

OVERVIEW

This Report includes two chapters containing observations on Finance and Appropriation Accounts of the Government of West Bengal for the year 2000-2001 and three other chapters, comprising 7 reviews and 33 paragraphs dealing with the results of audit of selected programmes and schemes and of the financial transactions of Government including its commercial and trading activities. A synopsis of the findings contained in the audit reviews and the more important paragraphs are presented in this overview.

1. An overview of the Finances of the State Government

The Government showed a lower revenue deficit compared to previous year. The reduction was mainly attributable to increased central transfer on account of union taxes and Grants in aid, while there was no reduction in revenue expenditure. The revenue receipts grew at an annual average rate of 15.30 *per cent* during 1996-97 to 2000-2001 while revenue expenditure grew by 22.6 *per cent*.

Receipts from tax revenue grew by 41 *per cent* from Rs 4259 crore in 1996-97 to Rs 6001 crore in 2000-2001. Although the non-tax revenue increased in 2000-2001 to Rs 1215 crore from Rs 587 crore in previous year, this increase was mainly due to adjustment of interest receipts from the West Bengal State Electricity Board without involving any cash inflow. Without such adjustment revenue deficit would have been higher.

Revenue expenditure accounted for 87 *per cent* of the total expenditure of the Government and increased by 13 *per cent* during 2000-2001 over the previous year mainly on the non-plan side. Interest payments accounted for 24 *per cent* of the revenue expenditure during the year and was up from 21 *per cent* in 1999-2000.

The share of capital expenditure in the total expenditure was 5 *per cent* during 2000-2001. Even this expenditure included Rs 42 crore, adjusted as investment in equity shares in Durgapur Projects Limited by converting part of its outstanding loans without any cash outflow. The borrowings were mostly utilised (69 *per cent*) to meet revenue expenditure.

The total liabilities of the State Government had grown by 156 *per cent* during the five year period 1996-2001. Internal debt had grown by 493 *per cent*, loans and advances from Government of India by 71 *per cent* and other liabilities by 151 *per cent*.

The investments of government was non-remunerative as the returns were negligible. Further, Rs 2546.07 crore of loans raised by a State Undertaking for infrastructure development were parked in deposit accounts of the State to improve the ways and means position of the Government. Due to frequent mismatch between receipts and expenditure State Government had to resort to

The abbreviations used in this Report have been listed in the Glossary in Appendix 60 (Page 302)

ways and means advances throughout the year. A declining Tax to GSDP ratio showed that the State Government preferred the option of borrowing to that of widening its tax base, the prudent means of financing Government's expenditure.

Government's investment in statutory corporations, Government companies and joint stock companies (Rs 3867.95 crore at the end of 2000-2001) fetched insignificant returns as many of the Government Companies were loss making.

Out of loans advanced by Government to municipalities and others, Rs 2553.38 crore were due for recovery as on 31 March 2001. Poor recovery of loans worsened the financial condition of the Government.

A persistently falling negative balance from current revenue, mounting interest payments, declining tax to GSDP ratio and galloping deficits indicated poor financial condition of the Government. There was a significant deterioration in the financial position of the State during the last 5 years.

(Paragraphs 1.1 to 1.11)

2. *Appropriation audit and control over expenditure*

Against the total provision of Rs 32514.94 crore including the supplementary budget the expenditure was Rs 38391.99 crore. The excess of Rs 8545.52 crore was offset by the savings of Rs 2668.47 crore in 86 grants and 20 appropriations. The excess expenditure pertained mainly to Public Debt (Rs 7905 crore), Pension Payments (Rs 307 crore) and Police (Rs 125 crore). The excess expenditure of Rs 8545.52 crore in 12 grants and 3 appropriations required regularisation under Article 205 of the Constitution of India. As of November 2001, the excess expenditure of Rs 13762.30 crore pertaining to the years 1999-2001 were not regularised due to non-receipt of explanatory notes on the excesses from the Finance Department.

Supplementary provision of Rs 4107.50 crore obtained during the year constituted 14 *per cent* of the original budget provision of Rs 28407.44 crore. Supplementary provision of Rs 1422.55 crore proved insufficient in 10 cases by more than Rs 10 lakh in each case, leaving an aggregate uncovered expenditure of Rs 8537.29 crore. On the other hand, provision of Rs 490.98 crore obtained in 53 cases during the year proved unnecessary. In 23 cases, supplementary grants aggregating to Rs 2153.70 crore proved excessive, the additional requirements being Rs 1508.55 crore.

Of the total amount of Rs 73.50 crore drawn in Abstract Contingent Bills between April 1982 and March 2000 adjustment against Rs 41.85 crore (*57 per cent*) had not been submitted till March 2001. This indicated poor financial discipline. During 2000-2001, 112 DDOs drew a further amount of Rs 8.04 crore (185 bills). Out of total drawals of Rs 81.54 crore (as of March 2001) the detailed records in support of Rs 12.94 crore were not available.

