

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

**FOR THE YEAR ENDED
31 MARCH 1991**

**NO. 4
(CIVIL)**

GOVERNMENT OF WEST BENGAL

IX
53-9

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TABLE OF CONTENTS

				Reference to	
				Paragraph	Page
PREFATORY REMARKS	iii
OVERVIEW	v-xiv
CHAPTER I—GENERAL					
Grants paid to Local Bodies and others	..	..	..	1.1	3
Utilisation of grants	..	..	..	1.2	3-4
Utilisation of loans and advances	..	..	..	1.3	4
Audit of financial assistance to Local Bodies and others	..	..	..	1.4	4-7
CHAPTER II—AUDIT UNDER SECTION 14					
Overall results of audit of autonomous bodies	..	..	..	2.1	11-19
Education (Higher) Department					
Indian Institute of Social Welfare and Business Management	..	..	..	2.2	19-26
Irregular engagement of casual workers	..	..	..	2.3	26-27
Irregular payment of leave salary, increments and pensionary benefits	..	..	..	2.4	27-28
Irregularities in extension of revised pay scales for teachers	..	..	..	2.5	28
Failure to conduct internal audit	..	..	..	2.6	29
Municipal Affairs Department					
Loss of revenue due to non-adherence to statutory provisions	..	..	..	2.7	29-30
Appointment of teachers in excess of norms	..	..	..	2.8	30-31
Loss of interest on accretions to Provident Fund	..	..	..	2.9	31-32
Irregular appointment of Municipal staff	..	..	..	2.10	32-33
Delay in commissioning a tube well	..	..	..	2.11	33-34
Unauthorised payment of overtime allowance to municipal employees	..	..	..	2.12	34
Panchayats Department					
Irregular utilisation of funds	..	..	..	2.13	34-35
Hiring of pump-sets	..	..	..	2.14	35-36
Excess payment of <i>ex-gratia</i> and <i>ad-hoc</i> bonus	..	..	..	2.15	36
Undue aid to the contractors	..	..	..	2.16	37
Construction work lying incomplete	..	..	..	2.17	37-38
Loss due to damage of foodgrains	..	..	..	2.18	38
Rural Development Department					
Loss of interest	..	..	..	2.19	39-40
CHAPTER III—AUDIT UNDER SECTION 19					
Urban Development Department					
Calcutta Metropolitan Development Authority					
Tollygunge Storm Drainage Scheme	..	..	..	3.1	43-49
Short supply of cement	..	..	..	3.2	49-50

			Reference to	
			<i>Paragraph</i>	<i>Page</i>
Loss in disposal of PVC pipes and fittings	..	..	3.3	50-51
Avoidable payment of escalation	..	..	3.4	51-52
Additional liability due to belated supply of drawings	..	..	3.5	52-53
Unauthorised expenditure on estate maintenance	..	..	3.6	53
Infructuous expenditure due to defective planning	..	..	3.7	53-55
Avoidable expenditure attributable to lack of coordination	..	..	3.8	55-56
Infructuous expenditure on purchase of rubber gaskets	..	..	3.9	56-57
Infructuous expenditure attributable to lack of coordination	..	..	3.10	57-59
Irregular/Excess payment	..	..	3.11	59-60
Non-disposal of surplus materials	..	..	3.12	60-61
Non-realisation of revenue and electricity charges	..	..	3.13	61
Housing Department				
West Bengal Housing Board				
Avoidable expenditure due to delay in supply of drawings	..	..	3.14	62
Idle investment in acquisition of land	..	..	3.15	63-64
Avoidable expenditure	..	..	3.16	64-65
Loss due to failure to deduct Income Tax at source	..	..	3.17	65
Extra expenditure	..	..	3.18	65-66
Extra expenditure due to delay in finalisation of plans and drawings	..	..	3.19	67
Idle funds	..	..	3.20	67-68
Idle investment on purchase of land	..	..	3.21	68-69
APPENDICES				
Appendix 1	..	Utilisation certificates for grants outstanding from Departments	..	73-74
Appendix 2	..	Departmentwise breakup of outstanding utilisation certificates of loans and advances	..	75
Appendix 3	..	Glossary of abbreviations	..	76

PREFATORY REMARKS

This Report sets out the results of Audit under various Sections 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.

Matters arising from the Finance and Appropriation Accounts for the year 1990-91, together with other points arising out of audit of transactions of the Government of West Bengal are included in a separate Report.

The Report containing the observations of Audit of Statutory Corporations, Boards and Government Companies and the Report containing observations of Audit on Revenue Receipts are also presented separately.

The cases mentioned in this Report are among those which came to notice in the course of test-check of accounts during the year 1990-91, as well as those which had come to notice in earlier years, but could not be dealt with in previous Reports. Matters relating to the period subsequent to March 1991 have also been included, wherever considered necessary.

OVERVIEW

OVERVIEW

This Report, which deals with the results of Audit of the accounts of local bodies and other autonomous authorities under Sections 14, 15, 19(3) and 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, contains 44 paragraphs. A synopsis of the important audit findings contained in the Report are presented in this Overview.

1. General observations on audit of the accounts of local bodies and others

During the year 1990-91, grants aggregating to Rs 1518.80 crores were paid to various local bodies and others, as against Rs 1207.86 crores during 1989-90. This constituted nearly 30 *per cent* of the State Government's total expenditure on revenue account during the year.

Utilisation certificates in respect of grants aggregating to Rs 410.31 crores paid up to December 1989 in 3,668 cases had not been received as of June 1991, of which 1,831 certificates involving grants of Rs 92.79 crores were pending for more than three years; the earliest of these outstanding utilisation certificates pertained to the year 1980-81. Similarly, of the 1,794 utilisation certificates in respect of loans aggregating to Rs 160.19 crores given by Government up to December 1989, 1,518 certificates, involving Rs 99.09 crores, were awaited in audit as of June 1991. In the absence of these certificates, the utilisation of the grants and loans for the intended purpose could not be verified.

Information about grants and loans given by Government to various local bodies and authorities during 1990-91 and the expenditure incurred by them during the year to determine which of these were substantially financed by grants and loans from Government and, therefore, attracted audit under Section 14 of the Act, was not furnished as of July 1991 by any of the Departments other than the Town and Country Planning Branch of the Development and Planning Department. Several Departments had also not furnished the relevant information for a number of earlier years, commencing from 1971-72.

Of the 525 autonomous bodies (Zilla Parishads, Municipalities, Municipal Corporations and Notified Area Authorities, Panchayat Samitis, Improvement Trusts, Universities, District School Boards, etc.) statutorily audited by the Examiner of Local Accounts in the Office of the Accountant General (Audit)-I, West Bengal, as on March 31, 1991, 100 bodies are attracted under Section 14 (1) of the Act. On account of persistent delays in

The abbreviations used in this Report have been listed in the Glossary in Appendix 3 (page. 68)

the compilation of their annual accounts from the year 1984-85 and onwards by 44 of these bodies—as a result of which 131 accounts were in arrears—it could not be verified whether the financial assistance extended to them from time to time was utilised for the intended purpose.

Development Grants aggregating to Rs 14.87 crores were lying unspent with 6 Zilla Parishads and 5 Municipalities whose accounts for varying periods between 1983-84 and 1985-86 were subjected to audit under Section 14 of the Act.

Grants totalling Rs 8.34 crores had been diverted for general purposes between 1982-83 and 1988-89 by 6 Zilla Parishads (Rs 6.01 crores), 4 District School Boards (Rs 1.72 crores) and 4 Municipalities (Rs 0.61 crore).

Six Zilla Parishads and Six Municipalities, which had finalised their accounts for different periods between 1983-84 and 1985-86, had defaulted in the repayment of instalments of Government loans aggregating to Rs 1.29 crores.

Advances aggregating to Rs 5.25 crores granted by 6 Zilla Parishads, 6 Municipalities and a District School Board to their employees, suppliers and contractors were outstanding at the end of the year(s) (1983-84 to 1986-87) for which they had finalised their annual accounts.

Based on the accounts for the period from 1983-84 to 1985-86 finalised by them, 8 Zilla Parishads had not submitted utilisation certificates/statements of expenditure as of July 1991 in respect of grants aggregating to Rs 10.67 crores intended for rural development works and sub-allotted by them to various Panchayat Samitis.

Realisation of rates and taxes amounting to Rs 3.33 crores was in arrears in 6 Municipalities at the end of the year(s) (1984-85 to 1985-86) in respect of which annual accounts had been finalised by them.

Of the Audit Notes, containing the observations of Audit on the accounts of local bodies, issued up to December 1990, 968 Notes containing 20,699 observations, and involving Rs 154.66 crores, were outstanding as of June 1991. The earliest of these outstanding Audit observations related to the year 1955-56 in respect of Zilla Parishads, 1956-57 in respect of District School Boards, 1958-59 in respect of Municipalities, Town Committees and Notified Area Authorities and 1960-61 in respect of Universities.

Budget estimates were not prepared by the Birbhum and Burdwan District School Boards since 1978-79 and 1981-82 respectively, rendering control over expenditure difficult.

The audit of the accounts of five statutory corporations had been entrusted to the Comptroller and Auditor General of India under Section

19(3) of the Act. While two of them had submitted their accounts up to the year 1989-90 as of September 1991, the submission of the accounts by the remaining three statutory corporations was in arrears for periods ranging from one year to three years.

The accounts of the Haldia Development Authority and the Asansol-Durgapur Development Authority, for the years 1987-90, the audit of which had been entrusted to the Comptroller and Auditor General of India under Section 20(1) of the Act, had not been finalised as of July 1991, as a result of which the audit could not be taken up. Certification of the accounts of the West Bengal Khadi and Village Industries Board for periods from 1983-84 to 1986-87, on completion of the audit under Section 20(1), had not been possible as of July 1991 because these had not been recast after rectifying the discrepancies pointed by Audit.

[Paragraphs 1.1 to 1.4 and Paragraph 2.1]

2. Tollygunge Storm Drainage Scheme

The World Bank assisted Tollygunge Storm Drainage Scheme was formulated by the Calcutta Metropolitan Planning Organisation (CMPO) in December 1965 at an estimated cost of Rs 3.04 crores. Its objective was to remove drainage congestion in the southern part of the Tollygunge-Panchanangram Basin, covering an area of about 14 square kilometres; the Scheme was to benefit a projected population of 3.80 lakhs in 1981.

Implementation of a part of the Scheme (construction of trunk drains and of branch and lateral drains), approved by the Government of India in 1966 at an estimated cost of Rs 1.45 crores, was taken up initially by the Calcutta Metropolitan Water and Sanitation Authority (CMWSA) in 1969 for completion by 1976. The Scheme was transferred from the CMPO to the Calcutta Metropolitan Development Authority (CMDA), on its creation in 1971, the responsibility for its execution, however, continuing to vest with the CMWSA.

The Scheme was not completed in 1976, as scheduled. Its estimated cost was, therefore, revised to Rs 10.97 crores (Phase—I : Rs 7.31 crores; Phase—II : Rs 3.66 crores) in 1976 and further to Rs 11.97 crores in September 1984 to include certain areas of the Basin and items of work which had been omitted initially from Phase—I. The First Phase of the Scheme was designed to benefit a projected population of 2.90 lakhs in an area of 9.51 square kilometres.

Expenditure on the Scheme totalled Rs 10.05 crores as of September 1990.

Review by Audit of the implementation of the Scheme revealed, *inter alia*, the following :

**** In relation to the estimate of Rs 1.45 crores in respect of Phase—I of the Scheme approved by the Government of India in 1966, its**

revised estimated cost (Rs 8.30 crores) represented a cost overrun of Rs 6.85 crores (473 *per cent*). The reasons for the variations in the cost of different components were, however, not analysed by the Authority.

****** The Scheme having been under implementation for a number of years without any reasonable prospect of completion, it was declared as having been completed on an as is where is basis in March 1988. While the outfall channels and 75 *per cent* of the trunk drains had been completed by then, the related branch and lateral drains had, however, been laid only to the extent of 45 *per cent*. The trunk drains laid had not consequently been fully utilised.

****** The area covered during the period of about 19 years that the Scheme was under implementation was only 7.28 square kilometres benefitting a population of 2 lakhs, as against the targeted area of 9.51 square metres and population of 2.90 lakhs in Phase—I.

****** Failure to replace the NP-2 pipes used in the Scheme following its integration with the surface drains carrying septic tank effluents and other domestic liquid wastes, and the continued use of these pipes even thereafter, resulted in the pipes being exposed to the risk of corrosion by the sulphuric acid produced in the sewage and degeneration of the drainage system long before the expiry of its normal designated life.

****** Failure to (a) ensure the timely payment of the cost of a piece of land requisitioned for the conversion of one of the lead channels into an RCC box drain and the related rent charges for requisition, and (b) assess realistically the requirements of land for the rehabilitation of persons to be evicted to enable the construction of the box drain resulted in a total avoidable additional liability of Rs 66.58 lakhs.

****** Submission, belatedly, of proposals for the acquisition of land along the alignment of Lead Channel 1 necessitated additional investment on the provision of temporary diversions and conduits, resulting in silt deposition, the clearance of which would involve an estimated liability of Rs 13 lakhs.

[Paragraph 3.1]

3. Indian Institute of Social Welfare and Business Management

The Indian Institute of Social Welfare and Business Management, financed by grants from the Central and State Governments, and receipts from admission fees, tuition fees, etc. was established at Calcutta in 1953 as a post-graduate institution for advanced teaching and promotion of research in the fields of social sciences, management and workers' welfare.

Except in the year 1989-90, the income of the Institute during the period 1985-90 from grants and its own sources was not adequate to meet its

recurring revenue expenditure and the cumulative deficit from academic activities as of March 1990 amounted to Rs 35.83 lakhs. This necessitated overdrafts from banks and temporary drawals from reserve funds.

Only 8 of the 24 instalments of a loan of Rs 3.11 lakhs availed of from Government in 1958 having been repaid by the Institute, an amount of Rs 4.91 lakhs was outstanding on account of principal and interest as of December 1991.

Enrolment of students in the MBA (Evening), Social Work (Labour Welfare) and Industrial Safety courses was poor. The incidence of drop-outs from the MBA courses was more than 30 *per cent* in some of the years during 1985-90, while this ranged between 3 *per cent* and 16 *per cent* in respect of the Industrial Safety course. Notwithstanding the poor enrolment and the incidence of drop-outs, the Institute was committed to an obligatory expenditure annually on maintaining a suitable strength of teaching and non-teaching staff and on contingencies with reference to the number of seats available in each course. The average per capita annual expenditure in respect of different courses consequently varied widely, and ranged between Rs 4,043 and Rs 47,776.

Failure of the Institute to ensure affiliation from the Calcutta University prior to the commencement of a new Post-graduate Diploma Course in Computer Management resulted in the suspension of the course after admission of the batch of 120 students to the detriment of the interests of these students.

Retention of staff rendered surplus following the upgradation of two short-term courses to a post-graduate course for periods ranging from 5 to 8 years resulted in an infructuous expenditure of Rs 8.80 lakhs during 1981-91.

Only two research projects having been taken up in 1985-86 and 1988-89, the research activities of the Institute were not very significant.

Because of the Institute's inability to furnish clear title deeds to the land acquired by it for the construction of a hostel (estimated cost : Rs 5.28 lakhs), additional funds were not released by the Government of India, resulting in the suspension of the construction of the building beyond plinth level, and in an expenditure of Rs 3.27 lakhs incurred on land acquisition and construction remaining unproductive since March 1977. While the revised estimates in respect of the incomplete work (Rs 14.38 lakhs) submitted in November 1984 had not been approved by the Government of India as of June 1991, these would no longer be reliable after the lapse of more than 6 years and a further cost overrun would appear to be inevitable.

[Paragraph 2.2]

4. Other points of interest

(a) Unilateral reduction, by the Durgapur Notified Area Authority, of the rates on holdings statutorily prescribed under the Bengal Municipal Act, 1932, as amended from time to time, without obtaining the approval of Government was irregular. This resulted in a loss of revenue of Rs 14.44 crores during 1984-91.

