, modifications were required to be carried out at a cost of Rs 3.20 lakhs. However, records showed only modification of two depots at a cost of Rs 0.40 lakh till December 1987. Therefore the use of tippers procured at a cost of Rs 22.81 lakhs was extremely limited.

For switching over to the ward depot system of garbage collection and removal, new types of hand carts were procured at a cost of Rs 6.15 lakhs between April 1980 and March 1982. Since the system did not become operative, the carts have remained unutilised so far (December 1986). For the new system garbage bin carriers costing Rs 18.01 lakhs and bins costing Rs 8.25 lakhs were also procured between August 1980 and July 1982. As the ward system was not introduced they were given free of cost to other municipalities after retention in stores till March 1984.

To sum up, bulk of the total expenditure of Rs 111.59 lakhs on construction of ward depots and procurement of related equipment to introduce the new system of garbage collection and removal proved unproductive as the new system did not become operational.

5.1.7 *Excess and infructuous expenditure on consultancy*

The CMDA engaged a consultant for the project making a payment of Rs 0.60 lakh for submitting a feasibility study report and consultancy fee at the rate of 2.5 *per cent* of the value of works and equipment recommended by him, involving a payment of Rs 8.49 lakhs as consultancy fee. It was noticed in audit that due to irregularities connected with this consultancy agreement, there was a total expenditure of Rs 43.95 lakhs which proved excess or avoidable or infructuous.

(i) The initial project report envisaged limiting of consultancy only for the central workshop, but the actual agreement covered the entire scheme including renovation of existing garages and construction of new garages. For the garages the consultant recommended purchase of equipment like cranes, machine tools etc., costing Rs 78.60 lakhs. These equipment were, however, not considered necessary and not eventually purchased. Had these items been deleted from the scope of consultancy agreement, the related payment of consultancy fees amounting to Rs 1.97 lakhs could have been avoided.

(ii) The letter of intent for consultancy was issued in June 1978 and the work of modernisation of the garages was planned for completion in 1981-82. However, the consultancy agreement was signed only in September 1982, four years after issue of the letter of intent, due to delay in the approval of draft contract document by the legal and the finance departments of CMDA. The consultant made available drawings and specifications only after signing the agreement and in the intervening period there was an increase of Rs 40.58 lakhs in the estimate due to rise in prices. The work of modernisation of garages taken up in 1981-82 is still to be completed after an expenditure of Rs 129.09 lakhs till November 1986.

(iii) On the basis of the recommendations given by the consultant a deep tubewell at District-IV garage was constructed at a cost of Rs 0.53 lakh. Water from the well, however, was found to be too saline and unfit for use in the garage and the expenditure on the tubewell proved infructuous. Filtered water supply was thereafter arranged through an underground reservoir constructed at a cost of Rs 0.13 lakh.

(iv) The consultant was paid fees of Rs 0.87 lakh for plan and estimates for construction of a new garage at Ritchi Road and a central washing plant. This work had to be dropped as the area was residential and the cost of land acquisition prohibi-

tive. Therefore the site of the garage was shifted to Dhapa for which the consultancy fee of Rs 1.77 lakhs was separately paid, leading to infructuous expenditure of Rs 0.87 lakh paid for the earlier site.

5.1.8 *Extra expenditure due to delay in handing over sites*

The main part of civil works for construction of District IV garage was entrusted in October 1980 to a contractor for a value of Rs 21.50 lakhs in February 1980 for completion by February 1981. But the site for construction of the general store building which formed a part of the garage could not be given to contractor before February 1983 as the old and condemned vehicles of the CMC kept there were not removed by them earlier. Due to such delay in giving the site for construction, the contractor's claim for enhancement in his contractual rates had to be agreed to by CMDA, involving an extra expenditure of Rs 0.49 lakh.

The work relating to supply, installation and modification of electrical facilities of Dhapa Garage, scheduled to commence on 20th February 1984 and completed by 30th May 1984 was given to a contractor for a value of Rs 5.74 lakhs. However, CMDA failed to make him available the work-site, due to delay in completion of the civil works and the contract was terminated. Subsequently fifteen different contracts were awarded between March 1986 and November 1986 for these works for a total tendered value of Rs 9.49 lakhs, causing an extra expenditure of Rs 3.75 lakhs.

5.1.9 *Non-receipt of equipment*

Additional transport equipment worth Rs 410.90 lakhs were purchased by CMDA between 1977 and 1984 for use by CMC. However, CMC claimed in December 1986 to have not received certain equipment like a station wagon, six jeeps, one crane, some trucks etc., valued at Rs 28.53 lakhs and there was a dispute over this issue between the CMDA and CMC. A committee was formed in July 1985 to settle the dispute which is yet to resolve it (December 1986).

5.1.10 *Infructuous expenditure on pilot study*

National Environmental Engineering Research Institute, Nagpur was entrusted in 1977 with the pilot study in one of the wards of Calcutta Corporation for developing suitable system for quick and economical collection and disposal of garbage.

The study was to be completed and the report given within two years. On the recommendation of the Institute given in September 1979, CMDA procured in 1980 and 1981 equipment worth Rs 21.44 lakhs for the study. The Institute commenced work at Calcutta in June 1981, after a delay of four years, but abandoned the work within three months in August 1981, pleading inability to continue the study due to non-procurement of required equipment, non-deployment of trained staff and non-cooperation of the people of the selected wards. By that time, they were paid an advance of Rs 3.20 lakhs as part of the fees for the study and an expenditure of Rs 2.83 lakhs was incurred towards transport expenses of the study group. The equipment already purchased could not be put to use and those worth Rs 19.81 lakhs were given away free to other municipalities in 1984-85 and the rest were still lying in stock (December 1986). Thus the total expenditure of Rs 27.47 lakhs on the pilot study became infructuous after the study was abandoned by the Institute.

5.1.11 *Impact of the Scheme*

The new ward system of collection and removal of garbage has not been introduced so far. The garbage still continues to be dumped on the roads and removed afterwards in the same manner as adopted prior to the sanctioning of the scheme. Thus even after incurring a total expenditure of Rs 882.06 lakhs on this scheme, expected improvements in the collection, removal and disposal of garbage have not been achieved.

5.2 Sewerage and Drainage Project

5.2.1 *Introductory*

As per the existing net work of sewerage and drainage lines, sewage of northern part of the city passes through Palmers' Bridge pumping station, the system being known as 'Town system' and those of southern part through Ballygunge Pumping Station known as 'Suburban system'. The sewage from pumping stations are led by conduits first to Bantola sedimentation tank and then to Kultigong, a tidal river 40 km east of Calcutta. The sewage from the western part flows either directly to river Hooghly or to Tolly's Nullah.

Due to long neglect all these sewers and outfall channels were silted reducing their drainage capacities and during rainy seasons large areas of Calcutta get water-logged for long periods

affecting movement of people and vehicles and creating health hazards.

A Master Plan prepared in 1966 identified the following major deficiencies of Calcutta sewerage system which resulted in flooding of Calcutta areas.

- (i) Insufficient number of street inlets or gully pits.
- (ii) Gross hydraulic inadequacy of lateral sewers.
- (iii) Substantial hydraulic inadequacy of trunk sewers.
- (iv) Siltation and choking of existing sewers.

The Master Plan included proposals aimed at cleaning of the existing sewers, construction of new sewers mainly in areas such as Tollygunge, Maniktala, Cossipur, Chitpur etc., augmentation of pumping capacities of the existing pumping stations and construction of new pumping stations at Ultadanga, Tollygunge, Chowbhaga etc. The Plan was, however, implemented with available funds without any specific target dates for completion.

