

CHAPTER III

PERFORMANCE REVIEWS

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HEALTH AND FAMILY WELFARE DEPARTMENT

3.1 INDIAN SYSTEM OF MEDICINE AND HOMOEOPATHY

HIGHLIGHTS

The policy of the Government of India was to develop Indian System of Medicine and Homoeopathy (ISM&H) to provide better and economic health care to every citizen. Proper treatment through ISM&H could not be provided to the population due to low budgetary provision, inadequate infrastructural facilities in state hospitals, non-deployment of medical officers in dispensaries and absence of homoeo dispensaries at panchayat level. In the absence of monitoring and supervision, the performance of the ISM&H institutions, laboratory and pharmacy and the utilisation of existing infrastructures for education, treatment and production of medicines were not satisfactory.

Population of a large part of the State were deprived of health care under Indian System of Medicine and Homoeopathy as besides Kolkata, State medical colleges and hospitals were set up in only two districts under ISM&H while no hospital was located in North Bengal.

(Paragraph 3.1.5)

During 1999-2004, provision for capital expenditure was only two per cent of the total budget provision for ISM&H indicating the low priority accorded to this sector.

(Paragraph 3.1.6)

Against the requirement of five indoor patient departments, one ayurvedic college had four departments and other two had only one each. Two homoeopathic colleges maintained only one department out of four required.

(Paragraph 3.1.8)

In two homoeopathic and one ayurvedic colleges and hospitals test-checked, the drop out rate of students was 20 per cent during 1999-2004. The student capacity of the Post-graduate Institute of Ayurvedic Education and Research was reduced from 13 to six during 2003-2004 due to shortage of teachers.

(Paragraph 3.1.10)

Medical education in colleges and hospitals was deficient due to poor bed occupancy, want of requisite indoor patient departments, inadequate training facilities and infrastructure.

(Paragraph 3.1.12)

During 1999-2004, the Ayurvedic and Homoeopathic Colleges spent Rs 5.36 crore on deployment of doctors, house staff and nurses in excess

Abbreviations used in this Review have been listed in the Glossary in Appendix 40 (page 216)

of norms in urban areas whereas 51 dispensaries in rural areas remained non-operational for one to seven years due to non-deployment of doctors.

(Paragraphs 3.1.13 and 3.1.22)

Of 3340 Gram Panchayats in the State only 675 were provided with homoeopathic dispensaries of which 117 were non-functional for want of doctors.

(Paragraph 3.1.14)

Modernisation of ayurvedic pharmacy and upgradation of the laboratory into a statutory laboratory for ISMH remained incomplete in spite of spending Rs 0.91 crore. Medicines were supplied to consumers without conducting quality assurance tests.

(Paragraphs 3.1.15 and 3.1.19)

Due to poor utilisation of herbal garden, raw materials costing Rs 81.10 lakh were procured from the market. Raw materials valuing Rs 0.35 lakh were produced in the garden by incurring expenditure of Rs 31.24 lakh on salaries.

(Paragraph 3.1.17)

3.1.1 Introduction

The policy of the Government of India was to develop Indian System of Medicine and Homoeopathy (ISM&H) to provide alternative health care to its citizens. As treatment through allopathic medicine was more expensive and beyond the means of the common man especially in rural areas where laboratories and other facilities for diagnosis and treatment were not available, ISM&H was to provide relief to the population.

Programme objectives

The main objectives of ISM&H were as under:

- providing low cost health care facilities to people throughout the State and mainly in the rural areas where infrastructure for modern allopathic treatment was not available,
- development of teaching facilities with a view to producing qualified doctors for treatment under ISM&H,
- creation of adequate facilities for production, testing and distribution of ayurvedic and homoeopathic medicines, and
- providing adequate infrastructure for Research and Development.

3.1.2 Organisational set up

Principal Secretary, Health and Family Welfare Department was in overall charge of ISM&H, assisted by a Joint Secretary, Director of Homoeopathy, Director of Ayurvedic Medicine and a Special Officer for Unani with administrative control of three unani dispensaries. The Chief Medical Officers of Health (CMOH) of the districts were entrusted with health care services in rural areas through 545 homoeopathic and 295 ayurvedic dispensaries.

3.1.3 *Audit objectives and criteria*

The objectives of the review were:

- to see the adequacy of financial outlay,
- to evaluate the performance of the department in implementation of the programme,
- to assess the quality of health care services provided,
- to assess adequacy of resources available and their utilisation,
- to ascertain whether medical education facilities were in conformity with the prescribed standards, and
- to assess the facilities available under the scheme and their impact on the beneficiaries.

The review was conducted keeping in view the norms and standards fixed by the Central Council of Indian Medicine (CCIM), the Central Council of Homoeopathy (CCH) and the objectives of the schemes.

3.1.4 *Audit Coverage*

Records of the Health and Family Welfare Department (ISM&H branch), five ISM&H colleges and hospitals, the Integrated Production and Research Centre at Kalyani, CMOsH of four districts (Bankura, Coochbehar, North 24 Parganas and Paschim Medinipur), 30 dispensaries in these districts and six dispensaries in Kolkata and Howrah pertaining to the period 1999-2004 were test-checked between February and May 2004.

3.1.5 **State Profile of Medical colleges and hospitals**

In the State, there were four homoeopathic medical colleges and hospitals (two in Kolkata, one each in Howrah and Paschim Medinipur), one ayurvedic medical college and hospital, one ayurvedic post-graduate institute and one centre for training in ayurvedic pharmacy in Kolkata, run by the State Government. In addition, there were ten private medical colleges and hospitals, eight homeopathic¹, one ayurvedic (in North 24-Parganas) and one unani (in Kolkata). The State Government provided grants aggregating Rs 97.60 lakh to these private institutions during 2001-2004.

Besides Kolkata, homoeopathic colleges and hospitals were established by Government in only two districts (Paschim Medinipur and Howrah). No Government or private hospital or institution was located in North Bengal for health care and education under ISM&H.

Financial outlay and expenditure

Scrutiny of the financial outlay under ISM&H during 1999-2004 indicated inadequacy of budget provisions particularly under capital section reflecting

¹ one in Kolkata, two in Burdwan and one each in Howrah, Birbhum, Paschim Medinipur, North 24 Parganas and Purulia

the low priority accorded by the State Government to developmental activity in this sector. Besides the medical institutions failed to obtain the financial assistance available from Government of India for upgrading the infrastructure as has been discussed in the succeeding paragraphs.

3.1.6 Inadequate budget provisions

The budget provisions and actual expenditure under ISM&H during 1999-2004 were as below:

Year	Budget provisions		Actual expenditure		Savings(-)/Excess (+)	
	Capital	Revenue	Capital	Revenue	Capital	Revenue
(R u p e e s i n c r o r e)						
1999-2000	1.00	32.89	0.01	34.01	(-) 0.99	(+) 1.12
2000-2001	0.47	34.74	Nil	36.02	(-) 0.47	(+) 1.28
2001-2002	1.06	37.46	0.54	37.40	(-) 0.52	(-) 0.06
2002-2003	1.31	43.22	0.07	41.02	(-) 1.24	(-) 2.20
2003-2004	0.08	42.78	0.08	41.99	Nil	(-) 0.79
Total	3.92	191.09	0.70	190.44	(-) 3.22	(-) 0.65

Budget provision for capital expenditure was only 2 per cent of the total budget provision under ISM&H in the State

During 1999-2004, the budget provision for capital expenditure on ISM&H was only Rs 3.92 crore representing two per cent of total budget (Rs 195.01 crore) on ISM&H health care in the State. Of Rs 3.92 crore, only Rs 0.70 crore were spent as budgeted fund was not released by the State Government. Similarly, revenue expenditure of Rs 190.44 crore on health care services under ISM&H represented only 3.7 per cent of the total expenditure (Rs 5147.08 crore) on health care in the State. Further, out of expenditure of Rs 190.44 crore, Rs 178.32 crore (94 per cent) were spent towards pay and allowances of the staff leaving only 6 per cent for equipment, medicines, etc.

The Standing Committee on Health and Family Welfare opined (July 2000) that the department should take serious note for enhancement of budgetary provisions to improve the functioning of ISM&H so that this system can be of use to the people.

3.1.7 Central scheme fund not availed

One Ayurvedic Mahavidyalaya and one Homoeopathic College and Hospital failed to obtain GOI assistance due to failure in submission of project report

Under the Central schemes in operation for development of institutions of ISM&H, the Ministry of Health and Family Welfare was to provide financial assistance upto Rs 97 lakh to each college for creation of minimum mandatory infrastructure on receipt of the applications in prescribed form and project report from the institutions. The Calcutta Homoeopathic Medical College and Hospital and Viswanath Ayurvedic Mahavidyalay, Kolkata failed to obtain GOI assistance during 1999-2004 for six different schemes² due to failure in submission of the project report. Though the J B Roy State Ayurvedic Medical College and Hospital, Kolkata submitted a project report in December 2003, GOI fund was not released as the utilisation certificates for previous grants of Rs 12 lakh received in 1991-1992 (Rs 10 lakh in March 1991 and Rs 2 lakh in March 1992) were not submitted till March 2004.

² Development of ISM&H under graduate colleges, Assistance to post graduate medical education, Re-orientation training programme for ISM&H personnel, Renovation and strengthening of hospital wards of Governemnt/Government aided teaching hospitals of ISM&H, Establishment of computer laboratory in ISM&H colleges, Upgradation of academic institutes to the status of State and Model institute of ayurved/siddha/unani/homoeopathy

Besides, D N De Homeopathic College and Hospital, Kolkata received (July 2002) grant of Rs 27 lakh for construction of building (Rs 15 lakh) and purchase of equipment (Rs 10 lakh) and books (Rs 2 lakh), of which Rs 12 lakh were spent up to December 2004. Shayamadas Vaidya Shastrapith, Kolkata received (January 2004) Rs 12.67 lakh for establishment of computer laboratory (Rs 10 lakh) and training (Rs 2.67 lakh) of which Rs 9.49 lakh were spent up to October 2004. Thus, these two institutions failed to utilize Rs 18.18 lakh of GOI assistance.

Treatment facilities in hospitals

The numbers of patients treated in out-patient department (OPD) and indoor patient department (IPD) of the test-checked hospitals during 1999-2004 are indicated below:

Name of the hospital	Out Patient Department	Indoor Patient Department		
	Average patient per day	Bed strength	Average bed occupancy per day	Percentage of bed occupancy to bed strength
DN De Homoeopathic College & Hospital, Kolkata	313	50	12	24
Calcutta Homoeopathic Medical College & Hospital, Kolkata	114	50	13	26
JB Roy State Ayurvedic Medical College & Hospital, Kolkata	147	214	97	45
Post Graduate Institute of Ayurvedic Education & Research - Shayamadas Vaidya Shastrapith, Kolkata	124	75	20	27
Viswanath Ayurvedic Mahavidyalaya (Training centre), Kolkata	18	20	9	45
Total		409		

Test-check revealed that the hospitals had low bed occupancy, essential indoor patient departments were non-existent and other facilities such as ECG and X-ray were not available as discussed in the succeeding paragraphs :

3.1.8 Low bed occupancy

The average bed occupancy in the above hospitals ranged between 24 and 45 *per cent* against the Councils' norm of 60 *per cent* minimum bed occupancy. This was attributable to absence of requisite indoor patient departments.

Patients were deprived of adequate treatment in absence of requisite IPDs

It was also seen that against requirement of five indoor patient departments (e.g. Kayachikitsa, Shalyatantra, Shalakyatantra, Prasutitantra and Kaumarbhritya) in any standard ayurvedic hospital, J B Roy State Ayurvedic Medical College and Hospital had four departments (Kayachikitsa, Shalyatantra, Shalakyatantra and Prasutitantra) and only one department (Kayachikitsa) was in operation in other two ayurvedic hospitals. Similarly, against the requirement of four departments (general medicine, paediatrics, surgery, gynaecology and obstetrics) in a standard homoeopathic hospital, both the homoeopathic hospitals operated only the general medicine department due to lack of infrastructural facilities viz. non-functioning or shortage of OT, labour room, dissection hall and requisite equipment coupled with non-deployment of doctors, surgeons and anaesthetists.

The Department stated (January 2005) that all the indoor patient departments could not be made functional due to non-appointment of house staff and steps

had been taken to obtain sanction of some posts of house staff in each of the hospitals.

3.1.9 Non-availability of medical facilities

During 1999-2004, ECG facility was not available in three ayurvedic and one homoeopathic hospitals while X-ray facility was not available in one ayurvedic and two homoeopathic hospitals for want of radiologists, technicians and damaged condition of X-ray clinic.

Non-completion of renovation work – people deprived of requisite medical care

The male ward of Vishwanath Ayurvedic Mahavidalay and Hospital renovated (April 2002) at a cost of Rs 6.95 lakh remained closed (December 2004) as additional fund of Rs 3.63 lakh for the residual work was not released by the department (ISM&H Branch) as per demand (July 2003) of Public Works Department.

Thus, in absence of essential indoor departments, required instruments and non-completion of renovation works patients were deprived of requisite medical care.

Medical education

CCIM and CCH regulated the standard of education in ayurvedic and homoeopathic institutions respectively. Test-check of records of two homoeopathic and one ayurvedic medical college, one ayurvedic post-graduate institute and one ayurvedic training centre revealed curtailment of intake capacity of post graduate institute, closure of training institute, non-availability of qualified teachers, etc. as discussed below:

3.1.10 Low utilisation of ISM&H medical education capacity

During 1999-2004 drop out rate of students was 20 per cent and intake capacity of post graduate institute was curbed due to shortage of teaching staff

Out of 785 students (intake capacity being 800) admitted in three colleges during 1999-2004, 156 students (20 per cent) left the institutions mid way. Four post graduate students, admitted between June 1998 and June 2003, also left the institution before completion of their studies between October 2000 and March 2004 without any recorded reasons and without refunding stipend of Rs 3.25 lakh drawn by them though they were liable to refund stipend for discontinuation of studies. Institute authority did not take any action for recovery of the same.

The Central Council of Indian Medicine after inspection in May 2003, reduced the student intake capacity of the post-graduate institute of ayurvedic education and research from 13 to six from the academic session 2003-2004 due to shortage of six teaching staff. In spite of repeated warning by CCIM and several assurances by the State Government, recruitment had not been made against the vacancies that had been continuing for the last four to five years.

Students were deprived of ayurvedic pharmacy training

Admission of students in the training centre of ayurvedic pharmacy at Vishwanath Ayurvedic Mahavidyalaya was stopped since January 1998 due to shortage of teaching staff though admission of students was resumed from

January 2004 with two teachers and 20 students. Thus, students of ayurvedic pharmacy were deprived of training during the years 1998-2003.

The Department stated (January 2005) that efforts were on to recruit teachers in the institutions on permanent basis through West Bengal Public Service Commission to solve the problem.

3.1.11 Non-availability of qualified teachers

Out of 37 regular teachers of two homoeopathic medical colleges, only eight teachers had requisite post graduate qualifications in the concerned subject. Thus, the students were deprived of quality guidance of teachers on specialised subjects.

3.1.12 Low student/bed occupancy ratio

As per norms, the student/bed-occupancy ratio for Homoeopathic college and Ayurvedic college should be 1:1 and 1:2 respectively.

During 1999-2004, the average daily bed-occupancy in D N De Homoeopathic Medical College and Hospital and Calcutta Homoeopathic Medical College and Hospital was as low as 12 and 13 respectively (sanctioned strength being 50 for each hospital) against the student strength of 50 in each hospital. In Ayurvedic College, average bed occupancy was only 97 (against bed-strength of 214) while the student strength was 58.

Such adverse student/bed-occupancy ratio indicated that the medical students had little opportunity for adequate practical experience.

Thus, medical education in colleges and hospitals under ISM&H was deficient due to poor student-bed occupancy ratio, under-qualified teaching staff, non-availability of required minimum departments, inadequate training facilities and absence of diagnostic techniques, instruments and technicians coupled with high rate of drop-outs.

The Department did not take any action to ensure adequate standard of education facilities as per CCIM and CCH norms for Medical Colleges.

Functioning of dispensaries

Scrutiny disclosed that the State Government could not provide homoeopathic dispensaries to all the gram panchayats; non-deployment of Medical Officers also rendered a good number of rural dispensaries non-functional.

3.1.13 Homoeopathic and Ayurvedic dispensaries

Out of 843 dispensaries in the State, 51 dispensaries remained non-functional for one to seven years due to non-deployment of MOs. Twelve of these vacancies were due to transfer of MOs to teaching colleges.

**Dispensaries
remained
non-functional upto
seven years for want
of MOs**

In seven out of 36 test-checked dispensaries, it was noticed that the compounder of Haldibari State Homoeopathic dispensary and the pharmacists of Haldibari and Gaighata State Ayurvedic dispensaries prescribed medicines to patients since April 2002 and December 2002 respectively in the absence of MOs and the other four remained totally defunct for one to five years.

3.1.14 Gram Panchayat Homoeopathic Dispensary

The State Government introduced (May 1988) a scheme for providing each of 3340 gram panchayats in the State with one part time homeopathic doctor and one part time homeopathic compounder-cum-dresser for healthcare services in rural areas. Zilla Parishads were to select the site after obtaining proposal from Gram Panchayats with assurance to provide accommodation and medicines to the dispensaries. Funds for payment of honorarium to the part time doctors and compounder-cum-dressers were to be provided by the Department.

Only 20 per cent of the 3340 gram panchayats were provided with homoeopathic dispensaries

Against the target of setting up 3340 gram panchayat dispensaries only 675 dispensaries (20 per cent) were set up upto June 2002, of which 117 were not functioning as of March 2004 due to non-deployment of doctors.

The Department stated (January 2005) that Zila Parishads of the districts in North Bengal were requested to make the non-functioning dispensaries functional and the non-functioning dispensaries in four districts of South Bengal started functioning since April 2002.

Integrated Drug Production and Testing Centre

An Integrated Ayurvedic & Homoeopathic Drug Production Centre, Research & Drug Testing Unit & Herbarium (renamed State Pharmacopoeial Laboratory and Pharmacy for Indian Medicine in April 2003) was set up in 1985-1986 at Kalyani for production and testing of raw materials and medicines, cultivation of medicinal plants for supplying ayurvedic and homoeopathic medicines to the dispensaries in the State. The Centre had 25 acres of land for cultivation of medicinal plants. Scrutiny revealed that not only modernisation of the Centre was stalled for want of require infrastructure but also its existing potential for production of medicines and raw materials and testing of drugs was badly underutilised as discussed below :

3.1.15 Modernisation of pharmacy and upgradation of laboratory

Ministry of Health and Family Welfare, ISM&H Department, Government of India released (March 2002) grants-in-aid of Rs 1.45 crore for modernisation of ayurvedic pharmacy (Rs 0.65 crore) and upgradation of ayurvedic laboratory (Rs 0.80 crore) into a statutory laboratory for ISM&H.

Modernisation of pharmacy and testing laboratory was stalled for want of required infrastructure

Between December 2002 and March 2004, the Centre spent Rs 35.13 lakh on renovation of building and Rs 55.82 lakh (Rs 3.17 lakh for pharmacy and Rs 52.65 lakh for laboratory) on procurement of machinery and equipment. As of May 2004 machinery and equipment costing Rs 27.39 lakh remained uninstalled due to non-completion of civil works indicating improper planning

of procurement. Thus modernisation of pharmacy and drug testing laboratory was stalled due to non-availability of required infrastructure.

3.1.16 Performance of Ayurvedic Pharmacy

Under utilisation of machines to produce medicines resulted in procurement of medicines worth Rs 20 lakh from market

During 1999-2004, neither the production capacity of the Pharmacy was assessed nor any target of production was fixed. Out of available stock of 111.82 tonnes of raw materials valuing Rs 89.62 lakh the pharmacy utilised only 72.73 tonnes (Rs 57.97 lakh) to produce 58.52 tonnes of ayurvedic medicines due to non-utilisation of three out of five grinding machines owing to shortage of operators. As a result, Director of Ayurveda procured (April 2004) medicines worth Rs 20 lakh from the market.

Thus, due to non-deployment of adequate number of machine operators the pharmacy failed to produce ayurvedic medicines according to the need.

The Department stated (January 2005) that substantial increase of production could not be expected with the old and existing system. New machines for production of capsules and tablets, etc. of ayurvedic medicines had already been installed and as soon as these new machines started operation, more medicines would be produced.