[Paragraph 2.7]

(b) Failure of the Calcutta Metropolitan Development Authority to prefer timely claims for the refund of payments made in advance between 1982 and 1990 in respect of cement short supplied by the West Bengal Essential Commodities Supply Corporation Limited resulted in the blocking up of the Authority's resources to the extent of Rs 1.08 crores for periods spanning 9 years, involving an estimated loss of interest of Rs 52.15 lakhs.

[Paragraph 3.2]

(c) Non-adherence by the Coochbhar Municipality to the norms prescribed by Government for regulating the appointment of teachers in schools managed by municipalities resulted in an additional expenditure of Rs 77.68 lakhs on the pay and allowances of teachers appointed in excess of such norms during 1985-91.

[Paragraph 2.8]

(d) Failure of the West Bengal Housing Board to take appropriate measures to ensure that the land acquired by them at Gadsa for the construction of a housing complex was not encroached upon or unauthorisedly utilised resulted in an investment of Rs 39.71 lakhs on land acquisition and development remaining idle for over four years and in the non-realisation of the intended objective.

[Paragraph 3.15]

(e) Failure on the part of the Calcutta Metropolitan Development Authority to ensure the timely realisation of the licence fee and electricity charges for the period from May 1983 to May 1991 from the lessees allotted shopping and wall space in the Howrah Sub-way and of charges for the electricity consumed by the Howrah Division of Eastern Railway from the Authority's power connections between February 1985 and May 1991 resulted in dues totalling Rs 23.49 lakhs remaining unrecovered as of March 1992.

[Paragraph 3.13]

(f) Inability of the West Bengal Housing Board to make available the necessary working drawings prior to the commencement of construction of flats in the Baishnabghata-Patuli area between October 1986 and December 1986 necessitated the revision of the commencement date to March 1987

and enhancement of the contractual rates, resulting in an avoidable additional expenditure of Rs 22.98 lakhs.

[Paragraph 3.14]

(g) Procurement of unsuitable PVC pipes and fittings and failure to ensure their early disposal resulted in considerable deterioration in their quality on account of prolonged storage and in materials valued at Rs 21.30 lakhs being consequently disposed of by the Calcutta Metropolitan Development Authority for a sum of Rs 6.61 lakhs only, involving a loss of Rs 14.69 lakhs.

[Paragraph 3.3]

(h) Contrary to the guidelines of the Government of India governing the utilisation of Central assistance for the National Rural Employment Programme (NREP), the Purulia Zilla Parishad irregularly met expenditure to the extent of Rs 11.50 lakhs on the construction of a five-storeyed building (four floors of which accommodated Government offices) between December 1982 and May 1989 out of NREP funds, which defeated the objectives of the Programme.

[Paragraph 2.13]

(i) Delays on the part of (i) the Calcutta Metropolitan Development Authority in finalising the drawings in respect of the surface drainage network of the Water Treatment Plant at Kamarhati (about 44 months), and in ensuring timely supply of steel plates for the fabrication of pipes (17 months), and (ii) the contractor entrusted with the work in making arrangements for the supply of water to enable the testing of filter beds, combined with the delay of 5 months in resolving a dispute in regard to the design of the piles and shortages of departmental steel and cement, resulted in an avoidable payment of escalation charges of Rs 10.83 lakhs.

[Paragraph 3.4]

(j) Because of delay on the part of the Calcutta Municipal Corporation in assuming responsibility for the maintenance of common services (conservancy, street lighting, water supply, arterial roads, etc.) in the Golf Green Urban Complex in Calcutta, and failure by the associations of apartment owners to assume the responsibility, the West Bengal Housing Board incurred an expenditure of Rs 39.88 lakhs on this account during 1980-91, of which a sum of Rs 31.64 lakhs only was realised from the allottees, resulting in an avoidable extra expenditure of Rs 8.24 lakhs.

[Paragraph 3.16]

(k) Hire charges amounting to Rs 5.32 lakhs in respect of 100 diesel pump sets let out to farmers by the Murshidabad Zilla Parishad between April 1983 and March 1987 remained unrealised for periods ranging from 4 to 7 years and 59 of these pump sets costing Rs 3.54 lakhs were also not

retrieved from the farmers as of July 1991 owing to the inaction of the Zilla Parishad.

[Paragraph 2.14]

(l) Retention, by four Municipalities (Bongaon, Coochbehar, Garulia and Hooghly–Chinsurah), of accumulations in the Provident Fund of their employees during 1984-91 in savings accounts or with themselves, contrary to the statutory requirements in terms of which such accumulations were to be deposited in treasuries, resulted in a loss of interest of Rs 7.72 lakhs.

[Paragraph 2.9]

(m) Failure to deduct Income Tax at source on the interest on the deposits received by the West Bengal Housing Board under its Double Benefit Deposit Scheme resulted in the Board having to accept an avoidable liability of Rs 6.86 lakhs on this account, in addition to an expenditure of Rs 0.07 lakh on payment of remuneration to a tax consultant engaged for the assessment of this liability:

[Paragraph 3.17]

(n) Delays on the part of the Housing Board in arranging payment of mobilisation advance to a contractor, in making available the necessary working drawings, and in terminating contracts following default resulted in an extra expenditure of Rs 6.83 lakhs on the construction of Middle Income Group and Low Income Group houses in the Serampore Housing Project. Should the additional cost be recovered by increasing the sale price of the houses, as proposed by the Board, this would amount to penalising the allottees for the Board's inefficiencies and would be contrary to the Board's objective of providing houses at a reasonable cost.

Similarly, failure to ensure prompt finalisation of the plans and drawings in respect of the Beliaghata Housing Complex in Calcutta and to make them available to the contractors, duly approved by the Municipal Corporation, resulted in an avoidable expenditure of Rs 4.92 lakhs on account of escalation attributable to the delay.

[Paragraphs 3.18 and 3.19]

(o) Belated supply of detailed drawings relating to the construction of a stabilisation pond system for the East Calcutta Area Development Project by the Calcutta Metropolitan Development Authority, and the consequential termination of the contract, resulted in the non-completion of the scheme even after the lapse of more than five years and in an additional liability of Rs 5.47 lakhs in respect of two of its five components. The remaining three components of the scheme not having been retendered, the likely additional expenditure on these components due to the delay could not be assessed.

[Paragraph 3.5]

CHAPTER I—GENERAL

CHAPTER I

GENERAL

1.1 Grants paid to Local Bodies and Others

During 1990-91, Rs 1518.80 crores were paid as grants to local bodies and others, which constituted nearly 30 *per cent* of Government's total expenditure on revenue account. In 1989-90, these were Rs 1207.86 crores.

The grants were intended essentially 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, etc. A broad category-wise break-up of the grants during 1990-91 is contained in the following table :

	Capital grants	Maintenance grants	Development grants	Other grants	Total
(Rupees in crores)					
1. Universities and Educational Institutions	..	..	..	1307.13	1307.13
2. Municipal Corporations and Municipalities	..	..	..	50.17	50.17
3. Government sponsored Development Agencies	..	..	5.42	88.83	94.25
4. Zilla Parishads and Panchayati Raj Institutions	..	1.18	1.54	0.70	3.42
5. Co-operative Societies	..	..	..	6.39	6.39
6. Hospitals and Charitable Institutions	..	2.89	..	3.69	6.58
7. Others	0.20	..	3.97	46.69	50.86
Total :	0.20	4.07	10.93	1503.60	1518.80

1.2 Utilisation of grants

Departmental Officers sanctioning grants were required to certify to Audit proper utilisation of grants. Utilisation certificates in respect of grants aggregating to Rs 412.44 crores were received up to 30th June 1991; those in respect of Rs 410.31 crores paid as grants up to 31st December 1989 in 3,668 cases had not been received as of

30th June 1991, despite repeated reminders. The department-wise details of outstanding certificates are given in Appendix 1. Of these, 1,831 certificates involving Rs 92.79 crores were pending for more than three years, the earliest of which pertained to 1980-81.

Department-wise details of utilisation certificates in respect of grants of Rs 1 crore and above which were due for more than three years are indicated below :

Sl. No.	Department	Number of Certificates	Amount (Rupees in crores)
1.	Cottage and Small Scale Industries	69	3.84
2.	Education	350	11.78
3.	Finance	22	1.77
4.	Fisheries	41	2.05
5.	Municipal Affairs	963	70.61

1.3 Utilisation of loans and advances

Of the 1,794 utilisation certificates (Rs 160.19 crores) due to be received by Audit in respect of loans given by Government up to December 1989, only 276 certificates (Rs 61.10 crores) were received as of June 1991, while 1,518 certificates (Rs 99.09 crores) were awaited. In the absence of these certificates, it was not possible for Audit to verify that these grants and loans were utilised for the intended purpose.

Department-wise break-up of the outstanding utilisation certificates is shown in Appendix 2.

The matter was reported to Government in March 1992; their reply had not been received (June 1992).

1.4 Audit of Financial Assistance to Local Bodies and Others

According to 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 and/or loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General of India. 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 and loans of pervious year, is not

less than Rs 25 lakhs (Rs 5 lakhs prior to the accounting year 1983-84) and is also not less than 75 *per cent* of the total expenditure of the institution in that year. All the Administrative Departments of the State Government, including the Finance Department, were requested, in April 1991, to furnish information about grants and loans given by them and their subordinate offices to various bodies and authorities during the year 1990-91 and the total expenditure incurred by those bodies and authorities during the year in which such grants and loans were disbursed. The information was not received by Audit as of July 1991 from any of the Departments other than the Town and Country Planning Branch of the Development and Planning Department. Of the defaulting Departments, the following had also not furnished similar information for a number of years as indicated below though grants-in-aid were sanctioned by them every year :

Name of the Department	Year from which information had not been furnished
Health and Family Welfare	1971-72
Education	1978-79
Cottage and Small Scale Industries (excluding grants released to State Government undertakings, viz. West Bengal Handloom and Powerloom Development Corporation Limited, West Bengal Ceramic Development Corporation, etc. and Industrial Co-operatives)	1983-84
Panchayat	1983-84
Development and Planning (Planning Cell)	1985-86
Fisheries (excluding share capital contribution to State Fisheries Development Corporation Limited and West Bengal Fisheries Corporation Limited)	1988-89
Local Government and Urban Development	1988-89
Public Undertakings	1988-89

Section 15 of the Act requires the Comptroller and Auditor General to scrutinise the procedure by which the sanctioning authorities had satisfied themselves about fulfilment of the conditions governing the grants and loans given from the Consolidated Fund to any body or authority for any specific purpose. Besides, in terms of Section 19(3) of the Act, the audit of the accounts of Corporations established by law made by the State Legislature may be entrusted to the Comptroller and Auditor General of India. The reports of the

Comptroller and Auditor General of India in relation to the accounts of such Corporations are also required to be laid before the State Legislature. The audit of the accounts of five Statutory Corporations had been entrusted to the Comptroller and Auditor General of India under Section 19(3) of the Act.

The status of submission of accounts by these five Corporations and of the audit reports thereon to the State Legislature as of September 1991 is indicated below :

Name of the autonomous body/ authority	Year up to which accounts were due	Year up to which accounts were submitted	Year up to which Audit Reports had been issued	Year up to which Audit Reports had been laid before the Legislature	Remarks
1. Calcutta Metropolitan Development Authority	1989-90	1988-89	1988-89	1987-88	—
2. Hooghly River Bridge Commissioners	1989-90	1989-90	1989-90	1988-89	—
3. Commissioners for Rabindra Setu	1989-90	1988-89	1988-89	Not yet placed	Reports on the accounts from the year 1983-84 onwards (when Section 19A was introduced) had not been placed before the Legislature.
4. West Bengal Housing Board	1989-90	1989-90	1987-88	1985-86	—
5. West Bengal Comprehensive Area Development Corporation	1989-90	1986-87	1985-86	1983-84	Audit of accounts for the year 1986-87 submitted in September 1991 had also been completed and the Audit Report issued in May 1992. Though the Department stated (July 1991) that the accounts for the years 1987-88 and 1988-89 would be furnished in October 1991 and March 1992 respectively, these were not received as of June 1992.

Further, under Section 20(1) of the Act, where the audit of the accounts of any body or authority has not been entrusted to the Comptroller and Auditor General of India by or under any law, he shall, if requested to do so by the Governor of a State, undertake the audit of the accounts of such body or authority on such terms and conditions as may be agreed upon in this regard. The audit reports on the accounts of such bodies and authorities are to be submitted to them and the State Government.

The audit of the accounts of three bodies (Haldia Development Authority, Asansol-Durgapur Development Authority and Siliguri-Jalpaiguri Development Authority) had been entrusted to the Comptroller and Auditor General of India for a period of five years up to 1989-90. Similarly, the audit of the accounts of the West Bengal Khadi and Village Industries Board was also entrusted to him for a period of five years up to 1987-88.

The accounts of the Haldia Development Authority and the Asansol-Durgapur Development Authority for the years 1987-90 had not been finalised as of July 1991 and consequently their audit could not be taken up.

Though the audit of the accounts of the West Bengal Khadi and Village Industries Board had been completed up to 1986-87, the accounts for the period from 1983-84 to 1986-87 could not be certified as of July 1991 as these required to be recast after rectifying the discrepancies pointed out by Audit.

Orders of Government entrusting the audit of the accounts of these bodies for a further period beyond 1989-90 (1987-88 in respect of the West Bengal Khadi and Village Industries Board) were also awaited as of July 1991.

The matter was reported to Government in September 1991; their reply had not been received (June 1992).

CHAPTER II—AUDIT UNDER SECTION 14

CHAPTER II

AUDIT UNDER SECTION 14

2.1 Overall results of audit of autonomous bodies

2.1.1 *Audit under the Local Audit Department*

The Accountant General (Audit)-I, West Bengal, and/or the Examiner of Local Accounts in the Office of the Accountant General (Audit)-I, West Bengal, are the statutory auditors, appointed under the provisions of different State Acts and also under Section 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

Of the 525 autonomous bodies statutorily audited by the Examiner of Local Accounts as on 31st March 1991, 100 bodies, details of which have been indicated below, attracted audit under Section 14(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

Sl. No.	Particulars of bodies	Total number of bodies/authorities	Number of bodies/authorities subject to audit under Section 14(1)
1.	District School Boards	16	16
2.	Zilla Parishads	16	16
3.	Universities	8	7
4.	Municipalities, Town Committees and Notified Area Authorities	115	44
5.	Panchayat Samitis	339	—
6.	Improvement Trusts	2	—
7.	Municipal Corporations	2	—
8.	Fish Farmers' Development Agencies	16	16
9.	Miscellaneous	11	1
		525	100

Under the three-tier Panchayati Raj structure, there is devolution of finances from the State exchequer to the Zilla Parishads and thence to the Panchayat Samitis and Gram Panchayats for various

purposes including implementation of plan schemes. While audit of the Zilla Parishads is conducted under Section 14 of the Comptroller and Auditor General's (DPC) Act, 1971, the audit of Panchayat Samitis is conducted by the Examiner of Local Accounts. The Gram Panchayats do not fall within the ambit of audit by the Comptroller and Auditor General of India.

Mention was made in paragraph 2.1 of the Report of the Comptroller and Auditor General of India (Civil), No. 4, for the year ended 31st March 1990 of sub-allotment of grants (45 *per cent*) to Gram Panchayats by 55 of the 330 Panchayat Samitis whose accounts were test audited between October 1989 and July 1990. Further test-check of the accounts of 51 of the 339 Panchayat Samitis during the period from August 1990 to July 1991 revealed that, of the grants aggregating to Rs 4165.65 lakhs placed at the disposal of these Panchayat Samitis during different periods between 1976-77 and 1989-90, Rs 1975.31 lakhs (47 *per cent*) were sub-allotted to Gram Panchayats, which were outside the purview of audit.

2.1.2 *Delay in preparation of accounts*

Persistent delays in the compilation of annual accounts by the following bodies were noticed :

Particulars of bodies	Number of bodies	Years for which accounts were not compiled	Number of accounts in arrears
District School Boards	9	1984-85 to 1990-91	33
Zilla Parishads	8	1988-89 to 1990-91	18
Universities	5	1985-86 to 1990-91	21
Municipalities etc.	22	1984-85 to 1990-91	59

Due to non-preparation of accounts, it could not be verified if the funds had been utilised for the intended purposes.

