Chapter 2: Performance Audit

2.1 District-centric audit of Dakshin Dinajpur

Executive Summary

In recognition of the importance accorded by the Planning Commission, Government of India, for a district-centric approach to devolution of finances towards integrated local area development, a district-centric audit of Dakshin Dinajpur District was carried out to assess the status and impact of implementation of various socio-economic developmental activities in the District during 2006-2011 and to evaluate improvement in the quality of life of the people. The review covered key Social Sector programmes relating to health, education and housing, water supply and Economic Sector programmes relating to creation of roads, infrastructure development, employment generation, electrification of villages.

While audit observed some positive trends in the health and education, there are quite a few areas that have been flagged for focused attention of the State/District administration.

- An area that requires attention is strengthening the planning process to assess the gaps in various developmental and social security programmes and develop appropriate perspective and annual plans to bridge these gaps with proper prioritisation and clear timelines. Audit observed that the District Plan was either not prepared or prepared late. The State Government should build capacity at the local level to enable the blocks to formulate plans to address the felt needs at the grass root level.
- Implementation of National Rural Health Mission, the flagship scheme in **Health Sector**, resulted in some positive impact as reflected in increased institutional deliveries and reduced infant mortality rate. However, Audit observed that households and facility surveys were not conducted, perspective plan was not prepared and functioning of Rogi Kalyan Samitis was deficient. No new health centres were set up despite acute shortages and there were deficiencies in inpatient services, operation theatres, labour room, pathological test facility etc. Besides, there were significant shortages of medical officers and paramedics.
- In **Education Sector,** review of the Sarva Siksha Mission revealed that there was no increase in the number of elementary schools during the last five years. Existing schools lacked requisite infrastructure like stipulated number of class rooms, toilets, etc. as various interventions of the Scheme were either not implemented or inadequately implemented. There were disparities in posting of teachers in the district. Capacity building of teachers was also inadequate. Though drop-out and promotion rate of students improved, enrolment of children decreased during last five years.
- In **Nutrition Sector**, the ICDS programme failed to provide requisite nutrition to the targeted population for 300 days in a year mainly due to shortage in supply of food. The Anganwadi (AW) centres suffered from inadequate infrastructural facilities. There were shortages of CDPOs, which also impacted supervision of AW centres.
- Under **Water Supply,** review of the implementation of the Accelerated Rural Water Supply Programme in the District showed that safe drinking

water could not be supplied to school children in quality affected area and 8.83 lakh people of fluoride affected areas due to delay in trial boring and investigation. In violation of Chief Engineer's order, Bacteriological test of the existing 40 Piped Water Supply Schemes (PWSS) was not conducted at all since July 2009. During 2006-11, chemical test on PWSS was less than six *per cent* of normative requirement.

- In **Housing and Sanitation Sector** during 2006-11, 83 *per cent* of the target under Indira Awas Yojana was achieved. Achievement in construction of sanitary complex, toilets for schools and AW centres was only 48 *per cent* of the targets even though target dates for full coverage had long elapsed.
- In **Roads Sector**, though length of road increased by 73 *per cent* and number of connected habitations by 64 *per cent*, 52 *per cent* of the habitations remained unconnected, even after implementation of PMGSY for last ten years. Effective steps need to be taken for gearing up completion of works within stipulated timeframes.
- **Employment generation schemes** like SGSY and NREGS failed to make the desired impact in the District and suffered from lax supervision. Under SGSY, only 16 *per cent* of the Self Help Groups formed were credit linked for income generating activities as of March 2011. Only 36 *per cent* of the job card holders were provided employment on an average under NREGS, but a negligible number of households were provided 100 days guaranteed employment.
- In **Energy Sector**, though the RGGVY succeeded in bringing electricity to all the mouzas in the District, all rural households in the District could not be energised after five years of launching the programme.

2.1.1. Introduction

2.1.1.1 District profile

District Dakshin Dinajpur was created in 1992 consequent upon the bifurcation of erstwhile West Dinajpur District. It is bounded by Uttar Dinajpur District in the North-West, Malda District in the South-West and has international border with Bangladesh in the North-East and South-East.

The District spans an area of 2162 sq km and is headquartered at Balurghat. The District accounts for about 1.87 *per cent* (15.03 lakh) of the population of the State (801.76 lakh) with 86.89 *per cent* of them residing in rural areas. The literacy rate in the District is 64.46 *per cent* as against 58.83 *per cent* at State level and the National average of 65 *per cent*. Out of 4.32 lakh families of the district, 44 *per cent* (1.92 lakh families) live below the poverty line (BPL) which matches the percentage at the State level.

2.1.1.2 Administrative set-up

The district comprises of two Sub-divisions[1], two Municipalities[2] and eight Blocks[3]. To cater to rural development, eight community blocks cover 65

[1] *Balurghat and Gangarampur*
[2] *Balurghat and Gangarampur*
[3] *Balurghat, Bansihari, Gangarampur, Harirampur, Hili, Kumarganj, Kusmandi and Tapan.*

Gram Panchayats (GP). The District Planning Committee (DPC) is the apex body at the district level for approving the shelf of schemes for development of the district. The District Magistrate (DM) is in charge of overall administration and sanctions all development programmes. He is the Secretary of the DPC. He ensures co-ordination between District Rural Development Cell (DRDC), Panchayati Raj Institutions (PRIs), field officers and all other departments of the State Government. DRDC is the agency which manages the implementation of poverty eradication programmes of the Ministry of Rural Development in the District.

2.1.2 Audit framework

2.1.2.1 Scope of audit

The audit involved a review of the significant socio-economic developmental programmes implemented in the District during 2006-11. These included an appraisal of Social sector programmes relating to health, education, nutrition, water supply and sanitation. In the Economic sector, infrastructure development was reviewed through an assessment of the projects and schemes implemented for improvement of road connectivity and provision of employment to the poor and vulnerable sections of the society. Provision of basic civic amenities by the municipal authorities was also reviewed.

2.1.2.2 Audit objectives

The objectives of audit were to assess:

- adequacy and effectiveness of the annual planning process for different programmes;
- economy and efficiency in the execution of various schemes;
- effectiveness of the developmental programmes in terms of achievement of targeted outputs and outcomes;
- adequacy and effectiveness of the processes for monitoring, reporting and evaluation.

2.1.2.3 Audit methodology

Before commencement of audit, an entry conference was held on 6 May 2011 with the Chief Secretary, Principal Secretaries/Secretaries of the nodal Departments responsible for operation of the schemes reviewed and the other departmental functionaries involved. The objectives and scope of audit were explained and their perceptions relating to various developmental programmes were obtained. Entry conference was also held at the District level involving the functionaries concerned at the District, Block and GP level.