From the year 1973, CMDA has so far (December 1986) approved estimate for Rs 4,298.33 lakhs for civil works and Rs 1,221 lakhs for mechanical works (for remodelling of pumping stations). Against these, expenditure up to December 1986 incurred directly and financed by CMDA, when executed by agencies, stood at Rs 4,401.22 lakhs and Rs 332.58 lakhs respectively. However, most of the works are still incomplete.

5.2.2 *Scope of Audit*

A review of the schemes for improving the sewerage system was attempted by audit between January 1987 and July 1987 through test check of the records of works costing Rs 50 lakhs or more, pertaining to (i) Sewerage and Drainage Sector of CMDA for sewerage works, (ii) Calcutta Metropolitan Water and Sanitation Authority (CMWSA) for drainage works and (iii) Suburban Drainage Division and Metropolitan Drainage Mechanical Division of Irrigation and Waterways Directorate for works connected with outfall channels.

5.2.3 *Highlights of Audit Review*

—Mechanical cleaning of the Calcutta sewerage system initiated in 1973 did not progress satisfactorily. Till the end of September 1985, the clearance was only 8 thousand cubic metres of silt which was far below the level needed

to keep the system free of silt. The out-turn from mechanical equipment for sewerage cleaning acquired at a cost of Rs 179·38 lakhs, was poor.

—Lands costing Rs 105·18 lakhs were acquired long before a definite scheme for Tollygunge sewerage scheme was formulated. Main sewer lines laid at a cost of Rs 18·50 lakhs proved useless and the expenditure infructuous. The scheme was abandoned after an expenditure of Rs 97·58 lakhs was incurred excluding value of land acquired. 72 per cent of a site acquired is still lying unutilised.

—Ultadanga pumping station of Maniktala sewerage scheme constructed at a cost of Rs 52·18 lakhs has remained almost idle for over eight years.

—Maniktala drainage scheme completed at a cost of Rs 253 lakhs failed to reduce water logging as the necessary work of deepening the canals was not taken up.

—The expenditure of Rs 145 lakhs on the drains for the Cossipore and Chitpore drainage project became unproductive as related outlet structures were not constructed.

—Inadequate technical investigation led to locking of Rs 10·80 lakhs on a pump not installed for over eight years and under-utilisation of another identical pump.

—Capital expenditure of Rs 43·96 lakhs on procurement of a grab dredger and mud-barges for improving the outfall system remained largely unproductive.

—The impact of all these schemes on prevention of water logging in the city was minimal.

5.2.4 *Sewer Cleaning*

The sewer net-work in Calcutta comprises about 161 kms of brick sewers and 523 kms of pipe sewers.

It is estimated that every year 32 thousand cubic metres of silt enters the net-work of which about half is removed by mechanical and manual systems. The accumulated silt deposit remaining in the sewers net-work was estimated at 18 thousand cubic metres in 1973.

Mechanical cleaning of sewers was initiated in 1973 when CMDA procured required machinery for Calcutta Corporation, which, however, could not use the equipment properly. The cleaning work was therefore taken over by CMDA in May 1974.

In June 1980 work was retransferred to Calcutta Corporation because the work was not progressing satisfactorily. From 1980 to March 1982 CMDA paid an amount of Rs 87.73 lakhs to the Calcutta Corporation for silt clearing work, even though it was the responsibility of Calcutta Corporation.

No records were available about estimated silt accumulation in the sewers net-work after 1973. Nor were records maintained to show the position of silt clearance by the Calcutta Corporation from time to time. Audit could only note that 8 thousand cubic metres of silt had been cleared by the Calcutta Corporation up to September 1985 by using the machines which is far below the level needed to keep the system free from silt deposit.

Mechanical equipment for sewer cleaning such as pull-in-power bucket machines, manhole emptiers, gully pit emptiers, trucks, tractors etc. costing Rs 179.38 lakhs were procured between 1973 and 1985 by CMDA. It was anticipated that accumulated silt would be removed mechanically in 300 working days of two shifts each. But between 1974 and 1980 only about 4 thousand cubic metres of silt or 22 *per cent* of the estimated deposit in 1973 was removed mechanically at a cost of Rs 42.09 lakhs by CMDA. The slow progress was due to poor performance as illustrated below for equipment valued at Rs 50.68 lakhs.

(1) Five manhole emptiers purchased at a cost of Rs 6.40 lakhs in 1973 could not be used at all as they were found unsuitable for use in Calcutta roads during the trial run. Unsuccessful attempts were made in September 1981 to sell the machines. The machines are still lying unutilised with Calcutta Municipal Corporation (June 1987).

(2) An amount of Rs 11.03 lakhs was paid in different stages up to October 1985 to a supplier in Bombay for purchase of three more manhole emptiers of different types. The machines to be delivered by March 1982 have still not been received (August 1987) due to dispute over price escalation.

(3) Three high power jetting machines were purchased in the year 1981 at a cost of Rs 35.96 lakhs. These were mounted on Hindusthan J-6 trucks which were unsuitable for their operation. In 1985 these were removed and mounted on Ashoke Leyland trucks. The machines thus remained out of use for four years.

(4) Twelve pull-in-power bucket machines purchased in 1981 at a cost of Rs 13.75 lakhs were substandard and failed to satisfy load tests during trial run and could not be used at all. Yet the machines were accepted without rectification and are still lying with the Calcutta Corporation.

(5) Out of twelve Rodding machines, purchased at a cost of Rs 2 lakhs in 1973, only two were used occasionally and the rest could not be used for want of main accessories.

(6) Five gully pit emptiers purchased at a cost of Rs 17.50 lakhs in 1973 were not put to use as their accessories were found missing.

5.2.5 *Tollygunge Sewerage Scheme*

Long before a definite scheme was formulated for improving sewerage in Tollygunge, a piece of land at Naktala costing Rs 9.94 lakhs including cost of boundary wall was acquired for the scheme in the year 1961. Another plot of land measuring 22.6 hectares near Bagha Jatin railway station was also acquired at a cost of Rs 95.24 lakhs in the year 1972.

In January 1976 an estimate was prepared for Rs 1,091 lakhs, excluding cost of land, for laying trunk sewers along all major roads under the project area along with installation of three intermediary pumping stations and also a sewage treatment plant on the land already acquired. The estimate was, however, not approved.

While engaged in widening roads falling in this area, CMDA laid sewer lines at a cost of Rs 18.50 lakhs without the technical approval of CMWSA. After laying, it was found that these lines had no outfall and therefore useless. This led to wasteful expenditure to the tune of Rs 18.50 lakhs. Expenditure on parts of the scheme was continued to be incurred, until the scheme as a whole was abandoned in August 1982 on the ground of non-availability of adequate funds and also difficulties in execution. The total expenditure on the scheme was Rs 97.58 lakhs till December 1986.

A part of land purchased at a cost of Rs 95.24 lakhs was used for Eastern Metropolitan Bypass and another for a sewage treatment plant for Baishnabghata Patuli Township. The remaining area of 16.3 hectares or 72 *per cent* of this land is lying unutilised.

5.2.6 *Maniktala Sewerage Scheme*

This scheme was drawn up for combined drainage of a part of North Maniktala, Ultadanga area and dry weather flow for the entire Maniktala area. The work was completed at a cost of Rs 200.98 lakhs in 1980.

