

CHAPTER -V

STORES AND STOCK

AUDIT PARAGRAPH

DEPARTMENT OF HOME AFFAIRS AND JUSTICE (JAILS)

5.1 Stores and Stock Accounts

5.1.1 Introductory

To achieve the objective of the Jail department of protecting society through correction, resocialisation and rehabilitation of offenders, the department provides institutional and non-institutional treatment by imparting training in furniture manufacturing, tent preparing, cloth weaving and soap making etc. Besides this, agricultural farming and other operational works for the up-keep of inmates is also undertaken, for which the department purchases stores like raw material, machinery and equipment, dietary articles and other store articles of daily use. The funds are provided in the budget and purchases of raw material, machinery and equipment are made against 90 percent advance payment against Railway Receipts/Goods Receipts (RR/GR) and other articles on credit basis.

There are 7 Central, 5 District, 2 Open Air, one Women, one Borstal (Juvenile) Jails and a Training School under the overall administrative control of the Inspector General of Prisons (IGP). Based on the test check of records for the years 1996-97 to 2000-2001 undertaken between December 2000 and March 2001 in the offices of I.G.P, 5* Central Jails, 2** District Jails, Borstal (Juvenile) Jail, Ludhiana, and Open Air Jail, Nabha, the following were observed:

5.1.2. Purchase of stores

5.1.2.1 *Extra/avoidable expenditure on purchases*

(i) Financial rules provide that while making purchases preference should be given to Government Departments/Govt owned undertakings. Punjab State

* Amritsar, Bathinda, Jalandhar, Ludhiana and Patiala.
** Kapurthala and Nabha.

Forest Development Corporation Limited (PSFDC) had been intimating from time to time to the IGP the rate for supply of fuel wood available with them.

Local purchase of fuel wood resulted in extra expenditure of Rs. 18.12 lakh.

Between April 1996 and March 2001, 3*** Jails purchased 51636 quintals of fuel wood valuing Rs.80.06 lakh from local market at rates higher than that of PSFDC even without obtaining non availability certificate (NAC) from PSFDC which resulted in extra expenditure of Rs.18.12 lakh.

On ascertaining the reasons for purchase at higher rates in contravention of the rules, Superintendent Central Jail, Amritsar stated (February 2001) that the large quantity of fuel wood required was not available with PSFDC. This was not tenable in the absence of NAC. Superintendent, Central Jail, Bathinda stated (March 2001) that PSFDC did not supply fuel wood on credit basis which was also not tenable as this could not be established from any record and in any case the payment could have been made after obtaining proforma invoice. Superintendent Central Jail, Patiala, however, assured compliance in future.

(ii) Punjab Jails Manual provides that Superintendents/Deputy Superintendents of Jails are responsible for making proper arrangements for the purchase of grain, subject to the limits of (including the stock in hand)15 months' supply and of the storage room available. Instructions (June 1998) provided that the requirement of wheat for the year should be worked out and tenders for the purchase of wheat should be called between 20th - 30th April and finalised by 7th May so as to ensure that the required quantity of wheat is procured during crop season viz. April-May. The instructions further provided that in respect of jails where there is a shortage/problem of storage capacity, the Superintendent would be responsible for making arrangement for storage of wheat in warehouse.

Purchase of wheat in off season resulted in avoidable expenditure of Rs.10.07 lakh.

Test check of records in respect of 3* jails, however, revealed that out of 15182 quintals of wheat purchased during 1997-2000, 10713 quintals (71 percent) as tabulated below was purchased during off season at higher rates resulting in extra expenditure of Rs.10.07 lakh (excluding storage charges).

Year	Total wheat purchased	Wheat purchased between		Percent of purchase in off season
		April-May	July-March	
		<i>(quantity in quintals)</i>		
1997-98	2544	1165	1379	54
1998-99	6157	954	5203	85
1999-2000	6481	2350	4131	64
Total	15182	4469	10713	71

On being pointed out Superintendents Central Jail, Amritsar and Jalandhar took the plea of storage problem whereas Central Jail, Bathinda stated that the budget was released by Government in quarterly instalments. The replies were not tenable as it was the responsibility of the Superintendents Central Jail Amritsar and Jalandhar to arrange storage in warehouse as provided in the

*** Central Jails Amritsar, Bathinda and Patiala

* Central Jail Amritsar, Bathinda and Jalandhar.

instructions and in respect of Bathinda jail, it was for the department to ensure timely release of budget.

Lack of proper planning and co-ordination resulted in avoidable loss of Rs.5.55 lakh.

(iii) Test check of records of Open Air Jail, Nabha revealed that milk produced (138768 litres) in the dairy farm between 1996-97 and 2000-2001 was sold at rates ranging between Rs.4.50 and Rs.7.00 per litre. However, during the same period District Jail, Nabha purchased 9650 Kgs milk powder (equivalent to 77200* litres milk) which costed Rs.12.50 and Rs.13.75 per litre. Lack of proper planning and co-ordination had resulted in avoidable loss of Rs.5.55 lakh which was admitted by the department by stating that the possibility of transferring the milk from one jail to another was not explored for want of proposal from both the jails. It was further stated (April 2001) by the IGP that the Superintendent, Open Air Jail, Nabha was asked time and again to revise the rates for sale of milk which was not done.