Financial Rules require that the departmental controlling officers should reconcile the departmental figures of expenditure with those booked by the Principal Accountant General (Accounts and Entitlement). During 2000-2001, out of Rs 23426.25 crore of Revenue and Capital expenditure, the expenditure of Rs 12114.51 crore (52 per cent) was not reconciled by various departments including Home (Constitution and Election), Labour, Refugee, Relief and Rehabilitation and School Education Departments. There were also no system to control and monitor the progress of expenditure against budget estimates/allotments and there was no designated officer for this purpose in the above mentioned departments.

(Paragraphs 2.1 to 2.4)

3. *Utilisation of fund for schemes for Scheduled Castes and Scheduled Tribes during the period 1996-2001*

To ensure socio-economic development of Scheduled Castes (SC) and Scheduled Tribes (ST) Communities, Family Oriented (FO) Schemes, Community Development Schemes, various educational schemes and Infrastructural Development Schemes were implemented with partial assistance from Government of India. Though various schemes were implemented in the State to ameliorate the condition of the SC and ST people, the performance under such schemes were far from satisfactory and the basic objectives of the schemes remained unfulfilled. This was attributable mainly to the lack of proper supervision and near total dependence of Government on West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation (WBSCSTDFC) and the banks for implementation of the schemes. While Rs 253.38 crore remained parked in the deposit account and banks, there was little follow up and intervention by the Government to ensure that the schemes were implemented effectively and benefits accrued to the SC/ST people in a timely and effective manner. The programme was hampered by delayed release of funds by Government and further delay in release of funds to the implementing agencies. On the whole, the programme suffered from lack of attention and monitoring by Government, though funds were not a constraint.

Of Rs 355.01 crore of budgeted scheme funds parked in the deposit account during 1996-2001 Rs 69.26 crore remained unspent as of March 2001. Besides, a Government owned corporation parked Rs 127.65 crore of scheme funds in short term deposits in banks instead of prompt implementation of the schemes. Scheme funds of Rs 130.14 crore was released to WBSCSTDFC at a delay of 3 to 12 months from the date of sanction and due to late receipt of departmental directives Rs 159.25 crore were released to the executing agencies at a delay of 3 to 23 months. Further out of Rs 4.40 crore of scheme funds lying idle in the bank account of implementing agencies, Rs 1.24 crore represented educational scholarships lying undisbursed since 1985-86 in the district of South 24 Parganas. Rupees 1.60 crore meant for development of Lodha Community was not utilised at all.

Undisbursed subsidy and margin money loan of Rs 2.98 crore was refunded by the banks to WBSCSTDFC without implementing the schemes.

Projects (3411) valued Rs 3.60 crore were not implemented by the beneficiaries as they refunded their bank loan (Rs 1.69 crore) within a short span of time. Thus disbursement of government subsidy of Rs 1.79 crore did not result in any useful economic activity.

Failure to construct 37 Central Hostels at an estimated cost of Rs 8.73 crore deprived 2712 SC & ST students of hostel facilities. Though Rs 5 crore was received from GOI, work of construction of 5 Residential Schools specially for students of three tribal communities identified under Article 275(1) of the Constitution of India, was delayed by 2 to 3 years.

Though Rs 16.94 crore was awarded as Pre-Matric Scholarships, 3.75 lakh students dropped out from their studies in various stages. In five districts, pre-matric (Rs 4.20 crore) and post-matric (Rs 2.22 crore) scholarship funds for SC/ST students remained unspent as of March 2001.

Of Rs 5.75 crore meant for implementation of National Scheme for liberation and rehabilitation of Scavengers (NSS), Rs 4.14 crore remained unspent as of March 2001 while only 9 *per cent* of the identified scavengers were provided financial assistance.

Of Rs 21.82 crore released by the department for execution of 937 Community Development Schemes in five districts, utilisation certificates for Rs 13.88 crore against 479 schemes were not obtained (March 2001) from the executing agencies. Further Rs 1.81 crore of Special Central Assistance funds for Community Development Schemes were sanctioned/ released for ineligible works.

As per evaluation study conducted by the Cultural Research Institute of the Government in respect of Family Oriented schemes, NSFDC and NSS, 29 to 60 *per cent* of the schemes were defunct while only 12 to 40 *per cent* beneficiaries could be gainfully employed on implementation of the schemes.

(Paragraph 3.1)

4. *Implementation of Environment Act and Rules relating to Air Pollution and Solid Waste Management*

The Environment Department was responsible for formulation of policies relating to all environmental issues and their execution through the West Bengal Pollution Control Board (Board). The Board failed to take appropriate measures against the polluting industries for violation and disregard of pollution norms. Inspection and 'stack analysis' were insignificant to have any impact on control of pollution. Large number of small industries were operating without consent. Control of pollution from vehicular emission by the Transport Department was ineffective.