The fact, however, remained that the Department could not increase production of ayurvedic medicines as of January 2005 due to failure in completion of civil work though fund for modernisation of the pharmacy was received (March 2002) from GOI.

3.1.17 Performance of herbal garden

Production of ayurvedic medicines valuing Rs 0.35 lakh spending Rs 31.24 lakh on staff salary

During 1999-2004, the ayurvedic wing cultivated ayurvedic medicinal plants in 10 acres of land and produced raw materials valuing Rs 0.35 lakh for production of ayurvedic medicines incurring expenditure of Rs 31.24 lakh towards salary of seven staff and Rs 0.65 lakh on plantation. Lack of budgetary support for plantation and maintenance of herb garden was the main reason for such poor performance of the Centre. Further, neither any target for plantation and harvesting was fixed nor periodical survey of plants and garden produce was conducted. Due to such low production at the Herbarium of the Centre, its Pharmacy procured raw materials costing Rs 81.10 lakh from market.

The Director of the Centre stated (April 2004) that some ayurvedic medicinal produce was sporadically collected from the herbal garden according to requirement while the proposals for production of homoeopathic medicines were mooted to State Government from time to time but Government did not sanction any fund for installation of machinery till date.

Thus, cultivation of medicinal plants without fixing any target of production to meet departmental requirement coupled with complete disregard of cost efficiency frustrated the purpose of maintaining the garden.

The Department stated (January 2005) that it was difficult to fix any target in respect of time and quality for plant produce and periodical survey of plants could not be done due to shortage of manpower.

3.1.18 State Medicinal Plant Board

Deficient functioning of the State Medicinal Plant Board

In view of fast growing demand for medicinal plants, Ministry of Health and Family Welfare set up (June 2001) the National Medicinal Plant Board to co-ordinate all the aspects of medicinal plants including drawing up of policy and strategies for conservation, cost effective cultivation, proper harvesting, research and development, planning, processing and marketing of raw materials, etc. To assist the Central Board at State level, the State Government set up a State Medicinal Plant Board in June 2002. Ministry also provided (February 2002 and March 2004) financial assistance of Rs 15 lakh for preparation of an action plan for proper co-ordination of medicinal plants sector in the State. However, till date neither any assessment of demand and supply position of medicinal plants was done nor any action plan for growth and development of medicinal plant sector through buy-back arrangements was formulated.

The Department stated (January 2005) that the buy back mechanism of medicinal plants was in an embryo stage and the department was formulating a State Policy on the issue.

3.1.19 Testing of ayurvedic medicines

Medicines were supplied without conducting test to ensure supply of standard quality medicines

The State Government declared (July 2002) the existing laboratory as statutory laboratory for testing of ayurvedic medicines as per provisions of the Drugs and Cosmetics Act 1940. The laboratory, however, did not receive any medicine sample from Drug Controller during 2002-2004 for testing due to shortage of inspectors. It was noticed in audit that against the sanctioned strength of ten inspectors in the office of the Drug Controller, ISM, there was only one inspector. As a result, the consumers of the state were not assured of quality ayurvedic medicines.

The Department stated (January 2005) that drug sample testing had been started since June 2004.

3.1.20 Procurement of raw materials at higher rate

Procurement of raw materials on eye estimation basis rejecting lowest offers

Test-check of purchase records of 16 items of raw ayurvedic materials revealed that selection of tenders was made on acceptance of samples on eye estimation instead of laboratory test conforming to the specification mentioned in the Ayurvedic Pharmacopoeia and thus the lowest offers were rejected. In this way the Centre and three ayurvedic hospitals incurred excess expenditure of Rs 9.60 lakh on procurement of 28.176 tonnes raw materials valuing Rs 25.03 lakh during 2002-2004.

The Department stated (January 2005) that the lowest tenders should not always be accepted to ensure quality of materials and the units had procured better materials for production of better quality medicines.

Contention of the Department was not acceptable because no laboratory test was conducted to ascertain the quality of the samples before rejecting lowest offers.

Manpower management

Scrutiny disclosed imbalance in manpower deployment with urban bias as posts of medical and paramedical staff were lying vacant in rural areas while doctors, house staff and nurses were deployed in Kolkata in excess of norms as discussed below :

3.1.21 Shortage of Medical Officers

39 posts of Medical Officers and 137 posts of compounders remained vacant for one to seven years

In the State, against sanctioned strength of 843 medical officers (MOs) (545 homoeopathic, 295 ayurvedic and three unani) and 656 compounders (440 homoeopathic, 213 ayurvedic and three unani) for 843 dispensaries, men-in-position were 804 (521 homoeopathic, 280 ayurvedic and three unani) and 519 (334 homoeopathic, 183 ayurvedic and two unani) respectively as of 31 March 2004. Thus, 39 posts of MOs and 137 posts of compounders were lying vacant for one to seven years.

In three State homoeopathic dispensaries of Cooch Behar district, the posts of MOs were lying vacant since April 1999, April 2002 and April 2003 respectively. Salary of Rs 6.53 lakh paid to the compounders of these dispensaries up to March 2004 proved to be unfruitful.

Barasat State Ayurvedic Dispensary in North 24 Parganas district remained non-functional since August 2002 due to utilisation of the service of its MO in J B Roy State Ayurvedic Medical College and Hospital at Kolkata. Supply of medicines to this dispensary was also discontinued from September 2002. Pay and allowances aggregating Rs 3.28 lakh to the pharmacist and a Group D assistant during September 2002 to February 2004 was unfruitful.

The Department stated (January 2005) that efforts were on for filling up the vacant posts of ayurvedic and homoeopathic medical officers.

3.1.22 Deployment of excess doctors and staff nurses

Deployment of doctors and staff nurses were in excess of requirement in Kolkata

Against the requirement of five doctors for 50 beds as per norm of Central Council of ISM&H, there were eight to nine doctors in D N De Homoeopathic Medical College and Hospital (50 bedded) in Kolkata during 1999-2004 indicating under utilisation of their services. Similarly, for 309 beds of three ayurvedic hospitals in Kolkata 67 to 76 house staff were deployed during 1999-2004 against the requirement of 16 as per norm of one house staff per 20 beds.

Staff nurses were to be deployed by the Deputy Director of Health Service (Nursing) as per requirement in all hospitals, health centres, etc. under both ISM&H and allopathy. Against the requirement of 51 staff nurses in five hospitals in Kolkata, 67 to 106 staff nurses were deployed during 1999-2004.

Deployment of excess manpower led to unfruitful expenditure of Rs 5.36 crore

Thus, deployment of doctors, house staff and nurses in excess of norm in urban areas not only resulted in unfruitful expenditure of Rs 5.36 crore during 1999-2004, but also indicated gross imbalance as rural dispensaries were not functioning for want of medical staff.

3.1.23 Other points

Non-realisation of diet charge from non-BPL patients-loss of Rs 10.44 lakh

➤ Patients not belonging to BPL families admitted in free beds were required to pay 50 per cent of the cost of diet. During 2002-2004, Rs 10.44 lakh being 50 per cent cost of diet provided to 1.06 lakh non-BPL patients of five test-checked hospitals³ were not realised. The Department stated (January 2005) that the matter would be enquired into to fix responsibility.

Procurement of raw materials in excess of requirement

➤ Despite having stock of 9391 kg of raw materials as on 31 March 2002, three Ayurvedic hospitals procured 32756 kg of raw materials during 2002-2004 while only 19962 kg were consumed during the period. Thus, procurement of raw materials in excess of requirement resulted in accumulation of stock of 22185 kg with consequential blocking of funds of Rs 28.65 lakh. Deterioration of medicinal value of the stock could not be ruled out either, though not ascertained by the hospital authorities. The Department's reply (January 2005) that the raw materials could not be consumed due to shortage of manpower was not acceptable because the manpower position was known to the unit authorities at the time of procurement of raw materials.

Non-implementation of the scheme of supply of home remedy kit

➤ Ministry of Health and Family Welfare, Department of ISM&H launched (June 2002) a pilot scheme on 'Home Remedy Kit' to provide first line of health care to those segment of population to whom primary health care facilities were not available through ISM&H and also to achieve the national target of health for all by popularising ISM&H. The pilot scheme was proposed to be implemented in one hundred villages of Bankura district during 2002-2003 at a cost of Rs 10.60 lakh. The first instalment of Rs 5.30 lakh was released (November 2002) by the Ministry for procurement of kits and implementation of the project within eight months but the scheme was not launched as of May 2004 due to delay of 12 months in placement of fund by Health Department (ISM&H branch) and also delay in selection and training of service providers. The Department stated (January 2005) that the District Magistrate of Bankura was taking steps for implementation of the programme.

3.1.24 Monitoring and Evaluation

The Department had no mechanism for monitoring and evaluation of the performance of ISM&H institutions. No action plan was drawn up either by the Department or by the ISM&H institutions for development of infrastructure to improve the quality of services rendered by the institutions.

³ D N De Homoeopathic College and Hospital, Calcutta Homoeopathic Medical College and Hospital, J B Roy State Ayurvedic Medical College and Hospital, Post-graduate Institute of Ayurvedic Education and Research –Shayamadas Vaidya Shastrapith and Viswanath Ayurvedic Mahavidyalaya (Training Centre)

Lack of monitoring of the activities of the medical colleges and hospitals, dispensaries, pharmacy and laboratory under ISM&H meant that fruitful utilisation of available resources could not be ensured and remedial measures for improvement of their performance could not be taken.

3.1.25 Conclusion

The review disclosed that the objective of providing alternative health care to citizens through development of ISM&H was not achieved due to low budget provision for ISM&H and failure of the institutions to avail of GOI assistance for infrastructure development. Only 20 *per cent* of the gram panchayats were provided with dispensaries. State homoeopathic hospitals were set up only in Kolkata and two districts out of 19 districts. Fifty one dispensaries remained non-functional upto seven years for want of MOs. In the absence of essential indoor departments and requisite instruments in ISM&H institutions, patients were deprived of medical care and the students did not receive appropriate training. The existing capacity of the Integrated Drug Production and Testing Centre at Kalyani in drug testing and production of medicines and raw materials was badly underutilised. Modernisation of the Centre was stalled for want of infrastructure. Absence of supervision and monitoring on the part of the administration on utilisation of available infrastructure for education, treatment, production of medicine and supply of quality drugs adversely affected the quality of services under ISM&H.

3.1.26 Recommendations

- Adequate budget provisions and optimum utilisation of GOI assistance to create infrastructural facilities should be ensured.
- Utilisation of full potential of the Integrated Drug Production and Testing Centre at Kalyani in respect of drug testing and production of medicine and raw materials need be ensured.
- Adequate budget support should be provided for plantation and maintenance of herbal garden to increase its productivity.
- The excess manpower in urban areas should be re-distributed to remove the imbalance between urban and rural areas.
- Homoeopathic dispensaries should be set up in all gram panchayats to offer medical care to people in remote places.

HEALTH AND FAMILY WELFARE DEPARTMENT

3.2 FUNCTIONING OF RURAL HOSPITALS AND PRIMARY HEALTH CENTRES

HIGHLIGHTS

Healthcare is provided to rural people through a network of sub-centres, primary health centres (PHCs) and rural hospitals (RHs). There were huge shortages in numbers of RHs and PHCs as compared to the norm. Only 31 per cent of doctors available were working in rural areas to serve 72 per cent of the population. Specialist services were not provided in RHs. Most of the sub-centres were functioning without adequate infrastructure and health assistants (Male). Indoor treatment was not provided in most of the PHCs. Supply of medicines to RHs and PHCs was highly inadequate. In the PHCs, even routine treatment in out patient department was not provided.

During 1999-2003, scheme fund of Rs 8.73 crore were not released by the department for development of health care services. The department also failed to utilise 52 per cent (Rs 111.52 crore) of plan funds.

(Paragraphs 3.2.4 and 3.2.6)

As compared to national norms, only 20 per cent of RHs, 61 per cent of PHCs and 78 per cent of SCs were established against requirement while in the test-checked districts shortage of RHs ranged between 76 and 95 per cent and for PHCs it was between 32 and 50 per cent except in Bankura. During 1999-2004, only 10 PHCs were set up in the State.

(Paragraph 3.2.8)

Basic minimum health care services were not provided due to failure in providing requisite instruments, labour rooms, laboratory, electricity, toilet, etc. in sub-centres and PHCs.

(Paragraphs 3.2.9 and 3.2.10)

In four selected districts, 27 per cent of sanctioned posts of MOs, nurses and other para medical staff remained vacant as of March 2004. Out of 236 PHCs, 177 PHCs were functioning with only one MO each against the norm of minimum two and 54 PHCs remained non-functional for one to five years for want of MOs.

(Paragraph 3.2.11)

Only 31 per cent of doctors were deployed in rural areas to serve 72 per cent of total population leading to wide disparity between urban and rural areas. Against 20712 health assistants needed for the sub-centres at village level only 14155 (68 per cent) were available.

(Paragraphs 3.2.12 and 3.2.13)

Bed occupancy in test-checked 11 RHs and 12 BPHCs ranged between five and 63 per cent during 1999-2004. Low bed occupancy was noticed in

all the test-checked RHs and BPHCs due to inadequate facilities, lack of doctors and non-operational Out Patient Departments. Further, out of 1013 beds in 182 PHCs of selected districts only 46 beds in five PHCs were functional. In the health centres, patients suffering from even routine ailments like fever, diarrhoea and vomiting were denied treatment in out patient department and referred to district or sub-divisional hospitals. Surgeons and anaesthetists were not deployed in fully equipped 15 OTs.

(Paragraph 3.2.14)

Equipment costing Rs 52.67 lakh was lying idle in the health centres for want of adequate infrastructure.

(Paragraph 3.2.15)

Medicines were procured without indents or assessment of requirement. In test-checked seven RHs and four BPHCs of two districts supply of medicines fell short by 24 to 47 per cent.

(Paragraph 3.2.16)

Four Zilla Parishads incurred expenditure of Rs 2.08 crore by diverting funds from the Pradhan Mantri Gramodaya Yojana. Furniture and medicines valuing Rs 14.91 lakh and Rs 34.79 lakh respectively remained unutilised due to imprudent purchases.

(Paragraph 3.2.20)

In the State, coverage of eligible couples adopting family planning measures was 33.62 per cent against the target of 60 per cent while in test-checked districts it ranged between 21 and 50 per cent.

(Paragraph 3.2.21)

During 1999-2003, out of 8.40 lakh childbirths in three test-checked districts 6.75 lakh deliveries were non-institutional and the incidence of child death increased two fold during 1999-2003.

(Paragraph 3.2.23)

3.2.1 Introduction

The State Government's objective is to provide primary healthcare services to rural people through a network of sub-centres (SCs), primary health centres (PHCs), block primary health centres (BPHCs) and rural hospitals (RHs). The major components of primary healthcare are (i) health education to the rural mass, (ii) family planning and child health, (iii) antenatal and postnatal services, (iv) preventive and curative services, and (v) implementation of national health programmes.

3.2.2 Organisational set up

The Principal Secretary of Health and Family Welfare Department was in overall charge of health administration. At district level, the Chief Medical Officer of Health (CMOH) assisted by Deputy Chief Medical Officers of Health was in overall charge of RHs, BPHCs, PHCs and SCs.

3.2.3 Audit Objectives

Audit objective was to assess the effectiveness of provisions of primary healthcare to rural people. In particular, the following aspects were examined:

- adequacy of infrastructural facilities such as buildings and equipment,
- shortage of medical officers and paramedical staff,
- system of supply of medicines to medical institutions,
- provisions for supply of diet to patients,
- adequacy of training of multipurpose health workers, and
- implementation of National and State Health schemes.

3.2.4 Audit coverage

The performance of Health and Family Welfare Department in providing healthcare services to the people of rural areas of four selected districts¹ out of nineteen was reviewed in audit during January to July 2004 through test-check of records of the department, Directorate of Health Services and CMOsH of the selected districts including 11 RHs, 12 BPHCs², 49 PHCs and 95 SCs for the period 1999-2004. The results of review are mentioned in the succeeding paragraphs.

Financial outlay

The budget provisions and expenditure incurred on rural health services during 1999-2004 are indicated below:

Year	Budget provision		Expenditure		(+ Excess/(-) Savings	
	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan
(R u p e e s i n c r o r e)						
1999-2000	168.65	21.07	172.75	11.98	(+) 4.10	(-) 9.09
2000-2001	185.14	53.21	175.58	35.24	(-) 9.56	(-) 17.97
2001-2002	192.33	34.23	176.49	8.61	(-) 15.84	(-) 25.62
2002-2003	201.18	59.05	189.15	18.05	(-) 12.03	(-) 41.00
2003-2004	193.97	45.55	193.58	27.71	(-) 0.39	(-) 17.84
Total	941.27	213.11	907.55	101.59	(-) 33.72	(-) 111.52

Source : Budget publications

Preparation of budget was unrealistic

It would be evident from above that there was persistent savings during all the years and out of budget provision of Rs 1154.38 crore during 1999-2004, Rs 145.24 crore could not be spent. Preparation of unrealistic budgets resulting from non-submission of budget proposals by CMOsH, non-release of scheme funds by the department and non-filling up of vacant posts were the main reasons for such savings.

¹ North 24-Parganas, Paschim Medinipur, Cooch Behar and Bankura

²

<i>Paschim Medinipur</i>	<i>North 24 Parganas</i>	<i>Bankura</i>	<i>Cooch Behar</i>
<i>Chandra BPHC</i>	<i>Amdanga BPHC</i>	<i>Anchuri BPHC</i>	<i>Pundibari BPHC</i>
<i>Changual BPHC</i>	<i>Ghoshpur BPHC</i>	<i>Chhatna BPHC</i>	<i>Boxirhat BPHC</i>
<i>Khirpai BPHC</i>	<i>Chotojagulia BPHC</i>	<i>Borjora BPHC</i>	<i>Ghoksadanga BPHC</i>
<i>Salboni RH</i>	<i>Taki RH</i>	<i>Amarkananda RH</i>	<i>Haldibari RH</i>
<i>Keshpur RH</i>	<i>Baduria RH</i>	<i>Sonamukhi RH</i>	
<i>Hijli RH</i>	<i>Madhyamgram RH</i>	<i>Kotulpur RH</i>	
<i>Debra RH</i>			

3.2.5 Budget proposals of CMOsH unrealistic

During 1999-2004, the CMOsH of Cooch Behar and Bankura districts prepared budget estimates on ad-hoc basis by adding 10 per cent to the previous year's allotments and CMOsH of North 24-Parganas and Paschim Medinipur districts did not prepare any budget estimates at all. Instead, they submitted previous year's quarterly expenditure statements to the Directorate.

The Department stated (January 2005) that proposal for creation of post of Accounts Officer under CMOH of each district had been initiated to strengthen the management of financial activities at the district level.

3.2.6 Non-release of scheme funds

No fund was released by the Department during 1999-2003 out of budget provisions of Rs 8.73 crore under schemes for (i) creation of health centres in scheduled castes areas and new homoeopathic dispensaries at block level, (ii) providing dental care services and facilities for treatment in unani system of medicine in rural areas, (iii) providing treatment facilities in ayurvedic system of medicines in scheduled castes areas, and (iv) developing rural health services in tribal areas. As a result, rural people were deprived of better healthcare services, though budgeted for.

Rupees 8.73 crore allotted for health care facilities under seven schemes were not released

Infrastructural facilities

Even minimum basic care services were not provided to the rural population due to failure of the department in providing requisite instruments, labour rooms, laboratories, electricity and toilets in the health institutions. There was also shortage of rural hospitals and primary health centres as discussed below :

3.2.7 Profile of health institutions (RHs, PHCs, SCs)

There were 95 RHs, 250 BPHCs, 923 PHCs and 10356 SCs in the State to cater to the medical needs of the rural population.

Rural hospitals (RH) are 21 to 60 bedded hospitals functioning round the clock. Specialist services of civil surgeons and dental surgeons are also provided in the RH. Primary health centres (PHC) meant to provide basic healthcare services in rural areas at the primary level, are the initial contact point with a Medical Officer (MO). These centres also play an important role in providing curative services and managerial support for implementing all healthcare activities including health and family welfare programmes. Sub-centres (SC) are located at the village level. These are involved in providing basic minimum healthcare services such as immunisation of children and pregnant women, antenatal and postnatal care, motivation of rural couples to adopt family planning measures and creation of awareness among rural mass about health care programmes through door-to-door visits.