Three Blocks *viz*. Balurghat, Harirampur and Kumarganj were selected out of eight for detailed scrutiny by applying Population Proportional to Sample (PPS) method giving weightage to parameters such as population, BPL population, SC/ST population and distance from district headquarters. Further, seven Gram Panchayats[4] (GP), 20 *per cent* of the GPs falling within these three Blocks were selected for audit based on simple random sampling without

[4] *Chakvrigu, Gopalbati, Jakirpur, Najirpur, Pundari, Safanagar and Vatpara*

replacement method. Audit was based on a scrutiny of the records in the nodal Departments[5] /nodal Agencies[6] of the schemes reviewed, the offices of the DM, selected Blocks and GPs. Besides, the records of the District Project Officer, Sarva Shiksha Abhiyan, District Project Officer, Integrated Child Development Services, District Health and Family Welfare Samity, Superintendent of Police, Zilla Parishad (ZP), Project Director, DRDC, Executive Engineers of Balurghat Division, PHED and Dakshin Dinajpur Irrigation Division, Balurghat Municipality and West Bengal State Electricity Distribution Company Limited were also scrutinised in-depth.

2.1.2.4 Audit criteria

Audit comments were framed on the basis of the following criteria:

- West Bengal District Planning Committee Act, 1994
- Relevant Government orders
- West Bengal Financial Rules
- Guidelines of schemes

2.1.2.5 Acknowledgements

We acknowledge the cooperation and assistance rendered by various departmental functionaries, DM, Dakshin Dinajpur and other district functionaries, the concerned BDOs and Gram Panchayat Pradhans, during the course of audit.

2.1.3 Planning

2.1.3.1 District Planning Committee

Government of India envisages an inclusive and participative planning process for the development of districts. Comprehensive district level planning is crucial in view of multiplicity of schemes being implemented in several areas of governance, which may lead to convergence in delivery mechanism. To this end, West Bengal District Planning Committee Act, 1994 mandated the establishment of a District Planning Committee (DPC) for consolidating the Annual Action Plans (AAP) prepared by the three tiers of local administration viz. ZP, Panchayat Samitis (PS) and GPs and Municipalities in the district into an integrated District Plan. The works not included in AAP were not to be taken up.

Sabhadhipati, ZP is the Chairperson of the District Planning Committee (DPC) and the MPs, MLAs, Chairpersons of Municipalities, *etc.* are members. The DM is the Secretary of the DPC. The Committee was required to meet and approve the shelf of schemes and review/monitor the progress of implementation of these schemes as and when necessary. As per instruction of Development & Planning Department, Government of West Bengal, District

[5] *Development & Planning, Health & Family Welfare, Irrigation & Waterways (I&WD), Panchayat & Rural Development, Power, Public Health Engineering (PHE), School Education, Urban Development and Women & Child Development and Social Welfare Departments*

[6] *Sarva Siksha Mission, State Health & Family Welfare Samiti, State Rural Development Agency and West Bengal State Electricity Distribution Company Limited.*

Plan is to be sent to the Department by 15th March for approval by State Planning Board.

Audit observed that District Plan was not prepared for 2006-07. During 2007-11, there were delays ranging between four and 11 months from the stipulated date (15th March of preceding financial year) in submission of draft plan to the Development & Planning Department. Further, after submission of the district plans, no communication was received from the Development & Planning Department in any of the years. DPC did not capture the flagship programmes under a separate document under District plan though required as per provisions of guidelines.

District plan was delayed by four to eleven months defeating its purpose

Due to delays in submission of the plans purpose of preparing the plans was not fully achieved.

2.1.4 Financial Management

Funds are allocated to the district through the State budget for various developmental activities. In addition, funds are placed directly with DRDC and other implementing agencies for various socio-economic programmes by the Central Government.

Funds received by the District during 2006-11 and expenditure there against in respect of certain significant schemes are indicated below. Significant findings on implementation of these schemes are discussed subsequently.

Table 2.1.1 Table indicating available funds and expenditure under various schemes

₹ in crore

Scheme	Funds provided	Expenditure incurred (percentage)	Amount unutilised (percentage)
National Rural Health Mission (NRHM)	48.84	26.69 (55)	22.15 (45)
Sarva Siksha Abhiyan (SSA)	161.70	139.67 (86)	22.03 (14)
Integrated Child Development Services (ICDS)	99.91	125.90 (126)	--
Accelerated Rural Water Supply Programme (ARWSP)	33.52	25.21 (75)	8.31 (25)
Indira Awas Yojana (IAY)	91.36	91.20 (99.8)	0.16 (0.2)
IHSDP under JNNURM[7]	8.64	7.24 (84)	1.40 (16)
Total Sanitation Campaign (TSC)	16.85	12.81 (76)	4.04 (24)
Pradhan Mantri Gram Sadak Yojana (PMGSY)	161.08	153.76 (96)	7.32 (4)
Swarna Jayanti Gram Swarozgar Yojana (SGSY)	27.41	25.19 (92)	2.22 (8)
National Rural Employment Guarantee Scheme (NREGS)	121.33	120.19 (99)	1.14 (1)
Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)	99.54	71.16 (72)	28.38 (28)
UIDSSMT under JNNURM[8]	12.77	12.47 (98)	0.30 (2)
Total	**882.95**	**811.49**	**97.45 (11)**

(Source: Records of respective district level functionaries)

Audit observed that scheme funds remained unutilised as progress of works was slow due to non-availability of land and inadequate project management in the areas of planning, execution, monitoring and supervision. Audit noted instances of scheme funds amounting to ₹ 11.17 crore, received from GoI and State Government during 2006-11, remaining parked at the district/block

[7] *Figures relate to only Balurghat Municipality during 2009-11.*
[8] *Figures relate to only Balurghat Municipality during 2007-11.*

Scheme funds of ₹ 11.17 crore remaining parked with district/block level authorities

levels without being released/utilised/refunded ***(Appendix 2.1.1)***. This included ARWSP funds amounting to ₹ 2.43 crore transferred by Balurghat Division to the deposit accounts of PHED Divisions of Raiganj and Malda between 26-31 March 2009 in the name of execution of different works just to avoid the lapse of budget grant.

Test check revealed that advances/grants of ₹ 54.55 crore[9] relating to four schemes requiring submission of adjustment bills/Utilisation Certificate remained outstanding from various executing agencies[10] as of June 2011.

Audit also noticed that Balurghat Municipality submitted UC of 12th Finance Commission funds for Solid Waste Management showing an expenditure of ₹ 244.58 lakh against ₹ 224.95 lakh spent, inflating the UC to the extent of ₹ 19.63 lakh.

2.1.5 Social Services

Significant investment is being made by the Central and State Governments in the Social sector. Audit observed that implementation of the flagship programmes like National Rural Health Mission (NRHM) and Sarva Shiksha Abhiyan (SSA) had positive impact in Health and Education sectors. However, the schemes lagged behind the intended targets. Other schemes *viz.* ICDS, ARWSP, TSC, IAY also failed to achieve the intended objectives as discussed in the subsequent paragraphs.