Thermal Power Stations operating within the residential areas in Kolkata Municipal Corporation (KMC) did not observe ambient air quality standards. Due to pollution, blood lead level of about 55 *per cent* of children in Kolkata was above safe limits. Kolkata's citizen had almost ten times higher Alveolar Macrophage (AM) count in their sputum. According to an estimate following a study conducted by World Health Organisation (WHO) based on air quality of Kolkata in 1995-96, hospitalisation and sickness requiring medical assistance and pre-mature death in Kolkata were 55 lakh and 0.11 lakh respectively. Calcutta Electric Supply Corporation's (CESC) Cossipore Unit alone contributes 64 *per cent* of Kolkata's Particulate Matter (PM). In absence of any notified site, hazardous waste was dumped in low-lying areas causing serious environmental hazards. Bio-medical waste in most cases were not segregated and dumped along with the domestic garbage in the water bodies and even on the riverside in one case. The pollution control mechanism was virtually non-operational in the State.

Out of 3.1 lakh industrial units registered in the State, Board could identify only about 10000 polluting units (3.23 *per cent*). Out of 127 grossly Air polluting units, 69 units did not conform to pollution standards set by Central Pollution Control Board (CPCB).

Board conducted 3347 inspections on an average during 1999-2001 and analysed only 541 stack samples which would be 36 *per cent* and 4 *per cent* of the required number if at least one inspection/analysis per unit was done per year for 4627 red category units.

Due to failure to equip its laboratory, Board could not assess some parameters like Carbon mono Oxide (CO), Mercury (Hg), Chlorine (Cl₂), Hydro Chlorine Vapour (HCl) and mist.

Pollution load from vehicular emission in the State increased from 311 tons per day in 1988 to 486 tons per day in 2000. Out of 1.93 lakh vehicles checked by Kolkata Police during 1998-2000, 1.36 lakh vehicles failed to pass the test, of which 0.29 lakh vehicles were running with Pollution under Control certificates.

All the five stations of CESC located in densely populated areas could never maintain pollution standards. Of these Cossipore unit alone contributed 64 *per cent* of SPM of Kolkata and southern generating station in the vicinity of a hospital failed to maintain even the standards for residential areas.

A good number of rubber industries, dyeing and bleaching units, small pharmaceutical units, paper board manufacturing units etc. in the eastern and northern parts of Kolkata were running without consent and without adopting any Pollution Control System (PCS).

Durgapur Steel Plant and Burnpur and Kulti units of Indian Iron and Steel company, engaged in production of steel materials consistently failed to maintain pollution standards but no action was taken against these units.

Both Kolaghat Thermal Power Station (KTPS) and Santaldih Thermal Power Station (STPS) were operating with shorter stack heights and consistently failed to maintain pollution standards. Ash ponds at KTPS were inadequate and frequent overflowing of ash slurry resulted in deterioration of water quality and siltation of the recipient water bodies (Medinipur and Denun Canal).

Board monitored ambient air quality in eight district towns during the period from December 1999 to March 2000. SPM in all cases and NO₂ in most of the cases exceeded the standards.

At Picnic Garden in Kolkata lead concentration in dust on roof tops, soil around the lead factories and in sediment of the local ponds were found in alarming quantity. Blood lead level of about 55 *per cent* of children in Kolkata was above safe limits. Kolkata's citizen had almost ten times higher Alveolar Macrophage (AM) count in their sputum.

In test-checked 25 municipalities, there was no separate system for collection and disposal of bio-medical waste which were disposed off along with domestic garbage in adjoining low lying areas. Hazardous wastes were dumped in low lying areas causing serious environmental problems in absence of any site notified by Board. In Kolkata all medical wastes from the hospitals were not handed over to the KMC vehicles for disposal. In many cases those were not properly disinfected and segregated. In several cases medical wastes were disposed off along with domestic garbage.

(Paragraphs 3.2)

5. National Programme for Prevention and Control of Diseases

National Tuberculosis Control Programme

National Tuberculosis Control Programme (NTCP) was implemented in the State since 1965 and Revised National Tuberculosis Control Programme (RNTCP) from 1999. Despite the implementation of the programme for 36 years, sputum positive cases increased. Excess consumption/indiscriminate use of drugs created drug resistance. The programme implementation was marred by non-investigation of all suspects/symptomatics for TB, deficiency in sputum microscopy, shortage of microscopy centres, absence of proper health education, non-observance of dose medication, inadequate supervision and monitoring. Action plans were not prepared and supply of medicines was not regular; diagnostic facilities were inadequate. As a result, target of new sputum smear positive patients remained largely unachieved. There were serious irregularities in purchase of medicines and issue of unnecessary medicines. Despite availability of funds, RNTCP was implemented late and all districts were not covered.

Of Rs 4.21 crore of GOI assistance, Rs 3.38 crore were spent. State share of Rs 1.50 crore was not released. In RNTCP utilisation of GOI fund was 59 *per cent* in 4 years.

Due to shortage in microscopy centres intended benefit of the programme was denied to 2.82 crore targeted population.