2.1.3 *Outstanding audit observations*

Various Audit observations on the accounts of local bodies are conveyed to them in the form of Audit Notes and copies thereof are

endorsed to the Government for taking necessary action for rectification of defects within a reasonable time. The status of Audit Notes issued up to December 1990 and outstanding at the end of June 1991 is indicated below :

Particulars of bodies	Number of Audit Notes outstanding	Number of audit observations outstanding	Earliest year from which outstanding	Money value involved (Rupees in lakhs)
District School Boards	226	5,924	1956-57	1505.22
Zilla Parishads	198	4,646	1955-56	6255.29
Universities	51	1,718	1960-61	3131.90
Municipalities, Town Committees and Notified Area Authorities	493	8,411	1958-59	4573.37

2.1.4 *Common deficiencies and irregularities*

(a) Though the expenditure incurred by them was substantial, Budget estimates were not prepared by the Birbhum and Burdwan District School Boards during any of the years since 1978-79 and 1981-82 respectively. Consequently, control over expenditure was rendered difficult.

(b) Internal audit

Internal Audit organisations had been established by various District School Boards, Zilla Parishads and Universities. Internal audit, as prescribed was, however, not conducted by them resulting in arrears in audit to the extent indicated below :

Particulars of bodies	Number of annual accounts which were not audited internally
District School Boards	30 accounts from 1977-78
Zilla Parishads	29 accounts from 1981-82
Universities	25 accounts from 1971-72

2.1.5 *Non-preparation of Balance Sheets*

Contrary to the provisions in the Municipal Account Rules, the following Municipalities had not prepared Balance Sheets

showing their assets and liabilities for the years up to which the accounts had been finalised and audited :

Name of Municipality	Year of account
Ashoknagar-Kalyangarh	1983-84 and 1984-85
Hooghly-Chinsurah	1983-84
Krishnagar	1985-86
Midnapur	1985-86

2.1.6 Grants remaining unutilised

(a) Grants aggregating to Rs 14.16 lakhs released for specific purposes could not be utilised for prolonged periods ranging from 5 years to over 15 years by 10 District School Boards as indicated below :

Nature of grant	Number of District School Boards	Amount lying unspent for		
		5-10 years	10-15 years	above 15 years
(Rupees in lakhs)				
Construction of new Primary Schools, improved accommodation and additional class rooms	3	4.01	1.15	0.27
Flood damage restoration	1	0.60	—	—
Payment of rewards for bonafide teachers	1	2.00	—	1.40
Furniture and equipment	2	2.44	—	0.12
Supply of text books and stationery to needy SC/ST children	1	1.03	—	—
Miscellaneous	2	0.93	0.21	—
		11.01	1.36	1.79

Reasons for non-utilisation of the grants and non-refund of the unutilised amounts were not intimated by the concerned District School Boards.

(b) Grants aggregating to Rs 1487.38 lakhs, meant for development purposes, were lying unspent with the following bodies, whose accounts for varying periods between 1983-84 and 1985-86 were subjected to audit :

Particulars	Year of account	Amount lying unspent (Rupees in lakhs)
(i) Zilla Parishads		
1. Murshidabad	1985-86	317.29
2. Birbhum	1985-86	263.02
3. Midnapur	1983-84	247.51
4. Burdwan	1984-85	224.90
5. Malda	1985-86	162.47
6. Purulia	1984-85	115.44
		<u>1330.63</u>
(ii) Municipalities		
1. Midnapur	1985-86	72.22
2. Krishnagar	1985-86	27.29
3. Santipur	1985-86	23.58
4. Kalyani Notified Area Authority	1985-86	23.20
5. Hooghly-Chinsurah	1983-84	10.46
		<u>156.75</u>

2.1.7 *Diversion of grants*

Diversion of grants aggregating to Rs 834 lakhs by the following bodies for general purposes between 1982-83 and 1988-89 remained to be regularised by Government :

Particulars	Year of account	Amount diverted (Rupees in lakhs)
(i) District School Boards		
1. Midnapur	1983-84	140.38
2. Burdwan	1982-83	23.30
3. Hooghly	1986-87	7.85
4. Howrah	1985-86	0.60
		<u>172.13</u>
(ii) Zilla Parishads		
1. Midnapur	1983-84	228.11
2. Murshidabad	1985-86	181.59
3. Burdwan	1984-85	84.40
4. Birbhum	1985-86	64.35
5. Malda	1985-86	21.27
6. West Dinajpur	1984-85	21.08
		<u>600.80</u>

Particulars	Year of account	Amount diverted (Rupees in lakhs)
(iii) Municipalities		
1. Midnapur	1985-86	38.72
2. Krishnagar	1985-86	18.24
3. Garulia	1988-89	2.36
4. Rishra	1988-89	1.75
		<u>61.07</u>

2.1.8 Overdue Loans

The following local bodies defaulted in repayment of instalments of Government loans aggregating to Rs 128.88 lakhs :

Particulars	Year up to which accounts were finalised	Amount unpaid (Rupees in lakhs)
(i) Zilla Parishads		
1. Makda	1985-86	27.58
2. Midnapur	1983-84	23.79
3. West Dinajpur	1984-85	14.47
4. Burdwan	1984-85	11.12
5. Bankura	1984-85	10.33
6. Purulia	1984-85	4.00
		<u>91.29</u>
(ii) Municipalities		
1. Midnapur	1985-86	24.67
2. Santipur	1985-86	6.09
3. Krishnagar	1985-86	3.51
4. North Dum Dum	1984-85	1.57
5. Ashoknagar-Kalyangarh	1984-85	1.38
6. Serampur	1984-85	0.37
		<u>37.59</u> <u>128.88</u>

2.1.9 Outstanding Advances

Scrutiny of the accounts finalised by a District School Board, 6 Zilla Parishads and 6 Municipalities revealed that advances aggregating to Rs 525.14 lakhs granted by them for various purposes to their employees, suppliers and contractors were outstanding at the end of the year in respect of which the accounts had been compiled. Relevant details are indicated below :

Particulars	Amount outstanding (Rupees in lakhs)	Year up to which accounts were finalised
(i) District School Boards		
1. Hooghly	9.96	1986-87
(ii) Zilla Parishads		
1. Murshidabad	163.10	1985-86
2. Burdwan	119.88	1984-85
3. Bankura	54.29	1984-85
4. Purulia	42.90	1984-85
5. Makda	24.03	1985-86
6. West Dinajpur	11.57	1984-85
	<u>415.77</u>	
(iii) Municipalities		
1. Midnapur	40.71	1985-86
2. Hooghly-Chinsurah	33.31	1983-84
3. Scrampur	15.72	1984-85
4. Krishnagar	7.19	1985-86
5. North Dum Dum	2.36	1984-85
6. Santipur	0.12	1985-86
	<u>99.41</u>	

2.1.10 Outstanding utilisation certificates

The following Zilla Parishads had not submitted as of July 1991 utilisation certificates/statements of expenditure of Government grants meant for rural development works, which were sub-allotted to Panchayat Samitis.

Name	Year of account	Amount (Rupees in lakhs)
1. Murshidabad	1985-86	361.01
2. Midnapur	1983-84	239.41
3. Makda	1985-86	217.35
4. West Dinajpur	1984-85	179.50
5. Birbhum	1985-86	49.59
6. Bankura	1984-85	17.82
7. Purulia	1984-85	2.54
8. Burdwan	1984-85	0.21
Total :		<u>1067.43</u>

2.1.11 Arrear rates and taxes

The arrears in realisation of rates and taxes by the following municipalities amounted to Rs 333.08 lakhs at the end of the year mentioned against each :

Name	Year of account	Amount outstanding (Rupees in lakhs)
1. North Dum Dum	1984-85	109.91
2. Serampur	1984-85	108.30
3. Midnapur	1985-86	50.64
4. Krishnagar	1985-86	44.45
5. Santipur	1985-86	10.23
6. Ashoknagar-Kalyangarh	1984-85	9.55
		<hr/> 333.08 <hr/>

2.1.12 Provident Fund accounts

Provident fund accounts of individual employees (including primary teachers under the District School Boards) were not maintained by the following bodies, reasons for which were not furnished by them :

Name of bodies	Year of account	Amount (Rupees in lakhs)
(a) District School Boards		
1. Midnapur	1983-84	881.00
2. Nadia	1985-86	570.23
3. Hooghly	1986-87	524.01
4. Howrah	1985-86	159.51
(b) Municipalities		
1. Hooghly-Chinsurah	1983-84	16.58
2. Midnapur	1985-86	4.34

2.1.13 Non-production of vouchers

Three hundred and sixty seven vouchers involving a total expenditure of Rs 22.29 lakhs were not produced to Audit by the following bodies :

Particulars	Year of account	Number of vouchers	Amount (Rupees in lakhs)
(i) Zilla Parishads			
1. West Dinajpur	1984-85	200	7.18
2. Birbhum	1985-86	3	3.42
			<hr/> 10.60 <hr/>
(ii) District School Boards			
1. Howrah	1985-86	73	6.47
(iii) Universities			
1. Bidhan Chandra Krishi Viswa Vidyalaya	1983-84	89	4.84
2. Kalyani	1983-84	2	0.38
			<hr/> 5.22 <hr/>
Grand Total :			<hr/> 22.29 <hr/>

These points were reported to Government in September 1991; their reply had not been received (June 1992).

EDUCATION (HIGHER) DEPARTMENT

2.2 Indian Institute of Social Welfare and Business Management

The Indian Institute of Social Welfare and Business Management was established at Calcutta in July 1953 to function as a post-graduate institution for advanced teaching and promotion of research in the fields of Social Sciences, Management and Workers' Welfare. It was registered as a Society on 12th June 1958 under the Societies Registration Act 1860.

The Institute is financed by grants from the Central and State Governments and its own receipts from admission fees, tuition fees, etc.

The Institute is managed by a Board of Governors, consisting of a President, a Member Secretary (who also functions as the

Director of the Institute) and 22 other members including the Secretary to the Government of West Bengal, Education Department, and a representative of the Central Government in the Ministry of Human Resources Development. The Director of the Institute is its Principal Executive and Academic Officer.

Certain points arising out of a review by Audit between April and June 1991 of the activities of the Institute during the period from 1985-86 to 1989-90 based on a test-check of the accounts for these years which had been finalised and other related records are mentioned in the succeeding paragraphs.

(a) The summarised position of the receipts and payments of the Institute during 1985-90 was as follows :

	1985-86	1986-87	1987-88	1988-89	1989-90
	(Rupees in lakhs)				
<i>Receipts</i>					
1. Opening balance	(-) 5.79	1.66	(-) 0.71	(-) 3.12	(-) 8.38
2. Grants received from Central Government					
(i) Revenue	7.03	1.69	17.59	11.85	9.50
(ii) Capital	5.00	—	—	—	—
3. Revenue grants from State Government	8.11	9.05	4.45	4.40	6.45
4. Institute's own income	8.65	8.64	7.99	10.74	23.16
5. Miscellaneous account (debt and deposit heads)	5.51	4.21	7.18	5.64	17.51
Total :	28.51	25.25	36.50	29.51	48.24
<i>Payments</i>					
1. Expenditure on revenue account	25.01	22.24	30.48	34.22	37.20
2. Expenditure on Capital account	—	—	5.00	—	—
3. Miscellaneous account (debt and deposit heads)	1.84	3.72	4.14	3.67	10.51
4. Closing balance	1.66	(-) 0.71	(-) 3.12	(-) 8.38	0.53
Total :	28.51	25.25	36.50	29.51	48.24

The substantial increase in the Institute's own income during 1989-90 was attributable to the receipt of admission fees for two new courses (Post-graduate diploma course in Computer Management and Post-graduate diploma course in Business Management) introduced during the year. The increase in income and expenditure under the miscellaneous account during 1989-90 was attributable to the temporary drawal of Rs 10.33 lakhs from the Institute's reserve funds, of which Rs 5.02 lakhs were repaid during the year to such reserves.

Because of the continuing deficit from the academic activities of the Institute, the income from grants and its own sources was not adequate to meet its recurring revenue expenditure except in the year 1989-90 as indicated in the following table :

Year	Grants received	Income from own sources	Total receipts	Revenue expenditure	Surplus (+) Deficit (-)
(Rupees in lakhs)					
1985-86	15.14	8.65	23.79	25.01	(-) 1.22
1986-87	10.74	8.64	19.38	22.24	(-) 2.86
1987-88	22.04	7.99	30.03	30.48	(-) 0.45
1988-89	16.25	10.74	26.99	34.22	(-) 7.23
1989-90	15.95	23.16	39.11	37.20	(+) 1.91
	80.12	59.18	139.30	149.15	(-) 9.85

The accumulated deficit from academic activities as on 31st March 1990 amounted to Rs 35.83 lakhs. This was met by the Institute by availing of temporary advances from its reserve funds and overdrafts from banks. The Institute paid interest of Rs. 3.73 lakhs on such overdrafts during the period from 1980-81 to 1989-90.

The Director of the Institute stated (June 1991) that they had no means to meet the heavy deficit and that unless Government released additional funds, they were not in a position to tide over their financial constraints.

(b) The Accounts Rules of the Institute prescribe that its annual budget should be finalised by the Board of Governors sufficiently before the commencement of the relevant financial year. The budgets of the Institute for the years 1985-86, 1986-87 and

1989-90 were, however, approved by the Board of Governors one to two months after the commencement of the financial year.

(c) In September 1958, the Institute had availed of a loan of Rs 3.11 lakhs from the State Government for the acquisition of land and extension of its office building, subject to the condition that the loan would be repaid with interest in 24 equated instalments. Between 1959-60 and 1966-67, the Institute paid 8 instalments of the loan and discontinued payments thereafter. A proposal submitted by the Institute in July 1979 for waiver of the outstanding loan on grounds of financial stringency had not been approved by Government and an amount of Rs 4.91 lakhs was outstanding on account of principal and interest as on 31st December 1991.

(d) Review by Audit of the enrolment of students in and drop-outs from different courses conducted by the Institute with reference to the seats offered revealed the following :

(i) The seats offered annually in the M B A (Evening), Social Work (Labour Welfare) and Industrial Safety courses were not generally filled fully during the period from 1985-86 to 1990-91, the shortfall ranging from one *per cent* to 29 *per cent*, from 5 *per cent* to 15 *per cent*, and from 3 *per cent* to 23 *per cent* respectively. Further, the incidence of drop-outs from the two M B A courses (Day and Evening) was more than 30 *per cent* in some of the years during the above period, while this ranged between 3 *per cent* and 16 *per cent* in respect of the Industrial Safety course.

(ii) Regardless of the number of students enrolled and/or the number not completing the course, the Institute was committed to an obligatory expenditure every year on maintaining a suitable strength of teaching and non-teaching staff and on contingent expenses based on the number of seats available in each course. On this basis, the average per capita annual expenditure worked out to Rs 47,776 for the M B A (Day) course; and to Rs 6,566, Rs 5,287, and Rs 4,043 respectively in respect of the M B A (Evening), Social Work (Labour Welfare) and Industrial Safety courses.

The Institute stated (January 1992) that the poor enrolment in some of the courses was due to non-availability of sufficient number of candidates, while the drop-outs from the professional courses were

attributed to the resignation of students from sponsoring organisations, transfer to other States and on personal grounds.

(e) In January 1989, the Board of Governors of the Institute decided to introduce a new one-year Post-graduate Diploma course in Computer Management and to obtain the affiliation of the Calcutta University. While the Institute started the course from December 1989 by admitting the first batch of 120 students, affiliation from the University was, however, sought only in June 1990. Though the University advised the Institute in November 1990 not to admit students till a decision was taken, the Institute had, in the meantime, completed the teaching programme for the first batch of students on which an expenditure of Rs 1.19 lakhs was incurred. Due to non-receipt of approval for affiliation, the Institute suspended the course from December 1990. No examination was also held in respect of the first batch of students.

Failure to ensure affiliation from the University prior to the commencement of the course resulted in the course being suspended to the detriment of the interests of the students, and in the expenditure of Rs 1.19 lakhs being rendered unfruitful.