2.1.5.1 Health sector

The Chief Medical Officer of Health (CMOH) Dakshin Dinajpur, functioning under the Health and Family Welfare Department is responsible for providing health care services to the people through a network of one district hospital (DH), one Sub-divisional Hospital, seven Community Health Centres (CHC), 19 Primary Health Centres (PHCs) and 247 Sub Centres (SCs). Besides, seven private nursing homes are also providing health care services. There is a District Health and Family Welfare Samity (DHFWS) headed by the District Magistrate which is responsible for planning, implementation, monitoring, evaluation and database management in the District. CMOH is the Member Secretary of DHFWS. Besides, there are Rogi Kalyan Samitis (RKS) at the Hospital/CHC level to ensure community ownership in delivery of reliable and accountable health services.

Audit scrutiny was conducted at the District Hospital, three CHCs[11], six PHCs[12] and 12 SCs[13] covering the period 2006-07 to 2010-11.

2.1.5.1.1 Planning

The Government of India (GoI) launched the National Rural Health Mission (NRHM) in April 2005 with a view to provide accessible, affordable,

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[9] *for implementation of SSA (₹ 44.02 crore), SGSY (₹ 3.40 crore), Bidhayak Elaka Unnayan Prakalpa (₹ 6.14 crore) and ARWSP (₹ 0.99 crore)*

[10] *Panchayat Samitis, Village Education Committees, Schools and other agencies*

[11] *Harirampur , Khaspur (Balurghat) and Kumarganj*

[12] *Balihara, Boalder, Bolla, Deor, Kamarpara, and Samjhia*

[13] *Ajodhya, Chahatpur, Charkhanda, Dakshin Ramkrishnapur, Hajipur, Karenjabari, Kharua, Kurmanpur, Mallickpur, Naona, Shyamnagar and Thakurpura*

Perspective Plan for Health service was not prepared by the District H&FW Samity; household and facility surveys were also not conducted

accountable, effective and reliable health care facilities in the rural areas with the underlying strategy to bridge gaps in health care facilities, facilitate decentralised planning with community participation and provide an overarching umbrella for the existing health programmes including Reproductive and Child Health, Vector Borne Disease Control Programme and Tuberculosis, Leprosy and Blindness Control Programmes. The primary objectives of NRHM *inter alia* included reduction of infant and maternal mortality rate and population stabilisation and prevention and control communicable and non-communicable diseases.

DHFWS was required to prepare a perspective plan for the entire Mission period (2005-12) as well as the District Health Annual Plans (DHAPs) on the basis of inputs from the blocks. DHAPs were to be prepared on the basis of preparatory studies, mapping of services and household conducted to assess the health care requirements. Similarly, in order to identify input needs, facility surveys were to be conducted in each CHC, PHC and SC. These surveys were not conducted indicating deficient ground work for implementation of NRHM. No Perspective Plan was also prepared. DHAPs were prepared only for two (2008-09 and 2010-11) out of five years audited, that too without inputs from blocks.

Deficient functioning of Rogi Kalyan Samitis

NRHM envisaged setting up of RKS at the Hospital/CHC level to ensure community ownership in health delivery services and to develop a Citizen Charter for every level of health facility for time bound delivery of services. Though RKS was formed in hospitals and CHCs, but these were not formed in any of the 19 PHCs in the District. In three test checked CHCs and in District Hospital, frequency of meetings of RKS was inadequate as 10 and 15 meetings were held during 2006-11 against the requirement of 180 and 60 respectively. Inadequate functioning of RKS was also reflected in low utilisation of funds ranging from zero to 38 *per cent* during 2006-11, as shown in the table below.

Table 2.1.2: Utilisation of RKS funds

	2006-07	2007-08	2008-09	2009-10	2010-11
Funds available (₹ in lakh)	13	21	35	62.34	92.80
Utilisation (*per cent*)	5 (38)	0 (0)	5.66 (16)	2.54 (4)	8.19 (9)

(Source: Records of DHFWS, Dakshin Dinajpur)

2.1.5.1.2 Fund management

During 2006-11, out of ₹ 48.84 crore available with DH&FWS, ₹ 26.69 crore (55 *per cent)* was utilised as indicated in the table below (Component-wise details shown in ***Appendix 2.1.2***).

Table 2.1.3: Fund position of NRHM during 2006-11 *(₹ in lakh)*

Year	Opening Balance	Receipt	Available fund	Expenditure	Closing Balance
2006-07	260.12	727.53	987.65	171.17	816.48
2007-08	816.48	830.66	1647.14	233.83	1413.31
2008-09	1413.31	607.00	2020.31	482.40	1537.91
2009-10	1537.91	1110.82	2648.73	665.80	1982.93
2010-11	1982.93	1348.05	3330.98	1115.51	2215.47
Total		**4624.06**		**2668.71**	

(Source: Records of DHFWS, Dakshin Dinajpur)

This reflected unrealistic assessment of fund requirements or suboptimal absorption capacity or tardy/lackadaisical implementation.

During 2006-08, ₹ 4.60 crore was released to the GPs concerned for construction of 65 SC buildings. As of March 2011, ₹ 2.52 crore (54 *per cent*) was utilised. Seven PSs[14] did not refund the unspent balance of ₹ 81.17 lakh, though construction was complete. Further, ₹ 84 lakh, received (March 2007) for construction of 24 ANM quarters remained parked with DH&FWS as of June 2011.

2.1.5.1.3 Infrastructure

No new Health Centres were set up during 2006-11; there were acute shortage of CHCs, PHCs and SCs compared to the norms of NRHM

NRHM guidelines provide that there should be one CHC for population of 120000, one PHC for population of 30000 and one SC for a population of 5000. For the population of 13.06 lakh in the district as per 2001 Census, there were seven CHCs, 19 PHCs and 247 Sub-Centres. Following the norms, there was an additional requirement of four CHCs, 24 PHCs and 14 Sub Centres, without taking into account the increase in the population since 2001. There was no addition to the number of health centres five years after the launch of the Mission. The Annual Action Plans also did not address this shortage resulting in denial of optimum health facilities in rural areas.