Implementation of RNTCP was delayed due to lack of advance planning. Benefit of the programme could not reach large population as detection rate was poor.

Shortfall in sputum examination and identification of new smear positive cases ranged from 52 to 84 *per cent* and 39 to 64 *per cent* respectively during 1996-2001 in the State. High dropout rate aggravated spread of Tuberculosis while expenditure of Rs 8.02 crore on dropout cases was wasted.

In 4 test-checked districts, excess consumption of Short Course Chemotherapy (SCC) drugs of Rs 3.13 crore was noticed. In Sub-divisional Hospital, Bolpur fictitious issue of Short Course Regimen medicine worth Rs 22.95 lakh was noticed.

Capsule Rifampicin valued at Rs 4.15 crore was purchased by CMOH (Rs 2.01 crore) and DDHS, E&S (Rs 2.14 crore) in excess of requirement. Irregular purchase of SCC drugs worth Rs 3.10 crore was made by DDHS, E&S (Rs 2.34 crore) and CMOH, Birbhum (Rs 0.76 crore) in violation of GOI guidelines. In Birbhum district SCC drugs valued at Rs 1.12 crore were shown as consumed though the district was non-SCC one. Huge funds so wasted by the Department calls for investigation.

Issue of injection Streptomycin (9.75 lakh vials) valued at Rs 46.01 lakh to patients without use of distilled water was doubtful.

Anti-Tuberculosis drugs (ATDs) valued at Rs 55.90 lakh were issued to patients in the RNTCP districts in violation of GOI guidelines.

ATDs worth Rs 25.21 lakh were diverted to Modified Leprosy Control Unit for indoor treatment while such drugs valuing Rs 3.97 crore were utilised under the NTCP without conducting quality control tests.

ATDs worth Rs 24.64 lakh were not accounted for in Darjeeling district (Rs 21.26 lakh), Birbhum District Tuberculosis Centre (DTC) (Rs 2.67 lakh) and Malda DTC (Rs 0.71 lakh).

Due to inadequate training of Medical Officers and Paramedical staff and non-utilisation of media officers in Information, Education and Communication activities, effectiveness of the programme was reduced.

(Paragraph 3.3)

National Programme for Control of Blindness

National Programme for Control of Blindness implemented from 1981-82 aimed at reduction in incidence of blindness from 1.4 *per cent* to 0.3 *per cent* by 2000 AD. Even after lapse of 19 years, State could not achieve this target. Large amount of central assistance for up gradation of OT, construction of eye wards and preparation of blind registers were not utilised.

Rupees 86.41 lakh (32 per cent), out of Rs 2.67 crore of Central assistance was not released by the State Government.

Against target of 9.13 lakh cataract operations, achievement in the State was reported to be 842145 (shortfall 8 per cent) whereas achievement of 4 test-checked districts was 86196 (shortfall 60 per cent) against target of 215500 during 1996-2001 thus depicting a different picture.

Thirty Eye Surgeons of hospitals test-checked performed 10054 operations (10 per cent) as against norm of 105000 operations during 1996-2001.

State Government fixed lower targets (10 to 20 per cent) for Intra Occular Lense Operation (IOL) against the norm of 30 per cent as per guidelines. Even this lower target remained unachieved.

Regional Institute of Ophthalmology (RIO), Kolkata intimated about availability of Corneas to wait-listed blind patients by post. Due to such delay only 321 eyes (34 per cent) could be transplanted out of 946 eyes collected.

Sentinel Surveillance Unit (SSU) established for working out reporting system could not start functioning for want of feed back from the concerned Deputy CMOH-II though Rs 0.75 lakh was provided by GOI in May 2000.

Out of Rs 8 lakh sanctioned (1999-2000) by GOI towards renovation and furnishing of OT and eye wards of 7 Medical College & Hospitals and 17 District Hospitals in the State, 2 District Hospitals of 4 test-checked districts failed to utilise the sanctioned amount of Rs 0.95 lakh

Of Rs 14 lakh released by Government of India (GOI) for preparation of village-wise blind registry in 7 districts, only Rs 0.54 lakh could be utilised by one district and balance of Rs 13.46 lakh remained unutilised as of March 2001.

Rupees 70 lakh released by GOI in May-June 2000 for construction of eye wards and eye operation theatre in 5 selected hospitals remained unutilised till March 2001 due to non-receipt of approval for construction sent after March 2001 to GOI. Central assistance of Rs 50.10 lakh towards purchase of equipment also remained unutilised on grounds of shortage of time for observance of purchase formalities.

(Paragraph 3.4)

National Leprosy Elimination Programme

National Leprosy Elimination Programme was launched in the State in 1955 to eliminate leprosy initially by use of Dapson Monotherapy and by Multi Drug Therapy (MDT) on introduction. The objective was to bring down leprosy patients to less than one per 10000 population by 2000. State Leprosy Society and District Leprosy Societies (DLSs) were the implementing agencies.