The scheme included a pumping station at Ultadanga which was completed in 1979 at a cost of Rs 52.10 lakhs. Its discharge was designed to flow through Dhapa Lock pumping station which required re-modelling to receive the additional discharge. Until this re-modelling started in 1984, five years later, is completed, the Ultadanga pumping station was kept idle except in August 1982 and June 1984 when due to heavy rain use of the station became inescapable. Due to disuse its pumps got rusted and were overhauled at a cost of Rs 2.56 lakhs in 1982.

Since re-modelling of Dhapa Lock pumping station is still incomplete, the Ultadanga pumping station completed in 1979 at a cost of Rs 52.10 lakhs has remained almost idle for over eight years.

5.2.7 *Maniktala Drainage Scheme*

For drainage in Maniktala area, box type drainage conduits were laid along Maniktala, Ultadanga and Narkeldanga main roads at a cost of Rs 253 lakhs between 1972 and 1980. The discharge from the drains was to flow by gravity into Kestopur Canal and Beliaghata Canal which were to be deepened by Irrigation and Waterways Department of State Government to accommodate the discharge from the drainage lines. However, the work of deepening was not taken up and consequently drainage congestion occurred in the underground conveyance system. The areas where trunk drains run, remained water logged not only due to its own drainage but also due to the back flow water from the canals.

Thus owing to lack of co-ordination among the executing agencies, water-logging and insanitary condition of the whole area continued even after an expenditure of Rs 253 lakhs was incurred.

5.2.8 *Cossipore and Chitpore Drainage Project*

For drainage of the area between Barrackpur Trunk Road and the Hooghly River, drains totalling 3.71 kms were constructed between 1971 and 1985 at a cost of Rs 145 lakhs. Due to non-availability of land for construction of outlet structures,

the drains were diverted and linked with another trunk drain which could not accommodate the additional flow as it was not designed for this purpose.

Therefore, due to lack of proper investigation and planning, the new drains constructed at a cost of Rs 145 lakhs did not serve the purpose for which they were intended.

5.2.9 *Palmers' Bridge Pumping Station*

For augmentation of pumping capacity of Palmers' Bridge pumping station two pumps were purchased in 1975 at a cost of Rs 21.60 lakhs. After their receipt it was realised that they were not suitable for the pumping station and were therefore not installed. In June 1983 one of the pumps was installed but was found working below its full capacity.

Inadequate technical investigation prior to procurement of the pumps has led to locking up of Rs 10.80 lakhs on a pump not installed for over eight years and underutilisation of another identical pump.

5.2.10 *Outfall Channel*

For improvement of the Calcutta Drainage outfall system, it was decided in December 1976 to procure one grab dredger along with eight mud-barges. Though the purchase order for all of them were placed simultaneously, the barges costing Rs 10.80 lakhs were received in October 1978, while the dredger was received only in May 1984. Consequently the barges could not be put to any use for over five years.

Even when the dredger was ready for delivery in August 1983, it could not be accepted for over eight months due to lack of coordination between the Irrigation and Waterways department which was to operate the equipment and CMDA which financed the purchase. The supplier was paid a sum of Rs 4.37 lakhs for retaining the dredger till May 1984.

After the dredger and the mud-barges were taken over in May 1984, they could not be used for clearing the outfall as the entry gate to the canal where the dredger was to operate was not ready. The dredger was therefore used for dredging the Hooghly River till January 1987 without serving the purpose for which the equipment were procured. The barges remained unutilised even during this period.

From February 1987 to December 1987, the dredger cleared only 4 thousand cubic metres of silt which was far below the

rated capacity of the dredger to clear 14 thousand cubic metres during this period.

Thus a capital expenditure of Rs 43.96 lakhs on procuring the equipment² needed for improving the outfall system proved by and large unproductive.

5.2.11 *Evaluation and Impact*

There was no evaluation to find out how far the various schemes implemented were effective in preventing the water-logging in the Calcutta city area. Their impact, however, appears to be minimal, as the city area continues to be water-logged even after moderate rains.

The matter was reported to Government (October 1987); reply has not been received (March 1988).

5.3 Remodelling of Tallah-Palta Water Main

5.3.1 *Introduction*

Filtered water from Palta Water Works to the reservoir and pumping station at Tallah are conveyed through four pipe lines laid under Barrackpur Trunk Road (B. T. Road). They were laid by the Calcutta Corporation between 1872 and 1964. The 1.5 metres (60 inches) rivetted steel pressure main occupying the centre of the B. T. Road, commissioned in 1929, was subject to severe corrosion and pitting and had become prone to frequent leakages. Tenders for the work of remodelling the said Tallah-Palta water main including installation of a pre-stressed concrete main pipe line along the western flank of the B. T. Road were invited in January 1969. The contractors selected, however, expressed (June 1969) their inability to do the work and their contract was terminated and earnest money forfeited.

After formation of CMDA, it approved a scheme in November 1971 to lay a new steel pipe line at an estimated cost of Rs 298 lakhs, to be implemented on agency basis by Calcutta Metropolitan Water and Sanitation Authority. For this work three contracts were awarded but all of them were terminated and the work remains incomplete till date (November 1987). A review of the management of the contracts by audit disclosed the features described in the following paragraphs.

5.3.2 *First contract*

A contract for Rs 109 lakhs for fabrication and laying of 11.8 km long pipe line to be completed in 30 months, was awarded to 'A' in 1972. A work order for half the length of pipe line for completion within 15 months was issued in April 1972. The contract provided for departmental supply of steel plates for fabrication of pipes. Actual laying work started in December 1973 only, because of delay in making available the land and also delay in import of steel plates weighing 5,893 tonnes worth Rs 120 lakhs for fabrication of the pipes. Even before the first half of the work was completed, the rest of the work was also entrusted in June 1974 allowing time up to March 1976 for completion.

However, even by May 1976, the work remained incomplete. By then the contractor 'A' had received payment of Rs 37.44 lakhs, fabricated 5.47 km of pipes and laid 4.60 km of pipe line in a number of discontinuous stretches. CMDA decided to get the balance work awarded to another agency at the risk and cost of 'A', although an indication was available that the pace of progress of 'A' had improved and change of executing agency might involve delay and additional costs.

As a result, contractor 'A' filed two arbitration cases claiming Rs 76.61 lakhs and Rs 3.87 lakhs for damages for alleged arbitrary stoppage of work, against which Rs 35.89 lakhs and Rs 1.34 lakhs respectively were awarded in 1983 by arbitrators. Though an appeal was filed before the High Court, initially, the cases were amicably settled outside the Court on a total payment of Rs 8.32 lakhs in June 1984 to the contractor.

As a result of this settlement the following recoveries totalling Rs 106.10 lakhs till December 1987 had to be foregone.

(i) Rupees 2.75 lakhs towards relaying part of the pipe line and restoration of road surface to rectify defects in execution by 'A'.

(ii) Rupees 6.36 lakhs towards steel plates issued for the work but unauthorisedly used by 'A' for guarding his work site.

(iii) Rupees 0.40 lakh towards scrap steel.

(iv) Balance of cash advance of Rs 0.95 lakh given for purchase of equipment.

(v) Extra cost for completion of work estimated to be Rs 38.25 lakhs in May 1976 which has risen to Rs 95.64 lakhs till December 1987 with the work still incomplete.