➢ ***Status of infrastructure at health centres***

There were deficiencies in terms of infrastructures and medical facilities in the test checked health centres

The NRHM framework envisaged provision of certain guaranteed services at SCs, PHCs and CHCs as per norms of Indian Public Health Standard (IPHS). Test-check, however, revealed that basic infrastructure[15] and the required services[16] were not available in a number of audited health centres, as detailed in ***Appendix 2.1.3.***

Test check of three CHCs, six PHCs and 12 SCs disclosed the following deficiencies:

a) None of PHCs and SCs had emergency services, while five PHCs and 12 SCs did not have in-patient services.

b) All the test checked CHCs and PHCs functioned without facilities for X Ray, Ultra-sonography, ECG, blood storage and pathological tests;

c) Though Family Welfare Services such as ante-natal, post-natal, immunisation and spacing method of family planning were available, services such as obstetrics and gynaecology, emergency obstetric care (caesarian section and other medical intervention), newborn care, paediatrics, emergency care of sick children were not available in any of the test checked CHCs, PHCs and SCs.

d) 24-hour delivery services were available at three CHCs and one PHC and terminal method of family planning were available at three CHCs.

e) Five PHCs had no beds against sanctioned two to ten beds for each, while all three test-checked CHCs functioned with 15 beds against the norm of 30 each;

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[14] *Balurghat, Banshihari, Gangarampur, Harirampur, Hili, Kumarganj and Tapan.*

[15] *suitable building, OPD rooms/cubicles for out patients, hygienic environment, water supply system, sewerage facility, medical waste disposal facility, electricity connection or standby power supply system, ambulance, etc.*

[16] *such as inpatient services, operation theatre, labour room, facilities for pathological tests, X-ray, emergency care, etc. required under IPHS norms,*

f) Though all three test checked CHCs had Operation Theatres (OTs), only minor surgery (Non-Surgical Vasactomy and Tubectomy) was carried out due to the absence of specialist surgeons and required equipment. None of the OTs was equipped with the requisite essential equipment as per IPHS norms.



Dilapidated staff quarter at Harirampur BPHC being used by villagers for making cowdung cakes

g) The staff quarters of three CHCs and five PHCs were dilapidated and were being used by villagers for storing straw, cow dung cakes, etc.

h) For reduction of Maternal Mortality Rate (MMR) and Infant Mortality (IMR) by promoting safe motherhood through proportionate increase of institutional deliveries, 50 *per cent* of the total PHCs in the State were identified during the year 2008 for conducting normal deliveries. Accordingly, ₹ 1.71 crore was released to DHFWS in October 2009 for repair and renovation of 11 PHCs[17] along with residential quarters of Medical Officers and nursing personnel. There were delays ranging from 222 to 286 days in releasing the funds to Zilla Parishad for taking up the works. The works taken up in April-May 2010 and scheduled for completion in October-November 2010 were not completed till June 2011, thereby frustrating the target of facilitating institutional deliveries in these PHCs. Besides, ₹ 10 lakh was placed with DH&FWS (August 2008) for related purposes[18]. However, no expenditure was incurred on this account, reasons for which were not stated by the district authority, though called for.

i) Owing to non-formation of RKSs in none of the 19 PHCs, ₹ 38 lakh received from State Samity during 2009-11 for that purpose was kept with the district samity.

➢ ***Status of construction of SC buildings and ANM quarters***

Out of 247 SCs in the District, 89 function in rented premises. During 2006-08, ₹ 4.60 crore was released to GPs concerned for construction of 65 SC buildings. Out of this, 51 (79 *per cent*) were completed and 44 (68 *per cent*) were operational as of March 2011. Twelve SCs were under construction and construction of two SCs had not been started. The GP-wise status of construction of SCs is indicated in ***Appendix 2.1.4***. Thus, full benefit of the works did not accrue in respect of 14 SCs, though funds were released to GPs more than three years back.

[17] *Aminpur, Basuria, Batun, Boalder, Bolla, Dakra, Deor, Kamarpara, Malancha, Monohali and Trimonini.*

[18] *for renting accommodation for Medical Officer and Nursing personnel where quarters are not available, to hire vehicle for referral services in case of lack of ambulance, for purchasing cash card of mobile phone, expenditure on some minor repair works, etc. in eight PHCs .*

2.1.5.1.4 Manpower

Shortfall in manpower in test checked health cenres varied between 21 and 56 *per cent*

NRHM aimed at providing adequate skilled manpower at all health centres as per IPHS norms. It was seen that shortfall in manpower in test checked BPHCs, PHCs and SCs was 21 *per cent*, 56 *per cent* and 25 *per cent* respectively. There was 61 *per cent* shortfall of MOs in the test checked BPHCs; while shortfalls in the posts of Radiographer and General Duty Attendants (GDA) were 100 and 71 *per cent* respectively. In test checked PHCs, shortages were noticed in key posts like MO (42 *per cent*), Laboratory technician (83 *per cent*), Pharmacist (100 *per cent*) and GDA (42 *per cent*). In SCs, there were eight *per cent* shortage of ANM and 50 *per cent* shortage of Health worker.

Shortfall in number of ASHAs and delayed issue of drug kits

(a) Accredited Social Health Activist: Under NRHM, a trained female community health worker called Accredited Social Health Activist (ASHA) was to be provided in each village in the ratio of one per 1000 population. ASHA was to be an interface between the community and the public health system. ASHAs were required to be provided with drug kits containing medicines for minor ailments, oral re-hydration solution (ORS), contraceptives, etc.

Against requirement of 1460 ASHAs in the District, 1067 were selected (during 2006-11), of which 978 were trained. Though they were appointed during April 2007 to March 2010, drug kits were supplied late to 923 ASHAs during January 2010 to March 2011, adversely impacting their utility.

2.1.5.1.5 Reproductive Child Health (RCH)

RCH is a major programme under NRHM aimed at reducing MMR, IMR, promoting family planning, immunisation, etc. to achieve population stability.

(a) Janani Suraksha Yojana (JSY): Janani Suraksha Yojana (JSY), a component of RCH, aims to encourage pregnant women to have institutional delivery by providing cash compensation[19] to BPL/SC/ST pregnant women up to two live births. Though compensation for antenatal care to be paid after completion of 32 weeks of pregnancy, it was noticed that in case of 1489 (76 *per cent*) beneficiaries out of 1963 test-checked in 12 audited SCs, was paid with delays ranging from two to 656 days and even after delivery. In case of benefit for institutional delivery, in 197 out of 252 test checked cases in three test checked CHCs, cash compensation was paid after delays ranging from two to 226 days after discharge.

In the District, out of 163535 pregnant women registered during 2006-11, 125563 (77 *per cent*) received two antenatal checkups, 142034 women (87 *per cent*) were provided 100 days of IFA tablets and 148404 women (91 *per cent*) were fully immunised against TT. It emerged from audit scrutiny that shortfall in administration was due to non-supply or short supply of IFA tablets and doses of TT to SCs by State Health and Family Welfare Samitis.

Though coverage of institutional deliveries increased over the years, 52 *per cent* shortfall was noticed compared to registered pregnant women

(b) Institutional deliveries: NRHM envisages expanding coverage of institutional deliveries. Position of institutional deliveries during 2006-11 in the District and sampled CHCs compared to registered pregnant women (shown in the ***Appendix 2.1.5***) indicated that shortfall in institutional deliveries decreased from 71 *per cent* in 2006-07 to 52 *per cent* in 2010-11 in the District. However, reduction of shortfall over last five years indicated that the programme is making slow but positive impact. Non-availability of

[19] *₹ 1000 (₹ 500 for antenatal care and ₹ 500 for undergoing institutional delivery)*

delivery facilities at PHCs owing to absence of labour room, medical officer, etc. was the main reason for shortfall in institutional deliveries. Further, emergency obstetric care, including the facility to conduct operation caesarean section was not available in any test checked CHCs owing to absence of specialists, anaesthetists, and lack of requisite infrastructure.