GOI grant (Rs 5.66 crore) were diverted for payment of pay and allowances of the units created in the earlier period.

Survey was not conducted regularly in detection of new cases. A large number of cases were either discharged or deleted from the patients' register before completion of treatment. The patients having no ration cards or voter identity cards were not included in the Report to show higher achievement thereby exhibiting lower prevalence rate (PR). Reports /returns right from base level to DLSs level did not agree with the relevant basic records. Thus, the status report of the State showing the prevalence rate as 2.72 per 10000 population as of 31 March 2001 was not reflecting the actual prevalence rate.

Under two Modified Leprosy Elimination Campaigns (MLECs) only 18 and 16 *per cent* of suspected cases were confirmed as leprosy patients though GOI fund of Rs 6.64 crore was spent for this purpose. DLS, Uttar Dinajpur incurred excess expenditure of Rs 46.36 lakh during 1996-2001 in violation of prescribed limit of GOI guidelines.

(Paragraph 3.14)

National AIDS prevention and Control Programme

AIDS Prevention and Control Programme was introduced in the State in 1992. State Government was able to spend 30 to 96 *per cent* of available funds received from GOI during 1996-2001. No new Blood Bank was established nor all the old Blood Banks were fully modernised. Blood collected was not HIV-tested to the fullest extent and was utilised endangering the patients' life. The HIV positive cases and AIDS cases were tending to increase gradually in the State. Information Education Communication activity was also not up to the mark in the district to prevent/control these diseases. Sophisticated machine in the State Blood Banks valuing Rs 40.79 lakh remained idle for years. No monitoring of the Programme at State Level was done by the National AIDS Control Organisation or by the State Government and thus, the Programme remained neglected.

(Paragraph 3.15)

6. *Non-formal Education Programme*

Non-formal Education (NFE) Programme which is an integral component of Universalisation of Elementary Education (UEE) was conceived by the Government of India in 1979-80. The aim of the NFE is to provide elementary education, comparable to the quality of formal education to the children in the 6-14 age group engaged in their domestic works.

Government of West Bengal took up the programme in 1979 but discontinued it from 1990-91. Since then the programme was implemented by NGOs with *per cent* central assistance. The State was thus deprived from availing the Central assistance for programme on eradication of illiteracy. No NFE center was set up under the Government Sector between 1995-96 and 1999-2000 during the period of continuance of the scheme in the State.

The State Government, the Mass Education Extension Directorate and the district offices were totally unaware of the activities of the NGOs and did not monitor their activities.

Adequate NFE centres were not set up in the districts with lower percentage of literacy and population of backward classes of hilly and tribal areas.

Implementation of the programme suffered due to ineffective or non-existent inspection, supervision and monitoring. Test-check of performance of 3 NGOs revealed that 79 per cent of the targeted group of learners remained outside the ambit of education and only 12 *per cent* of the successful NFE learners could take admission in formal education.

GOI released Rs 34.07 lakh to one NGO in Uluberia-I Block, against 100 non-existent centers. One NGO in South 24 Parganas district furnished fictitious figures of learners.

Three NGOs could not produce 1439 Attendance Registers (87 *per cent*) indicating doubtful existence/functioning of the NFE centres.

(Paragraph 3.5)

7. Working of Irrigation and Waterways Department

Irrigation and Waterways Department is responsible for creation and maintenance of irrigation facilities and management of flood control in the state. West Bengal having a total geographical area of 88.75 lakh hectare has cultivable area of 53.25 lakh hectare. As of March 2000 the department could create irrigation potential of 14.30 lakh hectare (53 *per cent*) through major and medium irrigation schemes although the maximum irrigation potential of the state was 27 lakh hectare. Poor financial discipline, weak budgetary control and unreliable estimates led to persistent and significant savings on Capital account. LOC system was not effective and expenditure control system was virtually non-functional. Rush of expenditure in the last months of the year was endemic. Due to deficiencies in planning, execution and efficient management of protection and drainage schemes, the problem of inundation and water-logging of the flood-prone basins and sub-basins had not been mitigated. Huge manpower was idling. Procurement of stores was budget driven and every year huge quantity of hume pipes, steel rods and cement were procured unnecessarily.

The Department could not spend Rs 106.88 crore and Rs 509.71 crore (27 *per cent* of the total budget provision of Rs 2263.61 crore) under Revenue and Capital heads during 1997-2001. The Controlling Officer had to prepare budget estimate without input from field offices and could not submit the budget estimate to the Finance Department within the prescribed time. Absence of control in preparation of budget and monitoring of allotment of fund vis-à-vis budgetary provision led to huge savings.

The existing scheme of Letter of Credit (LOC) provides scope for diversion of funds from Capital to Revenue head by Divisional Officers as the LOC is not released scheme-wise and the expenditure of schemes are not monitored as per LOC releases.