5.3.3 *Second contract*

In April 1977 the balance work of 7.20 km of pipe line was given to Messers Mackintosh Burn Limited, a State Government enterprise for completion by September 1978 at a cost of Rs 106 lakhs with an increase of 28 *per cent* over the estimate of Rs 82.97 lakhs for the work. The work was awarded to it without obtaining competitive rates through open tenders as it was treated urgent. It did not have the capacity to complete the work as admitted by it even before formal signing of the contract in August 1977. It engaged the first contractor of the work 'A' as a sub-contractor in violation of the terms of the contract. No action was taken by the department for this violation.

By the target date of October 1978 for completion, the progress was only 1.6 km of pipe line, as against 7.2 km expected. An extension was granted up to June 1980 and price escalation of 15 *per cent* also allowed after September 1979. After completing 4.52 km of pipe line at a cost of Rs 58.73 lakhs the enterprise stopped work after July 1980. Further extension up to July 1981 and June 1982 proved useless and the work was withdrawn from the enterprise in March 1982 imposing a token penalty of rupee one only as it was a sick undertaking. It failed to return materials worth Rs 37.99 lakhs and also pipes worth Rs 4.45 lakhs not used in the work by its sub-contractor 'A'.

5.3.4 *Third contract*

Tenders for balance work of filling in 27 gaps involving a total length of 2.68 km at an estimated cost of Rs 56.07 lakhs for completion in 15 months were invited in May 1982 and the work was awarded in January 1983 to 'B', the lowest tenderer, for a value of Rs 49.85 lakhs. There were clear indications that 'B' was the same old contractor 'A' under a different name. As there was delay in granting the mobilisation advance sought by him he had to be allowed in December 1983, 12 *per cent* escalation beyond the terms of the agreement even before the work actually started, raising the value of contract to Rs 55.83 lakhs. The agreement was signed in July 1984 and work order for 25 *per cent* of the work was issued in September 1984. The mobilisation advance of Rs 4.98 lakhs was paid in November 1984. This limited work actually started in January 1985 and was completed at a cost of Rs 12.60 lakhs in May 1985, as against expected completion of entire work by 1984.

Though the agreement was for the whole work, the contractor was asked in March 1985 whether he would do the balance of 75 *per cent* of the work at the same rate. The contractor asked for 66 *per cent* increase over the agreement rate and after negotiation an increase of 41.5 *per cent* over the original rate of the contract was approved by the CMDA in June 1985 raising the value of contract for the entire work to Rs 73.21 lakhs. A fresh work order was issued in August 1985, for completion by July 1986. A fresh agreement was also entered into for this portion of the work. The target was not kept up and the contractor stopped work since September 1986 after executing 1.12 km of pipe line at a cost of Rs 24.31 lakhs as against 2.01 km to be done, on the plea of not getting required steel plates for the work from CMDA. The contract eventually was rescinded in June 1987. The left over portion of 0.89 km of pipe line in 15 gaps is still incomplete (March 1988).

5.3.5 *Scope of remaining work*

After the left over portion of the pipe line is laid, it would be necessary to clean the pipe line of silt, provide protection against corrosion and test the system hydraulically. Thereafter the pipe line should be connected to the pumping stations at an estimated cost of Rs 10.50 lakhs.

The CMDA has forecast that the work will be completed by early part of 1989, nearly twenty years after the work was initially awarded in 1969.

5.3.6 *Extra expenditure due to termination of contracts*

As a consequence of termination of the three contracts CMDA had to incur a total extra expenditure of Rs 25.54 lakhs, other than contractual payments, as detailed below:

(1) After termination of each contract the pipes and barrels fabricated by the contractor but not utilised till the time of termination of each contract were carried from his factory to the departmental stackyards and to the factory of the new contractor for stacking and further fabrication and utilisation. Also for paucity of space in the factory of the second contractor, fabricated articles were carried to the departmental stackyards. The expenditure incurred for this transportation amounted to Rs 2.40 lakhs.

(2) Expenditure of Rs 0.79 lakh was incurred for the work of derusting, brushing and cleaning of the surface of each end

of pipes which were fabricated previously but were not utilised as a result of termination of contracts.

(3) A new Central Excise duty on fabricated steel pipes was levied from 1st August 1983. As per Central Excise notification of July 1983 payment liability of Central Excise duty on the fabricated steel pipes cleared from the factories for the water main after 1st August 1983 devolved upon CMW & SA. Since the work was not completed in time CMW & SA had to undertake this liability which worked out to Rs 7.85 lakhs on the basis of pipes fabricated but remaining uncleared from the factory of second contractor and the pipes which were required to be fabricated by the third contractor as per their agreement. This payment could have been avoided had the work been completed earlier as per initial programme.

(4) Due to non-completion of the work in time the old leaking pipe line had to be maintained at a cost of more than Rs 13 lakhs between 1977 and 1986. Further expenditure is still being incurred as the new pipe line is yet to be completed, before abandoning the old pipe line.

(5) Storage charges of Rs 4.50 lakhs had been incurred for keeping steel plates in a private godown from May 1973 to February 1986. Had the work been completed by 1976 as scheduled, a sum of Rs 1.50 lakhs could have been saved out of it.

5.3.7 *Failure to provide cathodic protection*

A tender for Rs 97 lakhs for providing cathodic protection to the pipe line for the purpose of controlling corrosion was accepted in April 1969 but the work has not been taken up so far (January 1987).

In April 1974 Calcutta Corporation offered surplus electrical cathodic protection equipment worth Rs 2.24 lakhs lying with them. The offer was not accepted but on the other hand materials for cathodic protection worth Rs 1.90 lakhs were purchased in June 1974 from the contractor who was awarded the work of cathodic protection in 1969. It appeared that the materials were still lying with the contractor without collection by CMDA. The details of the materials as also their present condition were not available.

It was reported in December 1977 that most of the pipes which were laid contained stagnant impure water. Besides, the ends of the pipes were kept bare for welding at site. As a result

deterioration of interior protective paints and corrosion of the pipe line became a distinct possibility. It was suggested that temporary cathodic protection was essential for safety of pipe lines laid. But till January 1987 no such protection had been provided. The financial and other consequences of the failure to provide cathodic protection are not assessable at this stage.

5.3.8 Conclusion

To conclude, the salient features emerging from the Audit Review are as follows:

—The project for laying the new main pipe line, first awarded in 1969, has not been completed even by March 1988 after nineteen years.

—At the very outset the selected contractor expressed his inability to take up in 1969, the work of installing a pre-stressed concrete main pipe line, and had his earnest money forfeited.

—Thereafter the work of laying a steel pipe line awarded initially for completion by the middle of 1974 at an estimated cost of Rs 109 lakhs has been going on for the past thirteen years, but is complete only to the extent of 92 *per cent* till March 1988, after an expenditure of Rs 335 lakhs.

—Three contracts were awarded for the work and all of them terminated. The same contractor 'A' actually executed the work under all the three contracts.

—An extra expenditure of Rs 25.34 lakhs had to be incurred as a result of the delays, apart from payments under the contract.

—No cathodic protection has been given to the pipe lines already laid and therefore there is a risk of the pipe lines having been affected by corrosion.

—Due to delay in completion, the pressure main pipe laid in 1929 is still under use with patch-work repairs.

—The management of all the three contracts was inadequate; rates agreed therein showed an increasing trend not only due to delay, but also due to failure in making available land in time, arranging timely import of steel plates etc. Recovery towards faulty work, unauthorised use of departmental issue of steel plates, non-return of materials not utilised in work etc. to the tune of Rs 148.54 lakhs has not been enforced.

—The matter was reported to Government (May 1987); reply has not been received (March 1988).