3.2.8 Huge shortage in number of RHs, PHCs and SCs

The number of health institutions required as per national norm and the number actually functioning in the State are as given below:

Institutions	Population to be served per institution		Number	
	Plain area	Hill and backward areas	Required	Available
RHs	1 lakh to 1.20 lakh		481	95
BPHCs/PHCs	30000	20,000	1923	1173
Sub-centres	5000	3,000	13230	10356

Huge shortage in the number of RHs (80 per cent) and PHCs (39 per cent) compared to norms

During 1999-2004, only 10 PHCs were set up in the state. There was huge shortage in the number of RHs (80 per cent), BPHCs/PHCs (39 per cent) and SCs (22 per cent) in the State affecting the quality of health care services to the rural population.

The position in the four sample districts was as follows:

District	Population (in lakh)	RHs		BPHCs/PHCs		SCs	
		Required	Available	Required	Available	Required	Available
Bankura	29.57	25	5 (20)	99	17/70=87 (88)	592	564 (95)
Coochbehar	22.53	19	1 (5)	75	11/29=40 (53)	460	406 (88)
Paschim Medinipur	45.74	38	9 (24)	152	20/84=104 (68)	914	858 (94)
North-24 Parganas	40.81	34	7 (21)	136	15/53=68 (50)	816	742 (91)
Total	138.65	116	22 (19)	462	63/236=299(65)	2782	2570 (92)

Note: Figures in parenthesis represent the percentage to required numbers

Shortages in health centres adversely affected services to rural people

Of the four selected districts, the position was alarming in Coochbehar with only one RH functioning against 19 required. The shortage of RHs in other three districts ranged between 76 per cent and 80 per cent. In three of the four selected districts, the shortage of BPHCs/PHCs was very high- North 24 Parganas was 50 per cent short, Coochbehar 47 per cent and Paschim Medinipur 32 per cent. The shortages of sub-centres in selected districts varied between 5 per cent and 12 per cent. Such shortages in RHs, PHCs and sub-centres adversely affected the objective of providing primary healthcare to rural people.

The department did not prepare any action plan to establish sub-centres, PHCs and RHs nor did take any action for creation of new RH during 1999-2004.

The Department stated (January 2005) that new construction works would be taken up in the rural areas of these districts.

3.2.9 Inadequate facilities in Sub-centres

Out of 2570 sub-centres in four selected districts, 655 sub-centres were functioning in very small space. Of these sub-centres, 95 were test-checked in Audit and it was noticed that 89 sub-centres were functioning in a room of about 70 to 80 square feet, which was not adequate for efficient functioning of the centres. Further, six sub-centres were functioning without any room or health assistants (HAs).

Requisite instruments like BP machine, weighing machine, anaemia measuring instrument, etc. and minimum facilities like electricity, toilet and drinking water were also not available in most of the sub-centres.

The HAs of 159 sub-centres were residing 5 km to 59 km away from the sub-centres in violation of service conditions affecting the quality of their services.

Rural people were deprived of minimum health care services in absence of HAs and infrastructure in SCs

Thus, in absence of adequate infrastructure and required number of HAs in the sub-centres, the rural population was deprived of basic minimum health care services like immunization of children and pregnant women, antenatal care of mothers, motivation of rural couples to adopt family welfare measures, etc. as discussed later in the review.

3.2.10 Inadequate facilities in PHCs

Scrutiny of records of 49 PHCs of the selected districts revealed that two PHCs were functioning in dilapidated buildings and the Department took no action for repair and renovation. Further in none of the PHCs, basic facilities like labour room or laboratory was available. As such, no delivery cases were taken up in the PHCs.

The Department stated (January 2005) that a strategic framework had already been chalked out for health sector reforms with broader objectives and certain specific goals for the development of rural healthcare services in the State.

Manpower management

The basic health care services were severely impaired due to disparity in posting of staff between urban and rural areas coupled with shortage of manpower at all levels as discussed below :

3.2.11 Huge shortage in key personnel

Huge vacancies in the posts of MOs and other staff adversely affected health care

As against 11360 sanctioned posts in all cadres for 22 RHs and 299 PHCs and BPHCs in four selected districts, 8238 posts were filled up as of March 2004 indicating shortage of 3122 staff (27 per cent). The sanctioned strength vis-à-vis men in position in respect of MOs, paramedical staff (including nurse) and non-medical staff in these four districts are given below:

District	Medical Officers		Paramedical staff		Non-medical staff	
	Sanctioned	Deployed	Sanctioned	Deployed	Sanctioned	Deployed
Bankura	157	117 (25)	1981	1452 (27)	860	669 (22)
Coochbehar	64	57 (11)	1144	845 (26)	382	289 (24)
Paschim Medinipur	176	174 (1)	2638	1833 (29)	937	723 (23)
North-24 Parganas	118	109 (8)	2065	1507 (27)	838	463 (45)
Total	515	457 (11)	7828	5637 (28)	3017	2144 (29)

Note: Figures in parenthesis represent the percentage of shortfall to sanctioned strength

Vacancies in the cadre of Medical Officer was very high (25 per cent) in Bankura district and vacancies in other cadres varied between 22 and 45 per cent in all the four selected districts affecting adversely primary healthcare for the rural population.

Out of 11 RHs test-checked, in five RHs there were four MOs in each and in one RH there were only two MOs against the norm of minimum five.

No MOs were deployed in 54 PHCs for one to five years

Out of 236 PHCs in the selected districts, no MOs were posted in 54 PHCs for one to five years rendering these PHCs non-functional. Out of the balance of 182 PHCs there was only one MO in each of 177 PHCs against the norm of minimum two MOs. Further, 28 PHCs were running without pharmacists.

The Department stated (January 2005) that necessary steps were being taken for appointment of Medical Officers.

3.2.12 Disparity between rural and urban healthcare

Only 31 per cent of doctors were posted in rural areas to serve 72 per cent of population

There was wide disparity in the posting of doctors in urban and rural areas. Only 31 per cent (12198) of doctors were posted in rural areas to serve 72 per cent (5.77 crore) of total population (8.02 crore) of the State. While there was one doctor for a population of 2033 in the State as of March 2004, the doctor-population ratio (1:4733) was far below the state average in rural areas, which was indicative of deficient healthcare in rural areas.

According to the conditions of recruitment of medical officers in the State a doctor should work in rural areas for a minimum period of three years. It was noticed in audit that this condition was not watched or monitored by the Directorate of Health Services.

3.2.13 Shortage of Health Assistants

Each sub-centre was to have one health assistant (male) and one health assistant (female). The HA (M) was to visit each family once in a fortnight to motivate persons to take regular treatment besides taking care of minor ailments. The HA (F) besides assisting the HA (M) in identifying cases under different health programmes, was also to carry out functions relating to maternal and child health, family planning, medical termination of pregnancy and dais' training.

Huge shortage (32 per cent) of health-assistants in Sub-centres of the State

Against 20712 HAs needed for 10356 sub-centres in the State, 17926 were sanctioned and 14155 posts were operated as of March 2004 resulting in shortage of 6557 HAs (32 per cent).

In four selected districts, 1396 posts were vacant against the requirement of 5140 HAs for 2570 sub-centres as of March 2004 as shown below:

District	Number of SCs	Number of posts sanctioned		Number of posts vacant		Number of posts not sanctioned as compared to norm	
		HA (M)	HA (F)	HA (M)	HA (F)	HA (M)	HA (F)
Bankura	564	530	564	202	122	34	-
Coochbehar	406	351	406	119	73	55	-
Paschim Medinipur	858	852	858	335	163	6	-
North-24 Parganas	742	691	691	343	39	51	51
Total	2570	2424	2519	999	397	146	51

As large number of posts of health assistants remained vacant, the rural population to be covered by the sub-centres were deprived of basic healthcare facilities.

The Department stated (January 2005) that for filling up the vacancy of health assistants (Female), 18 Nursing Training Schools had been entrusted with running auxillary nurse cum mid wife (ANM) courses and total student intake capacity of these schools was about 520 per year. The reply was, however, silent about vacancy in the posts of health assistants (male).

Functioning of RHs and BPHCs/PHCs

The health institutions had low bed occupancy due to inadequate infrastructural facilities, non-deployment of doctors and failure to provide treatment at OPDs. Medicines were procured without indents; equipment, furniture were lying uninstalled as discussed below :

3.2.14 Low bed occupancy

Bed occupancy rate ranged between 5 and 63 per cent

Average bed occupancy in test-checked 11 RHs and 12 BPHCs ranged between five *per cent* and 63 *per cent* during 1999-2004. Inadequate infrastructural facilities, non-deployment of adequate number of MOs and denial of treatment at OPD were the main reasons for such low bed occupancy.

Audit scrutiny revealed the following:

Surgeons, physicians and doctors were not deployed in OTs

Out of fully equipped 15 operation theatres (OTs) in eight RHs, five were not functioning. Only ligation operation was done in nine OTs and in one OT only 'minilap' eye operation was conducted during eye camp as specialist physicians, surgeon and anaesthetists were not deployed to make the OTs functional in all respects.

Patients were denied treatment in RHs and BPHCs

In six RHs and five BPHCs, 24462 patients requiring treatment for minor ailments like fever, diarrhoea, vomiting, anaemia, etc. were denied treatment during 1999-2003 and referred to sub-divisional hospital or district hospitals despite availability of MOs, nurses and beds in these RHs and BPHCs.

The Department stated (January 2005) that necessary guidelines for referral system of patients from primary level to secondary and onwards to tertiary level had been circulated to all concerned.

Further, out of 1013 beds in 182 PHCs (excluding 54 non-functioning PHCs) of the selected districts only 46 beds in five PHCs were functional as shown in the following table:

District	Number of PHCs	Number of beds available	Number of beds in operation
Bankura	56	309	20 (2 PHCs)
Coochbehar	29	158	26 (3 PHCs)
Paschim Medinipur	47	252	None
North 24 Parganas	50	294	None
Total	182	1013	46 (5 PHCs)

Only out patient departments were in operation in 177 PHCs with one doctor (Medical Officer) of general medicine against the requirement of minimum two MOs. Indoor patient departments in these PHCs were not functioning for want of doctors as per norm.

The Department stated (January 2005) that the proposal for upgrading the PHCs was under active consideration of the Department which would help better healthcare services in rural areas.

3.2.15 Idle equipment

Equipment remaining unutilised/uninstalled

In test-checked districts equipment³ valuing Rs 52.67 lakh supplied by the District Project Officers to the RHs, BPHCs and PHCs between May 1999 and December 2003 under the State Health System Development Project-II for improving healthcare services specially for the people of rural areas, remained uninstalled or were not functioning as of March 2004. Reasons for this were failure to complete civil works and electrification of PHCs, operation theatres not being opened and non-posting of surgeons, anaesthetists, dentists, laboratory technicians and X-ray technicians.

3.2.16 Supply of medicines

CMOSH of the districts were to obtain indent of medicines from each RH and BPHC and to assess actual quantity needed for procurement. District Reserve Stores (DRS) under CMOSH of a district was responsible for procurement and supply of medicines.

In the selected districts, it was noticed that medicines were procured by DRS on ad-hoc basis without obtaining indents and also without assessing the requirement of RHs, BPHCs, PHCs, which resulted in short supply of essential medicines as would be evident from the following.

Supply of medicines fell short by 24 to 47 per cent due to procurement of medicines without assessment

In three RHs and one BPHC of North 24 Parganas, short supply of vital medicines⁴ ranged from 33 to 47 per cent of required quantities. For example, in Baduria RH, basic medicines viz. iron tablet (Ferrous Sulphate) required for anaemic patients was not in stock during September 2002 to March 2004 and Vita-A oil required for prevention of blindness among children was not in stock during January 2002 to December 2003.

In four RHs and three BPHCs of Paschim Medinipur, short supply of vital medicines⁵ was 24 to 47 per cent of required quantities. During 2001-2003, against requirement of 22995 ml of anti-rabies vaccine only 1960 ml

³ Autoclave (vertical), Autoclave (Horizontal), Anesthetic Machine, Blood donor table, Dental chair, Mortuary cooler, Ophthalmoscope, 60 MA X'ray machine, Binocular microscope, Hydraulic dental chair, OT table (hydraulic), oxygen cylinder, Nitrous cylinder, 100 MA X'ray Auto clave HP (Horizontal), Surgical instrument cabinet, Gynae elis cantery, Focusing light, Shadow less OT light, Emergency trolley, Refrigerator, Microscope, Foetal monitor, Emergency Reservation kit, Generator - 15 KVA, Mayos Trolley, Dressing trolley.

⁴ Tablet Paracetamol, Brufen, Salbutamol, Vitamin B Complex, Septran, Injection Derriphyline, Diazepam, Gentamycin, Decadron, Capsules Amoxicillin, Ringer lactate as well as ORS

⁵ Paracetamol, Amoxycillin, Doxycycline, Septran, Norflox, Tetanus Toxoid, Ringer Lactate, CP Maliate, Vitamin B Complex and Antacid

(9 per cent) were supplied. As a result, 16434 dog-bite patients were denied treatment in these RHs and BPHCs.

Thus, poor purchase planning adversely affected health care services.

The Department stated (January 2005) that in order to ensure procurement and supply of required medicines, a special software package had been developed and installed in DRSs recently and after full fledged functioning of the system, procurement and distribution of medicines would be need based.

3.2.17 Non-realisation of cost of diet

The system of supplying cooked food to indoor patients through diet contractors was introduced in November 2002. According to Government's order, (November 2002) contractors would supply cooked food to patients and no departmental cooking arrangement would be made. For taking hospital diet, patients belonging to non-BPL families were to pay 50 per cent of diet charges (Rs 28.50 per day) and patients belonging to BPL families were to be supplied diet free of charge.

Diet charges not recovered resulting in loss to Government

Out of 22 RHs and 63 BPHCs in selected districts, cooked food was supplied through contractors in 58 RHs/BPHCs and no food was supplied to the patients of 13 BPHCs. In the remaining 14 RHs/BPHCs arrangement for cooking was made at the hospitals or health centres in contravention of the Government's order.

In one RHs and four BPHCs, diet charges aggregating Rs 4.25 lakh was not recovered from non-BPL patients during September 2002 to March 2004.

The Department stated (January 2005) that necessary instructions would be issued to the RHs and BPHCs to collect diet charge from non-BPL patients.

3.2.18 Community Health Guide Scheme

Community Health Guide Scheme launched by GOI in 1979 was funded by the State Government in full since April 2002. Under this scheme, every village or community having a population of approximately 1000 should have a Community Health Guide (CHG). The CHG was to be provided with a drug kit and dressing materials valuing Rs 50 and remuneration of Rs 50 per month (Rs 100 per month up to March 2002) for rendering healthcare services.

CHGs were not provided with drug kits depriving rural people of medical services

There were 8747 CHGs as of March 2004 in four test-checked districts. It was noticed in audit that necessary drug kits and dressing materials were not supplied to CHGs. As a result, the CHGs could not render any healthcare service to the rural people. Thus, the payment of remuneration of Rs 44.53 lakh to CHGs during 1999-2003 proved to be unfruitful.

Five BMOsH of Cooch Behar district paid remuneration to CHGs at the rate of Rs 100 per month instead of Rs 50 per month during April 2002 to January 2004 resulting in overpayment of Rs 4.07 lakh. No action was taken by the BMOsH for recovery of the same.

3.2.19 Non-functioning Training Centres

Of 320 trainees targeted 206 were trained. No training was imparted in three training centres

There were three regional (at Kolkata, Kalyani, Jalpaiguri) and two rural (at Bardhaman and Kalyani) training centres for imparting training to multipurpose health workers in order to improve their knowledge and skill. It was noticed in audit that the Rural Training Centre at Kalyani and Regional Training Centres at Jalpaiguri and Kolkata remained non-functional during 1999-2001, 1999-2002 and 1999-2004 respectively as no guidelines and funds were provided by the Department for conducting training during these years. Against the target of imparting training to 320 multipurpose health workers during 2002-2004, only 206 were trained due to non-placement of trainees by CMOHs.

Implementation of health schemes

The Department had been implementing both State and Central schemes to provide healthcare services to rural population. A review of implementation of five schemes revealed the following.

3.2.20 Pradhan Mantri Gramodaya Yojana

This Centrally sponsored scheme was introduced in 2000-2001 to provide basic minimum health care services to rural people by opening new sub-centres in gram panchayats having no sub-centres, shifting of sub-centres to better accommodation and improvement of quality of services in sub-centres by providing adequate infrastructure facilities. The scheme was to be implemented by the Zilla Parishads (ZPs). Out of GOI assistance of Rs 12.02 crore received by ZPs of four test-checked districts during 2000-2003, Rs 10.08 crore were spent up to March 2004.

The following shortcomings were noticed in audit:

Four ZPs diverted Rs 2.08 crore in implementation of the yojana

The ZPs diverted scheme fund of Rs 2.08 crore for construction of rest house for patients' relatives at sub-divisional and district hospitals, renovation of District Hospitals, Tuberculosis Sanatorium and Homoeopathic Medical College, etc, in deprivation of the norms of the scheme.

Furniture valuing Rs 2.55 crore remained idle

ZP, Paschim Medinipur purchased furniture costing Rs 2.55 crore during 2002-2003 without assessing the requirements and space capacity of sub-centres. Test-check of records of seven BPHCs revealed that furniture costing Rs 8.71 lakh procured for 195 sub-centres and 248 labour tables purchased at Rs 6.20 lakh in October 2002 were lying idle in the BPHCs and DRS respectively although no delivery case was entertained in the sub-centres.

Imprudent purchase of AVS valuing Rs 34.79 lakh

The injection AVS (anti venom serum) for treatment of snake bite was required to be stored in refrigerator and was to be administered only by doctors. There was neither any system of storing AVS in the sub-centres nor any scope of administering at sub-centre level as no MO was posted there. In October 2002, ZP, Paschim Medinipur procured 9036 vials of AVS with date of expiry in May 2005 at a cost of Rs 34.79 lakh for distribution to sub-centres but, in the absence of storing facilities AVS was not issued to the sub-centres.

ZP did not also take any action for distribution of such medicine to health centres or hospitals. As a result, the entire stock of AVS was lying idle as of July 2004. In the absence of storing facility, possibility of loss of potency of the medicine could not be ruled out.

3.2.21 Sterilisation

Of 135.57 lakh eligible couples, 89.99 lakh were not covered under family welfare measures

Performance of various family welfare measures for protection of eligible couples revealed that out of 135.57 lakh eligible couples in the State 89.99 lakh did not adopt any family planning measures as of March 2003. Thus, couple protection rate was only 33.62 *per cent* against the target of 60 *per cent*. The number of eligible couples and couples protected during the years 2000-2003 in the State and also in four sample districts are indicated in the *Appendix 34*.

In four selected districts, 50 to 79 *per cent* of eligible couples did not adopt any family planning measures. Shortage of surgeons in BPHCs and PHCs and short supply of IUD and conventional contraceptives, etc. were the main reasons for shortfall in couple protection.

3.2.22 Immunisation

Immunisation programme was being implemented by the Department to achieve low and stable infant mortality rate by administering two dosages of TT to pregnant women, three dosages each of DPT and one dosage of BCG and measles to infants for preventing diseases.

Shortfall in immunisation ranged between 46 and 57 per cent in case of BCG

In the test-checked units, the shortfall in immunization was 46 to 57 *per cent* in case of BCG, 11 to 19 *per cent* in case of DPT and 6 to 14 *per cent* in case of measles and the shortfall in administering TT to pregnant women ranged from 20 to 57 *per cent* during 1999-2004. The shortfall in coverage of 100 *per cent* immunization was attributable to non-functioning of PHCs, SCs and irregular supply of vaccines.

3.2.23 Reproductive and child health scheme

Of 8.40 lakh deliveries 6.75 lakh were non-institutional

The primary objectives of the scheme were to ensure safe and institutional deliveries to reduce maternal and infant mortality rate. In three out of four test-checked districts during 1999-2003, out of 8.40 lakh deliveries, 6.75 lakh deliveries (80 *per cent*) were non-institutional and incidence of child death increased from 1120 in 1999 to 2417 in 2003. Non-availability of beds in PHCs, absence of supportive supervision and awareness generation in information, education and communication activities at sub-centre level were the main reasons for high rate of non-institutional deliveries.

The Department stated (January 2005) that it was going to tie up with the Department of Panchayats and Rural Development for proper monitoring and supervision of different family welfare programmes.

