

CHAPTER-V

STORES AND STOCK

Home Department (Jails)

5.1 Stores and stock accounts

Stores of Home Department (Jails) consist of machinery and equipment, arms and ammunition, ration, medicines and stationery articles. Against the budget provision of Rs 559.15 lakh, the department spent Rs 525.81 lakh¹ on the purchases of these items during 1998-2003. Expenditure on ration, clothing and medicines accounted for 78.55 *per cent* of the total expenditure during the aforesaid period.

Records of six² out of 12 units covering expenditure of Rs 396.15 lakh for the period 1998-2003 were test-checked between February-April 2003. Important points noticed in audit are discussed in the succeeding paragraphs:

Budget allotment and expenditure

5.1.1 Scrutiny of records of the selected units revealed that actual expenditure³ during the last quarter of each year ranged between 37.83 and 67.47 *per cent* against the norm of 25 *per cent*. The Superintendents, Jails stated (February-March 2003) that the expenditure exceeded the norms as the additional funds were received in the last quarter. This was indicative of inadequate financial control.

5.1.2 Out of provision of Rs 52.85 lakh (March 1999) for the procurement of machinery and equipment to strengthen security arrangements, communication, and for providing vocational training, medical facilities, etc., under "Modernisation of Prisons Administration", Rs 42.39 lakh were diverted for the purchase of power looms, X-rays machine, ultra-sound machine, computer parts, furniture and civil works of sub Jail, Kaithu which were not covered under the scheme. Additional Director General (Prisons) admitted the facts (February 2003).

5.1.3 In four of the selected units,⁴ Rs 72.25 lakh were drawn at the fag end of the respective years during 1998-2003 to avoid lapse of budget and disbursed in the subsequent years. The Superintendents, Jail, Nahan and Kaithu admitted (April 2003) the facts. Reply from the remaining two units was not received.

1 Machinery and Equipment: Rs 49.38 lakh; Ration, Clothing and Medicines: Rs 445.04 lakh; Raw material: Rs 29.47 lakh and Stationery: Rs 1.92 lakh.

2 Additional Director General of Prisons, Shimla: Rs 129.57 lakh; Model Central Jail, Kanda at Shimla: Rs 58.96 lakh; Model Central Jail, Nahan: Rs 87.13 lakh, Open Air Jail, Bilaspur: Rs 36.18 lakh, Sub Jail, Kaithu at Shimla: Rs 35.02 lakh and District Jail, Dharamshala: Rs 49.29 lakh.

3 1998-99: $48.66 \div 72.12 \times 100 = 67.47$; 1999-2000: $49.87 \div 99.77 \times 100 = 49.98$; 2000-2001: $67.64 \div 117.84 \times 100 = 57.39$; 2001-02: $31.78 \div 84.01 \times 100 = 37.82$.

4 Kaithu (Shimla): Rs 4.33 lakh; Kanda (Shimla): Rs 1.70 lakh; Nahan: Rs 15.66 lakh and Headquarter: Rs 50.56 lakh.

Purchases

Purchases without quotations/tenders/requirements

5.1.4 Test-check of the records of selected units revealed that the Jails Administration had not constituted any purchase committee at the State level and the committee constituted at jail level (December 2001) did not have the approval of the Finance Department. The Department had made purchases of Rs 314.49 lakh⁵ during 1998-2003 in six units.

The following points were noticed in audit:

5.1.5 In the selected units, purchases of stores valued at Rs 88.93 lakh (28.30 per cent) were made during 1998-2003 from the open market without quotations thereby depriving the Government of competitive rates. ADG (Prisons) stated (February 2003) that the purchases without quotations were made from authorised dealers only. The plea of the department is not tenable as the purchases without observing codal provisions were irregular and deprived the Government of competitive rates.

5.1.6 Rupees 50.56 lakh was drawn by ADG (Prisons) from the treasury at the fag end of 1998-99, 1999-2000 and 2001-2002 without ascertaining requirement from the field offices and released to the concerned parties on the basis of proforma bills. Entries of receipt of materials were also made in the stock register. However, original bills were not found on record in the units test-checked. The authenticity of payments could thus not be verified.

Blocking of funds due to purchase of machinery and equipment

5.1.7 The ADG (Prisons) procured machinery and equipment valued at Rs 20.37 lakh (medical equipment: Rs 8.43 lakh; power looms: Rs 11.94 lakh) between March 1999-March 2000 without assessment of the requirement/indents from the Superintendents, Prisons. Medical equipment had been lying unutilised since their procurement and the power looms were not commissioned by the supplier. The Superintendents of Kanda and Nahan jails stated (February 2003) that there was no requirement of the machinery in jails. The purchases were thus unwarranted and resulted in blocking of funds.

Purchases without sanction

5.1.8 Expenditure on material and supply of consumable nature pertaining to the functional need of jails like prisoners' meals, medicines, clothing, bedding and special medical diet, etc., is to be incurred with the prior approval of the Head of department/Administrative Department.