Expenditure control mechanism was non-functional as monthly statement of expenditure and liabilities were not submitted by the Divisional Officers. The Controlling Officer did not reconcile departmental expenditure figures with those maintained by the Principal Accountant General (Accounts & Entitlement) and therefore departmental figures were not reliable.

Teesta Barrage Project which commenced in 1976, was completed to the extent of 70 *per cent* and only 0.96 lakh hectare of irrigation potential was created against target of 9.23 lakh hectare even after investment of Rs 833.47 crore. The Cost Benefit Ratio has not been revised despite the revision of estimates.

Kangsabati Reservoir Project taken up in 1956 was still under execution, even after lapse of 45 years. Cost overrun was 11 times of the original cost.

On extension and improvement of Barrage and Irrigation System of Damodar Valley Corporation Rs 81.10 crore were spent to create irrigation potential for 4.91 lakh hectare. Cost overrun worked out to 264 *per cent* over the original estimate.

In Subarnarekha Barrage Project, taken up in 1994, project work was not started even after 7 years, despite expenditure of Rs 27.93 crore.

Government took no action on the audit report of wasteful expenditure and malpractices in the implementation of Anti-erosion scheme on Ganga-Padma System.

Unplanned and unnecessary procurement of Steel and Hume Pipe in excess of requirement resulted in blocking of Rs 5.01 crore and loss of Rs 29.28 lakh due to clotting of 861.301 MT Cement. Besides, purchase of boulder at higher rate resulted in extra expenditure of Rs 2.80 crore.

Physical verification of stores was not done in most of the Divisions for 16 years. As a result, misappropriation of stores, retention of idle stores, obsolescence of stores etc. were not controlled.

Deployment of manpower under the Directorate was not linked to workload, thus increasing scope for unproductive and uneconomic use of manpower. Rupees 4.99 crore was spent on 270 staff in 6 Divisions without adequate work.

The Superintending Engineers and Executive Engineers did not inspect the units as required. They were thus unaware of various deficiencies in the field

(Paragraph 4.1)

8. Drinking Water Supply Programme

There are 79036 rural habitations in the state having 4.94 crore population. Though the Public Health Engineering Department (Department) spent

Rs 388.34 crore on Accelerated Rural Water Supply Programme (ARWSP) and Minimum Needs Programme (MNP) during 1997-2001, 65.39 lakh population (13 *per cent*) remained uncovered and 17695 habitations (22 *per cent*) were partially covered as of March 2001. The Department covered only 3 towns out of 73 small towns under Accelerated Urban Water Supply Programme (AUWSP).

Improper planning, wrong selection of site for 'Head-Works', execution of works before ensuring the availability of adequate ground water resulted in abnormal time and cost over run and wasteful and unfruitful expenditure. Large amount of programme funds were parked in 'Local Fund Account' and 'Deposit Account' and amounts advanced were treated as final expenditure.

In the State, 68 blocks in 8 districts having a population of 44.42 lakh were affected by the arsenic pollution in drinking water. State Government launched with the sanction of Government of India (GOI) two Action Plans and two Surface Water Supply Schemes due for completion by 1998-99. Most of the schemes remained incomplete though funds were not a constraint.

Accelerated Rural Water Supply Scheme

Inadequate planning and improper programme for implementation of schemes resulted in non-utilisation of funds of Rs 62.05 crore in four years.

Chief Engineers parked Rs 22.92 crore of MNP/ARWSP funds in Local Fund Account of the Zilla Parishads and treated these as final expenditure to avoid lapse of budget grant.

Adequate priority was not seen in completing 203 Piped Water Supply Schemes which suffered from non-allotment of fund, wrong selection of sites, inadequate water sources while Government further sanctioned 108 new schemes.

The Department failed to complete 42 Piped Water Supply Schemes due to be completed by 1997-98 in drought-prone districts of Bankura, Purulia and Medinipur.

As the completion of the schemes were delayed by 4 to 12 years there was an escalation of cost by Rs 9.28 crore for 10 schemes.

Non-availability of sufficient ground water for Chekya Water Supply Scheme in Purulia District and procurement of unsuitable Iron Removal Plant (IRP) resulted in wasteful expenditure of Rs 1.42 crore.

Suspension of execution of Ranipur Water Supply Scheme in Purulia District resulted in unfruitful expenditure of Rs 1.14 crore.

Purchase of AC pipes and cement from distant sources and unnecessary payment of carriage led to extra expenditure of Rs 1.44 crore.

Arsenic Pollution in Drinking Water

Though the programme was taken up in 1993 and Rs 207 crore was spent, none of the 68 affected blocks has been declared as arsenic free. Most of the schemes remained incomplete

In the district of Malda and South 24 Parganas, the Department failed to complete 2080 spot sources (62 *per cent*), 15 big dia tubewells (65 *per cent*), 50 new piped water supply schemes (89 *per cent*) and 2 arsenic free surface water supply schemes. Consequently, 38 lakh people were deprived of arsenic free water.