(c) Maternal and infant deaths: NRHM envisaged containment of MMR (Maternal Mortality Rate) within 100 per lakh population. Against the same, MMR in the District during last four years stood at 253, 188, 180 and 191 per lakh. The District, however, presented a better picture in respect of Infant Mortality Rate (IMR). Against the NRHM target of containment of IMR within 30 per thousand live births by 2012, the same ranged between 22 and 27 during last four years, which is commendable, if viewed with the State IMR of 33 (in 2009). Thus, though infant deaths were under control, maternal deaths remained a matter of concern.

(d) Family Planning: RCH has launched a number of family planning initiatives to achieve the goal of population stability. The position of achievement *vis-à-vis* target of sterilisation is shown in ***Appendix 2.1.5***, which shows that percentage of annual coverage increased from 18 *per cent* in 2006-07 to 77 *per cent* in 2010-11. CMOH attributed (November 2011) such noticeable improvement to posting of trained surgeons in the District.

(e) Immunisation: Target and achievement in respect of full immunisation of children up to one year of age covering BCG, Measles, DPT and OPV[20] in respect of the district and the State are shown in ***Appendix 2.1.5.*** The overall shortfall varied between 13 *per cent* and 22 *per cent* during 2006-07 to 2010-11, which indicated similar performance as compared to the State as a whole. The shortfall in DT[21] for five to six years age group ranged from 26 to 52 *per cent* and that for the Tetanus Toxoid (TT) at the age of 10 ranged from 40 to 67 *per cent*.

2.1.5.1.6 National Programme for Control of Blindness (NPCB)

Achievement in respect of cataract operations in the district ranged from 48 to 60 *per cent.* The District is more dependent on NGOs and Private Practitioners for cataract operations

(a) Cataract operations: NPCB aimed to reduce prevalence of cases of blindness to 0.3 *per cent* by 2020 *inter alia* through increased cataract surgery, school eye screening, free distribution of spectacles and strengthening of infrastructure by way of supply of equipment and training of eye surgeons and nurses. Performance of the District in cataract operations is depicted in ***Appendix 2.1.6,*** which indicated achievement ranging from 48 to 60 *per cent* of the target set. The shortfall in achievement against target for cataract operation in Government sector was due to non-availability of eye surgeons in health centres. Against the norm of deployment of one eye surgeon in each CHC, eye surgeons were not posted in any of the three CHCs test checked.

(b) Refractive error: The programme envisaged training of teachers in Government and Government aided schools for screening students for refractive errors and free distribution of spectacles. As against 1169 such schools in the District, these activities were limited to only 315 schools

[20] *BCG: Bacillus Calmette-Guérin, DPT: Diphtheria-Pertussis-Tetanus and OPV: Oral Polio Vaccine,*
[21] *Diphtheria-Tetanus*

(27 *per cent*) during 2006-11. The facility for eye donation had not been created in any of the hospitals in the District.

2.1.5.1.7 Revised National Tuberculosis Control Programme (RNTCP)

Cure rate under RNTPC lagged at 49 *per cent* as compared to normative target of 85 *per cent*

The main objective of RNTCP was to diagnose as many cases as possible and to ensure cure rate of at least 85 *per cent* of smear positive cases through Direct Observed Treatment Short Course (DOTS). New sputum positive cases detected were 79 to 89 per lakh population during 2006-11 against the target of 75 per lakh. The achievement against the targets of sputum examination ranged from 68 to 87 *per cent*. The cure rate of 49 *per cent* in the District was way behind the target of 85 *per cent*.

2.1.5.1.8 National Vector Borne Disease Control Programme (NVBDCP)

NRHM stipulated achievement of Annual Blood Examination Rate (ABER)[22] of 10 *per cent* and API[23] of less than 0.5 per thousand by 2007-08. Though the level of API (0.19 to 0.22 per thousand during 2006 to 2010) was lower than the level fixed by NRHM, the same remains inconclusive, given the fact that actual ABER (ranging between 7.73 and 5.07 *per cent* during 2006 to 2010) was below the target of 10 *per cent*. The ABER for the State as a whole ranged between 5.4 and 6.3 *per cent* during 2006 to 2009, while the API for the same period ranged between 1.1 and 1.9.

2.1.5.1.9 Monitoring

In order to address the lack of oversight, being an important reasons for steady decline of NRHM activities in the State, the Department introduced (June 2007) a system of regular periodical supervision of Government health facilities through inspections of health centres (by officers at various levels) and submission of monthly reports to the H&FW Department. For this purpose, the CMOH was required to nominate officers of the district as Nodal Officer for regular supervisions of sub-centres, BPHCs, PHCs and Rural Hospitals of particular block. Further, physical checking of at least five *per cent* of all JSY beneficiaries in the district by the District Nodal Officer is mandatory. Scrutiny of the records of DHFWS and selected BHFWS showed that neither the CMOH did nominate any Nodal Officer, nor was any such monitoring done at the District level. Moreover, from records of the CMOH it was observed that the District authorities were unaware of the order on physical checking of JSY beneficiaries.

Recommendations

- ***The DHFWS should commission household and facility surveys to assess the requirement and identify the gaps in health care infrastructure in the district;***

[22] *ABER- percentage to the total population, covered every year by blood examination for surveillance against Malaria. It is calculated as (No of slides examined in a year / Total population) X 100.*

[23] *Annual Parasite Incidence -Positive malaria cases per thousand population*

- ***Initiatives should be taken for time-bound completion of construction of SCs and to equip all the health centres with facilities and manpower as per IPHS norms to achieve the objectives of the programme;***
- ***The monitoring mechanism stipulated by the Department should be implemented effectively.***

2.1.5.2 Elementary Education

Education is one of the most important indicators of social progress of a nation. Both the State and the Central Governments have been spending large amounts on increasing the enrolment and retention of children in schools, especially in the elementary segment. Focus is on inclusive progress, with special attention to girls, SC/ST communities, other vulnerable sections of society and remote and backward areas. The Sarva Shiksha Abhiyan (SSA), one of the flagship programmes of the Government for universalisation of primary education, was subjected to audit scrutiny. The District Project Officer, Sarva Shiksha Mission (DPO) is responsible for implementation of the scheme. Records of the DPO as well as records of four Circle Resource Centres[24] (out of 17) and 18 schools (out of 351 schools in the test checked Circle Resource Centres) pertaining to the period 2006-2011 were scrutinized by Audit.