Scrutiny of records of Model Central Jail, Nahan and District Jail, Dharamsala revealed (March 2003) that purchases valued Rs 132.85 lakh⁶ were made by the Superintendents, Jails without prior approval of the competent authority. The concerned Superintendents stated (March 2003) that cases for obtaining *ex-post-facto* sanctions had been taken up with ADG.

5 Open Air Jail Bilaspur: Rs 33.82 lakh; District Jail Dharamshala: Rs 46.58 lakh; Sub-Jail Kaithu: Rs 27.59 lakh; MC Jail Kanda: Rs 50.16 lakh; MC Jail Nahan: Rs 99.40 lakh and ADGP Shimla: Rs 56.94 lakh.

6 MC Jail Nahan: Rs 46.58 lakh and District Jail Dharamshala: Rs 86.27 lakh.

Idle equipment

5.1.9 Test-check of records in selected units revealed that Hospital equipment, EPBAX system, embroidery machine, cutting machine/warping and winding machine valued at Rs 5.97 lakh⁷ purchased during 1996-2002 were lying idle since the dates of their purchase as these items had been purchased by HQ without ascertaining requirement from the field units.

5.1.10 Test-check of records revealed that ADG Prisons, purchased closed circuit television system between March 1998-1999 at a total cost of Rs 28.94 lakh. The system was installed in three Jails⁸ between March 1998 and December 2000. Installation in two jails at Dharamshala and Nahan was delayed by 9 and 20 months respectively. It was further noticed that in District Jail, Dharamshala and MC Jail, Nahan, the system was not working properly since installation and in Kanda jail, the system was not working since September 2001. The department stated that due to non-availability of funds for repairs, the system could not be kept fully functional. The objective of monitoring and maintenance of security in the jails, for which the equipment were installed, could thus not be achieved.

Other points of interest

Outstanding recovery of credit sales

5.1.11 Test-check of records revealed (February-March 2003) that items manufactured by the inmates in the Jails were sold at credit to private individuals, sister units and other departments of the State Government. Recovery of Rs 19.24 lakh was outstanding against 39 units/departments and 54 individuals for the period between March 1986-March 2003. No reasons for making the sales at credit were intimated.

Fictitious accountal of stores

5.1.12 Rules provide that material received should be examined, counted, measured or weighed, as the case may be, when delivery is taken. The Government servant receiving the store is also required to give a certificate in token of receipt.

Test-check of records revealed that stores and stock items valued at Rs 10.75 lakh which were not actually purchased were found accounted for in the stock register on the basis of the proforma bills obtained between February-December 2002. Department admitted the facts (March 2003). Accounting of material in the absence of actual receipt was thus fictitious.

Non-accounting/short accounting of stores

5.1.13 Scrutiny of record revealed that material valued at Rs 6.23 lakh purchased at HQ during 1996-2000 and supplied to MC Jail, Kanda (Rs 6.20 lakh) and Open Air Jail, Bilaspur (Rs 0.03 lakh) had not been accounted for in the stock registers of the aforesaid jails. Superintendent Jail,

7 District Jail Dharamshala: Rs 0.55 lakh; MC Jail Kanda: Rs 3.41 lakh and MC Jail Nahan: Rs 2.01 lakh.

8 Dharamshala, Nahan and Kanda.

Bilaspur stated (February 2003) that HQ was informed of the short supply of material whereas Superintendent Jail, Kanda stated (February 2003) that no bills of these items had been received. Chances of misappropriation of material could thus not be ruled out.

Non-handing over of stores

5.1.14 Medicines/medical equipment valued at Rs 4.02 lakh had not been handed over by the Dispenser who was transferred (May 2000) from Dharamshala Jail to Bilaspur Jail and was relieved on 30 June 2000. The charge of stores had not been handed over as of April 2003 despite directions from the Jail HQ.

Non-disposal of manufactured goods

5.1.15 In two units, goods valued at Rs 14.69 lakh⁹ manufactured between 1998-2003 were lying un-disposed off as of March 2003. It was stated (February-March 2003) by the Superintendent of both the Jails that efforts are being made to dispose of the manufactured goods lying in the stock.

Loss due to theft/damage

5.1.16 It was noticed that an Ultra-Sound Machine valued at Rs 5.19 lakh was stolen from the MC Jail, Kanda (Shimla) and an X-ray machine valued at Rs 3.24 lakh had also been damaged along with other equipment/buildings. As reported by the Superintendent Jail, Kanda, these damages occurred on Diwali Day (November 2002) when the Deputy Superintendent of Jail in violation to Jail Rules, allowed the use of crackers inside the jail building which turned the prisoners violent and consequently led to damage to jail property. The matter was stated (February 2003) to be under investigation by Police.

These points were referred to the Government in May 2003; their reply had not been received (August 2003).