3.2.24 Treatment of arsenic affected people

71 lakh people remained exposed to arsenic pollution due to failure in supplying arsenic-free water

Ground water of 75 blocks with population of 1.61 crore in eight districts⁶ contained arsenic contamination beyond the permissible limit of 0.05 mg/litre, of which 0.71 crore people were not yet covered under the scheme of supplying arsenic-free water. Against the target of setting up 89 clinics in eight districts for treatment of arsenic-affected patients, only 51 were established as of March 2004.

Test-check of North 24 Parganas district revealed the following:

Out of 12.42 lakh people in arsenic-affected areas, 2.80 lakh people remained outside the purview of arsenic-free water supply schemes.

No data in respect of number of arsenic-affected patients in the district or in the arsenic affected blocks was maintained at any level.

There was no doctor in three arsenic clinics

Out of 19 clinics in the district, three were not functioning as of March 2004 for want of doctors. The actual periods of non-functioning were not ascertainable as no such record could be produced to Audit by the CMOH. During 2000-2004, only 385 arsenic-affected patients were provided treatment in these 16 clinics and 20 patients were referred to the Institute of Post-Graduate Medical Education and Research in Kolkata.

Other points of interest

3.2.25 Non-functioning of Sub-divisional hospital

Non-utilisation of newly constructed sub-divisional hospital

The Khatra BPHC of Bankura district was upgraded to sub-divisional hospital in May 2002 at a cost of Rs 2.89 crore but, it was functioning as BPHC for want of water supply. The additional assets created for functioning of Sub-divisional hospital were not utilised as of March 2004. Records revealed that before taking up construction of the building, no survey was conducted to ascertain availability of water considering drought-prone character of the area.

3.2.26 Staff quarters kept vacant

The medical and paramedical staff of RHs, BPHCs and PHCs were to be provided with staff quarters near the hospitals or health centres to make health care services available to patients round the clock.

Test-check revealed that out of 330 quarters available in four RHs and two BPHCs, 97 remained vacant as of March 2004, of which 68 quarters were lying vacant for years together in dilapidated condition. No action was taken by the CMOH for repairing the quarters and allotment thereof. The reasons for such poor utilisation of staff quarters were not stated.

⁶ Malda (7 out of 15 blocks), Murshidabad (18 out of 26 blocks), Nadia (17 out of 17 blocks), North 24 Parganas (19 out of 22 blocks), South 24 Parganas (9 out of 29 blocks), Howrah (2 out of 14 blocks) Hooghly (one out of 18 blocks) and Bardhaman (2 out of 31 blocks)

3.2.27 Monitoring and evaluation

CMOH being the nodal authority responsible for effective implementation of health care services in rural areas did not draw up any schedule of supervision and monitoring over functioning of RHs, BPHCs, PHCs and SCs. The Department did not evaluate the performance of these centres for taking remedial measures to improve the quality of health care services in rural areas.

3.2.28 Conclusion

The objective of providing healthcare system at the doorstep of rural people could not be achieved due to huge shortage of RHs, BPHCs and PHCs as well as medical and paramedical staff. Only 31 *per cent* of required doctors were posted in rural areas to serve 72 *per cent* of total population. In four sample districts 75 *per cent* PHCs were manned by a single medical officer. Fully equipped 15 OTs and 54 PHCs were not functioning for years together for want of medical officer, surgeons and anaesthetists. Majority of sub-centres were functioning without health assistants (male). Specialist services were not provided in the RHs. Out of 182 PHCs in sample districts indoor treatment was provided only in five PHCs. Unplanned procurement resulted in short supply of medicines to the health centres.

3.2.29 Recommendations

- Adequate number of RHs and PHCs should be opened as per norms to cover the entire rural population.
- Equipment lying idle at the BPHCs and PHCs should be put to use.
- Steps need be taken to ensure procurement and supply of adequate quantities of required medicines.
- Functioning of BPHCs and PHCs should be monitored by the CMOH to avoid refusal of treatment and unnecessary referral.
- Family planning, sterilisation and immunisation programmes should be geared up.

Government stated (January 2005) that the observations of Audit would be taken care of for different policy decisions to be taken by the Department in future.

LABOUR DEPARTMENT

3.3 IMPLEMENTATION OF THE CHILD LABOUR (PROHIBITION AND REGULATION) ACT, 1986

HIGHLIGHTS

Implementation of the Child Labour Act, (1986), suffered from inadequate survey to identify child labour, insufficient inspection and non- imposition of penalties against offending employers and failure to fix targets for rehabilitation of child labour. Functioning of the National Child Labour Projects to rehabilitate child labour through special schools and mainstreaming them to formal education was poor. Lack of supervision and monitoring also affected the enforcement of the Act.

No action plan or target was fixed to eradicate child labour in hazardous employment by enforcing the Act and Rules. The State Government neither provided employment to family members of 254 child labour withdrawn from hazardous occupations nor contributed to corpus fund as per orders of the Supreme Court. Government also failed to realise penalty of Rs 50 lakh from the offending employers.

(Paragraph 3.3.6)

The State Government reported to the Hon'ble Supreme Court existence of only 0.16 lakh child labour engaged in hazardous and non-hazardous occupations in the State while survey conducted by DMs and NGOs in only six blocks and 11 municipalities identified 3.08 lakh child labour indicating submission of unreliable reports.

(Paragraph 3.3.7)

During 1999-2004, of the 0.53 lakh establishments inspected, only 55 complied with Section 11 of the Act requiring maintenance of registers by the employees indicating absence of regulatory functions. No penal measures were initiated against the offending employers.

(Paragraph 3.3.8)

Number of inspections came down from 15697 in 1999 to 5851 in 2003 and infringement cases detected decreased from 1260 to only 135 while in 2040 cases no penalty was imposed.

(Paragraph 3.3.9)

In five test-checked districts only four to 20 *per cent* of students enrolled in special schools under National Child Labour Project were mainstreamed to formal education. Absence of documents in support of date of birth and address of the children made it difficult for the formal schools to accept them as regular students.

(Paragraph 3.3.11)

No special cell was created in Labour Department as desired by the Supreme Court for monitoring the National Child Labour Project (NCLP) activities. The responsibility of supervision and monitoring was entrusted to the Labour Commissioner only in May 2003.

(Paragraph 3.3.16)

Abbreviations used in this Review have been listed in the Glossary in Appendix 40 (page 216)

3.3.1 Introduction

The Child Labour (Prohibition and Regulation) Act, 1986 (Act) was introduced by the Government of India to ban employment of children below the age of 14 years in factories, mines and hazardous employments and to regulate the working conditions of children in other employments. The Act also introduced the National Child Labour Projects (NCLPs) for rehabilitation of child labour withdrawn from hazardous employment.

Prohibitory functions under the Act

According to Section 14 of the Act whoever employs any child labour in contravention of the provisions of section 3 of the Act shall be punishable with (i) imprisonment for a term ranging from three months to one year or (ii) fine ranging from Rs 10000 to Rs 20000 or (iii) both imprisonment and fine.

Regulatory functions under the Act

In respect of children working in an establishment or a class of establishments in which none of the occupations or processes referred to in section 3 is carried out, the conditions of work of children are regulated under section 7 of the Act, which came into force with effect from 26 May 1993.

In the State, Child Labour (Prohibition and Regulation) Rules 1988 were notified in January 1995 and NCLPs were functioning in eight districts¹ of which seven were functioning since 1995-1996 and the other in Kolkata since 1998-1999. The rehabilitation programme was also implemented by non-government organisations (NGOs) through special schools run with grants received directly from the Government of India. In three² other districts only NGOs were running special schools in addition to the schools run under NCLP in these districts.

3.3.2 Organisational Set-up

The Act was implemented in the State through the Department of Labour headed by the Principal Secretary assisted by Labour Commissioner, Chief Inspector of factories, shops and establishments and all inspectors attached to these offices. In the districts, NCLPs were executed through project societies headed by District Magistrate (DM) as chairman and controlled by Project Directors.

3.3.3 Audit Objectives

The objectives of the review were to assess whether:

- the directions of the Supreme Court were implemented;
- the system of identifying child labour was adequate;

¹ North 24-Parganas, Bardhaman, Purba and Paschim Medinipur, Dakshin Dinajpur, South 24-Parganas, Uttar Dinajpur, Murshidabad and Kolkata

² Howrah, Hooghly and Nadia

- the identified child labour were withdrawn from hazardous occupations and rehabilitated;
- the working conditions of child labour in non-hazardous occupations were regulated according to the relevant provisions of the Child Labour (Prohibition and Regulation) Act 1986 and Rules;
- legal action was initiated against the offending employers;
- policies and programmes of the Government of India, Ministry of labour for rehabilitation of working children were implemented.

3.3.4 Audit Coverage

A review of the implementation of the Act was conducted between February and June 2004 through test-check of records of Labour Department, Labour Commissionerate, NCLPs of five districts³ out of eight and three NGOs of Nadia district covering the period from 1999-2000 to 2003-2004.

3.3.5 Financial Outlay and Expenditure

The entire expenditure of NCLPs was funded by Ministry of Labour, Government of India (GOI) as grants-in-aid. The Ministry also funded 75 per cent of project cost of special schools run by NGOs who were to bear the remaining 25 per cent. During 1999-2004, grants aggregating Rs 22.81 crore were released by GOI directly to NCLP societies of the districts (Rs 21.68 crore) and NGOs (Rs 1.13 crore). In addition, State Government allotted Rs 23 lakh to the Labour Directorate during 1999-2004 for conducting state-wide survey to identify child labour, of which only Rs 5.60 lakh were spent. In the absence of any action plan for conducting State-wide survey the Labour Directorate could not utilise the allotted fund.

Grants received and utilised during 1999-2004 by NCLPs of the test-checked districts are shown below:

Grants released for	Opening balance	Grants received	Total fund available	Expenditure incurred	Closing balance
(R u p e e s i n l a k h)					
Project Societies	6.22	72.96	79.18	60.15	19.03
Special Schools	59.45	1318.64	1378.09	1315.55	62.54
Survey	0.41	Nil	0.41	0.06	0.35
Awareness Generation	3.76	5.70	9.46	7.96	1.50
Total	69.84	1397.30	1467.14	1383.72	83.42

Implementation of the Act

The performance of the Labour Department in enforcing the provisions of the Child Labour (Prohibition and Regulation) Act, 1986 during 1999-2004 was characterised by inadequate survey, improper inspection of the shops and establishments deploying child labour, non-maintenance of required records by the employers, failure to rehabilitate the identified child labour and inaction in taking penal measures against the employers. In addition, some gross

³ North 24-Parganas, Kolkata, Bardhaman, Purba and Paschim Medinipur and Dakshin Dinajpur

infirmities in the Act itself stood in the way of successful enforcement of the Act.

3.3.6 Implementation of Hon'ble Supreme Court judgment for survey

No target or action plan was prepared to eradicate child labour

Though the Act envisaged eradication of the Child Labour problem, there was nothing on record as to any action plan for achieving the goal through identification of child labour engaged in hazardous and non-hazardous occupations and consequential enforcement of the Act to withdraw the children from employment and prosecute the employer.

Child Labour Rehabilitation-cum-Welfare Fund (corpus fund) was to be created district-wise by collecting compensation of Rs 20000 per child from the employers who had employed children in hazardous occupations. The State Government was also to provide job to one adult member of the family of the child labour released from hazardous occupations for else should contribute Rs 5000 per child towards the fund.

A state-wide survey was conducted by the State Government only in April-May 1997 following the orders of the Hon'ble Supreme Court in December 1996. The results of the survey in the State and in five test-checked districts were as below:

State and name of the districts	Number of establishments visited	Number of child labour detected in hazardous occupations	Number of child labour detected in non-hazardous occupations	Total number of child labour detected
State as a whole	609936	254	15792	16046
North 24-Parganas	89596	14	2122	2136
Kolkata	35753	52	494	546
Bardhaman	75408	27	1767	1794
Purba and Paschim Medinipur	70920	26	1667	1693
Dakshin Dinajpur	11929	Nil	226	226

No penalty was imposed on offending employers disregarding Supreme Court order – penalty of Rs 50 lakh remained unrealised

On the basis of such survey 254 child labour were identified by the State in hazardous occupations. The State Government neither provided any job to the adult members of the families of 254 child labour withdrawn from hazardous occupations nor contributed to the corpus fund of Rs 12.70 lakh (at Rs 5000 per child). Government also failed to realise penalty of Rs 50 lakh (at Rs 20000 per child labour) from the offending employers disregarding the orders of the Supreme Court except in Kolkata where Rs 0.80 lakh were realized in four cases. The department attributed (January 2005) its failure in realising the fine from offending employers to lack of legal framework and clear-cut guidelines.

Although in the status report submitted (April 2001) to Supreme Court, Government stated that Child Labour Rehabilitation cum Welfare Fund was created in all the districts, test-check of five districts disclosed that no such fund was created as of March 2004.

3.3.7 Improper Survey

No survey was conducted during 1999-2004 to identify children engaged in hazardous and non-hazardous occupations despite allotment of Rs 23 lakh.

Out of this allotment, Rs 5.60 lakh only were spent for office expenses. As a result, number of child labour as of March 2004 remained unassessed. No child labour was also reported during 1999-2004 under Section 67 of Factories Act, 1948 and section 21 of Motor Transport Workers Act, 1961.

Although 0.16 lakh cases of deployment of child labour were reported to the Supreme Court of India and Secretary to the Government of India, Ministry of Labour, no action was taken against the employers for violation of the Act.

State-wide survey detected only 0.16 lakh child labour while 3.08 lakh child labour were identified in three districts

Though only 0.16 lakh children were reported to be engaged in hazardous and non-hazardous occupations in the 1997 survey, test-check of records of three districts (North 24-Parganas, Bardhaman and Dakshin Dinajpur) relating to the survey conducted during 1995-2004 by the DMs and NGOs for enrolment of students to special schools disclosed existence of 3.08 lakh child labour in hazardous and non-hazardous occupations as mentioned below:

- Survey conducted by the DM North 24-Parganas in 1996-1997 disclosed 1.41 lakh and 0.73 lakh child labour in hazardous and non-hazardous occupations respectively.
- Survey in one block of Bardhaman district in 1997 revealed 1014 child labour in hazardous and non-hazardous occupations and survey conducted by an NGO (Sarva Siksha Abhiyan) in 2003-2004 revealed 7235 child labour in 11 municipalities of Bardhaman.
- Survey conducted by an NGO (Tagore Society for Rural Development) in September 1995 in five blocks of Dakshin Dinajpur district revealed 0.20 lakh and 0.66 lakh child labour in hazardous and non-hazardous occupations respectively.

Submission of unreliable survey report to the Supreme Court

The number (0.16 lakh) of child labour engaged in hazardous and non-hazardous occupations as reported to the Hon'ble Supreme Court on the basis of State-wide survey and those (3.08 lakh) disclosed by the district authority and NGOs in the test-checked districts for enrolment in special schools were apparently both unreliable. Government, in its reply (January 2005) failed to offer any cogent reason behind such discrepancies.

No action initiated against the offending employers of 3.08 lakh child labour

Due to non-maintenance of any records by the project societies and the inspectors, whereabouts of the detected child labour could not be ascertained in audit. No action was taken against the offending employers of 3.08 lakh child labour, nor was any fine realised from the employers of 1.61 lakh child labour employed in hazardous occupations.

3.3.8 Regulatory provisions under the Act not enforced

Only 55 establishments out of 0.53 lakh establishments complied with Section 11 of the Act and no action initiated against the offending employers

The working condition of children employed in non-hazardous occupations was to be regulated under Sections 7 to 12 of the Act dealing with hours and period of work (Section 7), weekly holidays (Section 8), notice to inspector (Section 9), disputes as to age (Section 10), maintenance of register (Section 11) and display of notices containing abstract of Sections 3 and 14 (Section 12) of the Act.

Out of 53133 establishments visited by inspectors during 1999-2004, only 55 establishments maintained the registers as required under Section 11 of the Act indicating failure of enforcement of the regulatory aspects as envisaged under Sections 7 to 12 of the Act. The inspectors did not file any complaint in any court in terms of section 14 of the Act against the offending employers. The department stated (January 2005) that the Inspectors often persuaded the offending employers for compliance of the Act, rather than prosecuting them. The reply was not acceptable since persuasion was clearly not producing results and prosecution was called for under the Act.

The Labour Commissioner and the Deputy and Assistant Labour Commissioners had no information regarding non-compliance of different sections of the Act regulating working conditions of child labour. After visiting the NCLPs of different districts the Principal Secretary of Labour Department observed (March 2003) that there was room for further strengthening the existing arrangements for supervision of the scheme and that the Deputy Labour Commissioners and Assistant Labour Commissioners were not actively involved.

3.3.9 Inadequate inspection and prosecutions

According to Section 14 of the Act, whoever employs any child labour or permits any child to work in contravention of the provisions of Section 3 of the Act shall be punishable with imprisonment ranging from three months to one year or with fine ranging from Rs 10000 to Rs 20000 or with both.

Number of inspections conducted in the State, infringements detected, infringement cases pending at the inspecting authorities' end, cases let-off, prosecution cases filed, penalty imposed and realised etc. in the State during 1999-2003 were as below:

Year	Number of Inspectors engaged	Number of inspections conducted	Total no. of infringement cases detected and handled including opening balance shown in parentheses	Number of cases let off	Number of prosecution cases filed	Fine realized (in Rupees)	No. of infringement cases pending at the Inspecting Authorities' end at the end of the year
1999	403	15697	1260 (21)	1170	62	3500	28
2000	400	14020	318 (28)	205	2	10700	111
2001	403	9498	460 (111)	415	Nil	2000	45
2002	389	8067	194 (45)	148	5	Nil	41
2003	384	5851	135 (41)	102	Nil	Nil	33
Total		53133		2040	69	16200	

Source : Deputy Labour Commissioner's records

Decreasing trend in inspections and detection of infringements

The Department did not fix any target for inspection of establishments. It would be evident from the above table that the number of inspections conducted annually in the State came down gradually from 15697 in 1999 to 5851 in 2003 due to slackening of efforts on the part of the Inspectors in the absence of target, proper monitoring and supervision by the Department.

Infringement cases were let off without imposing penalty

The number of infringements detected and handled also decreased drastically from 1260 in 1999 to 135 in 2003. Further, 2040 (95 per cent of cases handled) cases of infringements were let off during 1999-2003 without imposing any penalty on the employers in terms of Section 14 of the Act

indicating gross dereliction of duty on the part of inspectors in handling the infringement cases.

It was also seen that all categories of inspectors of the offices of the Chief Inspector of factories, Chief Inspector of shops and establishments and Labour Commissioner, were engaged as inspectors under section 17 of the Act in addition to their normal duties. Even then, the number of inspections had come down substantially since 1999.

The department also attributed (January 2005) such deficient functioning of inspecting staff to the fact that Inspectors were not appointed exclusively under this Act and had to perform various additional duties not connected with implementation of the Act. The department, however, stated that steps would be taken to improve the level of inspections both in terms of number and quality.

Number of prosecution cases filed, prosecution cases pending in court, convictions and acquittals during 1999-2003 were as below:

Year	No. of prosecution cases pending in court at the beginning of the year	No. of prosecution cases filed	No. of cases where conviction awarded	No. of cases acquitted by court	No. of cases pending in courts at the end of the year
1999	9	62	2	Nil	69
2000	69	2	3	Nil	68
2001	68	Nil	1	12	55
2002	55	5	Nil	17	43
2003	43	Nil	Nil	4	39
Total		69	6	33	

Source : Deputy Labour Commissioner's records

Inaction on the part of Labour Department and Directorate led to poor disposal of court cases.

Rehabilitation Programme – National Child Labour Projects

Child labour engaged in hazardous occupations were to be rehabilitated through the National Child Labour Projects (NCLP) formulated by Government of India, Ministry of Labour. Guidelines for operationalising NCLPs aimed at withdrawal of children from hazardous occupations, putting them in special schools in order to enable them to join mainstream education or take up any vocation after attaining the age of 14. Scrutiny in audit revealed that students enrolled in special schools were overwhelmingly from non-hazardous occupations, mainstreaming of students was poor and vocational training was not adequate. Irregular payment of stipends was also noticed as discussed in the succeeding paragraphs.