2.1.5.2.1 Fund management under SSA

Position of funds received and utilised by the District Project Office (SSA) during 2006-11 is given below:

Table 2.1.4: Funds received and utilised at district level during 2006-11 *(₹ in crore)*

Year	Approved outlay	Opening balance	Fund received	Interest and other source	Total available funds	Expenditure incurred *(per cent)*	Balance
2006-07	34.34	5.05	13.84	0.2	19.09	18.55 (97)	0.54
2007-08	49.12	0.54	48.79	0.56	49.89	27.97 (56)	21.92
2008-09	47.91	21.92	11.34	0.63	33.89	24.55 (72)	9.34
2009-10	56.76	9.34	37.33	1.01	47.68	28.59 (60)	19.09
2010-11	120.32	19.09	42	0.95	62.04	40.01 (64)	22.03
Total	**308.44**		**153.30**	**3.35**	**161.70**	**139.67 (86)**	

(Source: Data furnished by District Project Office)

Only 50 *per cent* of the total outlay was released by State authority during 2006-11 due to delayed preparation of Annual Work Plan and Budget (AWP&B) and failure of district authority to spend available funds in time.

2.1.5.2.2 Planning

Guidelines of SSA required the DPO to prepare Perspective Plan (with projections for 10 years) as well as AWP&B for the District. Although the AWP&Bs were prepared every year, the Perspective Plan was not prepared by the DPO. Further, to ensure reflection of the grassroots level reality, SSA envisaged participatory planning through household survey as well as consultative meetings and interaction with the community and target groups by formation of core teams at District, block and village levels. Such consultation at the grassroots level was not ensured by the DPO.

[24] *Balurghat Sadar, Balurghat West, Bansihari North (Harirampur) and Kumarganj North*

2.1.5.2.3 Infrastructure

There was improvement in the position in terms of availability of classrooms over last five years.

(a) School buildings and class rooms: During 2006-11, the number of elementary schools remained static at 1335 in the district. SSA norms stipulated that there should be two class rooms with verandah for each primary school. It was observed that there was improvement on this count, as numbers of schools with single class room came down from 260 in April 2006 to 34 in March 2011. Further, there were only 35 habitations (out of 4648) in the District which had no primary school /SSK[25] within one kilometer radius as per SSA stipulation, which also represented a positive picture.

Scrutiny of District Information System on Education (DISE) database showed that out of total 5813 class rooms in the elementary schools of the district, there were 818 class rooms which required minor and 591 class rooms which required major repairs respectively. Though 24 *per cent* of the classrooms were not in good condition (March 2011), budget provision was not made by the DPO for major and minor repairs in any of the AWP&B from 2006-07 to 2010-11 (excluding the year 2008-09, in which Budget provision was made for major repairs), nor did School authorities place demand for funds.

There were deficiencies in basic amenities like toilets, drinking water, electricity etc.

(b) Basic amenities: Scrutiny revealed that a large number of elementary schools did not have the basic minimum amenities, as detailed below:

Table2.1.5: Shortfall in basic amenities in elementary schools *(In numbers)*

	Number of schools (total number of elementary schools in the District being 1335)					
	Toilets	Drinking water	Electricity connection	Boundary wall	Playground	Kitchen for Mid-Day Meal
Available	979 (73)	1305 (98)	325 (24)	350 (26)	636 (48)	1144 (86)
Not available	356 (27)	30 (2)	1010 (76)	985 (74)	699 (52)	191 (14)

Source: DISE data of the district office
(Figures in the brackets represent percentage with respect to total number of schools)

(c) Civil Works: The targets set during 2006-2011 under major components of Civil Works of SSA (additional class rooms, new school building, girls toilet) as per annual work plans and the achievements there against up to March 2011 are shown in ***Appendix 2.1.7***, which indicated that construction of 583 ACRs (19 *per cent*) and 22 toilets (79 *per cent*), though targeted and funds were released, were not taken up as of August 2011.

Against the budget provision of ₹ 81.47 crore for execution of 3647 works, the district authority released (2006-2011) ₹ 66.02 crore for 3451 works (95 *per cent*). Of these, 2174 works (60 *per cent* of target as per AWP) were completed up to March 2011.

It was noticed that there were deviations from AWP, as funds of ₹ 3.89 crore meant for building Additional Class Rooms (ACR), were released (March and November 2008) and spent for construction of buildings for 70 new upper primary schools. These new schools were not provided funds for provision of basic amenities like kitchen shed, toilet and drinking water facilities.

Further, ₹ 1.41 crore released for construction of 71 ACRs in 70 primary and upper primary schools remained parked in bank accounts of the schools between 2006-07 and 2009-10. The most deprived Blocks were Gangarampur,

[25] *Sishu Siksha Kendra, a type of school under Panchayat & Rural Development Department.*

Balurghat and Tapan. Before release of funds, DPO did not verify the capacity of VECs to undertake construction, availability of land, requirement of class rooms as per norms of student class room ratio, etc. which led to parking of funds. Irregularities like use of constructed ACR for cultural activities and as office room, non-completion of ACRs, etc. were noticed in five out of 18 test checked schools[26] as indicated in ***Appendix 2.1.8***.



Funds spent, but class room incomplete - Bahadurpur F.P. School (Sl No. 2 of Appendix 2.1.8)



Class underway in courtyard (June 2011) -Funds for ACR were utilised for constructing staircase-Khidirpur FP School.(Sl No. 5 of Appendix 2.1.8)

(d) Computer Aided Learning Programme (CAL): Computer Aided Learning Programme (CAL) was introduced in 116 upper primary schools (including six test checked) in the District during 2006-2011 to make learning joyful. Though 644 computers worth ₹ 1.72 crore were purchased, the Programme could not be implemented due to non-imparting of requisite training to 98 *per cent* of the teachers (only 40 out of 2347 teachers were trained) as well as non-supply of requisite e-Teaching Learning Material (TLM).

Purpose of CAL remains unachieved even after spending ₹ 1.72 crore

DPO, SSA, Daskhin Dinajpur stated (July 2011) that training could not be conducted as there was no reputed agency to do so. However, there was no record to show that the DPO had taken any steps since 2007-08 for imparting CAL training to upper primary school teachers.

2.1.5.2.4 Availability of Teachers

As against the norm of two teachers per primary school and at least three teachers for every upper primary school, there were a number of primary schools which had only one teacher as can be seen from the table below.

Table 2.1.6 Primary schools not having minimum number of teachers

Year	Total number of primary schools	Number of primary schools with single teacher	Number of students in primary schools with single teacher (average number of students)
2007-08	1169	33	1941 (59)
2008-09	1169	45	2520 (56)
2009-10	1169	79	4819 (61)
2010-11	1169	48	2412 (50)

(Source: DPO, SSA, Dakshin Dinajpur)

Extreme disparity in PTR in four test checked circles

Average Pupil Teacher Ratio (PTR) of primary and upper primary schools was 39:1 and 56:1 respectively against the norm of 40:1. Though the average PTR

[26] *In the selected four Cirlcles—Kumarganj North, Banshihari North (at Harirampur), Balurghat West and Balurghat Sadar in three Blocks (Kumarganj, Harirampur and Balurghat), 18 schools were test checked comprising 12 primary schools and 6 upper primary schools.*

of primary schools indicated availability of adequate number of teachers, there were 48 schools with single teacher against the norms of minimum two. This indicated that there was scope of deploying teachers as per SSA norms. This was further confirmed by the extreme disparities in PTR ranging from 116:1 to 13:1 found while analyzing the PTR of 432 schools in four test checked circles. On the other hand, although all 166 upper primary schools had more than three teachers as of March 2011, the adverse PTR indicates shortage of teachers. Shortage of teachers may potentially affect the quality of education.