5.4 Excessive expenditure on establishment

A Division 'A' was created by CMDA in August 1982 for the project of construction of buildings for Economically Weaker Sections and Lower Income Groups at Baishnabghata Patuli Project Development Area. However this project was entrusted to an existing Division instead of division 'A'. In May 1983 this division 'A' was entrusted with the work of West Howrah Area Development Project with the expectation that the land required for this project would be available by August 1983. The Divisional Office shifted in November 1983, to a newly hired accommodation at Howrah.

The progress in land acquisition was slow and only 5 hectares could be acquired by June 1986, as against 162 hectares envisaged. The total value of work done by the Division till March 1987 was Rs 1.51 lakhs on boundary pillars and walls.

Thus the Division, with very little load of work incurred an expenditure of Rs 16.93 lakhs on establishment, rent and vehicles between November 1983 and March 1987, which was excessive and incommensurate with the expenditure of Rs 1.51 lakhs on works.

Government stated (July 1987) that the Division was engaged in land acquisition work. This statement is not acceptable in audit as CMDA has a separate wing for land acquisition and a Division need not be created for this purpose. Further the performance of the Division, if vested with this responsibility should be considered poor, since only 5 hectares were acquired till June 1986, as against the target to acquire 162 hectares by August 1983 itself.

5.5 Purchase of defective equipment

CMDA placed an order (July 1979) on a firm for supply of 12 sets of Pull-in-Power Bucket Machines along with tools, accessories etc. by March 1980 at the rate of Rs 70,500 exclusive of taxes and duties, for the purpose of sewer cleansing work. Under the order, the firm was required to manufacture two prototypes of the equipment initially for trial runs and evaluation of performance. The rest were to be manufactured only after successful trial runs of the prototype.

However no prototypes were supplied for performance test and all the twelve machines were received between March 1981 and July 1981 subject to trial run. Trial operation of a few of the machines disclosed various defects. The firm was requested in June

1981 to rectify the defects. Without waiting for the rectification of defects by the firm, CMDA released full payment of Rs 13.75 lakhs in August 1981 in violation of the terms of contract.

In January 1987, the firm agreed to make the machines operative within one month and submit a fresh estimate for cost thereof. But the rectification work is yet to be taken up (March 1987) and equipment purchased at a cost of Rs 13.75 lakhs has remained unutilised for over six years (March 1988).

The matter was reported to Government (March 1987); reply has not been received (March 1988).

5.6 Unfruitful expenditure on sewer line

The work of laying the sewer line and other ancillary works connected with East Calcutta Area Development Project was awarded to a contractor in March 1981 for a value of Rs. 34.57 lakhs for completion by March 1982.

The progress of the work was unsatisfactory due to delays in giving layouts and handing over sites, as well as the condition of the soil and the CMDA granted extension of time to the contractor on five occasions up to September 1983. By then the contractor had laid 7534 metres of sewer line only or 49 per cent of 15400 metres expected and received payment of Rs. 10.06 lakhs. Recovery of materials costing Rs. 1.16 lakhs issued to him, is yet to be effected. The contract has not been terminated because of disputes and pending arbitration proceedings.

In May 1983, the contractor reported that over the area of newly laid sewer line heavy loaded trucks engaged by another contractor for the work of earthfilling were plying and that unless this truck movement was systematised, damages may be caused to the sewer line, for which he will not be responsible. No information was available to audit whether damages actually occurred and if so, the extent thereof.

Thus the outlay, on the sewer line, of Rs 11.22 lakhs (including cost of unrecovered materials), has remained, unproductive for over five years, and it is yet to be assessed whether a part thereof has become infructuous due to damages.

Government stated (December 1987) that the project is still incomplete owing to problems connected with acquisition of land and the part of the drainage infrastructure already executed and paid for cannot be utilised unless the remaining length of the sewer line is completed.

5.7 Infructuous expenditure due to premature development of land

CMDA acquired in April 1973 and May 1974 land measuring 18.22 hectares for Rs 38.27 lakhs at Baranagar-Kamarhati area for construction of a water treatment plant for augmentation of water supply in Palta service district. The area being low lying and mostly inaccessible due to water-logging, CMDA initially developed in 1974-76, only 5.04 hectares, with cinder filling at a cost of Rs 10.53 lakhs.

When the remaining area was assessed for earthfilling, eight years later in May 1984, it was observed that the cinder filled during 1974 to 1976 had mostly been pilfered in absence of proper guarding arrangement and the portion had to be developed again along with remaining area. The expenditure of Rs 10.53 lakhs spent on cinder filling in 1974-76 became infructuous, primarily because of development of the area without immediate utilisation. The water treatment plant envisaged is yet (March 1988) to be installed more than fourteen years after acquisition of land.

Government stated (September 1987) that it was not possible for CMDA guards to prevent the removal of cinder and the matter was brought to the notice of Police and Administration, and that some volume of cinder was also washed away due to rains. There was, however, no convincing justification from the Government for acquisition of land far in advance of actual requirement.

5.8 Idle road works equipment

For quick and economical execution of road works, CMDA purchased in 1975 two hot-mix plants and two paver finishers (ancillary equipment) at a cost of Rs 31.48 lakhs. Eight tipping trucks costing Rs 8.40 lakhs were also purchased in 1976. They were commissioned and put to operation by 1977.

All these equipment are lying unused since July 1982, although many road construction projects were executed thereafter by CMDA. Despite their non-use six more tipping trucks were purchased in 1982 itself at a cost of Rs 16.61 lakhs, which are also lying unused.

CMDA incurred a total expenditure of Rs 9.68 lakhs from 1981-82 to 1985-86 towards repairs of these equipment. In December 1983, CMDA had proposed transferring of them to Calcutta Municipal Corporation. The issue has not yet (March 1988) been finalised. Thus, equipment worth Rs 56.49 lakhs are

lying unused till now (March 1988) for over five years.

The matter was reported to Government (November 1986 and September 1987); reply has not been received (March 1988).

5.9 Non-recovery of dues

CMDA entered into two contracts in 1982 with a firm for supply and erection of pre-fabricated latrines within the CMD area, for a value of Rs 48.11 lakhs to be completed by January and November 1983.

The firm erected 640 units out of 768 in case of the first contract, even after grant of extension up to November 1983. In respect of the second contract, only 275 units were erected up to November 1983 out of 2,094.

CMDA terminated both the contracts in November 1983 making the contractor liable to pay Rs 4.81 lakhs as penalty of 10 per cent of the contract value, against which security deposit of Rs 1.86 lakhs was forfeited. The contractor did not return departmental materials issued, nor pay charges for hiring machinery, etc. involving recovery amounting to Rs 3.59 lakhs against which payment of final bills of Rs 1.06 lakhs was withheld. Thus a total amount of Rs 5.48 lakhs remained to be recovered from him.

No records were available indicating present position of the residual work and steps, if any, taken by CMDA for realisation of dues from the defaulting contractor. The work was abandoned after erection of only 915 latrines as against the target of 2,862 numbers.

The matter was reported to Government (July 1986 and June 1987); reply has not been received (March 1988).

5.10 Loss due to non-preferment of claims in time

CMDA procured cement in bulk during 1982-83 and 1983-84 from a cement factory at Bilaspur (Madhya Pradesh) on payment of the value in advance including railway freight. Though a substantial portion of the supply was transported by road instead of rail, the entire railway freight included in the amount of advance already paid is reimbursible in terms of orders issued by the Government of India, to CMDA by the cement factory on preferment of claims within six months from the date of despatch from the factory. The claims were required to be supported by certificates of receipt at destination, freight vouchers and octroi receipts, where applicable. Claims preferred

beyond the prescribed time limit of six months were liable to be rejected as time barred.