3.3.10. Functioning of Special schools

As per guidelines, child labour withdrawn from hazardous occupations were to be enrolled in special schools. Audit could not ascertain the status of the enrolled students due to non-maintenance of records by the project societies and special schools.

In five test-checked districts 222 special schools with 10841 students were functioning as of March 2004.

Students enrolled in special schools were mostly from non-hazardous occupations

Visit by audit to five schools of Paschim Medinipur and one school of Dakshin Dinajpur district disclosed that of 396 students enrolled during 1999-2004 only four were from hazardous occupations although survey conducted (September 1995) by an NGO in five blocks of Dakshin Dinajpur district disclosed 0.20 lakh child labour in hazardous occupations. Thus, the target to enrol child labour only from hazardous occupations in special schools remained unachieved. The quarterly progress reports furnished to GOI by the NCLP societies as per the prescribed format indicated only the total number of children on roll in the special schools without giving the particulars of the nature of occupations from which they were withdrawn.

In the State, almost all children enrolled in special schools were found to have been working in non-hazardous occupations like maid-servant, tea stall, shop workers, etc. Thus, the expenditure of Rs 13.16 crore incurred during 1999-2004 on running of special schools, which were meant for rehabilitation of child labour withdrawn from hazardous occupations, was misdirected.

No recovery of the cost of education of children engaged in non-hazardous occupations was made from the respective employers though required in terms of the orders of the Supreme Court.

3.3.11 Mainstreaming of students to formal education

Number of drop-outs and mainstreaming of students to formal education in the five test-checked districts during 1999-2004 was as under:

Name of district	Total enrolment	Number of students dropped-out	Number of students mainstreamed
North 24-Parganas.	9154	293 (3)	618(7)
Kolkata	3850	57 (1)	Schools opened in April 2002
Bardhaman	11000	73 (1)	887 (8)
Paschim Medinipur	12589	365 (3)	527 (4)
Dakshin Dinajpur	10000	1216 (12)	1950(20)

(Figures in the parenthesis indicate percentage)

Poor mainstreaming of students to formal education

It would be evident from the table that the mainstreaming of students to formal education ranged between four and 20 *per cent*. Further, there was no mechanism for tracking of the activities of mainstreamed child labour though required under the scheme. Thus, the very purpose of rehabilitation of children through mainstreaming to formal education was frustrated.

In Nadia district 250 children went back to their hazardous and non-hazardous work after completion of education in special schools in 1998. Further, extension of the project after March 1998 was not granted by GOI though asked by the NGO.

Government, while accepting the facts (January 2005) cited problems like absence of documents in support of date of birth and address of the children which made it difficult for the formal schools to accept them as regular

students. This problem needs immediate attention of the State Government as well as the Ministry of Labour so that some alternative evidence of age is accepted by the formal schools.

3.3.12 Vocational Training

Children of special schools who could not be mainstreamed to formal education were required to be encouraged to take up vocations of their choice after completion of their special school education.

Against the norm of deployment of one vocational instructor in each special school, for 46 schools in Bardhaman district the vacancies of instructors ranged from 26 to 36 during 1999-2004 while for 40 schools in Dakshin Dinajpur, not a single vocational instructor was ever posted since inception (1995-1996) for reasons not on record.

During 1999-2004, out of 0.10 lakh students enrolled in special schools in Dakshin Dinajpur, only 1950 were mainstreamed to formal education while the remaining students were not provided with any vocational training facility as per guidelines indicating that the target of rehabilitation programme in the district remained largely unachieved.

The department stated (January 2005) that the matter had been taken up with the district administration.

3.3.13 Lack of infrastructural facilities

On physical verification of nine out of 40 special schools of Dakshin Dinajpur district, absence of infrastructural facilities like ventilation, drinking water, toilet and inadequate accommodation, etc. was noticed in audit.

The Project Director, North 24 Parganas district also stated (April 2004) that all the special schools of the district lacked infrastructural support.

3.3.14 Disbursement of stipend to children

According to GOI guidelines, every child withdrawn from hazardous occupation should be taught in special schools for a maximum period of three years and stipend of Rs 100 per month was admissible to each child.

Test-check revealed that in violation of the provisions, 33 students of one school in North 24-Parganas district and 2518 students of 51 schools in Paschim Medinipur district were taught continuously for four years resulting in inadmissible payment of stipend of Rs 30.61 lakh during the fourth year of enrolment.

Further, stipend was to be paid through accounts opened in post office or banks in the name of the student and his guardian. In North 24-Parganas and Bardhaman districts stipend of Rs 2.38 crore was disbursed in cash during 1999-2004 in violation of the guidelines and the possibility of malpractice in actual disbursements could not be ruled out.

**Inadmissible
payment of stipend of
Rs 30.61 lakh to the
students**

Out of stipend of Rs 33 lakh released by the Project Society to 39 NGOs in Kolkata district during 2002-2004, Rs 15.70 lakh were disbursed to the children and Rs 17.30 lakh were retained by NGOs in their own bank accounts due to failure in opening of accounts with bank or post office. In one school opened in April 2002, none of the children was paid stipend till May 2004 although the Project Society paid Rs 1.20 lakh to the NGO for the purpose in April 2002.

The Labour Commissioner stated (April 2004) that non-cooperation of banks was a major impediment in disbursement of stipend.

Government while accepting the contention of audit stated (January 2005) that the cases were referred to concerned project societies to avoid such irregularities in future.

It would thus be evident that the rehabilitation programme of withdrawal of child labour from hazardous occupations and admitting them to special schools, mainstreaming to formal education and providing vocational training could not be implemented as it failed to cater to the targeted group of children working in hazardous occupations.

3.3.15 Difficulties in implementing certain provisions of the Act

Section 9 of the West Bengal Shops and Establishments Act, 1963 fixed the minimum age for child labour employment at above 12 years, which was in contradiction with the section 2 (ii) of the Child Labour Act, 1986 banning employment of children below 14 years.

Further, under Section 3 of the Act, child labour is not prohibited in a workshop of hazardous nature run by the family of the child. Consequently, the children working in hazardous conditions under the garb of family business remained outside the scope of the Act. Government also held the same opinion.

The department opined (January 2005) that constitution of special courts for expeditious disposal of cases under this Act would improve the position of enforcement of the Act. The department further stated that provisions regarding recovery of compensation for engagement of child workers in hazardous occupations and cost of education in respect of child workers in non-hazardous employment from employers should be included under Section 16 of the Act.

These shortcomings need be addressed for effective implementation of the Act.

3.3.16 Monitoring and Evaluation

The Hon'ble Supreme Court desired (December 1996) that the State Government should create a special cell in Labour Department to monitor the working of the NCLP activities but no such special cell was created till March 2004 for reasons not on record despite specific provision in the budget during 1997-2000.

Absence of monitoring/evaluation mechanism in implementation of the Act and functioning of NCLPs

During 1999-2004 neither any inspection, review nor any evaluation of the performance of NCLPs was conducted. Monitoring Committee was not formed, nor was any system of monitoring for inspections, survey, prosecutions and imposition of penalties levied to employers introduced. No database in respect of the establishments employing child labour was developed.

The responsibility of supervision and monitoring of NCLPs in eight districts was entrusted by the Labour Department to the Labour Commissioner in May 2003. Little improvement was, however, noticed as of March 2004.

Test-check revealed that during 1999-2004 in Medinipur and Dakshin Dinajpur districts, meetings of NCLP societies were held only once in July 2001 and May 1999 respectively instead of prescribed quarterly meetings. Although Medinipur district was bifurcated as Paschim and Purba Medinipur from January 2002 the project society in Purba Medinipur was not constituted till March 2004.

3.3.17 Conclusion

In the State, in the absence of any action plan and target, enforcement of the Child Labour (Prohibition and Regulation) Act (1986) was not satisfactory. State wide survey conducted in 1997 and the subsequent surveys conducted by the district administration and NGOs differed widely and therefore appeared unreliable. Declining trend in inspections of the establishments and failure in prosecution and imposition of penalty against the offending employers affected the regulatory functions. The NCLP projects functioning for rehabilitation of child labour through education, vocational training and mainstreaming to formal education suffered in the absence of supervision and monitoring.

3.3.18 Recommendations

- Immediate action needs to be taken to prepare action plan to eradicate the problem of child labour and strengthen the enforcement machinery for implementation of the Act
- Steps need be taken to conduct appropriate state-wide survey to identify and resolve the problem of child labour
- Adequate supervision and monitoring system should be evolved to ensure compliance of the provisions of the Act.
- Steps need be taken for admission of the child labour in formal schools on the basis of alternative evidence of age proof.

PANCHAYATS AND RURAL DEVELOPMENT DEPARTMENT

3.4 PRADHAN MANTRI GRAM SADAK YOJANA

HIGHLIGHTS

Pradhan Mantri Gram Sadak Yojana (PMGSY) launched in December 2000 sought to connect by way of all-weather roads all habitations with a population of 1000 persons and above by 2002-2003 and those with 500 persons and above by 2006-2007. Implementation of the programme suffered from flawed selection of works, improper prioritisation, unauthorised deviation from technically approved detailed project reports, taking up of works without adequate planning, irregular and unfruitful expenditure, quality control failure and extremely slow pace of coverage of targeted habitations.

Against 11941 habitations of 1000 persons and above targeted for rural connectivity by the end of March 2003 for which Rs 444.17 crore were made available by the Government of India, the connectivity achieved on that date was only for 139 habitations. Even as of March 2004, only 526 habitations of 1000 persons and above and 156 habitations of 500 to 999 persons were provided connectivity. Besides, 300 road works involving connectivity to 1144 habitations were in progress.

(Paragraph 3.4.9)

While interest earned on deposit in PMGSY fund account was to be treated as part of the programme fund, Rs 3.15 crore accrued as interest was irregularly diverted to incur administrative expenses instead of spending on works of new connectivity.

(Paragraph 3.4.7)

Four Executing Agencies spent Rs 12.49 crore during 2001-2004 on renovation/repair of 10 black-topped/cement roads, though such roads were specifically excluded from the purview of the programme.

(Paragraph 3.4.12)

Missing links on five roads which were shown to have been completed in 2002-2003 at a cost of Rs 8.36 crore in Siliguri Mahakuma Parishad area, Hooghly District and Malda District had persisted for want of bridges and cross drainage works as well as due to land disputes, turning the entire expenditure unfruitful.

(Paragraph 3.4.14)

Rupees 79.29 crore were spent on 99 works of upgradation of existing roads, though not permissible under the programme. This has resulted in denial of the benefit of 'new connectivity' that could have been extended to unconnected habitations had the funds been properly utilised.

(Paragraph 3.4.15)

Abbreviations used in this Review have been listed in the Glossary in Appendix 40 (page 216)

During 2000-2004, the Executing Agencies spent Rs 45.86 crore on 64 existing fair-weather roads wrongly categorising them as 'earthen' roads to get them sanctioned irregularly as works of new connectivity.

(Paragraph 3.4.16)

3.4.1. Introduction

Pradhan Mantri Gram Sadak Yojana (PMGSY), a 100 per cent Centrally sponsored programme, was launched in December 2000 throughout the country. This had been formulated as an anti-poverty programme, focusing on providing connectivity to unconnected rural habitations in order to enable the rural people to get access to economic and other essential services.

3.4.2. Programme objective

The primary objective of the programme was to provide connectivity by way of all-weather roads to the unconnected habitations in the rural areas. The programme sought to cover all such unconnected habitations with a population of 1000 persons and above in each by 2002-2003 and those with 500 persons and above by 2006-2007.

The programme also envisaged upgradation of the existing roads to prescribed standards only in those districts where all the habitations of the designated population size have been provided all-weather road connectivity. Cost of upgradation should not, however, exceed 20 per cent of the State's allocation where unconnected habitations in the State still existed.

3.4.3. Organisational set up

The overall control over implementation of the programme was being exercised by the Ministry of Rural Development at the Central level through the National Rural Road Development Agency (NRRDA). At the State level, the responsibility for implementation of the programme remained with Panchayats and Rural Development Department, designated as the Nodal Department, through the State Level Agency (SLA). 17 Zilla Parishads (ZP), one Hill Council (Darjeeling Gorkha Autonomous Hill Council, or DGAHC) and one Mahakuma Parishad (Siliguri Mahakuma Parishad) were identified as Executing Agencies, each having a Programme Implementation Unit (PIU), headed by an Executive Engineer.

3.4.4. Audit objective

The audit objectives were to see whether

- the financial management was effective;
- the programme management including planning, execution etc. was efficient; and
- the quality control was adequate.

3.4.5. Audit coverage

Implementation of the programme during 2000-2001 to 2003-2004 was reviewed in audit between May and August 2004 through test check of records at Panchayats and Rural Development Department and eight PIUs (out of 19) functioning at North 24 Parganas, Hooghly, Howrah, Paschim Medinipur, Bankura, Burdwan and Malda ZPs, and Siliguri Mahakuma Parishad (MP). The selection was made with reference to volume of expenditure and regional representation. The expenditure covered in audit (Rs 143.55 crore) constituted 44 per cent of the total expenditure (Rs 327.21 crore) incurred during the period.

3.4.6. Principles laid down for execution

According to programme guidelines, unconnected habitations were to be given precedence. Unconnected habitation was defined as a cluster of population of designated size located at a distance of 500 metres and above from an all-weather road (AWR)/ fair weather road (FWR) or a connected habitation.

The designated size of population may fall under one of the three categories: 1000 persons and above, 500 to 999 and 250 to 499. The last category was eligible to get new connectivity only in hill/desert/tribal areas. The distance of the habitation from AWR/FWR or a connected habitation was to be at least 1.5 km in case of hill areas.

New connectivity implied construction of road from earth work stage to desired specification for surface road (black-topped or cement) (as laid down by Indian Roads Congress in Rural Road Manual). Upgradation of gravel or water bound macadam (WBM) roads would not be treated as works of new connectivity.

Financial management

PMGSY funds were released by the Government of India into a single bank account opened and maintained for the purpose by the State Level Agency (SLA). The Agency was set up in November 2003 by the State Nodal Department to receive the funds. Before that the funds were received directly by the PIUs through their individual savings bank accounts. Audit of financial management aspect of the programme revealed the following:

3.4.7 Funds released and expenditure incurred

Year-wise release of funds and expenditure incurred under the programme during 2000-2001 to 2003-2004 were as given below :

Year	Opening balance	Funds released by GOI	Total available funds	Funds utilised	Closing balance	Percentage of funds utilised to funds available
	(R u p e e s i n c r o r e)					
2000-2001	-	135.00	135.00	-	135.00	Nil
2001-2002	135.00	309.17	444.17	68.89	375.28	15.51
2002-2003	375.28	-	375.28	93.00	282.28	24.78
2003-2004	282.28	135.00	417.28	165.32	252.28	39.62
Total		579.17		327.21		

Source: P&RD Department

Interest on PMGSY funds was irregularly diverted

Apart from the funds released up to 2003-2004, a total amount of Rs 18.09 crore accrued as interest on the deposits made by the PIUs in their respective savings bank accounts. This was computed in audit from the accounts of the PIUs audited by Chartered Accountants. The amount was to be added to the PMGSY funds for meeting the programme expenditure. But Rs 3.15 crore were spent by the PIUs towards administrative expenses (salary, office stationery, hire charges of vehicles, POL etc).

Government stated (November 2004) that Rs 1.20 crore had already been 'replenished to the scheme fund'.

3.4.8 Unnecessary accumulation of funds due to fresh release in spite of slow utilisation

Slow utilisation led to unnecessary accumulation of funds

Excepting the first year of the programme, release of the remaining instalments by the GOI in subsequent years was subject to utilisation of 60 per cent of the total available funds up to (but not including) the year previous to the current year. Due to release of Rs 135 crore for the first year (2000-2001) in the last quarter (February and March 2001)¹, the entire funds remained unutilised. As a result, the State was not entitled to get any funds released from the GOI during 2002-2003 and no funds were actually released. Based on the same principle, the State was not entitled to get any funds during 2003-2004 as utilisation of funds during 2001-2002 was only 15.51 per cent of the available funds. In spite of this, a fresh release of Rs 135 crore was made by the GOI during 2003-2004 in violation of the norms of the programme, thus resulting in unnecessary accumulation of funds at the disposal of the PIUs.

Programme Management

The programme failed to achieve the targeted objective due to inadequate survey resulting in revision of estimates, improper prioritisation, flawed selection and delayed execution as discussed in the subsequent paragraphs :

3.4.9 Physical target and achievement

Physical achievement vis-à-vis the programme targets during 2000-2001 to 2003-2004 were as mentioned below :

Sl. No.	Category (population-wise)	Total No. of habitations	Habitations connected prior to launching of programme	Unconnected habitations	Habitations connected under PMGSY		Total
					Up to 2002-03	2003-04	
1	1000 persons and above	19421	7480	11941	139	387	526
2	500-999	16496	4828	11668	23	133	156
3	250-499 ²	386	253	133	-	-	-
Total		36303	12561	23742	162	520	682

Source: P&RD Department

¹ Delay in submission of project proposals (due date of submission : May 2000; submitted in September 2000) led to delay in release of funds.

² Applicable only to hill areas under Darjeeling Gorkha Hill Council (DGHC) as provided in the programme guidelines.

Percentage coverage of habitations was meager compared to programme goal

It would be seen from the above table that the programme goal to connect 100 *per cent* unconnected habitations with 1000 persons and above in each by 2002-2003 was not reached. Against 11941 habitations of 1000 persons and above targeted for rural connectivity by the end of March 2003 for which Rs 444.17 crore were made available by the Government of India, the connectivity achieved on that date was only for 139 habitations. Even as of 31 March 2004, only 526 habitations of 1000 persons and above and 156 habitations of 500 to 999 persons were provided connectivity. Besides, 300 road works involving connectivity to 1144 habitations were in progress.

3.4.10 Inadequate survey

Project proposals/ DPRs were prepared without adequate survey

Four PIUs executed 49 works³ of new connectivity/ upgradation sanctioned in 2000-2001 and 2001-2002 at an estimated cost of Rs 79.13 crore. Due to lack of adequate survey before submission of project proposals/DPRs, the PIUs had to prepare revised estimates for Rs 93.37 crore. The estimates had to be increased by Rs 14.24 crore due to inclusion of additional items like protection work and side drainage works, besides change of alignment. This could have been avoided if adequate survey were conducted beforehand.

Government stated (November 2004) that initially proper survey was not conducted due to paucity of time.

As per programme guidelines, the extra expenditure of Rs 14.24 crore would have to be borne by the State Government. But the State Government did not allocate any such funds. In the meantime, against 31 works⁴ (out of 49) the contractors were paid Rs 6.63 crore in excess of tendered cost because of additional items. The expenditure had been debited to the PMGSY funds unauthorisedly (September 2004).

Further, six works of a combined length of 36.5 km of upgradation/new connectivity in Howrah District was sanctioned by GOI in 2000-2001 and 2001-2002. Reaching completion up to a combined length of 21.24 km, on which Rs 5.88 crore were spent during 2001-2002 to 2003-2004, the works were abandoned reportedly due to non-availability of land, turning the expenditure of 5.88 crore unproductive. This could have been avoided if adequate survey were conducted by the PIUs before preparation of detailed project reports.

Government stated (November 2004) that taking up of schemes for 2000-2001 and 2001-2002 without proper survey led to such situation. Funds for abandoned portion were lying with the department for utilisation or adjustment.

³ West Medinipur : 17; Bankura: 10; Hooghly: 6; and Siliguri MP: 16.

⁴ West Medinipur : 13; Bankura: 8; Hooghly: 5; and Siliguri MP: 5.

3.4.11 Improper prioritisation

Principle of prioritisation was violated

Although habitations with population of 1000 persons and above remained unconnected, 77 habitations with lower population of 500-999, 250-499 and below 250 categories were provided with new connectivity by constructing 17 roads (nine in 2002-2003 and eight in 2003-2004) at a cost of Rs 11.24 crore. This violated the principle of prioritisation envisaged in the programme and resulted in unwarranted expenditure with denial of the programme benefit to the targeted population.

3.4.12 Flawed selection

Irregular expenditure on upgradation of major district road shown as 'new connectivity'

The work of upgradation of 4.5 km stretch of Ratanpur-Paika Road a major district road (MDR), 'shown as new connectivity' was awarded in January 2004 to a contractor by the PIU, Bankura, under PMGSY. As the scheme did not permit coverage of MDR, the expenditure of Rs. 75.42 lakh on the work out of PMGSY funds was irregular.