Training of Teachers: Orientation course required to be conducted for 20 days for newly appointed teachers was not conducted during 2006-2011 except in 2008-09. Against the target of in-service training of all teachers for 20 days in two phases, only one phase varying from five to 10 days was conducted. Out of approved outlay of ₹ 3.45 crore for training, only ₹ 34.54 lakh (10 *per cent*) was spent during 2006-11, indicating inadequate attention towards capacity building of teachers. DPO stated (July 2011) that training could not be conducted owing to late receipt of training modules and lack of co-ordination between DPO and District Primary School Council (responsible for the administrative control of primary school teachers).

2.1.5.2.5 Coverage of focus groups

Non-implementation of schemes: SSA has various components and interventions like National Programme for Education of Girls at Elementary Level (NPEGEL), Kasturba Gandhi Balika Vidyalaya (KGBV), Inclusive Education for Disabled (IED), Innovative activity for the benefit of SC/ST children, etc. Audit scrutiny revealed that NPEGEL and KGBV were not implemented in the District despite having five and two eligible blocks[27] respectively. Innovative programme for education of SC/ST children was also not implemented despite having outlay of ₹ 60 lakh during 2006-11. The performance of IED programme which aimed at mainstreaming children with special needs (CWSN), was unsatisfactory as 58 *per cent* (3068) of the identified CWSN (5293) remained out of school as of March 2011 though ₹ 1.95 crore was spent for this purpose.

Due to delays of one to nine months in distributing text books, full benefit of the scheme did not accrue

Free Text Book Grant: During 2006-07, the approved Budget outlay for Free Text-Book Grant for girls/SC/ST students studying in classes VI to VIII of Government/Aided schools was ₹ 1.10 crore. Out of this ₹ 16.50 lakh was released (September 2006) to 165 upper primary schools for developing Book Banks, deviating from the original purpose. The remaining fund of ₹ 94.13 lakh was parked in bank account of DPO since 2006-07 instead of refunding the same to the State Project Office of SSA. During 2008-11, DPO released funds one to nine months after the commencement of the academic session. Consequent delay in the distribution of books by the concerned schools meant that the beneficiaries were deprived of the intended benefit for a good part of the academic year. In all six test checked upper primary schools, students received book grants four to 10 months after the commencement of academic year. Free text books for Class I to V were provided by the State Government.

[27] *Educationally Backward Blocks (EBB) with rural female literacy less than the national average (46 per cent) or five per cent SC/ST population and SC/ST female literacy rate is below 10 per cent in case of NPEGEL (Haririampur, Hili, Kumarganj, Kushmandi and Tapan) and EBBs with rural female literacy less than the national average in case of KGBV (Hararirampur, and Kushmandi).*

2.1.5.2.6 *Enrolment*

Enrolment of children in the targeted age group of 6-14 years in primary and upper primary schools decreased by 18 *per cent* during 2006-11, as can be seen from the table below:

Table 2.1.7: Table showing enrolment in Primary and Upper Primary schools

Year	Total number of schools			Total enrolment of children		
	Primary	Upper Primary	Total	Primary	Upper Primary	Total
2006-07	1169	166	1335	156036	118402	274438
2010-11	1169	166	1335	114188	111851	226039
Percentage decrease				27	6	18

(Source: Data provided by DPO, SSA, Dakshin Dinajpur)

DPO stated (May 2011) that a special study would be undertaken on the issue by Research and Study Cell of the District SSA.

Sixty one *per cent* out of school children identified could not be enrolled during 2007-11

Bhartikaran Karmasuchi (enrolment drive) was undertaken every year for identifying out of school children and enrolling them in schools. Out of 56756 children identified, 34764 (61 *per cent*) could not be enrolled during 2006-11. Unsatisfactory implementation of various interventions for increasing enrolment and retention in schools could be responsible for decline in enrolment and large number of out of school children.

2.1.5.2.7 *Drop out, Repetition and Promotion of Students*

Cohort study[28] conducted every alternate year by the District SSA to identify dropouts and repeaters studying in primary and upper primary levels threw up the following results:

Promotion rate, though increased, was not satisfactory. The increase in promotion rate at upper primary level was significant.

Table 2.1.8: Cohort Study results- Primary Schools

Cohort Study year	Total students in Class I (year)	Dropout students (*per cent*)	Repeater student (*per cent*)	Migration (*per cent*)	Promoted from Class IV (*per cent*)
2006-07	27903 (2002-03)	6217 (22)	11046 (40)	874 (3)	9766 (35)
2008-09	31288 (2004-05)	3131(10)	12992 (42)	2627 (8)	12682 (40)

(Source: Data furnished by DPO, SSA, Dakshin Dinajpur)

Table 2.1.9: Cohort study results-Upper Primary Schools

Cohort Study year	Total students in Class V (year)	Dropout students (*per cent*)	Repeater students (*per cent*)	Migration (*per cent*)	Promoted from Class VIII (*per cent*)
2007-08	19743 (2003-04)	5763 (29)	6984 (35)	1030 (5)	5966 (30)
2009-10	30297 (2005-06)	3530 (12)	7529 (25)	1068 (3)	18170 (60)

(Source: Data furnished by DPO, SSA, Dakshin Dinajpur)

Decrease of dropout rate in primary and upper primary schools indicated positive impact of SSA. Though promotion rate of class IV registered an increase from 2006-07 (35 *per cent*) to 2008-09 (40 *per cent*), it was not satisfactory. The increase in promotion rate at upper primary level was significant. However, considerable number of repeaters and low pass

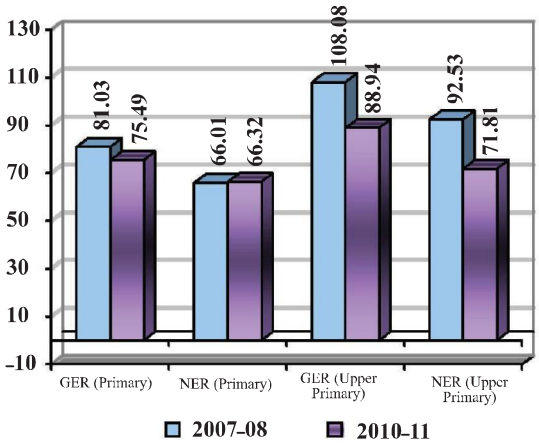
[28] *This is a scientific way to find out the transition patterns between the grades and the percentage of students completing the primary/upper primary education within the desired time.*

percentage indicated that the quality of education was not up to the desired standard.