Against reimbursible amount of Rs 19.92 lakhs for 14,072 tonnes of cement carried by road, claim for reimbursement of Rs 15.59 lakhs in respect of 10,065 tonnes was preferred by CMDA within the prescribed time limit of six months from the dates of despatch and reimbursement obtained. In respect of remaining 4,007 tonnes despatched between December 1983 and March 1984 claims for Rs 4.33 lakhs were to be preferred between June 1984 and September 1984. But claim in respect of 2,308 tonnes was preferred belatedly in November 1984 and that in respect of the balance (1,699 tonnes) was not preferred even by April 1985. Consequently CMDA could not get reimbursement of Rs 4.33 lakhs from the factory.

Government stated in January 1988 that the claim for reimbursement of this amount was preferred in November 1984 and expected to be realised ultimately. No recovery has been made so far (March 1988).

5.11 Extra expenditure due to termination of a contract

In March 1980, CMDA entrusted the work "Construction of housing for Animal Husbandry and Veterinary Services Staff at Garden Reach (North)" to the lowest tenderer, for a value of Rs 5.31 lakhs for completion by December 1980. After execution of the work of all buildings up to the lintel level, the contractor stopped work in July 1980. An extension of time up to March 1981 was granted within which the contractor completed the casting of the floor and roof of some buildings only and received a total payment of Rs 0.88 lakh. He did no further work though a second extension of time up to November 1981 was granted. The contract provided that in case of failure of the contractor to complete the work strictly in terms of the agreement, the incomplete portions of the work could be got executed by another agency at the risk and cost of the contractor and the consequent excess expenditure recovered from him. CMDA did not, however, take action on these lines and terminated the contract in July 1982 without making him responsible for any liability.

The balance work was split up in three groups and awarded in March 1983 at a total cost of Rs 7.41 lakhs. The actual payment up to January 1987 was Rs 6.28 lakhs and it is estimated that the work will be completed with a further expenditure of

Rs. 0.99 lakh. Thus the extra cost for completion of the work over and above the total amount payable to the contractor was Rs 2.84 lakhs. This could not be recovered from him despite a provision in the contract, due to the termination of the contract, without invoking the risk execution provision.

The matter was reported to Government (September 1986 and April 1987); reply has not been received (March 1988).

5.12 Cost and time over-runs on repairs to a reservoir

CMDA awarded in February 1976 the work of repairing and renovating an overhead reservoir at Tallah Pumping Station to M/s Jessop & Co., a Central Government enterprise, on single tender basis with reference to their estimated cost of Rs 42 lakhs for the work. It was agreed that progress payments will be made for actual expenditure plus 20 *per cent* margin up to Rs 30 lakhs of actual cost and beyond that only for actual cost. Thus the value of the contract worked out to Rs 48 lakhs.

The work was stipulated for completion within nine months from the date of commencement (March 1976). But due to various constraints, like, keeping the city water supply un-interrupted, non-availability of structural steel and substantial increase in quantity of work, the progress was extremely slow. More than three years beyond the target date for completion it was assessed by CMDA in August 1980 that work in one compartment and 80 *per cent* work in another compartment were completed by the contractor at a cost of Rs 42.75 lakhs, out of work to be done in four compartments. Extension of time was granted on three occasions up to 31st March 1982. In August 1981, more favourable terms were agreed for completion of the work as below:

(1) The margin of 20 *per cent* above actual cost will be paid up to Rs 33 lakhs instead of Rs 30 lakhs.

(2) A fresh agreement will be entered for the balance work of second compartment.

(3) For the third and fourth compartments itemwise detailed estimates will be prepared and fresh tenders invited.

Accordingly the earlier contract with the enterprise was closed in June 1982 after a total payment of Rs 53.34 lakhs. The second compartment was thereafter completed in March 1985 with a further expenditure of Rs 15.83 lakhs.

For third and fourth compartments the work had been awarded in November 1985, for a total value of Rs 58.29 lakhs

and the work is still in progress (March 1988). Thus as against the expectation of completion of repairs of four compartments by December 1976 at a total cost of Rs 48 lakhs, only two compartments had been repaired more than nine years later at a total cost of Rs 69.17 lakhs, including a profit margin of Rs 6.60 lakhs to M/s Jessop & Co. over and above the actual cost. The work on the remaining compartments is still going on at an estimated cost of Rs 64.06 lakhs.

The heavy cost and time over-runs on the work were reported to Government (June 1986 and April 1987); reply has not been received (March 1988).

5.13 Wasteful outlay on procurement of equipment

Seven vibratory road rollers and fifteen vibratory earth rammers were procured by CMDA at a total cost of Rs. 2.40 lakhs for road construction work, in January 1972. The vibratory earth rammers remained totally unused. Attempts made to utilise the road rollers for compaction of granular materials, after 1976-77, proved futile as the engines of the equipment were underpowered and rollers could not move with their own power. An amount of Rs 0.12 lakh was spent on repairing some of the road rollers and earth rammers during the period from 1977-78 to 1980-81 for putting them to alternative use but without any result.

A Committee, constituted in June 1984, for examining the condition of the equipment, reported in November 1984 that both types of equipment were beyond economic repair, and recommended their disposal at scrap value. The equipment have not been disposed of so far (March 1988).

Purchase of these equipment without adequate technical investigation about their utility has led to an wasteful expenditure of Rs 2.52 lakhs on their procurement and repairs.

The Government stated (January 1988) that all the seven vibratory road rollers and three out of fifteen vibratory earth rammers were issued to different indenting authorities like Public Works Department, Irrigation & Waterways Directorate, executing Sectors of CMDA and different Municipalities within thirty-two months of procurement. The Government also stated that these equipment were expected to be disposed of soon. No records were available to Audit to check the usage of equipment by the indenting authorities indicated by the Government.

5.14 Infuctuous expenditure on procurement

During 1972-73, CMDA, purchased two miller machines for Rs 1.57 lakhs for road construction work. They have not been utilised in any work so far (August 1987) and are kept in open stockyard without any protection. A sum of Rs 0.25 lakh was also spent on repairing of one of the machines. The entire expenditure of Rs 1.82 lakhs has become infuctuous.

The matter was reported to Government (November 1986 and April 1987); reply has not been received (March 1988).

5.15 Avoidable expenditure due to mismatched procurement

For distribution of filtered water through 60 mgd (million gallon per day) capacity delivery pipeline of clear water reservoir of Garden Reach Water Works, CMDA completed in March 1983 installation of three pumps each with a capacity of 40 mgd at a cost of Rs 43.80 lakhs. Two pumps were to be operated at a time and the third was to be kept as standby. After installation it was noticed that the flow of water (80 mgd) produced by operating two pumps exceeded the capacity of delivery pipeline (60 mgd). A by-pass main had, therefore, to be built on emergent basis in April 1983, at a cost of Rs 1.76 lakhs to maintain proper balancing between the capacity of the delivery pipeline and flow produced by operation of the pumps and to divert 20 mgd of water without any utility. The procurement of higher capacity pumps at extra cost as well as construction of the by-pass main could have been avoided, if the capacity of pumps had been matched with the capacity of delivery pipeline at the time of procurement.

Government stated (January 1988) that running of two pumps of 40 mgd capacity was essential as the consumption of water would soon reach to 80 mgd, but it is not clear to Audit how this consumption level could be met without remodelling the delivery pipeline with a capacity only for 60 mgd.