Further, PIUs of Malda, Hooghly, Bankura and Siliguri spent during 2001-2002 to 2003-2004 Rs 12.49 crore on renovation/repair of 10 black-topped/ cement roads of a combined length of 72.8 km as follows:

Irregular expenditure on renovation/ repair of 10 black topped/cement roads

PIU	Number of roads	Length (in km)	Expenditure incurred (Rupees in crore)
Malda	1	3.20	0.36
Hooghly	4	38.50	7.70
Bankura	3	28.40	3.90
Siliguri	2	2.70	0.53
Total	10⁵	72.8	12.49

Source: concerned PIUs

As the scheme did not permit inclusion of any black-topped/cement road for upgradation under the programme, the entire expenditure of Rs 12.49 crore was irregular.

3.4.13 Delay in execution

Non-completion of 10 works led to unfruitful expenditure of Rs 12.91 crore

The programme enjoined that every work should be completed within six months from the date of issue of the work order. In four districts, ⁶ out of 56 works of new connectivity and upgradation, sanctioned during 2000-2001 and 2001-2002, the delay in completion beyond the stipulated period, in respect of 26 works ranged from seven to 20 months. Ten works were not yet completed (August 2004) though already delayed by 12 to 13 months. The delay was attributable to delay in land acquisition, problems created by miscreants, inclusion of new items in works, negligence of contractor, and lack of supervision. A total amount of Rs 12.91 crore already spent on 10 works, none of which were completed, remained unfruitful as detailed below:

⁵ Malda: Ghorapir-Sattari; Hooghly: Bulandi-Kanaria, Kamarpukur-Badanganj, Bahira-Dawapura, Kapsit-Samta; Bankura: Gobindanagar-Kenjakura, Raipur-Dhanara, Kulbadar-Manihara; and Siliguri: Birsamunda Setu-Milanmor, Kharagsingh-Tarabari.

⁶ West Medinipur, Hooghly, Bankura and Siliguri MP.

Name of PIU	No. of road works	Year of sanction	Amount already spent (Rs. in lakh)	Reason for non-completion
Siliguri MP	4	2001-2002	286.74	Revision of estimates
Bankura ZP	1	2000-2001	234.72	Land problem
	1	2000-2001	117.76	Revision of estimates
	1	2000-2001	108.38	Reason not made available
Hooghly ZP	1	2001-2002	235.70	Problems created by miscreants
	1	2001-2002	266.60	Land problem
Paschim Medinipur	1	2001-2002	40.71	Land problem
Total	10		1290.61	

3.4.14 Missing links

Persisting missing links on five roads turned Rs 8.36 crore spent on them unfruitful

Construction of five roads⁷ (Siliguri Mahakuma Parishad: one; Malda: three, Hooghly one) sanctioned in 2000-2001 and 2001-2002 were shown to have been completed in 2002-2003 at a cost of Rs 8.36 crore. But none of the roads provided connectivity to 37 habitations, as targeted, for want of bridges and cross drainage works as well as land disputes involving 168 metres along the road length. The missing links which were persisting as of September 2004 rendered the entire expenditure of Rs 8.36 crore unfruitful.

Government stated (November 2004) that the bridge works could not be taken up as construction of a bridge with span of more than 15 metres was not permitted under PMGSY. However, the PIUs would shortly take up the works out of funds from other sources.

Diversion from programme objective

The programme funds amounting to Rs 125.15 crore were irregularly spent on works, which were not eligible to be funded under the PMGSY as discussed below:

3.4.15 Irregular and misdirected utilisation of available funds

Though not permissible, Rs 79.29 crore were spent on road upgradation

The programme did not allow any expenditure on upgradation of existing roads in a district unless all the habitations of the designated population size in the district have been provided all-weather connectivity. In West Bengal, no district fulfils the condition and as such no expenditure was permissible on upgradation of the roads in the State. But it was seen in audit that out of Rs 116.99 crore shown to have been spent on 174 works sanctioned for the year 2000-2001, Rs 79.29 crore were spent on 99 works of upgradation of roads. This was 24 per cent of the total amount spent (Rs 327.21 crore) upto 31 March 2004. The violations of the core principle of the programme in irregular and misdirected utilisation of funds during the period resulted in denial of the benefit of 'new connectivity' that could be extended to unconnected habitations had the funds been properly utilised.

Government stated (November 2004) that 'in absence of detailed and specific instruction from Ministry' schemes for upgradation of roads were taken up in 2000-2001 and 2001-2002.

⁷ Siliguri MP: Phulbari Hospital-Kilaghata; Malda: Balupur-Bhado, Ghorapir-Sattari and 20 mile-Agrampur; Hooghly: Kapsit-Samta.

Misdirected expenditure of Rs 45.86 crore on upgradation/repair of 64 fair weather roads

3.4.16 Ineligible and irregular expenditure

According to programme guidelines, new connectivity implied construction of roads from the earth work stage to the desired specifications and upgradation/repair of existing fair weather (gravel and WBM) and all-weather (black-topped) roads would not qualify to be treated as works of new connectivity. But 64 fair weather roads⁸ out of 75 were sanctioned and taken up during the period of review as works of new connectivity in areas of West Medinipur, Bankura, Hooghly and Siliguri MP. These were already connecting 334 habitations, as revealed from the district rural road maps, core network maps and habitation level data. The cost involved in execution of these works amounted to Rs 45.86 crore. The entire expenditure was thus misdirected, while 2679 habitations under the category of 1000 population and more were awaiting for 'new connectivity' in these areas.

Other irregularities

3.4.17 Extra expenditure on costlier materials

According to detail project reports finally cleared by the GOI in 2001-2002, 'jhama' metal was to be used in five roads in Burdwan District. Unauthorised replacement of 'jhama' metal with stone metal (a costlier variety) in base course while executing the works during 2002-2003 and 2003-2004 led to extra avoidable expenditure of Rs 1.51 crore.

The Government stated (November 2004) that, according to the design requirement, the stone metal was necessary. But it could not be clarified, if this was the fact, how the detailed project reports and approved estimates were cleared.

3.4.18 Irregular payment of lead charges

According to programme guidelines, it was to be ensured that no lead charges would be payable for transportation of soil. Contrary to this, PIUs of Malda, Bankura, Hooghly and West Medinipur paid Rs 3.57 crore⁹ to the contractors on this account in respect of 20 works during 2001-2002 to 2004-2005.

The Government stated (November 2004) that, according to 'Standard Data Book' for analysis of rate for rural roads brought out by IRC, lead upto 1000 metres is permissible. The reply is not tenable as the PMGSY guidelines specifically disapproved any payment of lead charges from PMGSY funds.

3.4.19 Unauthorised deviation from project report

While the detailed project reports for five roads with pavement thickness of 380 mm were technically approved by the GOI in 2000-2001, the PIU of North 24 Parganas unauthorisedly lowered the thickness to 250 mm while

⁸ West Medinipur : 27; Bankura : 7; Hooghly : 7; and Siliguri MP : 23.

⁹ Malda: Rs 0.54 crore; Bankura: Rs 1.71 crore; West Medinipur: Rs 0.30 crore; and Hooghly: Rs 1.02 crore.

executing the works during 2002-2003, without indicating any reasons. This resulted in savings of Rs 2.63 crore but rendered the works substandard.

The Government admitted (November 2004) the deviation and assigned this to non-conducting of proper survey. While executing the work, reportedly it revealed that lowering of thickness to 250 mm was possible. But it could not be clarified why the revised estimates were not got technically cleared subsequently from the Ministry.

3.4.20. *Quality control and monitoring*

Quality control unit was not properly functioning

The programme guidelines envisaged setting up of a quality control unit as a part of the State Level Agency. Although such a structure had been reportedly functioning and it was required to arrange for periodic inspection of works at the district level, such inspections were not being carried out. Only in two districts (North 24 Parganas and Malda) out of eight districts test-checked, two inspections (of one road each in both) were carried out during the period 2000-2004 and reports submitted for follow-up action. The State Government had also not drawn up any schedule of inspection prescribing the minimum number of field visits for functionaries of the unit. The State Level Agency (SLA) was conceived as a key organisation, *inter alia*, for vetting the project proposals and providing secretarial service to State Level Standing Committee (SLSC), which was responsible for close and effective monitoring of the programme and overseeing the timely and proper execution of works. After a considerable delay, the department constituted the agency only in November 2003.

Forming of State Level Agency was delayed

Besides, the NRRDA engaged National Quality Monitoring (NQM) for inspection at random, of the roads with particular reference to quality. In case the works were graded 'poor' or 'average', the State Government was to ensure replacement of materials or rectification of workmanship. The roads on completion were to be rated as very good.

Roads were graded as poor/average by NQM, but remedial action was not undertaken

Fourteen roads in three districts constructed by Bankura ZP, West Medinipur ZP and Siliguri MP during 2001-2002 to 2003-2004 at a cost of Rs 17.38 crore were graded poor/average as a result of inspections conducted by National Quality Monitor (NQM) engaged by NRRDA. The unsatisfactory grading was due to defective earth work, poor cambering of shoulder, poor quality of materials and workmanship, poor compaction with power roller, non-testing of material and non-construction of catch water and side drainage. Remedial action to improve the grading was not yet taken as of June 2004.

Similarly a four km stretch road on Bhakrabad-Khakurdah road upgraded in November 2003 at a cost of Rs 91.35 lakh was graded as 'average'. As such the State Government was to ensure that the contractor replaced the material or rectified the workmanship within a stipulated period. But no further action in this regard was taken. In June 2004 (i.e., within seven months from the date of completion) the road was found damaged as the earth work was exposed throughout the stretch, rendering the entire expenditure of Rs 91.35 lakh unfruitful.

Government stated (November 2004) that the contractor had been asked to rectify the damage.

3.4.21 Conclusion

The objective of rural connectivity by all-weather roads to 11941 habitations of 1000 persons and above by the end of March 2003, for which Rs 444.17 crore were made available by the Government of India, remained unachieved as the connectivity provided on that date was only for 139 habitations. Even as of March 2004, only 526 habitations of 1000 persons and above and 156 habitations of 500 to 999 persons were provided connectivity. The pace of work had been too slow; undue emphasis was given on upgradation of existing roads; money receipt from the Central Government was almost used up but actual connectivity envisaged in the programme was far from being achieved.

Implementation of the programme suffered from deficient planning and flawed selection and execution of works. Upgradation of roads was allowed to be passed off as works of new connectivity, thus subverting the primary objective of the programme. There were several cases of violation of programme guidelines and laxity in supervision and monitoring, which resulted in dismal achievement.

3.4.22 Recommendations

- A time bound action plan should be made to achieve the objective of connectivity and State level standing committee should be revamped for effective monitoring.
- A detailed survey should be taken up to avoid midcourse alteration of any project.
- Land acquisition must be completed before starting a work to avoid subsequent abandonment of the work.
- Priority should be given to extending the benefit of 'new connectivity' to unconnected habitations instead of upgrading the existing roads. Such misutilisation of funds, which might lead to loss of central assistance in coming years, should be avoided.

**PANCHAYATS AND RURAL DEVELOPMENT/HEALTH
AND FAMILY WELFARE/ SCHOOL EDUCATION/MASS
EDUCATION EXTENSION/POWER/ANIMAL
RESOURCES DEVELOPMENT DEPARTMENTS**

**3.5 PERFORMANCE OF MURSHIDABAD DISTRICT
ADMINISTRATION**

HIGHLIGHTS

Murshidabad district comprises five sub-divisions and 26 blocks covering an area of 5324 square km with 58.64 lakh population of which Scheduled Castes (SC) and Scheduled Tribes (ST) constitute 17.51 per cent. In the absence of proper supervision, monitoring and control mechanism in the district administration, the targets for generation of employment, eradication of illiteracy, achievement of minimum level of learning, coverage of eligible couples under family planning, immunisation of babies and pregnant women, reduction of infant mortality, formation of self-help groups to create income generating assets and electrification of villages remained largely unachieved.

District Planning Committee did not prepare any long term plan for development of the district. Further, due to belated submission of the annual plans to the Government, the district development plan had no linkage with budgetary allocations.

(Paragraph 3.5.5)

The Zilla Parishad fell short of achieving the target of generating 78.48 lakh mandays during 1999-2004 by 20.99 lakh mandays, which resulted in non-utilisation of grants of Rs 8.56 crore and 7000 tonnes of rice.

(Paragraph 3.5.6)

Under Swarnjayanti Gram Swarozgar Yojana grants of Rs 15.95 crore could not be availed due to non-utilisation of 46 to 83 per cent of yearly available funds. Against target of forming 4579 Self Help Groups (SHGs) during 1999-2004, only 3251 SHGs were formed, of which 169 (5 per cent) were actually assisted in creation of income generating assets.

(Paragraph 3.5.7)

Under Indira Awas Yojana and Pradhan Mantri Gramodaya Yojana basic amenities like smokeless chullahs and sanitary latrines were not provided in 1146 and 1044 upgraded houses respectively and Rs 21.90 lakh released to the beneficiaries towards cost of these components were misutilised.

(Paragraph 3.5.8)

Abbreviations used in this Review have been listed in the Glossary in Appendix 40 (page 216)

Due to non-deployment of Medical Officers and Health Assistants, 45 Primary Health Centres and 166 sub-centres remained non-functional depriving people of health care facilities.

(Paragraph 3.5.9)

People of the district remained exposed to food adulteration due to shortfall in sampling (72 per cent) and inspection.

(Paragraph 3.5.11)

During 1999-2004, of 9.94 lakh eligible couples, 6.66 lakh were not covered under family planning measures and of 73 per cent children vaccinated, 69 per cent children were vaccinated in private institutions. Of 4.74 lakh childbirths during 1999-2003, 3.34 lakh deliveries were non-institutional. Consequently, birth of low weight babies increased from 27 per cent to 55 per cent and infant mortality rate in the district was more than the state average of 55 per thousand and ranged between 77 and 116 per thousand in six test-checked villages.

(Paragraphs 3.5.14 and 3.5.15)

During 1999-2004, minimum learning level was achieved at 53 per cent against target of 80 per cent while drop out rate ranged between 27 and 32 per cent.

(Paragraph 3.5.16)

Out of 8.72 lakh illiterates enrolled in the district only 0.63 lakh (7 per cent) were made functionally literate spending Rs 5.99 crore.

(Paragraph 3.5.18)

Electrification of over 700 villages was not done as of March 2004 though fund was not a constraint.

(Paragraph 3.5.21)

3.5.1 Introduction

Murshidabad district comprises five sub-divisions and 26 blocks covering an area of 5324 square km having a population of 58.64 lakh (as per census 2001) of which 10.27 lakh (17.51 per cent) belong to Scheduled Castes (SC) and Scheduled Tribes (ST). Literacy rate is 55 per cent of population in the district against the State's literacy rate of 69 per cent.

3.5.2 Organisational set up

The District Magistrate (DM) being the head of district administration was to act in co-ordination with other district level officers viz. Superintendent of Police (SP), Chief Medical Officer of Health (CMOH), District Inspectors (DI) of Schools (Primary and Secondary Education), Project Director (PD) of District Rural Development Cell (DRDC), Deputy Director of Animal Resources Development Department (DD/ARD), etc. to ensure sustainable development in the district.

3.5.3 Audit coverage

Audit conducted between January and March 2004 included review of the implementation of main schemes and activities in Murshidabad district under each of the selected areas. The review was based on test-check of records of

six departments¹ and offices of the DM, SP, Zilla Parishad (ZP), seven selected Panchayat Samities (PSs) out of 26 PSs and 21 Gram Panchayats (GPs) out of 81 GPs thereunder, CMOH, Deputy Director ARDD, DRDC, DIs of schools (primary and secondary) covering a period of five years from 1999-2000 to 2003-2004.

3.5.4 Audit objectives

The objective of the review was to assess improvement in Government's activities in Murshidabad district in the following areas and their impact on the quality of life of the people:

- Rural employment generation
- Poverty alleviation
- Rural housing
- Health care system
- Primary and secondary education facilities

3.5.5 District development plan

The District Planning Committee (DPC) comprising of 60 members headed by the Sabhadhipati of Zilla parishad (ZP) as chairman and DM as member-secretary was responsible for preparing the long term plan for development and obtain approval of the State Government. The DPC did not prepare any long term plan. Instead, it prepared annual plan for each of the years during 1999-2003 while the annual plan for 2003-2004 was not finalised by DPC. No reason was available. Further, the annual plans were submitted to the State Government 6 to 11 months after the commencement of the financial year due to which the district developmental plan had no reflection in the State Budget. The development works in the district were executed on the basis of budgetary allocations of the respective line departments. DPC did not also prescribe any monitoring mechanism. In the absence of adequate monitoring and supervision the targeted development remained largely unachieved in various sectors as mentioned in the succeeding paragraphs.

In absence of long term plan and monitoring mechanism targeted development in different sectors remained unachieved

Programme implementation

Brief objectives of the major programmes² under employment generation and housing implemented in the district by Panchayats and Rural Development

¹ Panchayats & Rural Development Department (PRDD), Health & Family Welfare Department (HFWD), School Education Department (SED), Mass Education Extension Department (MEED), Home (Police) Department and Animal Resources Development Department (ARDD)

² (a) Rural Employment Generation Programme (REGP) comprising (i) Employment Assurance Scheme (EAS) restructured as Sampoorna Gramin Rozgar Yojana first stream (SGRY-I) and (ii) Jawhar Gram Samriddhi Yojana (JGSY) restructured as SGRY – second stream (SGRY-II).
 (b) Poverty Alleviation Programme (PAP) comprising Swarnjayanti Gram Swarozgar Yojana (SGSY)
 (c) Rural Housing Scheme (RHS) comprising (i) Indira Awas Yojana (IAY) (ii) Pradhan Mantri Gramodaya Yojana – Gramin Awas (PMGYGA) and (iii) Credit Cum Subsidy scheme.

Department (PRDD) during 1999-2004, their components and expenditure incurred are summarised below:

Name of the programme and its component	Brief objective	Funding pattern Centre: State	Available funds	Expenditure incurred during 1999-2004 (Rupees in crore)
1. Rural Employment Generation Programme (REGP)				
i) EAS restructured (2001-02) as SGRY-I	EAS: 100 days assured employment to deserving rural youths during lean agriculture season; SGRY-I: Provision of employment to all rural people (APL/BPL) on payment of wages in kind and cash by engaging them in creation of community assets.	75:25	32.18	27.31 (85 per cent)
ii) JGSY restructured (2001-02) as SGRY-II	JGSY: Providing wage employment to rural BPL families; SGRY-II: Providing wage employment to all rural people (APL/BPL) on payment of wages in kind and cash by engaging them in creation of community assets.	75 ; 25	29.77	26.09 (88 per cent)
2. Poverty Alleviation Programme (PAP)				
i) SGSY	Raising rural poor families (called <i>Swarozgaris</i>) above poverty line within three years by forming self help groups (SHG) and providing them income generating assets out of bank loan and Government subsidy. Each SHG was to receive a maximum revolving fund of Rs 10,000 and cash credit from bank up to four times thereof after passing Grade-I test and would receive loan and subsidy according to the project cost after Grade-II test.	75:25	14.98	12.22 (82 per cent)
3. Rural Housing Scheme (RHS)				
i) IAY	Helping BPL families in construction and upgradation of dwelling houses by providing grants-in-aid of Rs 20,000 and Rs 10,000 respectively.	75:25	21.06	16.74 (80 per cent)
ii) PMGY (GA)- (implemented since 2000-2001)	Provision of houses for rural BPL families by providing grants as per IAY scheme	Fully Centrally sponsored	0.86	0.31 (36 per cent)
iii) Credit cum Subsidy Scheme (implemented since 2001-2002)	Helping economically weaker sections of rural households with annual income upto Rs 30,000 for construction of houses by providing HUDCO loan (80 per cent) repayable by beneficiaries with interest and Government subsidy (20 per cent).	75:25 (Subsidy)	7.34	1.37 (19 per cent)

Details of allocation of funds, receipts of funds and the expenditure under each of the above schemes during 1999-2004 are given in **Appendix 35**.

Scrutiny of records relating to the aforesaid programmes revealed that employment generation under REGP fell short of targets; under the PMGSY only a very few of the Self Help Groups were extended assistance for creation of income generating assets. Under the rural housing scheme, the funds released to beneficiaries for smokeless chullahs and sanitary latrine were misutilised.