Due to defective 'Detailed Project Report' (DPR) for execution of 2 Action Plans and 2 arsenic free Surface Water Supply Schemes Rs 79.99 crore were not utilised.

Chief Engineer, Eastern Zone and Executive Engineer, Malda Arsenic Division-I parked Rs 7.48 crore meant for Arsenic Area Water Supply Project in Personal Ledger Accounts and PW Deposit.

In 3 districts 220 tubewells, sunk at lower depths at an expenditure of Rs 45 lakh, discharged arsenic contaminated water. Of these, tubewells in 2 districts were not sealed off and continued to be used.

Intake Point to draw raw water for Malda Water Supply Scheme (Southern Sector) could not be decided in 5 years and expenditure of Rs 24.19 crore on the other works provided no result for 5.43 lakh arsenic affected population.

An arsenic free water supply scheme for 18 lakh people in South 24-Parganas districts, in operation since 1997, is no where near completion. Rupees 128 crore has been spent mostly on purchase of materials.

In Nadia district, 45 Piped Water Supply Schemes were not completed even 3 years after the target date despite expenditure of Rs 7.14 crore and the arsenic affected people got no relief from arsenic polluted water.

Proper disposal of absorbed candles of arsenic removal plants to avoid risk of contamination of surrounding water sources, was not ensured for most of the tubewells in the State.

Though Rs 2.93 crore was spent on 8 Water Quality test laboratories, the Divisional officers did not conduct quarterly test of tubewell water to ascertain the arsenic pollution.

(Paragraph 4.2)

9. State Health System Development Project –II (1996-2001)

State Health System Development Project-II a six year programme started in the State of West Bengal in 1996 (June) in order to overcome the constraints existing in the middle-tier health care system with an investment of Rs 701.46 crore funded by the International Development Association. The Project initially due to be completed by March 2002, was extended up to March 2004. Though five out of six years of the initial Project period had elapsed only 50 *per cent* of the Project

cost had been spent. The Project suffered from poor overall performance due to tardy progress of civil works and delay in extending infrastructural facilities in the hospitals. Project outcome in realising the final goal of improving health status of the poor was not evaluated or analysed by the Project authorities.

(Paragraph 3.16)

10. Fire Protection and Control

To combat fire hazard and to ensure adequacy of fire protection through improvement and upgradation of the West Bengal Fire Services (WBFS), Government provided Rs 79.86 crore from interest bearing GIC loan, Tenth Finance Commission (TFC) award and own sources. WBFS failed to utilise GIC loan of Rs 14 crore and paid interest of Rs 7.23 crore thereon till March 2001. Utilisation certificates issued to the GOI against TFC grant included unutilised advances of Rs 0.46 crore. Fire fighting appliances worth Rs 2.26 crore received from field units for repair were either lying with private repair workshops or left un-repaired while equipment worth Rs 4.28 crore were not delivered by the supplier firms. For procurement of fire fighting appliances Rs 1.55 crore was advanced in June 1999 against bank guarantee which lapsed in June 2000. The appliances were not supplied even as of July 2001 nor the bank guarantee revalidated to protect Government's interest. Inspection of high-rise buildings by WBFS revealed inadequacy in fire safety appliances. Availability of firewater both in KMC area and in the districts was inadequate. Fire Stations had been suffering from shortage of operational staff and even the existing staff were lacking in training. No Monitoring and Evaluation Committee was formed (April 2001) to review the working of WBFS. The upgradation programme to combat fire thus remained ineffective.

(Paragraph 3.22)

11. Performance of Birbhum District Administration

Out of total receipt of plan funds of Rs 89.64 crore, the District Officers failed to utilise Rs 28.09 crore and kept in PL Accounts.

Budget estimates prepared by District Magistrate (DM) was unrealistic. The DM, withdrew Rs 7.25 crore (1996-2001) in AC bills but did not submit DC bills. Rupees 2.17 crore released under Basic Minimum Services Programme were lying with the implementing agencies. Infrastructural development of the district was lagging and Rs 4.30 crore out of Rs 9.72 crore sanctioned between February 1997 and February 2000 remained unutilised.

Health care system in the district was inadequate. Upgradation programme of BPHCs/PHCs was not activated even after spending Rs 5.45 crore on construction, etc. Stock account of equipment of Rs 22.56 lakh by the CMOH was not maintained and medicines worth Rs 12.31 lakh were purchased in violation of rules.

Standard and quality of education in the district suffered due to inadequate infrastructural facilities. Only 32 per cent of Primary Schools were inspected

during 1996-2001. Prescribed teachers student ratio was never maintained. Under Secondary Education, District Inspector, Birbhum at Suri released grant-in-aid of Rs 1.51 crore to five Schools irregularly. Rupees 4.65 crore were spent towards salary of 145 excess teachers during 1996-2001.

The backward communities were not provided with targeted financial assistance for their upliftment. Under the Family Oriented benefit Scheme, subsidy and margin money to SC and ST beneficiaries, during 1996-2001 were disbursed in 3:1 ratio against norm of 5:2. There was complete absence of monitoring /evaluation by the district authorities for implementation of the Scheme.