5.16 Wasteful expenditure on pipe laying

In order to supply filtered water from the water treatment plant at Garden Reach, CMDA completed laying of a pipe line in January 1984 at a total cost of Rs 10.87 lakhs along Remount Road leaving a gap between the two railway tracks under the jurisdiction of Calcutta Port Trust. The location of the gap was, however, not settled with the Port Trust, before the work was

taken up. Discussions with the Port Trust, in October 1984, undertaken nine months after completion of the work led to some changes in the original alignment of the pipe line, to suit the requirements of Port Trust, as a result of which a portion of the pipe line already laid became infructuous. In June 1986 CMDA withdrew that portion, at a cost of Rs 0.25 lakh. As it was laid originally at a cost of Rs 0.89 lakh, failure to secure necessary clearances from the Calcutta Port Trust before finalising the alignment of the pipe line, led to a total wasteful expenditure of Rs 1.14 lakhs.

The matter was reported to Government (March and September 1987); reply has not been received (March 1988).

5.17 Loss due to non-preferment of a claim

A penalty of Rs 1 lakh was paid by CMDA in January 1981 to the South Eastern Railway on account of over dimension consignment (ODC) charge on a consignment of spiral welded pipes booked by the supplier in box wagons without securing necessary clearances from Railways. CMDA sought a refund of this amount from the Railways in April 1981 but it was rejected in December 1985 by the Railways on the ground that the charges collected were as per rules.

As per purchase order, the supplier was responsible for booking the consignment at Rourkela Station after completion of the required formalities. The penalty was therefore attributable to the failure of the supplier to load the consignment strictly in accordance with the purchase order. However, CMDA has not enforced the recovery of the amount from the supplier and reasons thereof were not kept on record.

This was reported to Government (April and June 1987); reply has not been received (March 1988).

Part II—Hooghly River Bridge Commissioners

5.18 Injudicious import of tor steel bars

Hooghly River Bridge Commissioners (HRBC) assessed in June 1985 the requirement of tor steel bars for use in construction of Second Hooghly Bridge Project during 1985-86 as 11.305 tonnes. As indigenous sources were reported to be incapable of supplying the required quantity, HRBC arranged in October 1985 import of 9,105 tonnes in two instalments against which

5,401 tonnes were received between April 1986 and July 1986 from West Germany at a total cost of Rs 405.87 lakhs.

The imported quantity included 1,583 tonnes of 25 m.m. tor steel bars costing Rs 118.96 lakhs to be used in three sections. However, till November 1987, the actual utilisation was only 212 tonnes with an additional 400 tonnes estimated to be consumed in the residual work. Eventually it was declared that 900 tonnes of this imported steel valued at Rs 67.64 lakhs would be surplus to the requirements of the Project.

It was noticed during audit that in arranging for the import of 25 m.m. tor steel bars in October 1985, HRBC did not take into account, availability from indigenous sources against orders placed in July and September 1985 for 1,051 tonnes. Besides, the consumption of only 212 tonnes up to November 1987 showed an overestimation of requirements. Thus the import of 1,583 tonnes of 25 m.m. tor steel bars proved largely injudicious.

The surplus quantity of 900 tonnes steel bars was offered by HRBC (March 1987) to various Government departments and organisations but no positive response was received till December 1987, because the issue rate of HRBC (Rs 7,515 per tonne) was significantly higher than the current market rate (Rs 6,000 per tonne). HRBC, therefore, decided to sell the surplus at current market rate which would involve a loss of Rs 13.64 lakhs.

The injudicious import of 900 tonnes of tor steel bars at a cost of Rs 67.64 lakhs, and the likely loss of Rs 13.64 lakhs on the disposal of this surplus was reported to the Government. In their reply (February 1988) it stated that on completion of the project the ultimate surplus may not be of any considerable magnitude.

5.19 Inadmissible payment on carriage of stone chips

An agreement for construction of Calcutta side approach of Second Hooghly Bridge was entered into in June 1972 between Hooghly River Bridge Commissioners (HRBC) and Engineering Projects (India) Limited (EPI), a Central Government enterprise. It stipulated that a railway yard will be provided by HRBC near the site for movement of bulk consignments of construction materials by EPI. The yard was not, however, provided by HRBC. When a supplementary agreement was drawn up in 1982 it was stipulated therein that no siding facilities at site would be available from 1978 for the balance work and that the revised rates for work should be inclusive of all costs of

handling and transportation using the existing railway siding facilities. The nearest railway siding to the work site is Kalighat Railway siding.

It was noticed that during the period from November 1980 to October 1985, EPI procured stone chips through another railway siding at Dankuni and claimed Rs 4 lakhs being the excess over carriage cost from Kalighat Railway siding to work-site. Though the claim was not legally tenable, it was accepted and paid in February 1986 by Calcutta Improvement Trust, which is the implementing agency for the project with the approval of HRBC (September 1985).

The Government stated (December 1987) that existing railway siding facilities as provided in the agreement was intended to cover railway sidings that existed in Calcutta only. It is, however, the view of audit that this contention is not supported by the wordings of the supplementary agreement.

HOUSING DEPARTMENT

West Bengal Housing Board

5.20 Construction of uninhabitable houses

A scheme for construction of 152 houses at Sarsuna in 24-Parganas district for higher and middle income groups was launched in 1983 at an estimated cost of Rs 156.84 lakhs. The site was in close vicinity of a 'Bhagar' (dumping ground of dead animals) belonging to Calcutta Corporation, which was expected to be removed to a distant place during the period of construction. The 'Bhagar' for which a separate plot of land had been acquired (1984) at a cost of Rs 0.85 lakh has not been shifted even now (March 1988), due to objections raised by the local people at the new site.

In the meantime 76 houses out of the 152 planned were constructed (December 1985) at a cost of Rs 37.13 lakhs. Water line, electricity and finishing items were yet to be provided (November 1987). The Housing Board had received application money of Rs 7.50 lakhs for those houses.

Formal orders for allotment of the houses could not be issued till date (March 1988), as the continued existence of the 'Bhagar' rendered the area unfit for human habitation. Besides, vultures in the area caused damages to the plastered surface and roofs of

the buildings and the extent of damage was assessed to be over Rs 1 lakh.

Lack of coordination between the Housing Board and the Calcutta Corporation has thus led to unproductive capital outlay of Rs 37.13 lakhs on uninhabitable houses with recurring loss of Rs 2.51 lakhs towards interest cost and risk of damages to the houses.

The matter was reported to Government (June and July 1987); reply has not been received (March 1988).

5.21 Unproductive expenditure on a market complex

A market complex was constructed by the West Bengal Housing Board for the Asansol Satellite Township Project in the district of Burdwan in 1979 at a cost of Rs 5.84 lakhs, to provide shopping facilities. Since it was located at a distance from the housing estate it was not popular and the occupation of shops in the complex was minimal. The Board tried twice (once in 1982 and again in 1985) to sell the rooms meant for shops and stalls etc. through public auction, but could not succeed. Meanwhile, some damages to the buildings occurred owing to prolonged non-utilisation and an amount of Rs 0.15 lakh had to be spent for their repairs.

Construction of the market complex without proper investigations about public demand, has led to the capital outlay of Rs 5.84 lakhs, becoming unproductive. Apart from interest liability of more than Rs 0.40 lakh a year, the recurring annual expenditure is Rs 0.21 lakh on watch and ward arrangements. The Board could not indicate (October 1986) any specific programme for disposal of the buildings in the near future.