3.5.6 Rural Employment Generation Programme (REGP)

Failure in generation of 20.99 lakh mandays of rural employment

The programme aimed at generation of employment and ensuring food security to rural people. Of Rs 61.96 crore received during 1999-2004, ZP spent Rs 53.40 crore and 57.49 lakh mandays of employment were generated against the target of 78.48 lakh. Perpetual non-utilisation of 32 to 58 per cent of yearly grants resulting from delays ranging from 1 to 8 months in release of fund by DRDC and ZP to the executing agencies (PS/GP) was the main reason for shortfall in generation of employment for 20.99 lakh (27 per cent) mandays.

Rural people were deprived of food security

Sampoorna Gramin Rozgar Yojana (SGRY) Stream-I and II envisaged payment of Rs 32 in cash plus Rs 30 in kind (5 kg rice at subsidised price of Rs 6 per kg) per manday to ensure food security to rural people. During 2002-2004, out of 19000 tonnes of rice lifted, 7000 tonnes (37 per cent) were not used (March 2004). This indicated that rural people were deprived of food security owing to non-generation of employment opportunities for 14 lakh mandays. It was noticed in audit that lack of co-ordination between ZP and District Controller of Food and Supplies on placement of indents, timely issuance of release orders by FCI and lifting of rice by the distributors were the reasons for short distribution.

Further, against the norm of 5 kg rice and Rs 32 in cash per manday, it was observed that the ZP paid the wages entirely with rice upto 10.33 kg per day resulting in excess distribution of 550 tonnes of rice.

Test check of records of six GPs and four PSs revealed that as of March 2004, 271 tonnes of rice valuing Rs 31.98 lakh were lying in godowns from one to 22 months of which one distributor reported (February 2004) damage of 85.59 tonnes of rice valuing Rs 10.10 lakh indicating that ZP and PSs failed to take timely action for distribution.

Thus, lack of co-ordination among PRDD³, ZP, PS and GP and absence of proper supervision, monitoring and control mechanism hindered successful implementation of the programme.

3.5.7 Swarnjayanti Gram Swarozgar Yojana (SGSY)

The Yojana aimed at raising 30 per cent of the Below Poverty Line families of rural areas above the poverty line through loan and subsidy to generate monthly income of Rs 2000.

Only 5 per cent of the SHGs formed were assisted

Of Rs 24.02 crore allotted under the Yojana during 1999-2004, DRDC could not avail of grants of Rs 15.95 crore (66 per cent) as 46 to 83 per cent of yearly available funds were not utilised. Further, out of 3251 Self Help Groups (SHG) formed during 1999-2004, only 326 SHGs passed Grade II test and 169 of them were credit linked for income generating activities. The shortfall in extending financial assistance was due to lack of co-ordination with the the bank authorities. The details are given below :

Target of forming SHGs (5 to 20 members in each)	4579
Number of SHGs formed	3251(71 per cent)
SHGs entitled to get financial assistance by passing grade-II tests	326 (10 per cent)
SHGs actually assisted	169(1842 members)
Government subsidy released	Rs 1.86 crore
Bank loans paid	Rs 2.86 crore

³ Panchayat and Rural Development Department

Such poor performance was attributable to lack of social mobilisation and motivation and absence of monitoring though Rs 73.97 lakh were spent (1999-2004) on training and capacity building by engaging 62 non-government organisations (NGOs) in the district.

Further, SGSY laid emphasis on group approach. However, financial assistance (Government subsidy: Rs 2.75 crore and bank loan: Rs 7.26 crore) was rendered to 3929 individuals during 1999-2004 representing 68 per cent of total beneficiaries (5771).

Excess revolving fund of Rs 0.67 crore remained locked up with banks

DRDC released revolving funds of Rs 1.70 crore as per norm of Rs 10000 per SHG to the banks to facilitate operation of cash credit accounts by 1846 Grade-I passed SHGs, of which 814 groups did not turn up for cash credit facilities. DRDC neither investigated the reasons thereof nor arranged to take refund of the excess revolving fund of Rs 0.67 crore from the banks (March 2004). Thus, the scheme fund of Rs 0.67 crore were unauthorisedly retained by the banks.

DRDC did not exercise any check to ensure generation of income by BPL families. The details of infrastructure created by the beneficiaries under the scheme was also not available on record.

Non-utilisation of Government subsidy

Test-check of records of 10 branches of five banks⁴ relating to financial assistance of Rs 45.07 lakh (loan : Rs 28.75 lakh and subsidy : Rs 16.32 lakh) released to 180 beneficiaries between June 1999 and December 2003 revealed that against scheduled repayment of loans in 60 monthly instalments, in 37 cases 53 to 100 per cent of loans aggregating Rs 4.62 lakh was refunded within one to seven months from the date of release of loan, in six cases loan of Rs 0.32 lakh was kept in term deposits and subsequently adjusted against loan and in 20 cases out of sanctioned loan of Rs 14.05 lakh, Rs 7 lakh were not drawn by the beneficiaries. The cases of non-drawal, deposit in term deposits and premature recovery were indicative of non-execution of 63 projects rendering government subsidy of Rs 9.59 lakh unfruitful mainly due to lack of co-ordination between DRDC and banks.

3.5.8 Rural Housing Scheme (RHS)

5142 houses were allotted to male members in violation of norms, sanitary latrines and smokeless chullahs did not exist in 2190 houses

The scheme, Indira Awas Yojana (IAY) followed by PMGY was launched to help BPL families in construction and upgrading dwelling houses by providing grants-in-aid of Rs 20000 and Rs 10000 respectively.

Out of 7888 new houses and 2202 upgraded houses completed during 1999-2004, 4168 (53 per cent) new houses and 974 (44 per cent) upgraded houses were allotted to male members instead of female members or jointly in violation of the norms of the programme. Further, smokeless chullahs and sanitary latrines were not built in 1146 and 1044 upgraded houses respectively although Rs 2.19 crore including the cost (Rs 21.90 lakh) of these facilities were released to the beneficiaries during 1999-2004. In the absence of proper

⁴ Murshidabad Gramin Bank (five branches), Allahabad Bank (one branch), Bank of Baroda (one branch), United Bank of India (two branches) and United Commercial Bank (one branch)

supervision and monitoring the scheme fund was misutilised by the beneficiaries.

Out of Central grants of Rs 0.86 crore received under PMGY (Gramin Awas), the ZP disbursed Rs 0.31 crore (36 *per cent*) to the beneficiaries during 1999-2004. ZP neither monitored utilisation of the fund nor ascertained the details of houses constructed or upgraded under the scheme. In the absence of any record in respect of physical achievement, utilisation of the fund was doubtful.

Unnecessary drawal of loan without immediate requirement led to avoidable payment of interest Rs 1.12 crore

Under credit cum subsidy scheme, PRDD had taken loan of Rs 5.58 crore from HUDCO in September 2001 (Rs 2.77 crore) and March 2002 (Rs 2.81 crore) at 10.5 *per cent* interest without identifying the intended beneficiaries and verifying their loan applications. PRDD released Rs 5.58 crore to ZP, Murshidabad between March 2002 (Rs 2.77 crore) and October 2002 (Rs 2.81 crore) along with Government subsidy of Rs 1.40 crore for disbursement to rural households. Out of Rs 6.98 crore, only Rs 1.37 crore were released (November 2002 to December 2003) to three PSs and the remaining amount of Rs 5.61 crore were lying in savings bank account as of April 2004. PRDD repaid principal of Rs 0.90 crore and paid interest of Rs 1.12 crore to HUDCO up to March 2004 while ZP earned interest of Rs 0.36 crore from the savings account.

Thus, failure of the ZP to identify beneficiaries for disbursement of loans taken by PRDD resulted in avoidable expenditure of Rs 0.76 crore on account of interest on unutilised loans up to March 2004. No action was taken to refund the unutilised portion of loan to HUDCO to avoid further payment of interest.

Health and Family Welfare Activities

Health care services and implementation of different health and family welfare programmes in the district suffered from poor management and lack of supervision as would be evident from the succeeding paragraphs. A sum of Rs 198.09 crore⁵ was spent on health and family welfare in the district during 1999-2004.

3.5.9 Health care system

Over five lakh rural people were deprived of basic medical facilities due to shortage of MOs

Against sanctioned strength of 326 Medical Officers (MOs) in the district, there was shortage of 62 MOs (19 *per cent*) as of March 2004. Of the 69 PHCs in the district, 45 PHCs (65 *per cent*) with total bed strength of 260 were not functioning due to non-posting of MOs for various periods ranging from six months to 10 years. Of these, 17 PHCs continued to remain non-functional during 1999-2004 resulting in unfruitful expenditure of Rs 1.98 crore incurred on the pay and allowances of 62 staff attached to these PHCs besides depriving 5.10 lakh rural people of the intended medical benefits.

⁵ As per departmental records

In 11 PHCs although indoor patient departments were not functioning, 12 cooks were posted resulting in unfruitful expenditure of Rs 7.15 lakh on their wages during 1999-2004.

Two upgraded BPHCs and one hospital remained non-functional due to failure in providing MOs and other staff

Sub-divisional hospital (250 bedded) at Domkal was upgraded from Block Primary Health Centre (BPHC) (15 bedded). It was not made functional till March 2004 for failure in providing required staff, machinery and equipment though the hospital building constructed at a cost of Rs 1.36 crore was ready for use since June 2000. Besides, Burwan BPHC upgraded to 30 bedded Rural Hospital (RH) in January 1993 (cost not available on record) was not functioning as Hospital (March 2004) as additional seven MOs and 37 other required staff were not deployed. As a result, the services of specialist physicians in surgery, medicine, obstetrics and gynaecology and pediatrics were not available to the local people.

Delay in forming management society led to unfruitful expenditure of Rs 1.14 crore on idle wages

Further, the renovation of a 105 bedded hospital taken up by the Department in July 1995 was completed by the ZP at a cost of Rs 48.84 lakh in February 2002. It remained non-functional as of March 2004 as ZP failed to form the required registered society for management of the hospital. The staff attached to this hospital were deployed in other hospitals only in December 2003 rendering the expenditure of Rs 1.14 crore incurred on their wages during July 1995 to November 2003 unfruitful.

Out of 832 sub centres (SC), 166 (20 *per cent*) remained non-functional as of March 2004 due to non-posting of Health Assistants (HAs). No records were produced to audit to ascertain the periods of non-functioning of these SCs.

Thus, the people of the district were deprived of treatment due to non-deployment of MOs and other staff.

Government stated (January 2005) that necessary steps had been initiated to fill up the vacant posts.

3.5.10 Mental hospital, Berhampore

In Mental Hospital at Berhampore having capacity of 350 indoor patients, only 134 to 144 cots and 15 to 20 mattresses were provided for 210 (average) indoor patients during 1999-2003. Thus, 190 to 195 patients remained without mattress and 66 to 76 patients were without any cot due to inaction on the part of Health Directorate for procurement of the same. The Superintendent had taken up the matter with the CMOH of the district (September 2002) and also with the directorate of H&FW (September 2002) for supply of cots and mattresses. Government stated (January 2005) that necessary steps had already been taken by the district authority to supply the requisite number of cots and mattresses.

Failure of the Department to rehabilitate 51 cured patients restricting new admission

Section 19(1) of the Mental Health Act, 1987 enjoins that no person shall be kept in any psychiatric hospital as an inpatient after recovery for a period exceeding 90 days. Contrary to such provision, 51 patients cured between April 1999 and March 2003 were not discharged till March 2004 restricting

the entry of new patients coupled with avoidable expenditure of Rs 20.73 lakh towards their diet and medicines.

The hospital authority stated (March 2004) that efforts to send the cured ones back to the mainstream failed due to lack of response from their relatives. No action was taken by the Department in this respect.

3.5.11 Prevention of food adulteration

People of the district remained exposed to food adulteration due to inadequate sampling and inspection

Assistant Chief Medical Officers of Health (ACMOsH) were to act as Local (Health) Authority for enforcing the provisions of Prevention of Food Adulteration (PFA) Act in each sub-division to ensure availability of pure and wholesome food.

Scrutiny in audit revealed that no food sample was collected in four of the five sub-divisions as the posts of Sub-Divisional Food Inspectors remained vacant for five to ten years.

Sub-Divisional Food Inspectors posted under ACMOH of Kandi sub-division collected only 199 food samples during 1999-2003 against prescribed norm of 144 samples per year resulting in 72 per cent shortfall. Out of 199 food samples collected, 158 samples were sent to Public Health Laboratory at Kolkata for testing, of which 25 samples (16 per cent) were reported to be adulterated. ACMOH did not take any action against the offending vendors.

Thus, the people of the district remained exposed to hazards of food adulteration.

Government stated (January 2005) that steps had been taken to empower the ACMOHs to act as Local (Health) Authority.

Family Welfare Programmes

Various family welfare programmes under World Bank aided schemes were implemented in the district with a view to improve the quality of essential and emergency obstetrics and new born care and to upgrade basic medical facilities.

Scrutiny revealed that the infrastructure created under Social Safety Net scheme could not be utilised due to non-deployment of doctors; most of the eligible couples did not adopt family planning measures; huge shortfall was also noticed in immunisation of children, etc. as discussed in succeeding paragraphs.

3.5.12 Social Safety Net (SSN)

Social Safety Net scheme was launched with a view to strengthening primary health infrastructure by making provision of operation theatre, labour room, observation room, etc, to reduce maternal and infant mortality. Although construction of the same in 16 BPHCs and four PHCs was completed during July 1997 to May 2002 at a cost of Rs 1.18 crore, the intended obstetric

services were not made operational in two BPHCs and three PHCs for not deploying medical officers and supplying electricity. Under the scheme deployment of one lady doctor was obligatory; but there was no lady doctor in eight of these centres for two to six years.

3.5.13 Reproductive and Child Health (RCH)

Reproductive and Child Health (RCH) scheme launched in April 1999 for upgrading the quality of ante-natal and post-natal services in the district was closed in March 2004. Out of GOI assistance of Rs 10 crore, Rs 8.42 crore were spent on different components of the project such as civil works (Rs 4.54 crore), purchase of furniture (Rs 1.09 crore), medical equipment (Rs 0.58 crore) and vehicle (Rs 0.07 crore), Information, Education and Communication activities (Rs 0.58 crore), training and workshop (Rs 0.66 crore) and operating cost (Rs 0.90 crore). The unutilised fund of Rs 1.58 crore was not refunded to GOI inspite of closure of the scheme.

Government stated (January 2005) that the project was actually continued upto July 2004 spending a further amount of Rs 1.06 crore.

Twelve Panchayat Samitis (PSs) did not refund unspent advance of Rs 24.89 lakh even after completion of construction of 76 sub-centres (cost : Rs 3.19 crore). Of these sub-centres, 16 were not handed over by PSs to Project Coordinator (Deputy CMOH-III) even after completion of construction (cost : Rs 0.80 crore) in March 2002 and thus these sub-centres remained non-functional.

In the project office no records showing distribution of furniture valuing Rs 1.09 crore and medical equipment valued at Rs 0.58 crore to sub-centres and Village Health Volunteers (VHVs) could be produced to audit. Test-check revealed that furniture and medical equipment valuing Rs 11.86 lakh were not distributed from five RHs and one BPHC as the sub-centres were not functioning and VHVs were also not deployed.

Thus, the scheme failed in upgrading the quality of ante-natal and post-natal care in the district.

3.5.14 Sterilisation

Of 9.94 lakh eligible couples, 6.66 lakh did not adopt family planning measures

Survey work was the most vital component to assess the number of people to be covered for successful implementation of any programme. The number of eligible couples to be covered under sterilisation in the district was assessed as 9.94 lakh as of March 2003 on *ad-hoc* basis without conducting any door to door survey. Expenditure of Rs 10.44 lakh was incurred on printing and distribution of Eligible Couple and Children Registers (ECCRs) to the sub-centres between 1999 and 2003. Of 9.94 lakh couples, 6.66 lakh couples (67 per cent) did not adopt family planning measures.

Thus, the physical achievement was only 33 per cent against the State's target of 60 per cent although Rs 3.05 crore were spent out of Rs 3.07 crore received on various sterilising programmes. The CMOH stated (April 2004) that all the

eligible couples could not be covered under family planning measures due to shortage of programme-oriented surgeons and trained assistants, short supply of IUD and conventional contraceptives.

3.5.15 Immunisation

Non-functioning of SCs and PHCs led to shortfall in immunisation

As per records of the district health authorities, during 1999-2003, shortfall in immunisation against six vaccine-preventable diseases was 24 *per cent* in case of measles, 19 *per cent* in case of DPT, 20 *per cent* in case of polio and 4 *per cent* in case of BCG. In case of immunisation of pregnant women with tetanus toxoid, the shortfall ranged between 16 and 34 *per cent* during 1999-2003. The shortfall was attributable to non-functioning of PHCs, SCs and irregular supply of vaccines. According to the report (February 2003) on household survey conducted by the Project Coordinator of RCH programme only 73 *per cent* children of 0-5 years age group were vaccinated. Sixty Nine *per cent* were, however, vaccinated in private institutions, indicating dismal coverage by the Department. This was contrary to the claim of 76 to 96 *per cent* coverage under immunisation.

69 *per cent* of the children were vaccinated in private institutions

Infant mortality rate in the district was more than the State average

Due to shortfall in immunisation of children, deficiency in obstetric care and birth of low weight babies, 16225 children were affected by six preventable diseases during 2000-2003, of which 313 children died. Besides, according to report (March 2003) of H&FWD, in 51.7 *per cent* of villages in the district infant mortality rate⁶ (IMR) was more than 55 (State average). Out of 29 villages selected for random sampling survey, in 14 villages IMR was below 55, in nine villages IMR was 55 to 75 while in six villages IMR ranged between 77 and 116 per thousand. No recorded data on maternal mortality rate was, however, available. Such high incidence of IMR indicated inadequate health care measures for preventable diseases.

Of 4.74 lakh deliveries 3.34 lakh were non-institutional

The primary objectives of family welfare programmes were to ensure safe and institutional deliveries to reduce maternal and infant mortality rate. In the district, during 1999-2003, out of 4.74 lakh deliveries, 3.34 lakh deliveries (70 *per cent*) were non-institutional. Non-availability of beds in PHCs, absence of supportive supervision, and lack of Information, Education and Communication (IEC) activities were the main factors which impeded access of rural population to reproductive health care services.

Sharp increase in low birth weight babies

Further, out of 4.74 lakh deliveries, 1.93 lakh (41 *per cent*) were low birth weight babies. The incidence of low birth weight babies increased sharply from 27 *per cent* in 1999-2000 to 55 *per cent* in 2002-2003 due to irregular supply of folifer, poor sanitation, malnutrition, etc, as stated (April 2004) by CMOH, Murshidabad.

Government stated (January 2005) that action had been initiated for better achievement through effective co-ordination.

⁶ Number of infants dying under one year of age per 1000 live birth in a year

Primary and Secondary education

As of March 2004, the district had 3171 primary schools with 10867 teachers and 511 Government-aided secondary and higher secondary schools with 4067 teachers. The district offices spent Rs 537.71 crore⁷ and Rs 461.16 crore⁷ during 1999-2004 for primary and secondary education respectively. In order to improve the quality of primary education in the district through enhancement of enrolment, reduction in drop out rate (DOR) and raising of minimum level of learning (MLL) the department implemented an externally⁸ aided District Primary Education Programme (DPEP) spending Rs 34.34 crore out of Rs 34.56 crore released during 1997-2004. The programme was implemented through District Project Officer (DPO). The DI who was assisted by 22 inspectors was responsible for regular inspection, supervision and monitoring for smooth and efficient running of the schools.

Following deficiencies were noticed in audit.

3.5.16 Primary education

Minimum Level of Learning achieved was 53 per cent against target of 80 per cent

Mid-term evaluation of the programme conducted by West Bengal Board of Primary Education (WBBPE) from time to time covering students of class-II in 3084 schools disclosed that MLL was achieved for 53 per cent on average against target of 80 per cent. Further, sample survey of 20 schools with 6573 students conducted by District Research Cell (DRC) of DPEP in November 2002 disclosed poor school efficiency as learning achievement was 3 to 20 per cent only while dropout rate (DOR) was 27 to 32 per cent during 2000-2004.