(f) Prior to 1980-81, the Institute conducted two short-term courses (General Social Welfare and Advanced General Social Welfare) mainly for the nominees of the State Government. From 1980-81, the Institute upgraded these two courses to a post-graduate course leading to the degree of Master of Social Welfare which was to be handled by the existing staff of the two short-term courses. The Institute requested Government to nominate students for the first year of the course. This could not, however, be done reportedly due to a court order restraining the Government from nominating any candidate on a petition filed by some aggrieved employees who had not been considered for nomination.

Nevertheless, the Institute continued to retain 2 Lecturers and a Field Worker for periods ranging from 5 to 8 years till their retirement, while a Receptionist and a Peon were shifted to other departments only after a lapse of 5 years. One Lecturer was, however, still in service as of January 1992. Retention of surplus staff resulted in infructuous expenditure of Rs 8.80 lakhs during the period from 1981-82 to 1990-91.

The Institute stated (May 1991) that the lone Lecturer who was still in service was being developed for utilisation in new courses to be introduced in future.

(g) Though one of the main objectives of the Institute was to serve as a post-graduate institution for research in social sciences and management, the Institute took up only two research projects in 1985-86 (Resources Allocation for Improving Public Transportation) and 1988-89 (An Enquiry into the Causes and Nature of Industrial Sickness in West Bengal) and incurred an expenditure of Rs 0.30 lakh on these projects up to March 1991. Evaluation reports on the progress of the projects were also not produced to Audit.

(h) The Library of the Institute had 25,809 books (value : Rs 10.47 lakhs) in stock as on 31st March 1991. Physical verification of the library books had not, however, been conducted by the Institute since 1985.

The Institute stated (March 1991) that physical verification could not be taken up due to the disorganised condition prevailing in the Library following the centralisation of library books between 1986 and 1988.

Further, of the 3,535 books acquired during the period from 1985-86 to 1990-91, 435 books (value : Rs 0.16 lakh) had not been catalogued as of June 1991, as a result of which they were not in circulation.

Scrutiny of the records by Audit also revealed that 313 books (value : Rs 0.30 lakh) issued during the period from 1970 to 1988 were not returned even as of June 1991. These included 136 books (value : Rs 0.08 lakh) issued to borrowers who had already left the Institute.

(i) The Government of India agreed in February 1969 to provide funds for the acquisition of land and construction of a hostel building thereon for the Institute at an estimated cost of Rs 5.28 lakhs and released Rs 2.64 lakhs representing fifty *per cent* of the estimated cost. The Institute procured a piece of land measuring 3,705 sq. ft. at a cost of Rs 2.32 lakhs through the Land Acquisition Collector and assumed possession thereof between July 1971 (3,256 sq. ft.) and July 1975 (449 sq. ft.).

After incurring an expenditure of Rs 0.95 lakh as of March 1977 on the construction of the hostel building up to plinth level, the work remained suspended because of non-release of additional funds by the Government of India, attributable to the inability of the Institute to furnish clear title deeds to the land due to legal complications arising from a writ petition filed by a person challenging the order of acquisition of the land. While the title deeds were finally got registered only in July 1988, the estimated cost of the balance work had increased, in the meantime, to Rs 14.38 lakhs in terms of the revised estimate submitted by the Institute to the Government of India in November 1984. The Institute did not pursue the matter thereafter and approval to the revised estimate had also not been received as of June 1991.

In the circumstances, the expenditure of Rs 3.27 lakhs incurred on the procurement of land and construction of the hostel building up to plinth level had remained unproductive. Besides, the Institute had also been incurring an annual expenditure of Rs 0.16 lakh since September 1986 on the provision of security guards at the construction site. More importantly, the estimate submitted in November 1984 not having been approved by the Government even after the lapse of more than six years, it would no longer be valid and the delay in resumption of the construction would have an adverse impact on costs.

The Institute stated (May 1991) that the delay in adjudication of title deeds was due to reasons beyond its control.

(j) Between 1985-86 and 1990-91, the Institute incurred excess expenditure and suffered loss of revenue aggregating to Rs 1.15 lakhs on account of (i) irregular payment of house rent allowance to its employees in occupation of staff quarters (Rs 0.51 lakh), (ii) payment of electricity bills in respect of 13 staff quarters without effecting recoveries on this account from the occupants (Rs 0.36 lakh) and (iii) recovery of rent from the State Public Works Department in respect of a portion of the Institute's premises occupied by them at the existing rates though they had agreed to an enchancement of $12\frac{1}{2}$ per cent with effect from March 1988 (Rs 0.28 lakh).

The Institute stated (June 1991) that payment of house rent allowance to employees occupying staff quarters had been made based on a decision of the Board of Governors, but the orders of Government in this regard were not obtained and that electric charges were not recovered from the occupants due to non-installation of sub-meters. No reply was, however, furnished for non-realisation of rent at the enhanced rate from the Public Works Department.

(k) A total amount of Rs 1.01 lakhs on account of course fees, hostel fees and other charges relating to the period from 1985-86 to 1990-91 remained unrealised as of June 1991 from students of the M B A and Social Work (Labour Welfare) courses who had already completed their studies and left the Institute.

The Institute stated (June 1991) that steps had been taken for realisation of the dues from the students or sponsors and that the question of evolving an appropriate procedure to check the menace of default in payment of dues was also under consideration.

These points were brought to the notice of Government in September 1991; their reply had not been received (June 1992).

2.3 Irregular engagement of casual workers

The Vidyasagar University Act, 1981, provides that, notwithstanding anything to the contrary in that Act, the University shall not, except with the prior approval of Government, incur any expenditure on any account in excess of the amount specified in the budget on that account.

A specific provision for expenditure on casual workers was not included under any head of account in the budget estimates of the University for the years from 1987-88 to 1991-92. Nevertheless, the University engaged, on an average, 21 casual workers during the period from 1987-88 to 1991-92 (up to June 1991) on payment of wages at rates varying from Rs 15 to Rs 40 per day, without obtaining the approval of Government. These casual workers were engaged as Junior Assistants, Peons and Sweepers and for assisting in the cataloguing work in the University Library, though the University maintained the full complement of Library staff, Junior Assistants, Peons and Sweepers sanctioned by Government. The University met the expenditure of Rs 3.38 lakhs on their wages

during this period unauthorisedly from the maintenance grants which were meant only for certain approved items but did not include expenditure on casual workers.

The matter was reported to Government in August 1991; their reply had not been received (June 1992).

2.4 Irregular payment of leave salary, increments and pensionary benefits

The West Bengal Universities (Control of Expenditure) Act, 1976, provides that no University shall increase the pay or allowances attached to any post or sanction any new allowance or grant, any special pay or allowance or other remuneration to any person holding a teaching or non-teaching post without the prior approval of Government.

In the following cases, the North Bengal University granted leave salary not admissible during study leave or at rates higher than those admissible, premature increments and unauthorised pensionary benefits to its teaching and non-teaching employees involving a total expenditure of Rs 2.15 lakhs without obtaining the approval of Government.

Nature of payment	Number of staff involved	Period	Amount paid (Rupees in lakhs)
Payment of leave salary not admissible or at higher rates without restricting the payment to 50 <i>per cent</i> of pay according to rules	5	1981-82 to 1985-86	0.61
Premature increments to teaching and non-teaching staff	3	1972-73 to 1984-85	0.39
Payment of pension to teachers who had retired before the pension scheme came into effect or had not rendered the prescribed period of 15 years service before superannuation	2	1977-78 to 1990-91	1.15
			<hr/> 2.15 <hr/>

The University admitted (January 1991) that leave salary at higher rates had been allowed by the University Council without

taking into account the provisions of the leave rules, but no reply was furnished in regard to other irregular payments.

The matter was reported to Government in September 1991; their reply had not been received (June 1992).

2.5 Irregularities in extension of revised pay scales for teachers

Government issued orders in September 1988 sanctioning revised scales of pay for university teachers with effect from 1st January 1986. This was subject to the stipulation that necessary amendments in the Statute, Ordinance, Regulations etc. would be made by the respective universities according to established procedure.

The North Bengal University extended the revised scales of pay to its teachers but did not make the necessary amendments in their Statute, Ordinances, Regulations etc. as stipulated in the Government order.

The terms and conditions governing the revised scales further provided that every Lecturer would be placed in a senior scale of Rs 3000 – 5000 provided he had completed 8 years of service on regular appointment as a Lecturer in the University Grants Commission (UGC) scales of pay. Similarly, Lecturers who had completed or would complete a total period of 16 years of service as Lecturers in the UGC scale on 1st January 1986 or thereafter, would be eligible for promotion to the post of Reader or placement in the Selection Grade in the revised scale of Rs 3700 – 5700. Thus, for placement in the revised scales of pay, periods of past service rendered in a regular capacity in UGC scales of pay alone were to be considered. The North Bengal University Council, however, irregularly granted placement/promotions to 10 Lecturers of the Coochbehar Evening and B T College (a University College) taking into account periods of service rendered by them as part-time Lecturers, when they were paid only a fixed allowance ranging from Rs 100 to Rs 400 per month. As a result, the Lecturers got irregular placements/promotions earlier than due, involving excess payment of pay and allowances of Rs 1.22 lakhs up to July 1991.

The matter was reported to Government in September 1991; their reply had not been received (June 1992).

2.6 Failure to conduct internal audit

The Jadavpur University Act, 1981 [Section 42(3)] provides for continuous internal audit of the accounts and accordingly the University Council resolved in March 1983 that one audit cell under an Audit Officer should commence internal audit from the year 1983-84 and submit quarterly reports to the Finance Committee of the University. Although the Audit Officer was appointed on 30th October 1981 and the Internal Audit Cell, comprising one Senior Assistant and one Junior Assistant, was established in July 1983, the system of internal audit had not been introduced even as of July 1991 and not a single quarterly report was submitted to the Finance Committee.

Non-introduction of internal audit, as envisaged, resulted in various persistent irregularities, such as inadequacies in the maintenance of accounts of advances, non-recovery of advances for prolonged periods, non-realisation of tuition fees and hostel dues, overpayments, etc. remaining undetected. As of July 1991, advances aggregating to Rs 78.98 lakhs outstanding on 31st March 1983 had not been recovered/adjusted.

The University stated (November 1990) that the Audit Officer and his staff were engaged in certain arrear works, which were not related to internal audit, on the orders of the Vice-Chancellor.

The matter was reported to Government in September 1991; their reply had not been received (June 1992).

MUNICIPAL AFFAIRS DEPARTMENT

2.7 Loss of revenue due to non-adherence to statutory provisions

Rates on holdings imposed by Municipalities and Notified Area Authorities, which are intended to compensate them for rendering various civic services, are regulated by the provisions of the Bengal Municipal Act, 1932, as amended from time to time. The Act was last amended in 1980 to provide for a graduated levy of a consolidated rate at varying percentages (10 *per cent* to 40 *per cent*) of the annual rateable valuation of the holdings.

The Durgapur Notified Area Authority decided initially in December 1983 to impose the consolidated rates on holdings from the year 1984-85 in accordance with the provisions of the Act. Subsequently in February 1984, the Board of the Authority adopted a resolution prescribing lower consolidated rates ranging from 6 *per cent* to 14 *per cent* only of the annual rateable valuation of holdings. This resulted in a reduction of the annual demand to the extent of Rs 206.31 lakhs in respect of 13,571 holdings, and a loss of revenue of Rs 1,444.17 lakhs during the period from 1984-85 to 1990-91.

The lower consolidated rates were approved by the Authority on the ground that application of the rates prescribed in the Act would lead to an abnormal increase in taxation causing hardship to rate payers and create discontent in the context of the inability of the Authority to extend the required civic services in the areas served by them.

No action was taken by the Authority to obtain the approval of Government for the deviations from the provisions of the Act. The Board of the Authority not having been vested with powers to reduce the rates statutorily prescribed, even if a reduction in the rates was considered justified in the special circumstances of the case, specific approval of the Government thereto should have been obtained; or, in the alternative, the valuation of the holdings could have been reviewed by the Authority having regard to the adequacy of the civic services provided. The unilateral reduction, instead, in the rates of levy, which were designed to secure adequate revenues to the municipal bodies to meet the increase in the cost of providing civic services, was irregular.

The matter was reported to Government in June 1991; their reply had not been received (June 1992).

2.8 Appointment of teachers in excess of norms

In August 1969, Government prescribed norms for regulating the appointment of teachers with reference to the students enrolled in free primary schools, including schools managed by municipalities, which were in receipt of grants from Government.

These norms were, however, not adhered to by the Coochbehar Municipality. The number of teachers appointed in excess of the

norms in 31 to 44 primary schools managed by the Municipality during the period from 1985-86 to 1990-91 varied from 1 to 6, as indicated below :

Year	Number of schools which had appointed teachers in excess of norms
1985-86	31
1986-87	39
1987-88	41
1988-89	42
1989-90	43
1990-91	44

This resulted in an additional expenditure of Rs 77.68 lakhs towards their pay and allowances. Government approval was also not obtained for the deviations from the norms nor were the reasons therefor ascertainable from the records.

The matter was reported to Government in July 1991; their reply had not been received (June 1992).

2.9 Loss of interest on accretions to Provident Fund

The West Bengal Non-Government Educational Institutions and Local Authorities (Control of Provident Fund of Employees) Act, 1983, and the Rules framed thereunder provided that the Provident Fund balances of employees of non-Government educational institutions and local authorities (including municipalities) deposited in savings accounts in Post Offices and Banks as on 15th March 1984 and all subsequent accretions to the Fund should be transferred to the Treasury. The amount so transferred was to earn interest at the same rates at which the State Government allowed interest (10 *per cent* to 12 *per cent*) on the Provident Fund balances of their employees, which were higher than the interest (5.5 *per cent*) earned on savings bank deposits.

The Provident Fund balances held by four municipalities¹ in savings accounts in Post Offices and Banks as on 31st March 1984 totalled Rs 26.69 lakhs. Further accretions to the Fund during the

1. Bongaon; Coochbhar, Garulia and Hooghly-Chinsurah

subsequent period from 1st April 1984 to 31st October 1990 amounted to Rs 26.80 lakhs. Of the aggregate accumulations of Rs 53.49 lakhs in the Fund, an amount of Rs 40.17 lakhs only was transferred to or deposited in the district treasuries by the municipalities after delays ranging from one month to 41 months. Two of the Municipalities¹ had retained the balance amount of Rs 13.32 lakhs, of which Rs 0.51 lakh only had been deposited in a savings bank account by the Bongaon Municipality.

Apart from not complying with the statutory requirements, the retention of accumulations in the Fund in savings accounts or with the municipalities themselves resulted in a net loss of interest of Rs 7.72 lakhs to the four municipalities² during the period from 1984-85 to 1990-91 due to the lower rate of interest applicable to savings accounts.

The municipalities had not furnished any reasons for not complying with the statutory requirements (June 1992).

The matter was reported to Government in July 1991; their reply had not been received (June 1992).

2.10 Irregular appointment of Municipal staff

According to the provisions of the Bengal Municipal Act, 1932, the municipalities in the State were not empowered to create posts in excess of one *per cent* of the staff existing in the year immediately preceding without the prior approval of Government.

During 1986-87, Garulia Municipality appointed 12 persons under different categories in excess of the admissible limit of one *per cent* based on 197 posts of staff existing in the immediately preceding year. Even after setting off these additional appointments over the years since 1986-87 against the annual permissible increase, two (2) of these appointments was in excess of the norms as of March 1992. The year-wise position in regard to the retention of excess staff was as follows :

-
1. Garulia : Rs 10.85 lakhs; Bongaon: Rs 2.47 lakhs,
 2. Garulia : Rs 3.99 lakhs; Bongaon : Rs 1.61 lakhs, Cooch Behar : Rs 1.42 lakhs; Hooghly-Chinsurah : Rs 0.70 lakh.

Year	Number of posts in the preceding year	Additional posts admissible as per prescribed norms	Additional posts entertained	Staff entertained in excess without Government approval
1986-87	197	2	14	12
1987-88	199	2	12	10
1988-89	201	2	10	8
1989-90	203	2	8	6
1990-91	205	2	6	4
1991-92	207	2	4	2

Unauthorised entertainment of staff since May 1986 resulted in an irregular expenditure of Rs 3.77 lakhs towards their salary up to November 1991.