The District Rural Development Cell, responsible for implementing various Centrally Sponsored Schemes failed to utilise 39 *per cent* of the funds.

(Paragraph 3.7)

12. Other points

i) Diversion of Scheme funds through Deposit Accounts

WBIDFC raised Rs 4540.55 crore during 1999-2001 through bonds/bank loans for the purpose of infrastructure development of the State and spent only Rs 291.54 crore. They deposited the remaining fund in the Deposit Account, which was used by Government to cover up its ways and means position. Six Government Companies and Statutory Corporations parked programme funds of Rs 281.47 crore in their deposit account thus, depriving the people of the intended benefits of such programmes.

(Paragraph 3.6)

ii) Misutilisation of Election Fund

Eight Superintendents of Police diverted Rs 1.20 crore towards purchase of luxury items like Air Conditioners, Refrigerators, Colour TV sets, Cameras, Music systems and repair/maintenance work of office and residential buildings out of funds meant for election expenditure.

Rupees 4.66 lakh was irregularly incurred on food, lodging, laundry, bar item etc, in accommodating 19 Election Observers in a Club instead of government/semi government guest houses as per Election Commission's guide lines.

(Paragraph 3.21)

iii) Infructuous expenditure on interest

Government was liable to repay the principal (Rs 6.41 crore) and interest (Rs 12.40 crore) on the bank loan for construction of Yuba Bharati Krirangan but failed to pay interest in time and incurred a further liability of Rs 5.61 crore on this account.

(Paragraph 3.24)

State Government raised loans of Rs 110 crore from HUDCO for repair/reconstruction of houses, school buildings destroyed/damaged due to flood

and natural calamities during 1998-99. As of August 2001, Rs 78.03 crore were utilised. Government shouldered interest burden of Rs 5.54 crore on Rs 35 crore remaining idle for periods ranging from 9 to 20 months and also on undisbursed loan of Rs 4.51 crore.

(Paragraph 3.23)

iv) Misappropriation of cash

Physical verification of cash balances conducted by thirty six Drawing and Disbursing Officers (DDO) in 12 districts and Kolkata between July 2000 to April 2001 at the instance of audit, disclosed shortage of Government money to the extent of Rs 43.30 lakh due to non-adherence to the Treasury and Financial Rules by the DDOs. Nine DDOs were unable to explain the shortage of Rs 17.49 lakh.

(Paragraph 3.28)

v) Extra/excess expenditure

Prolonging the work of strengthening of NH-31 (610 km to 631 km) in Jalpaiguri District for more than 6 years resulted in extra expenditure of Rs 81.57 lakh due to price hike of bitumen and intermediate repair and maintenance cost and provision of excess lead in carriage of stone metals.

(Paragraph 4.7)

Inadmissible payment for royalty and cess, extra price escalation, irregular increase of the item rate of cement concrete work in the construction of a Reinforced Cement Concrete well foundation bridge over river Nagar at NH-34 in North Dinajpur district led to excess payment of Rs 76.73 lakh to the contractor.

(Paragraph 4.8)

Though Eastern India Motion Picture Association refused to accept unperforated and ungummed West Bengal Entertainment Tax (ET) Stamps, the Finance (Taxation) department printed such stamps at a cost of Rs 72.85 lakh. Government had to spend Rs 0.29 lakh on their destruction.

(Paragraph 3.13)

For the work of design and construction of a high level reinforced concrete bridge (240 metre long) over river Hogol at Sonakhali in South 24-Parganas district, payment of price escalation unduly on the basis of price index of initial bids resulted in excess payment of Rs 62.29 lakh to the contractor.

(Paragraph 4.9)

vi) Unfruitful/avoidable/wasteful expenditure

To cope with the increasing trend of crime pending investigation and organised crime, Crime Criminal Information System Scheme was launched in 1994-95 in the State.

The scheme remained unimplemented even after 7 years due to non-setting up of on-line connectivity, absence of monitoring and co-ordination, inadequate training and non-introduction of Integrated Investigation Forms rendering the investment

of Rs 2.01 crore unproductive. Crimes pending investigation kept increasing in the mean time.

(Paragraph 3.19)

The contractor was given undue benefit of Rs 2.43 crore by unnecessary inclusion of 1 km extra lead for carriage of earth from borrow pit land in the work of construction of 22.89 km long realignment in Pundibari-Falakata Section of NH-31 in Jalpaiguri District.

(Paragraph 4.6)

Malpractice was evident in the procurement of 11.06 lakh sq. metre polythene film at exorbitant rate for Kangsabati-Main and Right Bank Canals by the Superintending Engineer-I, Kangsabati Circle-I, Bankura from two local contractors through a malafide tender practice thus extending undue favour of Rs 1.56 crore to the suppliers.

(Paragraph 4.3)