5.1.2.2 Purchase in excess of requirement

Under the rules, purchases must be made in the most economical manner and in accordance with a definite requirement. At the same time, rules provide that care should be taken not to purchase stores much in advance of actual requirements, if such purchases are likely to prove unprofitable to Government.

(i) In 3*** jails 11503[#] Cubic feet (cft) wood (Kail: 9533; Deodar: 1264 and Partal: 706 cft) valuing Rs.86.98 lakh was purchased between 1997-98 and 1998-99. It was noticed that only 7355 cft (Kail: 6233; Deodar: 665 and Partal: 457 cft) wood was consumed leaving a balance of 4148 cft (Kail: 3300; Deodar: 600 and Partal: 248 cft) valued at Rs. 32.09 lakh as of March 2001 resulting in excess purchase.

Purchases in excess of requirements Rs.75.97 lakh (wood: Rs.32.09 and yarn: Rs.43.88 lakh).

(ii) Though there was closing stock of 262 bales of HL yarn and 189.50 quintals of PL yarn with 5^{\$} Jails at the end of March 1996, 388 bales of HL yarn and 160 quintals of PL yarn valued at Rs.82.65 lakh were further purchased during 1996-97. Only 217 bales HL and 177 quintals PL yarn were actually consumed leaving a closing balance of 433 bales HL and 172.50 quintals of PL yarn at the end of March 1997 resulting in excess purchase of yarn worth of Rs.82.65 lakh during 1996-97. Further 378 bales of HL and 210 quintals of PL yarn were also purchased during 1997-98 to 2000-2001 and there had been a balance of 242 bales of HL and 40 quintals of PL yarn valuing Rs. 43.88 lakh as of March 2001.

The Superintendents concerned while admitting the facts, stated (January-March 2001) that the purchases were made in anticipation of orders for finished goods.

* 10 Kgs milk powder equivalent to 80 litres toned milk

*** Central Jail Amritsar, Bathinda and Patiala.

9562 cft: 1997-98 and 1941 cft: 1998-99

\$ Central Jails, Amritsar, Bathinda, Jalandhar, Ludhiana and Patiala

5.1.3. Disposal of stores

5.1.3.1. Non recovery of sold goods

In audit it was noticed that in respect of 8** Jails, Rs.8.42 crore representing sale value of manufactured goods were outstanding for recovery as of January-March 2001. Age-wise and department-wise analysis of outstanding amount was as under:

Name of Department/ Agency	More than 5 years	More than 3 but less than 5 years	More than 1 but less than 3 years	Less than 1 year	Total
(Rupees in lakh)					
i) Own Jails	111.26	106.70	75.24	43.55	336.75
ii) Sister Jails***	65.35	49.08	47.85	33.38	195.66
iii) Other Govt. Departments	86.54	58.62	26.35	62.72	234.23
iv) Private Societies	-	-	-	75.66	75.66
Total	263.15	214.40	149.44	215.31	842.30

Scrutiny of the table revealed that out of total recoverable amount of Rs. 8.42 crore, Rs.2.63 crore (31 per cent) for over 5 years and Rs.2.14 crore (25 per cent) for more than 3 years were outstanding. No serious efforts had been made to effect recovery for the goods sold.

On being pointed out in Audit (March 2000) Superintendents concerned stated that efforts were being made for recovery of outstanding amount.

5.1.3.2 Non disposal of manufactured goods

(i) As per rules, Head of Department in respect of Jail Department should supply annually, in the month of January, to all Heads of Departments and Disbursing Officers under advice to Government a list with quantity/prices of goods manufactured for sale.

Test check of records revealed that no such list was ever circulated except in November 1997 that too without the quantity and price of items. Non-observance of the rules had, thus, resulted in non disposal of goods valuing Rs.80.91 lakh as of January-March 2001 manufactured in 7* Jails during March 1987 to February 2001.

The Superintendents Jails intimated (January-March 2001) that non disposal of stock was due to non receipt of anticipated orders of finished goods from other departments. Reply was not tenable as non-compliance to the rules regarding circulation of lists had, thus, resulted not only in non-disposal of

Manufactured goods worth Rs.80.91 lakh lying undisposed off.

** Central Jail Amritsar, Bathinda, Jalandhar, Ludhiana and Patiala, District Jail, Kapurthala, Borstal (Juvenile) Jail Ludhiana and Open Air Jail Nabha.

*** Other jails in the Punjab State

* Central Jails Amritsar, Bathinda, Jalandhar, Ludhiana, Patiala, District Jail Kapurthala and Borstal (Juvenile) jail Ludhiana..

manufactured goods for years together but also undue storage and blocking of funds.