The Municipality stated (July 1991) that approval of Government to the creation of these posts had not yet been obtained. Reasons for making these appointments without creating the posts with prior approval of Government were not stated.

The matter was reported to Government in July 1991; their reply had not been received (June 1992).

2.11 Delay in commissioning a tubewell

A grant of Rs 3.15 lakhs was received by the Uluberia Municipality during 1986-87 for the sinking of a 200-mm diameter deep-tubewell and the construction of the related pump house. The Municipality issued a work order for the purpose to a contractor in July 1987 at a cost of Rs 2.87 lakhs. A formal agreement containing penal provisions for default was, however, not executed with the contractor.

In terms of the work order, the tubewell and the related pump house were to be commissioned by October 1987. The contractor completed the sinking of the tubewell and supply of the pump set with accessories by December 1987 and suspended further work without any intimation. He, however, resumed the work subsequently and completed the residual civil works in March 1990. The total expenditure incurred on the work till then was Rs 2.75 lakhs.

The tubewell could not, however, be commissioned even thereafter in the absence of the necessary power connection, for the

provision of which the West Bengal State Electricity Board was approached in October 1988. A sum of Rs 1.12 lakhs was deposited by the Municipality subsequently in April 1991, as requested by the Board. The contractor did not complete the electrical wiring of the pump house nor was power connection provided by the Electricity Board as of June 1992.

In the circumstances, the tubewell remained inoperative, resulting in the expenditure of Rs 2.75 lakhs incurred thereon being rendered unfruitful for about four and a half years and in the non-accrual of the intended benefits to the ratepayers of the Municipality as of June 1992.

2.12 Unauthorised payment of overtime allowance to municipal employees

While introducing revised pay scales for municipal employees effective from April 1981, Government issued orders in April 1982 that overtime allowance should in no case be paid either for current or arrear work.

Contrary to these orders, the Khardah Municipality paid overtime allowance of Rs 2.22 lakhs to its staff for doing current work. Records showing details of the work done on overtime were not also maintained.

The Municipality stated (August 1991) that overtime allowance was paid for preparation of urgent subvention bills etc., and that all cases of overtime payments were regularly sent to the Board of Commissioners according to usual practice.

The matter was reported to Government in September 1991; their reply had not been received (June 1992).

PANCHAYATS DEPARTMENT

2.13 Irregular utilisation of Funds

The guidelines in respect of the National Rural Employment Programme (NREP) issued by the Central Government, *inter alia*,

provide that only such works as directly help in strengthening or improving the rural infrastructure and result in the creation of durable community assets in the rural areas as well as works which improve the rural economy and quality of life should be taken up under the programme.

The Purulia Zilla Parishad constructed between December 1982 and May 1989, a five storeyed building within its compound in Purulia town at a total cost of Rs 11.72 lakhs. While the ground floor of the building was being used as a godown, the remaining four floors were let out in phases to different organisations including Government offices between June 1988 and February 1991. Contrary to the NREP guidelines, an expenditure of Rs 11.50 lakhs incurred on the construction of the building was irregularly met out of NREP funds.

The irregular utilisation of NREP funds for the construction of a building in an urban area, which was primarily used for housing various offices, was violative of the guidelines and defeated the objectives of the programme.

The Parishad stated (April 1991) that the four additional floors above the godown were constructed to provide accommodation to Government offices for their smooth functioning and to raise funds for the Parishad.

The matter was reported to Government in July 1991; their reply had not been received (June 1992).

2.14 Hiring of pump-sets

Government sanctioned Rs 6 lakhs to the Murshidabad Zilla Parishad in December 1982 for purchase of 100 diesel pump sets of 5 horse power capacity costing Rs 6,000 each through the Agri-Engineering Directorate for the purpose of minor irrigation in drought affected areas, subject to the condition that the Parishad would be responsible for the maintenance, operation and custody of the pump sets.

The Parishad received all the Pump-sets in 1983. These were let out to the farmers through the Panchayat Samitis on a hire charge of Rs 10 and Rs 15 per day from April 1983 and from November 1986 respectively. Of the above pump sets, 59 sets (cost: Rs 3.54 lakhs) let out between April 1983 and March 1987 were not received back

by the Zilla Parishad as of July 1991. A review of the records further revealed that hire charges of Rs 3.88 lakhs up to 1990-91 in respect of these pump sets were not realised at all and hire charges of Rs 1.44 lakhs for the period from 1983-84 to 1986-87 were not realised in respect of the remaining 41 pump sets. Thus, hire charges of Rs 5.32 lakhs remained unrealised for about 4 to 7 years.

The Zilla Parishad did not take any action either to realise the hire charges or to retrieve the pump sets.

The matter was reported to Government in August 1991; their reply had not been received (June 1992).

2.15 Excess payment of ex-gratia and ad-hoc bonus

Government issues orders every year sanctioning the quantum of *ex-gratia/ad-hoc* bonus payable by the Zilla Parishads to their employees. During the period from 1983-84 to 1987-88, the employees were entitled to *ex-gratia* on lump sum basis ranging from Rs 100 to Rs 300. For the year 1988-89, Government sanctioned, in lieu of *ex-gratia*, *ad-hoc* bonus for 25 days computable on emoluments restricted to Rs 1,600 per month.

The Nadia Zilla Parishad paid *ex-gratia/ad-hoc* bonus in excess of the quantum fixed by Government, as detailed below :

Year	Quantum of ex-gratia/ad-hoc bonus	
	Sanctioned by Government	Paid by the Zilla Parishad
1983-84	Rs 100	Rs 100 plus one month's salary (minimum Rs 450 and maximum Rs 800)
1984-85	Rs 150	One month's salary (minimum Rs 500 and maximum Rs 800)
1985-86	Rs 200	—do—
1986-87	Rs 250	—do—
1987-88	Rs 300	—do—
1988-89	<i>Ad-hoc</i> bonus for 25 days computable on emoluments restricted to Rs 1,600 per month	<i>Ad-hoc</i> bonus for 25 days or <i>ex-gratia</i> actually paid during the previous year, whichever was higher

This resulted in a net excess payment of Rs 2.21 lakhs during the period from 1983-84 to 1988-89.

The Parishad did not explain the reasons for payment of *ex-gratia/ad-hoc* bonus at rates higher than those stipulated in the orders issued by Government nor had recovered the amount paid in excess.

The matter was reported to Government in August 1991; their reply had not been received (June 1992).

2.16 Undue aid to the contractors

The Nadia Zilla Parishad engages contractors for execution of works on the terms and conditions and at the rates specified in the Central Circle Schedule of Rates of the Public Works Department applicable during the relevant year. These terms and conditions provided for recoveries in respect of materials supplied departmentally according to the prescribed issue rate.

Between 1984-85 and 1990-91, the Parishad issued 18,588 bags of cement to the contractors, recovery in respect of which was made at rates ranging from Rs 55 to Rs 70 per bag instead of at Rs 61 to Rs 80 per bag, applicable at the relevant time in terms of the Central Circle Schedule of Rates. This resulted in short recovery of Rs 2.07 lakhs.

The matter was reported to Government in September 1991; their reply had not been received (June 1992).

2.17 Construction work lying incomplete

Government released a grant of Rs 10 lakhs to the Murshidabad Zilla Parishad in January 1985 for repairs to and restoration of buildings and other installations under the control and management of six Paychayat Samitis, affected by floods in 1984. According to the terms and conditions governing the grant, the repairs and restoration works were to be completed by 31st March 1985.

The Zilla Parishad paid Rs 1.75 lakhs out of this grant to Bharatpur-I Panchayat Samiti in August 1985 for repairs to their office building. Considering the bad condition of the existing building, the Zilla Parishad decided in November 1987 to construct a new office building for the Panchayat Samiti under their direct supervision and sanctioned an estimate of Rs 3.60 lakhs for the purpose, without obtaining approval of the Government to the deviation.

The Zilla Parishad took up the construction of the new building departmentally in May 1988. The building was completed up to plinth level in November 1988 at a cost of Rs 1.65 lakhs. Before the construction could proceed further, cracks were detected by the Zilla Parishad in the plinth in June 1989. While the reasons for the cracks were not investigated with a view to fixing responsibility, the Executive Engineer of the Zilla Parishad opined in January 1991 that further construction could be taken up after repairing the cracks with a reinforced cement concrete band around the plinth. Although the estimates of the repairs were not prepared, the Zilla Parishad released an additional amount of Rs 0.92 lakh to the Panchayat Samiti in March 1991 for further construction of the building and the Samiti was instructed to commence construction only after preparing a fresh plan and estimate and getting them vetted by the Parishad. Further action had not been taken in pursuance of these instructions as of June 1991.

Apart from the fact that the decision to construct a new building utilising grants intended for repairs and restoration was contrary to the purpose for which those were paid, the building, on which an expenditure of Rs 1.65 lakhs had been incurred as of November 1988, had not been completed even after the lapse of 3 years notwithstanding availability of additional funds to the extent of Rs 1.02 lakhs; nor had the cracks that developed during construction been repaired. The delay would also have an inevitable impact on costs and involve additional investments on account of cost overruns.

The matter was reported to Government in July 1991; their reply had not been received (June 1992).

2.18 Loss due to damage of foodgrains

Government allotted in January 1986, 342.665 tonnes of wheat to the Malda Zilla Parishad, on *ad-hoc* basis, for distribution to labourers to be engaged on centrally sponsored schemes in the shape of wages. The Parishad allowed the storing agent appointed for the purpose to lift the entire quantity from the Food Corporation of India in March 1986 without assessing the actual requirements or the prospect of full utilisation thereof with reference to the on-going and the additional schemes proposed to be taken up.

Of this quantity, 81.786 tonnes, therefore, remained unutilised in the agent's godown and the wheat was damaged due to long storage. Final inspection of the wheat carried out jointly in December 1987 by Officers of the Office of the Chief Medical Officer of Health and the Director of Animal Husbandry, Malda, revealed that the entire stock of wheat was neither fit for human consumption nor could be utilised even as poultry-feed. This resulted in a loss of Rs 1.23 lakhs.

The Parishad proposed in March 1988 to move the Government to write off the loss but no action in this regard had been taken as of August 1991.

The matter was reported to Government in August 1991; their reply had not been received (June 1992).

RURAL DEVELOPMENT DEPARTMENT

2.19 Loss of Interest

Under the Integrated Rural Development Programme, District Rural Development Agencies (DRDAs) were permitted to open savings bank accounts in the principal participating bank branches in the field for the purpose of depositing the amount of subsidy for subsequent release to the beneficiaries. The funds so deposited would earn interest at usual rates. The banks should debit the subsidy amounts from these accounts at the time of disbursement of the package of assistance so as to avoid locking up of funds without earning interest.

Mention was made in paragraph 3.3.1 of the Report of the Comptroller and Auditor General of India for the year 1983-84 (Civil) about the departure from the procedure laid down which had resulted in accumulation of huge amount of subsidies in the branch banks as also loss of interest on the amounts drawn but not actually disbursed to the beneficiaries by the branch banks. In their 18th Report, the Public Accounts Committee (1989-90) had also recommended that undisbursed subsidies should not be retained in accounts which did not earn any interest.

Test-check of the records of DRDAs, Nadia and Malda, for the years from 1986-87 to 1989-90 revealed that both the DRDAs had

savings accounts with the principal bank branches at the district headquarters only instead of all the principal bank branches in the district. The two DRDAs remitted the subsidies aggregating to Rs. 865.12 lakhs and Rs. 50.89 lakhs respectively between 1986-87 and 1989-90 to the branch banks with whom no savings bank accounts were opened, contravening the prescribed procedure. Such funds were retained by these banks in a "Suspense Account" without interest. Total periods for which the funds for subsidy were retained by these branch banks without disbursement were not ascertainable in Audit. However, of Rs 34.40 lakhs refunded by the banks of the two districts, Rs 14.68 lakhs in Nadia district and Rs 6.61 lakhs in Malda district were refunded after periods ranging from 3 months to 66 months and from 11 months to 73 months respectively. Total amount of interest lost on Rs 21.29 lakhs in this process worked out to a minimum of Rs 3.09 lakhs in the two districts.

While the reasons for not opening savings accounts with all the principal branch banks as prescribed were not stated by the authorities of Nadia district, DRDA, Malda, stated (December 1990) that nearly 130 branch banks of the district were participating in implementing the programme and it was not possible to maintain savings accounts with all these branches.

The matter was reported to Government in July 1991; their reply had not been received (June 1992).

CHAPTER III—AUDIT UNDER SECTION 19

CHAPTER III
AUDIT UNDER SECTION 19
URBAN DEVELOPMENT DEPARTMENT
CALCUTTA METROPOLITAN DEVELOPMENT
AUTHORITY

3.1 Tollygunge Storm Drainage Scheme

The Tollygunge Storm Drainage Scheme was formulated by the Calcutta Metropolitan Planning Organisation (CMPO) in December 1965 at an estimated cost of Rs 304 lakhs for the removal of drainage congestion in the southern part of the Tollygunge-Panchanangram Basin, covering an area of about 14 square kilometres. The scheme was to benefit a projected population of 3.80 lakhs in 1981.

Implementation of a part of the Scheme (construction of trunk drains and of branch and lateral drains), approved by the Government of India in 1966 at an estimated cost of Rs 145 lakhs, was taken up by the Calcutta Metropolitan Water and Sanitation Authority (CMWSA) in 1969 for completion by 1976. On the creation of the Calcutta Metropolitan Development Authority in 1971, the scheme was transferred to the authority from the CMPO, though the CMWSA continued to be responsible for its execution.

The scheme not having been completed by 1976 as envisaged, its estimated cost was revised in 1976 to Rs 1097.07 lakhs. Implementation of Phase-I of the Scheme, involving the construction of the outflow, trunk drains and some branch and lateral drains at an estimated cost of Rs 730.72 lakhs by 1979, was also approved by the CMDA in 1976, and the remaining branch and lateral drains were to be constructed in Phase-II of the Scheme at an estimated cost of Rs 366.35 lakhs.

A separate estimate for Rs 99.75 lakhs to include certain areas of the Basin and items of work which had been omitted from Phase-I initially was also approved by the Authority in September 1984. Phase - I of the Scheme, together with the separate estimate of 1984, was designed to benefit a projected net population of 2.90 lakhs in an

The abbreviations used in this paragraph have been listed in the Glossary in Appendix 3 Page 68.

area of 9.51 square kilometres. The salient features of the Scheme are briefly summed up in the following table :

	Original Estimate	Revised Estimate
Date of preparation	1965	1976
Date of Sanction	1966	1976
Project cost (Rs in lakhs)	304.00	1196.82 ¹
Coverage—		
(a) Area (in sq. km.)	14	14 ²
(b) Population (in lakhs)	3.80	3.80 ³
Target date of completion (for Phase—I)	1976	1979

The Scheme was financed mainly by assistance from the World Bank under the International Development Association (IDA) Credits I. & II and the Calcutta Urban Development Project (CUDP—III) Credit. Expenditure not eligible for World Bank assistance was met out of the CMDA's own resources. Of the total expenditure of Rs 1004.62 lakhs incurred as of September 1990, expenditure of Rs 799 lakhs was met out of the IDA and CUDP assistance.

Points noticed in the course of a review of the implementation of the Scheme undertaken by Audit between November 1990 and January 1991 based on a test check of the records of eight offices of the CMDA and CMWSA⁴ are mentioned in the succeeding paragraphs.

(a) In relation to the estimate of Rs 145 lakhs in respect of Phase—I of the scheme approved by the Government of India in 1966,

1. Inclusive of Rs 99.75 lakhs sanctioned in September 1984.
2. Area proposed to be covered in Phase—I : 9.51 sq. km.
3. Projected population in the year 1981. Population of 2.90 lakhs were to benefit in Phase—I.

Phase—I of the Scheme, along with the works envisaged in the separate estimate of September 1984, was treated as having been completed and closed in March 1988, while implementation of Phase—II had not been taken up as of September 1990. Expenditure incurred on the Scheme till then amounted to Rs 1004.62 lakhs (Phase—I : Rs 906.15 lakhs; works under separate estimate : Rs 98.47 lakhs).