School Drop out ranged between 27 and 32 per cent

The low level of learning achievement and higher DOR were attributed by DRC to lack of professionalism among teachers (20 per cent of 134 pedagogically trained teachers in 38 schools were not using such methods as surveyed by DPEP in November 2003), supply of medium to bad quality cooked mid-day meal (40 schools out of 103 schools surveyed by DPEP in November 2003) and enrolment of students (115 per cent on average) in excess of capacity.

Scrutiny in audit revealed the following:

Absence of basic infrastructural facilities in schools

Fortyfive schools had no building, 254 schools were running with only one room, drinking water and toilet were not available in 696 schools and 1703 schools had no urinals while 2701 schools had no separate toilet for girl students.

Thirty one schools with students ranging from 44 to 298 were being run by only one teacher and Pupil-Teacher ratio (PTR) in 2612 schools was 74:1 (average) as against the norm 40:1.

⁷ As per departmental records

⁸ Funded by Overseas Development Administration (ODA) now Department for International Development (DFID) of U.K.; the project cost being shared by Centre and State in the ratio of 85:15.

Of 4375 children assessed for integration during 1999-2004 under the Integrated Education for Disabled Children programme to bring disabled children into the mainstream of education, the DPO failed to integrate 1193 (27 per cent of the assessed) disabled children in schools.

Early Childhood Education (ECE) programme aimed at developing school-going habit among children of 3 to 5 years age group. DPO failed to develop school going habit of 1.01 lakh children (33 per cent) out of 3.06 lakh targeted during 2001-2004.

Government stated (January 2005) that grants for construction of buildings and additional classrooms had already been provided to some of the building-less schools and one-roomed schools while facilities for drinking water and toilet would be provided gradually and action for appointment of teachers had already been initiated.

3.5.17 Secondary education

Inadequate inspection of schools affected quality of education

Test-check of records revealed that against prescribed 10340 inspections, only 1054 inspections (10 per cent) were conducted by 22 inspectors during 1999-2004 and in 20 schools average DOR was 66 per cent (1997-2002). Failure to qualify in Class-V standard annual examination (2002-2003) ranged between 59 and 96 per cent and in Madhyamik Examination failure was 48 per cent on an average and PTR was 83:1 as against the norm of 40:1.

Government while admitting the fact that inspection of schools had been badly hampered due to engagement of Inspectors in examination duty and other administrative jobs, stated (January 2005) that utmost care would be taken by the district authorities for observance of extant rules and regulations from the current year onwards.

Thus, the secondary education system in the district was not running effectively and efficiently due to inadequate departmental monitoring and control mechanism.

3.5.18 Eradication of illiteracy

To eradicate illiteracy in the district in the age group of 9 to 50 years Mass Education Extension Department (MEED) implemented TLC, TLMU and PLC⁹ through MZSSPS¹⁰ with the target of making 12.73 lakh illiterates in the district functionally literate between May 1992 and November 2000 at the projected expenditure of Rs 11.16 crore. MEED could enroll 8.72 lakh illiterates (68 per cent) under the scheme, of which only 0.63 lakh (7 per cent of 8.72 lakh enrolled) were virtually made literate after spending Rs 5.99 crore. Non-enrolment of 32 per cent of targeted number of illiterates, inaction in mobilization and creation of awareness among illiterate people, high rate of drop out (6.48 lakh representing 74 per cent of 8.72 lakh enrolled) coupled with inability (1.61 lakh representing 19 per cent of 8.72 lakh

⁹ Total Literacy Campaign (TLC), TLC Mopping up (TLCMU) and Post Literacy Campaign (PLC).

¹⁰ Murshidabad Zilla Sarbik Saksharata Prasar Samity (MZSSPS)

enrolled) of learners to qualify as per National Literacy Mission norm and failure of MZSSPS in retaining the people in literacy track were the reasons for such dismal performance to eradicate illiteracy.

Other infrastructural development

Some aspects of infrastructural development in veterinary services and rural electrification having impact on the quality of life in the district were also covered in audit:

3.5.19 Beldanga Bull Station under-utilised

Under utilisation of bull station led to loss of Rs 22.50 lakh

Beldanga Frozen Semen Bull Station (Station) was constructed/commissioned in October 2001 at a cost of Rs 1.15 crore (civil works: Rs 0.42 crore and equipment: Rs 0.73 crore) with a capacity of maintaining 18 bulls. The Bull Station was to produce 2.70 lakh Frozen semen straws (FSS) a year. Only 2.66 lakh FSS (39 per cent) were, however, produced in two and half years between October 2001 and March 2004. Functioning of the Station with fewer number of bulls (10 to 12 nos) was the main reason for shortfall (61 per cent). Due to low capacity utilisation, Station could not produce 4.09 lakh FSS and thus, sustained loss of Rs 22.50 lakh during 2001-2004 as the value of 2.66 lakh FSS (Rs 26.60 lakh) did not meet the cost of production (Rs 49.10 lakh). The department did not initiate any action to utilise the Station upto the optimum level of production to make the bull station economically viable.

3.5.20 Non-utilisation of veterinary polyclinic and hospital

Out of grants-in-aid of Rs 3.81 crore received by ZP from ARDD for creation of departmental infrastructure in the district, it constructed without obtaining approval of ARDD one veterinary polyclinic in January 2002 at a cost of Rs 0.66 crore and a veterinary hospital in June 2003 at a cost of Rs 0.26 crore. In absence of approval of ARDD for construction of the same, no staff was sanctioned by ARDD as of March 2004. As a result, both the polyclinic and hospital remained unutilised rendering the entire expenditure of Rs 0.92 crore unfruitful.

Although the para was forwarded to the department in July 2004, the Director of Animal Husbandry and Veterinary Services stated (January 2005) that the audit observations were under examination and the reply would be furnished as early as possible.

3.5.21 Non electrification of villages

During 1999-2004, West Bengal Rural Energy Development Corporation Limited (Corporation) paid Rs 11.44 crore (23 per cent) to ZP out of Rs 49.26 crore released (1999-2002) by the State Government for electrification of 841 mouzas¹¹ (1245 villages) by March 2002 under Rural Electrification (RE) scheme.

¹¹ Geographical area of demarcation for identification of land in revenue records

Electrification of over 700 villages in 841 mouzas were yet to be done

Of 1245 villages in 841 mouzas, 519 villages (42 *per cent*) in 383 mouzas (including three of seven mouzas under PMGY) were electrified upto March 2004 and out of 39061 households of 519 villages, 24214 households were covered through service connection. Remaining Rs 1.64 crore was kept deposited in LF Account of the ZP as of March 2004.

Thus, 726 villages of the district were not electrified till March 2004 due to holding back of funds by the Corporation.

3.5.22 Conclusion

No long term plan for development of the district was prepared and only annual plans were prepared which were not linked to the budget proposals. Under the Rural Employment Generation, people were deprived of 20.99 lakh mandays of employment due to under-spending and 14 lakh mandays were lost due to non-distribution of foodgrains. Under Swarnjayanti Gram Swarozgar Yojana only 5 *per cent* of the 3251 Self Help Groups formed were financially assisted and 5142 houses under IAY were allotted to male members in violation of norms. Further, sanitary latrines and smokeless chullahas did not exist in 2190 houses though funds for the purpose were released to the beneficiaries.

Non-deployment of medical officers and required paramedical staff rendered one sub-divisional hospital, one rural hospital, 45 primary health centers and 166 sub-centres non-functional. Family welfare activities also could not be geared up to reach the goal as only 33 *per cent* of the eligible couples could be brought under family planning scheme while only 73 *per cent* of children in 0-5 age group were immunised.

The target of minimum level of learning by children could not be achieved due to inadequate infrastructure, non-pedagogical teaching and supply of bad quality mid day meal. The secondary education system also was not functioning efficiently due to irregular inspection of schools, poor base of primary education and high pupil-teacher ratio. Besides, only seven *per cent* of targeted illiterates could be made functionally literate after spending Rs 5.99 crore.

Despite adequacy of fund, of the 1245 villages to be electrified by March 2002, 726 villages remained without electricity.

3.5.23 Recommendations

- Action should be initiated by District Magistrate/District Planning Committee to prepare and implement long term plan for development of the district.
- Steps need be taken for better coordination between the banks and the administration to ensure effective percolation of Government assistance to the beneficiaries under SGSY.

- Non-functioning health units need be rejuvenated through posting of Medical Officers and paramedical staff.
- Primary and secondary education programmes should be effectively monitored. Pupil teacher ratio needs to be improved and the programmes to eradicate illiteracy should be prioritised.
- Work of electrification of 726 villages of the district need to be taken up immediately.

The matter was referred to Government in July 2004. The Government stated (January 2005) that steps had already been taken to collect the information and the final reply would be communicated soon on receipt of the same from the district administration.

YOUTH SERVICES AND MINORITIES DEVELOPMENT AND WELFARE DEPARTMENTS

3.6 Bangla Swanirbhar Karmasansthan Prakalpa

In the absence of monitoring, supervision and training only 23 per cent of the sponsored 0.63 lakh projects were financially assisted utilising 36 per cent of grant resulting in deprivation of employment for 2.43 lakh youths

3.6.1 Introduction

Bangla Swanirbhar Karmasansthan Prakalpa (BSKP) was launched in September 2000 to ensure significant generation of self-employment for unemployed youth within the age group of 18 to 40 years, who were either registered in any employment exchange or not registered owing to illiteracy or not having studied up to class VIII.

3.6.2 Implementing agency

The scheme was implemented through Banks and West Bengal Finance Corporation (WBFC) under overall control and supervision of Project Implementation Committee (PIC) constituted in each district. The District Youth Officer (DYO) assisted by Block Youth Officer (BYO), Municipal Youth Officer (MYO) and Motivator acted as the nodal agency.

Implementation of the scheme during 2000-2004 was reviewed in audit during January to April 2004 through test-check of records of Youth Services, Minorities Development and Welfare Department and Directorate and seven selected District Youth Officers¹.

3.6.3 Identification of youths

Youths were identified by the Motivators of the concerned municipal or corporation areas considering educational background, capability to run the project, previous experience, association with any family business and the capacity to contribute 10 per cent of the project cost, etc.

3.6.4 Identification of Projects

The projects² were identified by the entrepreneurs in consultation with the Motivator, concerned BYO or MYO and Bank assessing the viability of the projects keeping in view the parameters viz. infrastructural facilities, machineries required, marketability of products, feasibility and profitability of the project, etc.

¹ Bardhaman, Birbhum, Kolkata, Malda, Medinipur, Murshidabad and North 24 Parganas.

² Manufacturing/trading in surgical and orthopaedic goods, cosmetics, electrical goods, medicines, grocery, stationery, readymade garments, leather goods, plastic goods, toys, building materials, wooden articles, etc, and business of taxi, auto pick-up van, Xerox, offset printing, STD/ISD booth, colour printing lab, DTP, etc.

3.6.5 Project implementation

Of 1.10 lakh targeted projects, only 0.63 lakh were sponsored to bank by PIC

Against the target of implementation of 1.10 lakh projects for generation of 5.50 lakh employments in the State during 2000-2004 with total allotment of Rs 144.11 crore, PIC sponsored 63272 projects (58 per cent) to banks for disbursement of Government subsidy (20 per cent) and bank loans (70 per cent) during 2000-2004 to entrepreneurs (contributing 10 per cent). The shortfall in identification of 46728 projects was attributable to non-availability of intending beneficiaries indicating failure in creation of awareness among unemployed youths by the motivators.

3.6.6 Rejection of projects by banks

As per guidelines of the scheme, bank was to send back the rejected projects to DYO explaining the reasons for rejection and the rejected projects were to be forwarded by DYO to the PIC for re-examination. Any project if found to be viable on re-examination was to be referred by PIC to the Director of Youth Services for taking up the matter with higher authorities of banks for release of subsidy and loan.

In defiance of guideline the projects rejected by banks were not processed

It was noticed in audit that out of 63272 projects sponsored by PICs, banks rejected 39930 (63 per cent) without assigning any reason. Though the PICs finalised the projects in presence of the representatives of banks, such cases were neither placed before PICs for reconsideration nor referred to the Director of Youth Services. Rejection of 63 per cent of projects by banks cast serious doubts about the working of PICs.

The Department stated (September 2004) that the observation made by Audit had been noted and the scheme would be implemented strictly as per guidelines.

3.6.7 Project funding

Projects were to be financed by Banks by releasing 70 per cent of the project cost as loan, 20 per cent as subsidy by the State Government and 10 per cent was to be borne by the entrepreneur.

Criteria for bank financing

Bank financed the projects considering (i) personal guarantee of the borrower and two other guarantors; (ii) hypothecation of assets (plant and machinery) and stock of finished goods, raw materials, etc. to the banks; (iii) collateral security in the form of FDR, NSC, KVP certificates, LIC policy and (iv) mortgage of personal property.

Out of 23342 projects sanctioned by banks, matching subsidy of Rs 69.43 crore for 20859 projects was released by DYOs to banks. The Department did not release subsidy of Rs 12.39 crore for the remaining 2483 sanctioned projects due to financial stringency.

Of Rs 69.43 crore released to banks for 20859 projects, Rs 50.40 crore were disbursed by banks for 14695 projects. Non-disbursement of Rs 19.03 crore for 6164 projects was attributed by banks to (i) inability of entrepreneurs to

Of Rs 69.43 crore released to banks for 20859 projects, Rs 50.40 crore were disbursed by banks for 14695 projects

provide collateral security and (ii) lack of initiative on the part of entrepreneurs for implementation of projects. The contention of banks was not acceptable as collateral security up to Rs 1 lakh in case of individuals and Rs 1 lakh per member subject to maximum of Rs 5 lakh in case of groups was exempted under the scheme. Further, all these entrepreneurs deposited their contribution of 10 *per cent* of project cost with banks indicating their seriousness in implementation of projects.

Banks retained subsidy of Rs 15.24 crore

Of undisbursed amount of Rs 19.03 crore, Rs 3.79 crore for 649 projects were refunded by banks. DYO's did not take any action to get refund of the undisbursed fund for periods ranging from six to 42 months and allowed the banks to retain Rs 15.24 crore as of March 2004 resulting in unnecessary retention of Government money in banks for a long period.

The Department stated (September 2004) that the matter was taken up with the State Level Bankers' Committee and assured that such retention would be minimised in future.

Against stipulated 70 per cent, banks disbursed only 21 per cent of project cost as loan

In Medinipur district, audit noticed that banks disbursed only Rs 1.48 crore as loan for 186 projects costing Rs 7.20 crore, though entrepreneurs contributed their full share of Rs 0.72 crore. Thus, loan contribution by banks was only 21 *per cent* of project cost compared to stipulated 70 *per cent* (Rs 5.04 crore) without any reason on record. The PIC, Medinipur observed (July 2002) that banks sanctioned cases with inflated project cost in order to get excess subsidy. DYO, Medinipur stated (May 2004) that the matter would be taken up with banks. The matter needs to be investigated as PIC itself was responsible for sanctioning the projects.

Rejection of projects by banks, non-release of subsidy by department and non-payment of subsidies/loans by banks led to non-generation of employment for 2.43 lakh youths

Thus, rejection of 39930 projects by banks, non-release of subsidy by the Department for 2483 projects and non-payment of subsidy by banks for 6164 projects resulted in utilisation of only 36 *per cent* (Rs 51.74 crore including incentives of Rs 1.34 crore paid to motivators) of allotted fund of Rs 144.11 crore to achieve only 23 *per cent* of the sponsored projects (63272) and deprivation of employment opportunity for 2.43 lakh³ youths.

3.6.8 Project functioning

Delay in disbursement of subsidy

In the test-checked districts, banks disbursed subsidies of Rs 3.93 crore to 1642 entrepreneurs after delays ranging from two to 12 months from the dates of release of funds by DYO's delaying implementation of the projects for reasons not on record.

All the 51 projects physically verified were not in existence

Scrutiny of records revealed that of 5326 projects for which subsidy of Rs 19.40 crore was disbursed in four test-checked districts (viz Kolkata, North 24 Parganas, Malda and Medinipur), 538 projects failed resulting in unfruitful payment of subsidy of Rs 2.32 crore involving scope of employment of 2690 youths. Of these 538 projects, 51 projects (subsidy: Rs 27.08 lakh) were physically verified by Audit in presence of BYO, MYO and motivators and it

³ Considering 5 individuals per project for shortfall of 48577 (63272-14,695) projects

was noticed that the projects or entrepreneurs were not even in existence at the registered addresses.

The department neither maintained any record of the number of existing projects in the remaining 15 districts nor assessed and verified employment generated thereunder.

The motivators did not monitor implementation of the projects

The motivators were liable to watch the performance of each project and also to maintain a diary in respect of progress of each project recommended by them. They were also responsible for pursuing with the entrepreneurs for timely repayment of bank loans. It was noticed that the motivators did not maintain such diary and did not report the performance of the projects to the concerned BYO and MYO.

The Department stated (September 2004) that it would review the entire matter following the audit observations.

3.6.9 Irregular disbursement of subsidy

Doubtful disbursement of subsidy of Rs 0.67 crore

Test-check revealed that no records were maintained by the DYO of Bardhaman, Municipal Youth Officer (MYO) of Asansol and Project Motivators indicating names and addresses of the recipients of subsidy of Rs 0.67 crore for 108 projects disbursed by banks in Asansol municipal area during 2000-2002. No action was also taken at any level to verify the assets created, if any, under the respective projects. Due to non-availability of basic records and absence of post-assistance inspection and monitoring, fraudulent disbursement of subsidy of Rs 0.67 crore could not be ruled out. DYO, Bardhaman stated (April 2004) that unfair process was adopted by MYO, motivators and some bank officials in sponsoring and sanctioning the projects. The Principal Secretary of the Department directed (March 2004) District Magistrate to enquire into the matter. Further development was awaited (September 2004).

3.6.10 Payment of incentive to motivators

Unfruitful payment of incentive of Rs 39.93 lakh on rejected projects

The motivators were to be paid Rs 100 for each project sanctioned by PIC, Rs 400 for each project sanctioned by bank and one *per cent* of loans repaid by entrepreneurs. DYOs paid incentive of Rs 39.93 lakh to motivators for 39930 projects rejected by banks. Thus, payment of incentive of Rs 39.93 lakh was rendered unfruitful as these projects did not materialise.

The Department stated (September 2004) that unfruitful payment of incentives to motivators would be minimised in future.

3.6.11 Training

Grants of Rs 12.50 lakh released for imparting training remained parked in bank

In April 2003, the department released grants of Rs 12.50 lakh to State Youth Centre (SYC), Moulali, for organising training of motivators and entrepreneurs within a year. Despite availability of fund no training was imparted by SYC for reasons not on record and the fund was parked in savings account with bank.

The Department stated (September 2004) that training of motivators and entrepreneurs would be completed by 2004-2005.

3.6.12 Monitoring and evaluation

No Committee was formed for monitoring and supervision

For monitoring the projects, District Level Monitoring Committees (DLMC) were to be formed by Youth Services Directorate to review implementation and progress of the scheme from time to time. No such DLMC was formed as of March 2004 and the reasons thereof were not stated by the Directorate. Further, there were no full time DYOs in 11 districts out of 19 districts.

The Department stated (September 2004) that the District Magistrates had been requested to form DLMC and such Committees would start functioning shortly.

3.6.13 Conclusion

Only 23 per cent of the targeted projects were assisted by utilising 36 per cent of allotted fund

Due to failure in awareness generation among unemployed youth, lack of initiative on the part of motivators to generate awareness and absence of training for motivators and entrepreneurs, only 58 per cent of targeted projects could be sponsored to banks. Deficient working of PICs resulted in rejection of 63 per cent of sponsored projects by banks. Further, due to absence of proper monitoring and supervision at each level coupled with indifferent attitude of banks towards implementation of the project only 23 per cent of the sponsored projects were assisted utilising 36 per cent of allotted grant and 2.43 lakh youths were deprived of employment opportunities.

3.6.14 Recommendations

- Meaningful involvement of banks and PICs at the stage of selection of projects need be ensured to minimise rejection of sponsored cases by banks.
- Payment to motivators should be released only after the projects are cleared by banks.
- PIC should be more active in interaction with banks for prompt release of financial assistance and disbursement of full amount of loan.
- Steps need be taken to improve supervision and monitoring mechanism to achieve the target of employment generation through identification of unemployed youth and training of motivators and entrepreneurs.
- Immediate steps need be taken for physical verification of all projects to evaluate the performance of the entrepreneurs assisted and employment generated under the scheme.

The Department stated (September 2004) that the observations of Audit along with its recommendations had been noted for future guidance.