5.1.3.3. *Non disposal of surplus stores*

According to rules, surplus store lying in stock for over a year should either be transferred to the places where these could be utilized or disposed off otherwise.

Stores valuing Rs.59.33 lakh lying undisposed.

In 7** jails surplus stores (Commercial board, Conduit pipe, Cotton yarn, Stockinet, Sisal rope, Soap material and Sunmica etc.) valuing Rs.59.33 lakh (Rs. 21.68 lakh for more than 5 years; Rs. 22.76 lakh more than 3 years and Rs.14.89 lakh for over a year). was lying unutilized/undisposed off as of January-March 2001.

On ascertaining the reasons for non disposal, it was admitted that these stores were purchased much in advance of requirements and that action for transfer/disposal would be taken.

5.1.3.4 *Unserviceable/condemned stores.*

(i)It was seen that minor store articles like utensils, fans, blankets and minor implements valued at Rs.2.39 lakh (Central Jail Amritsar Rs.0.35 lakh; Central Jail Bathinda Rs.0.67 lakh and Central Jail Jalandhar Rs.1.37 lakh) declared condemned were awaiting disposal (March 2001).

(ii)Further 37 number tents and kanats valued at Rs.2.14 lakh in Central Jail Jalandhar declared unserviceable (September 1999) were neither got condemned nor disposed off (March 2001).

5.1.4. Excess consumption of material

Punjab Jails Manual provided that each C-class prisoner would be issued 250 grams of tea daily and fixed the formula for consumption of material for the preparation of tea.

Consumption in excess of norms resulted in extra expenditure of Rs.99.69 lakh.

In 7 jails*, it was noticed that while working out consumption, material for preparation of 500 gms of tea was used instead of 250 gms during the years 1996-97 to 2000-2001 resulting in excess consumption of material valuing Rs.99.69 lakh. Superintendents Jails reported (March 2001) that as a matter of practice, tea was being served twice. The reply was not tangible as the inmates were entitled to 250 grams of tea daily instead of 500 grams shown to have been served.

** Central Jails Amritsar, Bathinda, Jalandhar, Ludhiana, Patiala, District Jail Kapurthala and Borstal (Juvenile) jail Ludhiana.

* Central jail Amritsar, Bathinda, Jalandhar, Ludhiana and Patiala, Borstal (Juvenile) jail Ludhiana and Disttt. Jail Nabha

5.1.5. Other Topics of Interest

5.1.5.1 Non obtaining of performance security

Undue financial aid of Rs.55.71 lakh.

According to terms and conditions of NIT, the successful tenderer was required to deposit a security equal to 10 per cent of approximate value of contract. It was noticed that in case of 117 orders (13 of IGP and 104 of 5** jail Superintendents) for supply of material worth Rs.5.57 crore, the required security of Rs.55.71 lakh was not obtained resulting in undue financial aid to the contractors.

Test check in Central jail, Jalandhar further revealed that in three cases the contractors did not make the complete supply and the balance quantity had to be purchased from the market at higher rates which resulted in extra expenditure of Rs.0.70 lakh besides non recovery of performance security from the defaulters.

IGP stated (December 2000) that had the security been obtained, the small firms would not have been able to supply material because of investment reasons. The Superintendent jails, however, stated (January-March 2001) that payment to the supplier was made by withholding some amount till order was completed. The reply was not tenable as security deposit was required as per terms and condition of NIT which was not relaxed.

5.1.5.2 Irregular transfer of material

Central Jail Jalandhar transferred material like conduit pipe and commercial board etc. valuing Rs.11.05 lakh to Model Jail Chandigarh during October 1996 to February 1997. Neither the amount had been shown as recoverable nor was it recovered (March 2001). In reply it was stated that matter regarding recovery of outstanding amount had been taken up with the IGP. Correspondence, however, revealed that Superintendent Model Jail, Chandigarh had stated (July 1999) that the material was sub standard and requested for lifting the material back.

5.1.5.3 Idle investment

Close Circuit Televisions (CC-TVs) system installed in 2 jails between June 1994 and August 1997 at a cost of Rs.61.11 lakh were declared non functional (September 1996 and January 1999) for lack of major repairs resulting in idle investment besides non-achievement of objectives viz. to closely monitor the activities of the prisoners as a security measures etc.

Name of jail	Month of installation	Cost including installation	Since when lying non functional	Reply of Superintendents jail
Central Jail Amritsar	June 1994	Rs.11.25 lakh	September 1996	Action was being taken for repair
Central Jail Patiala	August 1997	Rs.49.86 lakh	January 1999	-do-
	Total	Rs.61.11 lakh		

** Central Jail Amritsar, Bathinda, Jalandhar, Ludhiana and Patiala.

On being pointed out, the IGP stated (August 2001) that no repair of CC-TVs had been done.

The above points were referred to the IGP (April 2001). No response was received from him (November 2001).