4. CMDA : Offices of (i) Director, Sewerage & Drainage Sector; (ii) Director, Traffic & Transportation Sector; (iii) Additional Director, Planning & Management Cell; (iv) Deputy Director, Planning; and (v) Deputy Secretary, Land Acquisition.

CMWSA : Offices of (i) Chief Accounts Officer; (ii) Superintending Engineer, East Bank; and (iii) Executive Engineer, Division VIII.

the revised estimated cost of Phase-I (inclusive of the separate estimate of Rs 99.75 lakhs) represented an increase of Rs 685.47 lakhs or 473 *per cent*. The variations in the cost of different components of the Scheme were not, however, analysed in detail at the time of revising the estimates with a view to determining the factors responsible for the cost increase, such as normal escalation, changes in scope and additions, omissions, underestimation/overestimation, etc.

None of the estimates indicated the source of different basic rates or the schedule of rates adopted for the purpose of estimation. The reasonableness of the estimates was, therefore, not susceptible of verification by Audit.

The estimate for Rs 99.75 lakhs approved in September 1984 included a provision of Rs 25.68 lakhs (35 *per cent*) on account of financial and physical contingencies. This was substantially higher than the provision of 5 *per cent* normally included in estimates towards contingencies, and the estimates consequently appeared to be inflated.

(b) The Scheme, the implementation of which commenced in 1969, was declared as having been completed as of March 1988 on an 'as is where is' basis because it had been under execution for years together without any reasonable prospect of completion. Till then, the outfall channels (2,875 metres) had been completed in all respects along with the laying of 23,550 metres of trunk drains, representing 75 *per cent* of the targeted 31,226 metres. On the other hand, only 45 *per cent* (41,131 metres) of the targeted 92,360 metres of branch and lateral drains had been laid by then. Consequently, the trunk drain potential created had not been fully utilised.

As against the area of 9.51 square kilometres to be covered in Phase-I to benefit a projected population of 2.90 lakhs, the area covered in a span of about 19 years that the Scheme was under implementation was 7.28 square kilometres benefitting a population of 2 lakhs.

The reasons for the initial delay of 3 years in the execution of the Scheme, and for the subsequent delay of 9 years after the revised target date of 1979 were not ascertainable from the records made available to Audit.

(c) In view of the fact that the Scheme was intended exclusively for the drainage and disposal of storm water, Nonpressure 2 (NP-2) pipes designed to carry storm flow alone were utilised. However, following the abandonment of a separate sewage disposal scheme for the area, the CMDA permitted the integration of the surface drains carrying septic tank effluents and other domestic liquid wastes with the storm water drainage network in the year 1982. In the context, however, of the fact that the NP-2 pipes were liable to be exposed to corrosion by the sulphuric acid produced in the sewage resulting in the degeneration of the drainage system long before its normal life, besides causing problems of pollution at the outlets, the CMDA decided in August 1982 that NP-3 pipes alone should be used thereafter for the discharge of the combined storm water and sewage. The World Bank Mission had also expressed concern in 1985 about the use of the storm water drainage system for the discharge of sewage and had suggested the replacement of all the NP-2 pipes laid till then by NP-3 pipes and had agreed to provide additional assistance for the purpose. While the NP-3 pipes were not used in the network as envisaged by the Authority in August 1982, the NP-2 pipes already laid were also not replaced on the ground that the Scheme having been almost completed, such a course of action would not be feasible.

In the circumstances, the drainage system, involving investments in excess of Rs 10 crores, remained vulnerable to corrosion long before the expiry of its normal designated life.

Further, the Authority procured RCC NP-2 pipes of different dimensions at a cost of Rs 11.54 lakhs during 1980-81 for the laying of a storm drain in the Badameswar area. This work was not included in the revised estimate of the scheme; approval thereto was also accorded only in September 1984. Notwithstanding the unsuitability of these pipes for the combined discharge of septic tanks effluents and storm water and the decision taken by the Authority in August 1982 not to use such pipes for the purpose, the pipes already having been procured during 1980-81 itself in advance of actual requirements and in order to utilise them, they were laid in the area during 1988-89, exposing the drainage system to the risk of premature degeneration due to corrosion.

(d) In January 1977, 5.73 acres of land were requisitioned for the conversion of one of the lead channels (No. 3) into an RCC box drain. Financial sanction to the payment of Rs 30.50 lakhs towards its cost (Rs 25.87 lakhs) and rent charges for requisition⁵ (Rs 4.63 lakhs) was also accorded by Government in April 1981. The payment was, however, not made to the owner of the land because he had not by then obtained the necessary permission for its disposal under the Urban Land Ceiling Act.

The cost of the land was revised upwards subsequently to Rs 65.68 lakhs. Payment thereof was sanctioned by Government in January 1988 along with the rent charges for requisition amounting to Rs 24.28 lakhs. Though the requisite permission under the Urban Land Ceiling Act had not been obtained by the owner of the land even then, payments totalling Rs 89.96 lakhs were made as of July 1988 based on the specific recommendation of the Authority's administrative department (the Metropolitan Development Department) that this may be done pending the finalisation of the proceedings under the Urban Land Ceiling Act so as to avoid additional financial commitments on account of the cost of the land and rent charges for requisition.

Had the Department taken the decision to delink the payment of the cost of land and the rent charges from the proceedings under the Urban Land Ceiling Act even earlier in April 1981, as was done subsequently, the payment of the enhanced cost and additional rent charges for requisition amounting to Rs 59.46 lakhs could have been avoided.

Another piece of land admeasuring 1.27 acres was also requisitioned during March-April 1977 for the rehabilitation of the persons who were to be evicted to facilitate the construction of the RCC box drain. While the compensation for the land and the rent charges for requisition had not been paid as of January 1991, reassessment of the requirements of land for rehabilitation purposes in February 1991, however, revealed that retention of only 0.19 acre of land would be necessary. The remaining 1.08 acres were, therefore, proposed to be derequisitioned.

5. Charges payable for retention of land under requisition pending finalisation of acquisition proceedings and compensation award or derequisition of the land.

Computed with reference to the rent charges for requisition of Rs 47,080 per acre per annum paid for 5.73 acres of land requisitioned for the construction of the box drain, the Authority would be liable to pay rent charges of Rs 7.12 lakhs in respect of the land (1.08 acres) proposed to be surrendered for the period up to January 1991. This additional liability could have been avoided had the requirements of land for the rehabilitation of displaced persons been assessed more realistically ab initio.

Failure to ensure the timely payment of the cost of land and rent charges in the first case and to assess requirements realistically in the second case resulted in a total avoidable additional liability of Rs 66.58 lakhs.

(e) As a result of non-acquisition of land in 5 stretches along the alignment of one of the outfall channels (Lead Channel 1) measuring 1,732 metres, temporary diversions and conduits had to be provided for the drainage of sub-basin IV. This led to congestion and heavy siltation to a depth of 1.8 metres in the channel. The CMWSA had assessed in August 1989 that silt had accumulated in the channel to the extent of 1.27 lakh cubic metres and that its clearance would involve an expenditure of about Rs 13 lakhs.

While desilting of the channel had not been taken up as of January 1991, Audit scrutiny revealed that the proposals for the acquisition of land in these stretches initiated in 1969 under the Land Acquisition Act II of 1945 were modified in early 1970. The revised proposals were, however, submitted only in 1981 and 1985, after a lapse of 10 and 15 years. Possession of the land in two stretches was obtained thereafter in 1985. While the dates on which possession was obtained in the remaining three stretches were not available, the channel was, however, completed in May 1990.

Belated submission of the revised acquisition proposals, the reasons for which were not ascertainable from the records made available to Audit, necessitated additional investment on the provision of temporary diversions and conduits, resulting in silt deposition, the clearance of which would involve an estimated liability of Rs 13 lakhs.

(f) The assets created under the Scheme were to be handed over to the Calcutta Municipal Corporation for the operation and maintenance of the drainage system. Loan assistance was also to be

extended to the Corporation for the purpose on terms and conditions to be mutually decided upon and an undertaking was also to be obtained from them accepting the loan liability.

Though the Scheme was declared as having been completed in March 1988, the terms and conditions of transfer of the assets to the Calcutta Municipal Corporation had not, however, been finalised as of January 1991, and the responsibility for the operation and maintenance of the system continued to vest with the Calcutta Metropolitan Development Authority. While expenditure of Rs 8.34 lakhs was incurred on this account by the Authority during 1989-90, an estimate for the operation and maintenance of the system at a cost of Rs 43.42 lakhs for a period of 3 years was also under their consideration in January 1991.

These points were brought to the notice of Government in August 1991; their reply had not been received (June 1992).

3.2 Short supply of cement

The Calcutta Metropolitan Development Authority (CMDA) procured cement in bulk through the West Bengal Essential Commodities Supply Corporation Limited (WBECSCL) on full payment in advance against proforma invoices, including sales tax and loading charges. On receipt of delivery orders from the WBECSCL, the CMDA had to lift the cement either from the godowns of the manufacturers or from the railway siding near the godown of the WBECSCL.

The quantity of cement delivered to the CMDA was less than that ordered and indicated in the proforma invoices and paid for in full. Such short supplies against advance payments made for a total quantity of 1,02,011 tonnes during the period from 1982 to 1990, totalled 10,811 tonnes (value : Rs 108.04 lakhs). No action was, however, taken by the Authority either to obtain delivery of the cement from the WBECSCL or the manufacturers or to prefer claims for the refund of the cost of such short supplies paid in advance. It was only in June and September 1990 that the Authority preferred claims to the WBECSCL for refund of Rs 65.39 lakhs, representing the value of 6,114 tonnes of cement delivered short between 1985 and 1990. While these were pending with the latter as of May 1991, refund claims in respect of short supplies during the period from 1982 to 1985 had not, however, been raised till then, pending completion

of scrutiny of past cases. Failure to prefer timely refund claims resulted in the blocking up of the Authority's resources to the extent of Rs 108.04 lakhs for prolonged periods spanning 9 years. Computed at 10 *per cent* per annum, the interest forgone on such blocked funds up to March 1991 would work out to Rs 52.15 lakhs.

The Authority stated (December 1991) that the claims were preferred earlier and that these were not pursued for some time because of changes in the incumbencies of personnel and reorganisation of work. While the reply was not borne out by facts as ascertained from the records made available to Audit, that claims in excess of a crore of rupees were not preferred for prolonged periods was indicative of poor financial management and control.

The matter was reported to Government in July 1991; their reply had not been received (June 1992).

3.3 Loss in disposal of PVC pipes and fittings

Mention was made in paragraph 6.11.6 of the Report of the Comptroller and Auditor General of India for the year 1983-84 (Civil) of the idle investment on purchase of unsuitable PVC pipes and fittings by the Calcutta Metropolitan Development Authority, and of their decision in May 1977 to dispose the materials by outright sale without loss.

Review by Audit of the action taken in this regard revealed that the Authority had initiated action to invite tenders for the sale of materials only in September 1986. The highest offer of Rs 5.55 lakhs then received was not considered reasonable necessitating the invitation of tenders afresh in January 1987. The highest offer of Rs 6.61 lakhs received in response was submitted for the acceptance of the Authority in June 1987.

While this offer had not been accepted as of June 1990, a small quantity of the surplus materials (PVC pipes : 2,716 metres; fittings : 200) was diverted for use on various works then under execution by the Authority. The book value of the materials was consequently reduced from Rs 24.32 lakhs to Rs 21.30 lakhs.

Testing of the pipes and fittings undertaken by the National Test House, Alipore, during 1990 with a view to determining their condition revealed that their quality had deteriorated to a considerable extent on account of prolonged storage. A committee of officers

constituted to inspect the materials had also held that their quality had deteriorated to such an extent that it would not be possible to sell them at their book value or at a price approximating the book value.

Subsequently in February 1991, the offer of Rs 6.61 lakhs received on the second occasion was accepted by the Authority and an agreement of sale was executed in April 1991 on the successful bidder depositing the entire bid amount.

Procurement of unsuitable PVC pipes and fittings and failure to ensure their early disposal so as to avoid deterioration in their quality resulted in materials valued at Rs 21.30 lakhs being finally disposed of for Rs 6.61 lakhs only, leading to a loss of Rs 14.69 lakhs.

The matter was reported to Government in June 1991; their reply had not been received (June 1992).

3.4 Avoidable payment of escalation

Construction, on turn-key basis, of a water treatment plant at Kamarhati (capacity : 136.4 million litres per day) was entrusted to a contractor by the Calcutta Metropolitan Development Authority in April 1986 at a lumpsum cost of Rs 493 lakhs. The work was to be completed according to the schedule stipulated for the purpose, which envisaged, *inter alia*, completion of the piling in foundation by May 1987 and the remaining work by June 1988. The contract also provided for payment of escalation the value of work done after the expiry of first year on the basis of the formula prescribed for the purpose.

The stipulated schedule was, however, not adhered to due to delays in the resolution of a dispute between the Authority and the contractor in regard to the design of the piles (5 months), finalisation of the drawings in respect of the surface drainage network forming part of the work (about 44 months), supply of steel plates by the Authority for the fabrication of pipes (17 months), and shortage of departmental cement and steel during March/April 1989. The contractor, on his part, had also delayed arrangements for the supply of water to facilitate the testing of filter beds. These delays on the part of the Authority and the contractor resulted in the work not being completed even as of March 1991, when payments totalling Rs. 465.46 lakhs had been made to the contractor.

While the work was expected to be completed by September 1991, the payments included a sum of Rs 23.93 lakhs on account of

escalation payable in terms of the contract after the expiry of the first year. Of this, payment of Rs. 10.83 lakhs was attributable to the delays in various stages of execution as mentioned above, which were avoidable.

Government in their reply (June 1992) admitted the delays at various stages but claimed that they were in the interest of safe construction.

3.5 Additional liability due to belated supply of drawings

The construction of a stabilisation pond system and ancilliary works for the East Calcutta Area Development Project was awarded to a contractor by the Calcutta Metropolitan Development Authority in August 1984 at a cost of Rs 65.91 lakhs. The work, which consisted of five distinct components, was to be completed in a period of 15 months.

The contractor could, however, commence the work only in February 1985 because of delay on the part of the Authority in furnishing the detailed drawings. Even in February 1985, only some of the drawings, which were lacking in certain details, were made available. The Authority could supply all the drawings and other details to the contractor only by July 1987. The reasons for the delay were not furnished. Progress of the work also suffered further due to several changes in the design introduced during execution.

In March 1987, after executing works valued at Rs 22.09 lakhs in respect of two of the components (tendered value : Rs 48.79 lakhs), the contractor expressed his unwillingness to execute further work because of escalation in the cost of materials and labour. The contract was terminated in December 1987 and the contractor's security deposit (Rs 2 lakhs) forfeited. The balance work in respect of these two components was awarded to another contractor in July 1988 at a cost of Rs 32.17 lakhs, and was in progress as of March 1991. Fresh tenders for the execution of the remaining components had not, however, been invited pending completion of these works.

Belated supply of the detailed drawings by the Authority and the consequential termination of the contract resulted in the non-completion of the scheme even after the lapse of more than five years and in an additional liability of Rs 5.47 lakhs in respect of two of its

components. The likely additional expenditure on the other components of the scheme was not assessable as these had not been retendered.

The matter was reported to Government in June 1991; their reply had not been received (June 1992.)

3.6 Unauthorised expenditure on estate maintenance

The Calcutta Metropolitan Development Authority constructed 266 flats at Lake Gardens (West) during 1976-81 at a cost of Rs 36.37 lakhs and sold them on hire-purchase basis to refugees from erstwhile East Pakistan. The allottees assumed possession of the flats between May 1980 and August 1986. Thereafter, the Authority was not responsible for the upkeep and maintenance of the estate. The purchasers of the flats did not, however, maintain the common services, such as water supply installations, drainage, etc. or attend to their periodical repairs ever since assuming possession of the flats. At their request, the Authority incurred an expenditure of Rs 2.72 lakhs and accepted a further liability of Rs 1 lakh on the maintenance of the common services during 1988-91.

In May 1991, on the Authority approaching Government for the reimbursement of the expenditure on this account, the Urban Development Department refused to provide funds for the maintenance of the estate, which was the responsibility of its occupants.