The matter was reported to Government (May 1987); reply has not been received (March 1988).

5.22 Loss on sale of houses

The Housing Board constructed 10 houses in Golf Green Urban Complex (Phase VI) during 1982-83 at a cost of Rs 22.12 lakhs. In selling these houses the usual procedural formalities like, advertisement in the press, submission of application and affidavit on prescribed forms, were not observed. The selling price of each house which was to be fixed by the Board itself, but was determined by the Housing Commissioner of the Board without obtaining approval of the Board. While selling the cost of land was taken as Rs 0.07 lakh per cottah as against the actual

cost of Rs 0.17 lakh per cottah. The Board realised only Rs 17.38 lakhs on sale of the houses between May 1982 and April 1983, as against actual cost of Rs 22.12 lakhs. Besides in two cases penal interest amounting to Rs 0.25 lakh on belated payment of sale prices was irregularly waived.

Thus the Board suffered a total loss of Rs 4.99 lakhs due to non-observance of correct procedures in fixation of sale prices and non-recovery of penal interest.

The Board stated (January 1988) that there was nothing to show that the case relating to fixation of selling price of the houses was placed before the Board and approval of the Board was obtained. It was not clear to Audit how the Housing Commissioner, an officer of the Board, could fix the sale prices, when the power to do so vested only with the Board.

The matter was reported to Government (May/June 1987); reply has not been received (March 1988).



CALCUTTA,
The

19 DEC 1988

(A. N. MUKHOPADHYAY)
Accountant General (Audit)-I, West Bengal

Countersigned

T. N. Chaturvedi

(T. N. CHATURVEDI)
Comptroller and Auditor General of India

NEW DELHI,
The

24 JAN 1989

APPENDICES

APPENDIX 2.1

(Reference: Paragraph 2.1 Page 10)

Utilisation certificates awaited in September 1987 for the grants paid by Government up to March 1986

(Rupees in lakhs)

Sl. No.	Name of the Department	Up to 1981-82		1982-83		1983-84		1984-85		1985-86		Total	
		Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount
1.	Agriculture	1	0.03	—	—	1	0.15	33	485.49	14	186.30	49	671.97
2.	Animal Husbandry and Veterinary Services	10	34.47	1	1.00	—	—	22	6.80	—	—	33	42.27
3.	Board of Revenue	1	4.68	—	—	—	—	—	—	—	—	1	4.68
4.	Commerce and Industries	95	53.11	17	2.12	5	6.11	—	—	3	34.83	120	96.17
5.	Cottage and Small Scale Industries	60	245.34	14	70.55	24	147.79	—	—	3	4.35	101	468.03
6.	Development and Planning	10	3.66	10	11.86	1	0.05	3	134.10	3	0.73	27	150.40
7.	Education	26	1.69	3	0.04	2	0.02	2	0.03	6	659.66	39	661.44
8.	Environment	—	—	—	—	—	—	1	10.00	6	19.19	7	29.19
9.	Finance	14	35.62	6	71.39	—	—	1	0.02	1	1,212.00	22	1,319.03
10.	Fisheries	27	107.68	6	10.97	1	10.00	6	136.53	9	63.75	49	328.93
11.	Governor's Secretariat	—	—	22	0.21	7	0.07	16	0.49	1	0.25	46	1.02
12.	Health and Family Welfare	—	—	—	—	20	15.87	19	15.31	60	47.33	99	78.51
13.	Information and Cultural Affairs	3	2.08	6	4.88	—	—	10	11.00	7	5.80	26	23.76
14.	Judicial	—	—	2	2.40	—	—	3	3.32	—	—	5	5.72
15.	Local Government and Urban Development	5	0.71	2	0.12	3	0.45	206	334.74	26	1,027.30	242	1,363.32
16.	Panchayats and Community Development	—	—	—	—	—	—	—	—	17	25.22	17	25.22
17.	Public Works	1	0.25	1	0.25	—	—	1	0.25	—	—	3	0.75
18.	Relief and Welfare	—	—	10	4.36	—	—	14	8.66	—	—	24	13.02
19.	Scheduled Castes and Scheduled Tribes Welfare	—	—	—	—	—	—	3	30.00	—	—	3	30.00
Total ..		253	489.32	100	180.15	64	180.51	340	1,176.74	156	3,286.71	913	5,313.43

APPENDIX 3.1

(Reference: Paragraph 3.5. Page 39)

Statement showing excess payment of ex-gratia festival relief to Municipal employees

Sl. No.	Name of the Municipality	Year of account	Amount paid in excess (Rupees in lakhs)	Reasons in brief for the excess payment
1.	Burdwan	1979-80	1.19	35 days' emoluments including House Rent Allowance and Medical Allowance were paid instead of one month's wages and also payment to daily rated workers not entitled to festival relief as per G.O. No. 3334/C6/M2L-10/79(99) dated 20.8.1979.
		1980-81	1.21	35 days' wages allowed including House Rent Allowance and Medical Allowance in violation of G.O. No. 5734/C-6/M2L-10/79(104) dated 2/3.9.1980.
		1981-82	2.22	35 days' wages allowed in place of one month's wages in violation of G.O. No. 2462/C-6/M2L-4/81 dated 18.9.81.
		1982-83	0.53	Payment in excess of maximum ceiling of Rs 500 imposed by Government in G.O. No. 119/C-9/M2L-7/83 dated 16.9.83 and to daily rated workers not entitled to festival relief.
		1983-84	0.81	Payment in excess of maximum ceiling of Rs 500 imposed by Government in G.O. No. 119/C-9/M2L-7/83 dated 16.9.83.
2.	Cooch Behar	1979-80	0.52	1 month 10 days' wages inclusive of HRA and Medical Allowance instead of one month's wages in violation of the G.O. No. 3334/C-6/M2L-10/79(99) dated 20.8.79.
		1980-81	1.14	50 days' emoluments inclusive of HRA and Medical Allowance instead of one month's wages as sanctioned in G.O. No. 5734/C-6/M2L-10/79(104) dated 2/3.9.80.
		1981-82	1.39	53 days' wages including HRA and Medical Allowance instead of one month's wages in contravention of G.O. No. 2462/C-6/M2L-4/81 dated 18.9.81.
3.	Khardah	1981-82	1.81	2 months and 1 (one) day's wages inclusive of HRA and Medical Allowance plus Rs 20 as ex-gratia festival relief instead of one month's wages in violation of the G.O. No. 2462/C-6/M2L-4/81 dated 18.9.81.
4.	Purulia	1980-81	1.71	45/60 days' wages including House Rent Allowance and Medical Allowance as against one month's wages in contravention of G.O. No. 5734/C-6/M2L-10/79(104) dated 2/3.9.80.
5.	Chakdah	1979-80 to 1982-83	0.38	39/45/46 days' emoluments allowed including House Rent Allowance and Medical Allowance instead of one month's wages as sanctioned in Government Orders of the respective years.
Total			12.91	

ERRATA

<i>Page</i>	<i>Line</i>	<i>For</i>	<i>Read</i>
19	2 from bottom	1970-81	1980-81
21	11 column 2	Mumicipal	Municipal
56	6 from bottom	Rs 273.49 lakhs	Rs 273.50 lakhs
57	12 from bottom	Rs 65.61 lakhs	Rs 65.51 lakhs
60	7 from bottom	Rs 115 lakhs	Rs 125 lakhs
67	9	akhs	lakhs
91	5	stockyard	stackyard