Health and Family Welfare Department

5.2 Idle equipment

Inadequate attention to procurement planning and non-creation of posts for operating machines resulted in idling of equipment costing Rs 42.88 lakh.

Audit scrutiny of equipment purchased by Health and Family Welfare department revealed that different high value items procured between

March 1998 to May 1999 and costing Rs 42.88 lakh had not been utilised for various reasons as detailed below:

Table: 5.1

Name of Office	Particulars of equipment	Year of purchase	Cost (Rupees in lakh)	Idle from	Reasons for non-utilisation
Principal IGMC, Shimla	Stryker Arthroscopy Surgery System	June 1998	23.96	June 1998	Assistant Controller, IGMC stated (June 2002) that operation theatre No. 8 was withdrawn for its renovation from the department in 1999. It was, however, noticed that the renovation work was completed in March 2001 and the Surgery system is still lying unused.
Chief Medical Officer, Kangra					
	(1.) Cardiac Breath Ventilators	March 1999	5.43	March 1999	The CMO stated (May 2002) that cardiac breath ventilators were supplied without demand and could not be used for want of experts.
	(2.) Topgem Miniature X-ray Contraster	February 1999	2.89	February 1999	X-ray contraster was out of order since receipt (June 2002).
	(3.) Electronic Foetal Monitor	July 1998	1.40	July 1998	Non-posting of Gynaecologist in CHC, Fatehpur (November 2002).
Chief Medical Officer, Una					
PHC, Chururu	X-ray Machine	May 1999	3.24	May 1999	CMO stated (October 2001) functioning of X-ray machine not started as accommodation was not available and non-supply of X-ray cassettes/material.
Senior Medical Superintendent, Zonal Hospital, Mandi					
	Incinerator	March 1998	5.96	March 1998	Medical Superintendent stated (September 2002) that the machinery could not be installed due to delay in execution of civil works, etc.
			42.88		

Thus, inadequate attention to procurement planning, non-installation of machinery, non-posting of staff and non-supply of material, etc., resulted in non-utilisation of high value equipment valued at Rs 42.88 lakh and deprived the people of the State of health care facilities.

The matter was referred to the Government in March 2003; their reply had not been received (August 2003).

Public Works Department

5.3 Fictitious booking of materials

Fictitious booking to works was carried out for showing utilisation of budget in contravention of rules.

Financial rules of the Government prohibit fictitious stock adjustments such as debiting to a work the cost of materials not required, or in excess of actual requirements, the debiting to a particular work for which funds are available of the value of materials intended to be utilised on another work for which no allotment has been sanctioned or the writing back of the value of materials used on a work to avoid excess outlay over appropriation.

Contrary to these rules, materials costing Rs 2.68 crore were fictitiously booked between March 1998 and March 2002 by eight divisions¹ against 59 works. The cost of the material was written back to stock in the succeeding

financial years between April 2000 and September 2002. Scrutiny of records further revealed that fictitious booking included bitumen valued at Rs 62.52 lakh against four bridges and one building works by Dehra and Paonta Sahib divisions (March 2000: Rs 9.53 lakh; March 2001: Rs 44.11 lakh and March 2002: Rs 8.88 lakh) even though bitumen was not required for such works.

Fictitious booking of material to works thus resulted in overstatement of actual expenditure of works. This also facilitated the obtaining of extra funds for these works in subsequent years to the extent of stores written back to stock/transferred to other works.

The matter was referred to the Government in March 2003; their reply had not been received (August 2003).

Public Works and Irrigation and Public Health Departments

5.4 Shortages of stores

Stores valued at Rs 18.64 lakh were not handed over by three Junior Engineers in three divisions on their transfer to other divisions.

Test-check of records of three Divisions¹ revealed (December 2001 and January-February 2003) that three Junior Engineers (JEs) working in these divisions were relieved of their duties by the concerned Divisional Officers in December 2002, September 2001 and October 2001 on their transfer without handing over complete charge of stores costing Rs 20.74 lakh. However, stores valued at Rs 2.10 lakh were handed over (September 2002) by the JE working in Irrigation and Public Health Division (I&PH), Chamba and remaining stores valued at Rs 18.64 lakh was still to be handed over by the concerned JEs as of April 2003. The Executive Engineer, I&PH Division, Chamba stated (October 2002) that the concerned JE had been directed to hand over the balance stores valued at Rs 4.41 lakh. The XEN, I&PH Division No. I, Shimla stated (February 2003) that charge sheet against the concerned JE was under process in the circle office. Action on the shortages had not been taken by the XEN, Bilaspur Division No. II (April 2003).

Scrutiny of records further revealed that there was nothing on the record to indicate that JEs were relieved of their duties after ensuring proper handing over charge of stores. The shortages had also not been placed in "Miscellaneous Works Advances" pending reconciliation/recovery as required under rules.

Under the circumstances, chances of misappropriation of material could not be ruled out.

The matter was referred to the Government in April 2003; their reply had not been received (August 2003).