By accepting the responsibility for the upkeep and maintenance of the common services even after their responsibility in this regard had ceased, the Authority had to incur an avoidable expenditure of Rs 2.72 lakhs, which would increase to Rs 3.72 lakhs on discharge of the further liability of Rs 1 lakh.

Government stated (June 1992) that minimum maintenance of the common services was considered reasonable before handing them over to the municipal authorities. The reply was not acceptable because the CMDA ceased to be responsible for the maintenance of these services once the flats had been handed over to the allottees.

3.7 Infertuous expenditure due to defective planning

The design and manufacture of a 1200-mm diameter pre-cast RCC pipe line and its installation to house a water main across B. T.Road at its junction with Shodpur Station Road by the Jack-

push¹ technique was awarded by the Calcutta Metropolitan Development Authority to a contractor in February 1989 at his tendered cost of Rs 9.80 lakhs. The entire work was to be completed by June 1989. The completion schedule was, however, extended subsequently to December 1989.

The contractor was allowed to commence the work in February 1989 on the strength of the permission given verbally by the local Municipality to the CMDA for the closure of the road to facilitate installation of the pipeline. While this was not followed up by the Authority to obtain the formal permission of the Municipality, the contractor had completed the mobilisation of plant and machinery, manufacture of 35-metres of pre-cast RCC pipes and the design of the drive and reception pits by July 1989. The work was thereafter suspended as the Municipality did not grant formal permission for road closure. Negotiations on the issue with the Municipality having failed, the Authority decided in July 1990 to lay 350-mm diameter mild steel pipes by the open-cut method, which did not necessitate the closure of the road. The contract was, therefore, terminated in November 1990.

After incorporating the proposed changes in its scope, the work was awarded to another contractor in November 1990 at a cost of Rs 4.01 lakhs and was in progress as of March 1991. Meanwhile, the first contractor submitted a claim of Rs 3.03 lakhs in September 1990 in respect of the work done by him, against which Rs 1.83 lakhs had been paid till March 1991.

Failure to obtain the formal permission of the Municipality for the closure of the road prior to the commencement of the work by the contractor, which was indicative of poor planning, resulted in the expenditure of Rs 3.03 lakhs on the work done by the first contractor being rendered infructuous.

The Authority stated (September 1990) that the RCC pipes already manufactured by the contractor at a cost of Rs 1.33 lakhs could be utilised elsewhere. Considering, however, the fact that these large diameter pipes (1200-mm) are of a special design, these can be

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1. Technique adopted for the construction of large or small rectangular tunnels at lower depths with minimal disturbance to the overlying and adjoining structures.

utilised only in the event of another scheme for the provision of a water main using the jack-push technique being taken up. No such scheme was, however, under the consideration of the Authority as of April 1991.

Government stated (March 1992) that the infructuous expenditure had been compensated by the execution of the work adopting the open-cut method in lieu of the jack-push technique, and that the unutilised pipes would be used in any of the three jack-pushing works below a railway track under the integrated pipeline project.

However, the adoption of the open-cut method was decided upon subsequently not on considerations of cost or economy. The fact also remains that the Authority failed to obtain the formal permission of the local Municipality to the closure of the road, which necessitated a review of the original plans leading to infructuous expenditure. The reply that the pipes already cast would be utilised in the integrated scheme was also not borne out by facts because the estimates and designs of the project did not envisage the adoption of the jack-push technique below the railway track. Should a decision have been taken subsequently to do so merely to utilise the pipes already cast, this could conceivably result in additional investments in areas where these may not be strictly necessary or justified.

3.8 Avoidable expenditure attributable to lack of coordination

Between May 1987 and June 1988, the Calcutta Metropolitan Development Authority (CMDA) laid a 1130-meter long cast iron water main (600-mm dia) along R. N. Tagore Road and Deshpran Sasmal Road at a cost of Rs 4.35 lakhs. Immediately on completion of the work and while hydraulic testing of the main was in progress, construction of underground intercepting sewers along the same roads was taken up by another Department of the CMDA. In the course of construction of the sewers, 534 metres of the newly-laid water main were dislodged and its joints damaged by the contractor's workmen due to negligence in digging deep trenches close to the water main and the adoption of inadequate safety measures to prevent damages to the exposed water main. Consequently, the water main had to be relaid along this stretch, which was entrusted to three contractors in

May 1990 at an aggregate tender cost of Rs 2.66 lakhs. The Department of the CMDA responsible for the construction of the sewers had also agreed in February 1990 to bear the cost of relaying the water main.

While the relaying of the main was in progress as of March 1991, had the two departments of the CMDA drawn up plans for the laying of the water main and sewers in close coordination with each other and had the execution of the works been properly supervised, the damage and consequential expenditure of Rs 2.66 lakhs could have been avoided.

Government stated (April 1992) that the work of sewerline was executed under strict departmental supervision. It was also stated that the laying of the water main was sanctioned and executed much earlier than the sewer laying work. The reply, however, overlooks the point that since both the works were executed by two departments of CMDA, coordination between these departments regarding selection of the alignment of the sewerline with a view to ensuring safety of the first work was an achievable target.

3.9 Infertuous expenditure on purchase of rubber gaskets

During 1982-83, the Calcutta Metropolitan Development Authority took up a new gas distribution project for Calcutta City on behalf of the State Commerce and Industries Department. Though the Authority engaged an Indian consultant in December 1981 to prepare the plans, designs and specifications for the Project, the need for engaging the services of a foreign expert to advise on the Project was, however, felt even in January 1983 having regard to the fact that this was a new venture.

On the advice of the Indian consultant, the Authority procured 27,342 neoprene rubber gaskets between May 1985 and June 1988 at a cost of Rs 10.11 lakhs for joining the cast iron tyton pipes. This was done notwithstanding the fact that the manufacturers of these gaskets themselves had expressed doubts in February 1988 about their suitability for the Project.

Of the rubber gaskets so procured, 21,089 gaskets (cost : Rs 7.62 lakhs) were used for laying 100 kilometres of pipeline for gas distribution. It was only in December 1987, after a substantial portion of the Project had been completed, that a foreign consultant

was engaged by the Authority to advise on the Project. In his report submitted in December 1988, the consultant suggested discontinuance of the use of neoprene rubber gaskets in the pipeline because of the possibility of leakage of gas through these gaskets which were prone to dissolve by reacting with the benzene in the gas. In pursuance of this suggestion, the Authority decided in February 1989 to complete the laying of the pipeline by using lead joints instead of the rubber gaskets. As a result, 6,253 rubber gaskets, procured at a cost of Rs 2.49 lakhs remained unutilised.

Failure of the Authority to appoint an expert prior to the commencement of the project even when the need therefor was clearly recognised in January 1983, or to seek expert advice at least in February 1985 when the manufacturers themselves had expressed doubts about the suitability of the neoprene rubber gaskets for the intended purpose, had resulted not only in an infructuous expenditure of Rs 2.49 lakhs on the unused gaskets but had also rendered the distribution system vulnerable to leakage posing a potential environmental hazard.

Government stated (January 1992) that the appointment of the foreign expert had been inordinately delayed in spite of continuous efforts and that attempts were being made to utilise the remaining gaskets in pipelines for water distribution.

3.10 Infructuous expenditure attributable to lack of coordination

The work of laying a 400-mm diameter cast iron gas main along Amherst and Bechu Chatterjee Streets was awarded to a contractor in March 1986 at his tendered cost of Rs 7 lakhs. Subsequently in March 1986, the diameter of the gas main was reduced to 350 mm, and its alignment was also changed to Vivekananda Road. These changes reduced the estimated cost from Rs 7.07 lakhs to Rs 6.82 lakhs.

While granting permission to the laying of the gas main along Vivekananda Road, the Municipal Corporation had stipulated that the CMDA should intimate in advance the date of commencement of the work to the authorities responsible for the maintenance of public utilities, including the Corporation, so that its officers might be present to indicate the location of various utilities. The CMDA had accordingly informed the Calcutta Municipal Corporation that the

work would commence on November 20, 1986. The work was actually taken up only on December 2, 1986, but no intimation of the change was given to the Municipal Corporation.

The work having been commenced without ascertaining the location of different utilities in consultation with the Municipal Corporation, it had to be suspended within a period of 16 days because the Corporation objected to the laying of the gas main in close proximity to an existing filtered water service main on the ground that this would create problems in maintenance of the water main in future. The Corporation had, therefore, suggested realignment of the gas main. Subsequently in September 1987, the Corporation also preferred a claim of Rs 0.90 lakh against the CMDA on account of restoration of roads and foot-path damaged due to digging.

While the claim had not been settled as of September 1991, the CMDA decided in May 1988 to abandon the work already executed along Vivekananda Road at a cost of Rs 2.06 lakhs and to lay the gas main along a different route. This work had also not been resumed till then.

Failure to commence the work only after obtaining the necessary clearances from the Municipal Corporation, which was indicative of lack of coordination, resulted in an infructuous expenditure of Rs 2.06 lakhs, besides an additional liability of Rs 0.90 lakh on restoration works.

Government stated (March 1992) that there would have been no difference in the situation even if the work had been commenced on the date originally intimated to the Municipal Corporation because the fact that the water main would interfere with the proposed alignment of the gas main came to light only after 350 metres of the gas main had been laid and that the CMDA had no control over this development. They added that the possibility of utilising the pipeline already laid along Vivekananda Road in the gas grid was being explored.

Considering the fact that the Municipal Corporation should normally have been aware of the location of various utilities below the ground, prior consultation and adequate coordination with them would have enabled the CMDA to determine a proper alignment for the gas main prior to the commencement of the work. The situation was, therefore, one which both the CMDA and the Municipal

Corporation could have controlled by proper advance planning. Because of the lack of coordination and the intervening time lag in the resumption of the work along a new alignment, costs are bound to increase and the reduction in the estimated cost expected to be achieved by revising the alignment in March 1986 may not be ultimately realised.

3.11 Irregular/Excess payment

Contracts for the construction of roads in Baishnabghata-Patuli township were awarded by the Calcutta Metropolitan Development Authority (CMDA) to eight contractors in February 1988 at a total tendered cost of Rs 116.47 lakhs against an aggregate estimated cost of Rs 121.81 lakhs based on the Schedule of Rates for 1985-86. According to Clause 12 of the contracts, supplementary works were to be carried out by the contractors at the rate in the Schedule of Rates which was in force at the time of acceptance of the contracts, plus or minus the percentage which the total tendered amount bore to the estimated cost of the work put to tender. Since the percentage offered by the contractor was applicable to the cost initially estimated forming the basis of the original tender as well as to that of the supplementary works, it was obvious that the phrase "Schedule of Rates" appearing in the clause meant the relevant Schedule of Rates on the basis of which the tender documents were prepared. The procedure was being followed in the Public Works Division.

Payments in respect of certain supplementary works executed in relation to these eight contracts were, however, made on the basis of the Schedule of Rates for 1987-88 although the original contracts accepted in February 1988 were based on the Schedule of Rates for 1985-86. Before the acceptance of the supplementary tenders between March 1989 and January 1990, the Director of the concerned sector of the CMDA had also issued instructions in May 1988 to the effect that the rates in respect of supplementary items of work were to be adopted from the Schedule of Rates forming the basis of the original tenders and had advised that written consents of the contractors be obtained to this effect. Such consents were, however, not obtained in these cases and the contractors were paid Rs 7.04 lakhs between July 1989 and July 1990 on the basis of the Schedule of Rates for 1987-88 against Rs 5.04 lakhs payable with reference to the Schedule of Rates for 1985-86, resulting in an extra expenditure of Rs 2 lakhs.

While the reasons for disregarding the Director's instructions were not available on record, the CMDA, however, amended the tender clause in September 1988 removing the lacuna.

Failure to specify the position in the contracts in regard to the fixation of rates for supplementary items of work resulted in an extra expenditure of Rs 2 lakhs.

The matter was reported to Government in March 1991; their reply had not been received (June 1992).

3.12 Non-disposal of surplus materials

Surplus steel materials, weighing 508.436 tonnes and procured between 1973 and 1975, were lying unutilised in different hired godowns of the Metropolitan Development Authority. The value of these materials at the Authority's issue rate for the year 1990-91 was Rs 40.31 lakhs (book value Rs 14 lakhs approximately).

Due to prolonged storage, most of these materials had become unserviceable. In March 1986, the CMDA, therefore, decided that the unserviceable materials would be surveyed and disposed of by auction, while the remaining non-moving stock would be disposed of by sale to other Government Departments, organisations, Calcutta Municipal Corporation, Railways, etc. at their book value without levy of the prescribed supervision charges. The materials were, however, not disposed of even as of April 1991.

The materials having been procured on the basis of formal indents from various executing Departments of the CMDA, and having regard to the fact that large quantities remained unutilised for over 15 years, the initial assessment of requirements would not appear to have been realistic. Procurement of materials in excess of requirements resulted in their becoming surplus and unserviceable and in the blocking up of the Authority's resources.

The Authority stated (January 1992) that the decision of March 1986 in regard to the disposal of the materials could not be implemented pending reconciliation of the book and physical balances and of differences between the Authority's accounts and those of the owners of the hired godowns.

Government stated (June 1992) that the extent to which the surplus materials had become unserviceable was yet to be ascertained by the technical personnel of the CMDA, and contended that the assessment of requirement of steel materials was not unrealistic as advance procurement against sanctioned works was made to ensure adequate supply at all times in general. However, the fact that large quantities of steel materials remained unutilised for over 15 years would indicate that the purchases were not preceded by a proper assessment of the requirements.

3.13 Non-realisation of revenue and electricity charges

The Calcutta Metropolitan Development Authority (CMDA) had leased 308.09 square metres of shopping space and 604.5 square metres of wall space to various parties in the Howrah Sub-way between April 1979 and July 1981. In addition to the prescribed licence fee, charges for consumption of electricity were also payable by the lessees.

Scrutiny of the records disclosed that licence fee (Rs 20.98 lakhs) and electricity charges (Rs 1.69 lakhs) totalling Rs 22.67 lakhs for the period from May 1983 to May 1990 had remained unrealised as of March 1992. Though the leasing of shopping space and wall space was approved by the CMDA in June 1977 initially for 10 years and 2 years respectively, the Authority did not take effective steps either for the realisation of the dues or for the cancellation of the agreements with the lessees. A further sum of Rs 0.82 lakh was also due from the Divisional Superintendent, Eastern Railway, Howrah on account of electricity consumed by the Division from the Authority's power connections during the period from February 1985 to May 1991.

Failure to ensure the timely realisation of the dues from the lessees and the Eastern Railway resulted in non-recovery of revenue and electricity charges of Rs 23.49 lakhs, of which a sum of Rs 21.47 lakhs was due from the West Bengal Small Industries Corporation Limited.

Government stated (January 1992) that the matter was being followed up closely for expeditious realisation of the outstanding dues.

HOUSING DEPARTMENT

WEST BENGAL HOUSING BOARD

3.14 Avoidable expenditure due to delay in supply of drawings

Contracts for the construction of 528 flats of different types in the Baishnabghata-Patuli area were awarded by the West Bengal Housing Board to Contractors 'A' (416 flats) and 'B' (112 flats) in October 1986 at a cost of Rs 249.63 lakhs and Rs 46.53 lakhs respectively.

The works were to commence in October 1986 and December 1986 and were to be completed by April 1988 and June 1988 respectively. The works could, however, be started by Contractor 'B' only in March 1987 and by Contractor 'A' in April 1987 because the Board could not supply the working drawings till March 1987. Consequently, Contractor 'A' claimed enhancement of the agreed rates by 15 *per cent* in February 1987. The Board decided to increase these by 7 to 8 *per cent* in its 188th Meeting held in August 1987. It was also decided that the increase would be extended to Contractor 'B' in case he applied for it. In February 1988, Contractor 'A' was informed by the authority of the enhancement of the rates by 8 *per cent* as well as revision of the date of commencement of the work to April 1987. In November 1987, Contractor 'B' also claimed enhancement of the rates by 7 *per cent* which was allowed by the Board in March 1988. The date of commencement was simultaneously revised to March 1987. Final bills of the contractors amounting to Rs 279.33 lakhs and Rs 58.85 lakhs were paid between July 1990 and January 1991.

Delay on the part of the Board in providing drawings to the contractors resulted in enhancement of the contractual rates and consequential avoidable expenditure of Rs 22.98 lakhs.

Government stated (July 1991) that the working plans and drawings could not be supplied due to cessation of work by the Engineering Officers of the Board from August 1986 to November 1986. The tenders in these cases were, however, invited in April 1986 itself before the agitation by the Engineering Officers and the Board should have ensured finalisation of drawings prior to the commencement of the work.

3.15 Idle investment in acquisition of land

In March 1985, the West Bengal Housing Board acquired 3.71 acres of land at Gadsa on the Baikunthya Ghosh Road in Ward No. 91 of the Calcutta Municipal Corporation for the construction of a housing complex and paid Rs 25.31 lakhs as compensation in May 1987. The land was developed by the Board at a cost of Rs 14.40 lakhs.

In February 1989, the Board sanctioned a scheme for the construction of houses on this land at a total estimated cost of Rs 212.01 lakhs. However, before construction of the houses could commence, the Board found in February 1990 that the Calcutta Municipal Corporation had constructed a 20-foot wide metalled road traversing the land to connect Jagannath Ghosh Road with Baikunthya Ghosh Road and that this had been done without informing them or paying compensation for the land unauthorisedly utilised. This necessitated changes in the scope of the approved housing scheme and the configuration of the houses, as a result of which construction in terms of the approved scheme could not be taken up by the Board. The Board, therefore, submitted a revised scheme to the Calcutta Municipal Corporation, approval of which was still awaited (July 1991).

Failure on the part of the Housing Board to take appropriate measures to ensure that the land was not encroached upon or unauthorisedly utilised in any manner resulted in the investment of Rs 39.71 lakhs remaining idle for over 4 years and in the non-realisation of the intended objective.

Government stated (July 1991) that the construction of the housing complex could not be taken up in the absence of sanction to the building plans from the Calcutta Municipal Corporation and that the latter had clarified to the Board that they had only repaired an existing road based on local demand and no part of the project land had been taken away by them. Audit scrutiny, however, revealed that prior to the construction of a metalled road by the Municipal Corporation, only a beaten track, and not a regular road, existed on the land in question and that a new road had, in fact, been laid by the Corporation. Further, if, as contended, no part of the land intended for housing complex had been lost in the process, there was no necessity

for the Board to have revised the scheme which had already been approved in February 1989.

3.16 Avoidable expenditure

The construction of flats in seven phases of the Golf Green Urban Complex in Calcutta was completed in December 1981 by the West Bengal Housing Board, and handing over of the apartments to the allottees commenced in phases since 1980-81. Once the flats were handed over, the respective associations of apartment owners were responsible for the maintenance of common services, such as water supply, street lighting, conservancy, etc.. Since the associations did not assume this responsibility, the Board undertook the maintenance of these services since 1980-81 along with the maintenance of such services falling in areas between the phases. The Board spent Rs 39.88 lakhs towards maintenance of common services during 1980-81 to 1990-91. The Board, however, realised Rs 31.64 lakhs from the allottees which was adjusted against the expenditure incurred leaving an extra expenditure of Rs 8.24 lakhs unadjusted till March 1991.

In May 1986, a meeting was held between the Board and the Calcutta Municipal Corporation, when it was decided that the Corporation would take over the common services falling in the areas between the phases, such as central water supply system and street lights up to phase point, major arterial and sub-arterial roads up to the entrance of different phases, inter-phase street lighting and sewerage system of the complex for maintenance. In January 1988, the Local Government and Urban Development Department (the administrative department of the Corporation) decided that the Board should contribute Rs 10.56 lakhs towards the cost of taking over by the Corporation of these common service facilities already constructed by the Board. This was paid by the Board in June 1988. The Corporation, however, took over the maintenance of conservancy services in June 1989 and street lighting in January 1991. The remaining services such as water supply, maintenance of arterial roads etc. were yet to be taken over though the Corporation was realising Municipal taxes from the allottees from September 1980. These services were continued to be maintained by the Board as of March 1990-91.

Since the Board had handed over the flats to the allottees and the Corporation was also recovering the prescribed taxes from them, maintenance of the common services, which were in the nature of municipal functions, was a matter to be settled between the apartment owners and the Municipal Corporation. The excess expenditure of Rs 8.24 lakhs incurred by the Board on the maintenance of these services, therefore, constituted an avoidable item of expenditure.

Government stated (July 1991) that the extra expenditure could not be avoided because of the delay on the part of the Municipal Corporation in taking over these services.

3.17 Loss due to failure to deduct Income Tax at source

According to the provisions of the Income Tax Act, 1961, income tax at 10 *per cent* was to be deducted at source on interest exceeding Rs 1,000 (Rs 2,500 from May 1987) paid to an individual in a financial year.

In January 1977, the West Bengal Housing Board introduced the Double Benefit Deposit Scheme in terms of which a depositor was entitled to interest on the deposits made by him with the Board as well as preference in the allotment of houses. The Board had, however, not deducted the tax on the interest paid on such deposits from January 1977 to December 1986. This failure made the Board liable to pay arrears of tax to the Income Tax authorities. The Board appointed a tax consultant in July 1987 on a lumpsum remuneration of Rs 7,000 for the assessment and calculation of the liability. Based on his assessment, a sum of Rs 6.86 lakhs was paid by the Board in 1988-89 towards arrears of tax. The amount was charged by the Board to the Revenue Account of 1988-89 on the ground that there was no scope for recovery of the tax from the beneficiaries.

Failure to deduct income tax at source on the interest on deposits received by the Board resulted in the Board having to accept an avoidable liability of Rs 6.86 lakhs on this account, besides the expenditure of Rs 0.07 lakh on remuneration to the tax consultant.

Government stated (July 1991) that income tax was not deducted due to ignorance of the provisions of the Income Tax Act.

3.18 Extra expenditure

Construction of 84 Low Income Group row houses and 42 Middle Income Group flats in the Serampore Housing Project was

awarded to a contractor by the Housing Board in October 1984 and July 1985 under two separate contracts at the tendered cost of Rs 11.06 lakhs and Rs 14.04 lakhs respectively. The works were to commence in October 1984 and July 1985 and were to be completed by October 1985 and October 1986 respectively. Subsequently in January 1986, at the request of the contractor, the schedule of commencement/completion was revised to December 1984/December 1985 and December 1985/March 1987 respectively. The revision was attributable to delays in payment of the mobilisation advance to the contractor and in making available working drawings.

In January 1986, when the works were still in progress, the contractor claimed 5 *per cent* escalation against the second contract, based on the Schedule of Rates for 1984-85. The Board did not, however, agree to the request. By March 1987, work valued respectively at Rs 6.96 lakhs and Rs 1.93 lakhs only was executed. As the progress of work was not in accordance with the stipulated schedule, both the contracts were terminated in March 1987 and April 1987 after forfeiture of security deposit of Rs 0.36 lakh. The balance works were awarded to another contractor in May 1987 at a cost of Rs 7.60 lakhs and Rs 18.13 lakhs respectively. These were completed in March 1988 at a cost of Rs 6.04 lakhs and Rs 17 lakhs respectively.

Departmental delay in payment of the mobilisation advance and in making available the working drawings to the contractor delayed the work programme initially. Further delay was caused due to the termination of the first contract 14 months after the expiry of the completion date and the second contract in the month following the expiry of the completion date. These delays resulted in an extra expenditure of Rs 6.83 lakhs on the execution of balance work by way of increased cost based on the revised Schedule of Rates for 1987-88.

The Board stated (April 1990) that the excess expenditure would be recovered by increasing the sale price of the houses. This would, however, tantamount to penalising the allottees for the inefficiencies of the Board and would be contrary to its objective of providing houses at a reasonable cost.

The matter was reported to Government in September 1991; their reply had not been received (June 1992).

3.19 Extra expenditure due to delay in finalisation of plans and drawings

Approval of the Calcutta Municipal Corporation was to be obtained to the plans and drawings of buildings proposed to be constructed in the Municipal area. Instructions issued by the Board also envisaged their submission to the Municipal Corporation well before the commencement of works or immediately after housing schemes were administratively approved.

Construction of 4-storeyed apartment buildings in the Beliaghata Housing Complex in Calcutta was administratively approved in August 1986. The work was entrusted to a contractor in June 1986 at his tendered cost of Rs 52.09 lakhs for completion between July 1986 and December 1987. The relevant plans and drawings had not, however, been prepared even till November 1986 to enable their submission to the Municipal Corporation. The contractor, therefore, requested in November 1986 that (i) the agreed upon rates may be enhanced by 20 *per cent* and (ii) he may also be extended a mobilisation advance of 10 *per cent* of the contract value, or, in the alternative, the contract may be terminated.

The Board agreed in January 1987 to an escalation of 10 *per cent* in the tendered rates and to the payment of the mobilisation advance, recoverable along with interest at 10 *per cent* per annum. The execution of work then commenced in February 1987 and was completed in October 1989 at a cost of Rs 54.09 lakhs. The completion cost included an amount of Rs 4.92 lakhs on account of escalation.

Failure to ensure prompt finalisation of the plans and drawings and to make them available to the contractors, duly approved by the Municipal Corporation, resulted in an avoidable expenditure of Rs 4.92 lakhs.

The matter was reported to Government in September 1991; their reply had not been received (June 1992).

3.20 Idle funds

Since the introduction of centralised cash management from 1982, 4 bank accounts, opened initially to enable different Drawing

and Disbursing Officers to make payments, became inoperative. The operation of one of these accounts was, however, continued till March 1989 for payment of salaries to a small section of staff located at a contiguous suburbs (Sarsuna). Reconciliation of the balances in these accounts was also pending since long. Varying sums of money totalling to Rs 4.21 lakhs remained idle in these inoperative accounts for periods ranging from 2 to 9 years.

Besides there was also a loss of interest to the extent of Rs 2.36 lakhs at the Board's average borrowing rate.

Government stated (July 1991) that the accounts would be closed as soon as the reconciliation was completed.

3.21 Idle investment on purchase of land

Between April 1983 and February 1985, the West Bengal Housing Board purchased 5,708 acres of agricultural land at Satyapirtala, Hooghly, at a cost of Rs 1.83 lakhs directly without going through the Land Acquisition Collector. This was done based on a search certificate obtained from a Government lawyer in 1982 indicating that the land was unencumbered. The cost of the land, which was intended for the construction of a housing complex, was paid in April 1983 (Rs 1.40 lakhs) and February 1985 (Rs 0.43 lakh). Subsequently, in January 1986, it was discovered that of the total land purchased, only 2.30 acres were freehold land and the remaining 3.408 acres had been recorded by the Settlement Department in 1983 as playground (0.657 acre) and as Barga tenancy (2.751 acres) in favour of individual Bargadars¹. The status of the land not having been verified afresh prior to its actual purchase between 1983 and 1985, the Board had to restrict the construction of the housing complex with reference to the smaller area available, a proposal for which was formulated in July 1991.

Purchase of the land without ensuring that it was free from encumbrances resulted in an idle investment of Rs 1.83 lakhs, and in the land not being utilised for the intended purpose for over 6 years.

1. Bargadar—A person cultivating the land of another on condition of delivering a share of the produce of the land to the owner thereof.

Government stated (July 1991) that there was no loss since the entire interest on the investment would be realised from the allottees. While this may be so, the upward revision of the prices of the houses after taking into account the incidence of interest on the investment would tantamount to penalising the allottees for the inefficiencies of the Board. This would also be contrary to the objective of the Board of providing houses at a reasonable cost.



(D. C. SAHOO)

CALCUTTA ,

THE 29 JAN 1993

Accountant General (Audit)-I, West Bengal

Countersigned



(C. G. SOMIAH)

NEW DELHI ,

THE 16 FEB 1993

Comptroller and Auditor General of India

APPENDICES

APPENDIX 1
(Reference : Paragraph 1.2 Page 2)
Utilisation Certificates for grants outstanding from Departments

Sl. No.	Department	Upto 1985-86		1986-87		1987-88		1988-89		1989-90 (upto 31.12.89)		Total	
		No. of items	Amount	No. of items	Amount	No. of items	Amount	No. of items	Amount	No. of items	Amount	No. of items	Amount
(A m o u n t R u p e e s i n l a k h s)													
1.	Agriculture	—	—	2	0.35	—	—	—	—	—	—	2	0.35
2.	Animal Resources Development	24	8.32	—	—	—	—	—	—	—	—	24	8.32
3.	Board of Revenue	1	4.68	13	0.04	—	—	—	—	—	—	14	4.72
4.	Commerce and Industries	110	57.90	—	—	—	—	—	—	—	—	110	57.90
5.	Cottage and Small Scale Industries	69	384.17	—	—	—	—	—	—	—	—	69	384.17
6.	Development and Planning	19	6.80	22	20.74	6	3.35	—	—	4	2.91	51	33.80
7.	Education	27	1.14	—	—	323	1176.51	561	2146.10	1001	10662.15	1912	13985.90
8.	Environment	7	29.19	—	—	—	—	—	—	—	—	7	29.19
9.	Finance	16	105.79	2	5.06	4	65.90	—	—	—	—	22	176.75
10.	Fisheries	41	205.40	—	—	—	—	—	—	—	—	41	205.40
11.	Governor's Secretariat	39	0.17	—	—	—	—	—	—	—	—	39	0.17

APPENDIX 1 (Concluded)

Sl. No.	Department	Upto 1985-86		1986-87		1987-88		1988-89		1989-90 (upto 31.12.89)		Total	
		No. of items	Amount	No. of items	Amount	No. of items	Amount	No. of items	Amount	No. of items	Amount	No. of items	Amount
(A m o u n t R u p e e s i n l a k h s)													
12.	Health and Family Welfare	—	—	54	6.67	19	18.73	115	243.39	82	707.96	270	976.75
13.	Home	—	—	26	10.00	1	0.50	—	—	—	—	27	10.50
14.	Information and Cultural Affairs	11	9.73	2	1.63	—	—	—	—	—	—	13	11.36
15.	Judicial	—	—	—	—	4	14.00	—	—	—	—	4	14.00
16.	Labour	—	—	—	—	2	5.00	—	—	—	—	2	5.00
17.	Municipal Affairs	242	1363.32	154	3627.04	567	2070.40	38	676.07	—	—	1001	7736.83
18.	Power	—	—	—	—	—	—	—	—	6	13885.00	6	13885.00
19.	Public Works	3	0.75	—	—	—	—	—	—	—	—	3	0.75
20.	Relief and Welfare	6	0.64	—	—	—	—	—	—	—	—	6	0.64
21.	Rural Development	—	—	—	—	8	45.56	4	86.68	23	3313.59	35	3445.83
22.	Tourism	—	—	7	29.82	—	—	2	18.00	1	10.00	10	57.82
Total		615	2178.00	282	3701.35	934	3399.95	720	3170.24	1117	28581.61	3668	41031.15

APPENDIX 2

(Reference : Paragraph 1.3 Page 3)

Departmentwise break-up of outstanding utilisation certificates of loans and advances

Sl. No.	Department	Number of outstanding utilisation certificates	Amount (Rupees in crores)	Year to which the earliest outstanding certificates relate
1.	Animal Resources	10	0.36	1975-76
2.	Cooperation	509	18.63	1960-61
3.	Cottage & Small Scale Industries	553	14.73	1957-58
4.	Development and Planning	29	2.91	1981-82
5.	Fisheries	85	4.96	1975-76
6.	Health and Family Welfare	9	0.51	1985-86
7.	Municipal Affairs	127	8.67	1982-83
8.	Panchayats	112	0.42	1968-69
9.	Rural Development	28	0.85	1983-84
10.	Town and Country Planning	56	47.05	1986-87
		<u>1518</u>	<u>99.09</u>	



APPENDIX 3

GLOSSARY OF ABBREVIATIONS

CMC	Calcutta Municipal Corporation
CMDA	Calcutta Metropolitan Development Authority
CMPO	Calcutta Metropolitan Planning Organisation
CMWSA	Calcutta Metropolitan Water and Sanitation Authority
CUDP	Calcutta Urban Development Project
IDA	International Development Association
Km	Kilometre
M	Metre
NP	Non-pressure
RCC	Reinforced Cement Concrete

Report No. 4 for the year ended 31st March 1991 (Civii)

ERRATA

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