Significant percentage of drop-outs and repeaters were attributable to teaching without TLM, non-implementation of interventions for SC/ST and backward students, insufficient class rooms, deployment of teachers in deviation from the SSA norms, lax monitoring by VEC and delayed issue of text books.

***Performance Indicators*:** Gross Enrolment Ratio (GER) and Net Enrolment Ratio (NER)[29] have been indicated as performance indicators for the Scheme. GER and NER of the district during 2007-11 are depicted in the chart.

Chart indicating GER and NER for primary and upper primary schools



It is evident from the chart that there has been substantial fall both in GER (from 108 *per cent* in 2007-08 to 89 *per cent* in 2010-11) and NER (93 to 72 *per cent*) in Upper Primary section, while in Primary section, though GER decreased from 81 to 75 *per cent*, NER remained static. The comparison suggested that implementation of SSA in Dakshin Dinajpur did not have the desired impact in improving enrolment position over the last four years.

2.1.5.2.8 Monitoring

Village Education Committee (VEC) is entrusted with the primary level task of ensuring effective functioning of schools with community participation. No records in support of any such monitoring were available in any of the 18 VECs test checked. Periodic monitoring teams were not sent to the schools to assess the position of the class-rooms, sanitation, attendance of teachers and students and the overall performance of the school in imparting quality elementary education. No records were maintained by the district office relating to any visit (2006-11) by State Level Committee or National Level Committee to supervise and monitor the implementation of SSA in the district.

Recommendations

- ***Civil works should be geared up to provide the minimum infrastructural facilities to all the schools in a time-bound manner;***
- ***Posting of teachers needs to be rationalised to remove extreme disparities in PTR.***

2.1.5.3 Nutrition: Integrated Child Development Services

The District has a child population (0-6 years) of 246034 as per 2001 Census. Integrated Child Development Services (ICDS) aims to improve the nutritional and health status of children in the age-group 6 months-6 years through services such as supplementary nutrition, immunisation, health

[29] *GER=(Total enrollment/Total targeted child population)x100; NER==(Enrollment of children belonging to targeted population/Total targeted child population)x100*

check-up, referral services, pre-school non-formal education and nutrition and health education through Anganwadi (AW) Centres. Out of these services, Supplementary Nutrition Programme (SNP) was subjected to audit scrutiny through test check of records (2006-2011) in offices of the District Project Officer (DPO), Child Development Project Officers (CDPO) of three Projects[30] in three selected Blocks *viz* Balurghat, Harirampur and Kumarganj and 12 AW centres under these projects.

2.1.5.3.1 Infrastructure

There were 3212 operational AW centres against 3279 sanctioned in the District as of March 2011. As is evident from the following table, infrastructural facilities available in the operational AW centres were largely inadequate.

Table 2.1.10: Infrastructural facilities in AW centres

Total No. of AW centres in the district	Infrastructural facilities (No. of AW centres)					
	Having own building	Accommodated in rented single room building	Running in other places	Running in open air	Drinking water provided	Toilet facilities available
3212	832 (26)	2280 (71)	80 (2)	20 (1)	1191 (37)	1044 (33)

Source: records/MPRs made available by the local office
Figures in parenthesis indicate percentage.

Infrastructural facilities available in operational AW centres were largely inadequate

During 2008-10, the Women, Child Development and Social Welfare Department released ₹ 13.73 crore in two tranches for construction of 334 AW centres with DFID[31] assistance, the last of which was to be completed by March 2010. It was noticed that 280 AW centres (84 *per cent*) had been completed, 29 AW centres were under construction, while construction of 25 had not been started as of June 2011. Due to negligence on the part of the Gangarampur Panchayat Samiti (PS), ₹ 1.03 crore allotted[32] in September 2008 was not drawn by the PS in time.

Audit observed that funds of ₹ 4.11 crore meant for construction of 100 AW centres remained parked with State Nutrition Strategy and Monitoring Unit, while ₹ 2.40 lakh continued to be expended annually on rent. Besides, the beneficiaries were deprived of more conducive room/place for availing the services of ICDS.

2.1.5.3.2 Manpower

As of March 2011, from Child Development Project Officers (CDPO) down to the level of AW Helpers, 6218 persons were in position in various cadres against 6721 sanctioned indicating shortage of seven *per cent*. Shortage of AW Workers and AW Helpers who are entrusted with the delivery of services in AW centres were 166 (five *per cent*) and 169 (five *per cent*) against the sanctioned strength of 3212. Out of nine projects in the District, Project Officers were available in four[33]. The District Project Officer (DPO) stated (July 2011) that the district authority was facing a lot of problems due to

[30] *Balurghat (Rural), Harirampur and Kumarganj ICDS Projects.*
[31] *Department for International Development, Government of United Kingdom.*
[32] *The amount had to be further sanctioned in September 2010.*
[33] *CDPOs were available in Gangarampur, Harirampur, Kumarganj and Tapan ICDS Projects CDPOs were not available in Balurghat (Rural), Balurghat (Urban), Banshihari, Hili and Kushmandi ICDS Projects.*

shortage of staff. However, nothing was on record to show that any initiative had been taken by him for pursuing the matter with the Directorate/Department to address the problem. He, however, added that the matter would be taken up with the higher authority.

2.1.5.3.3 Supplementary Nutrition Programme

Supplementary Nutrition Programme (SNP) is provided to children of six months to six years of age and pregnant and lactating women. As per norms, Government must ensure 300 days of feeding in every AW centre. Scrutiny revealed the following:

There was 16 to 44 *per cent* shortfall in provision of SNP to pregnant women and lactating mothers and 21 to 64 *per cent* to children;

- All targeted beneficiaries were not brought under the Programme. Out of 8.06 lakh eligible children, 4.84 lakh children were provided supplementary nutrition, shortfall being 3.22 lakh (40 *per cent*) during 2006-11. As regards pregnant and lactating women, supplementary nutrition was provided to 77 *per cent* eligible women leaving out 31632 during 2006-11. DPO attributed (July 2011) the shortfall to shortage of AW Workers/Helpers. AW Supervisors stated that factors like reluctance of women and children from economically better families to visit the AW centres contributed to shortfall in covering eligible population.

Beneficiaries were not provided with food of prescribed nutritional value due to increasing market price

- Audit observed that during 2007-11, on an average 248 AW centres failed to provide food as per norm of 25 days in a month. Out of this, 150 centres provided food for 15-20 days, 68 for 1-14 days while 30 had zero feeding days. The DPO stated (July 2011) that due to negligence of food supplier, the number of feeding days required per year was not achieved. The reply may, however, be viewed with the fact that while there was short supply of food material during 2009-11 in two test checked CDPOs ranging from 11 to 35 *per cent* of the requirement (***Appendix 2.1.9***), foodgrains worth ₹ 25.90 lakh were consumed (2009-11) in excess in CDPO, Balurghat (R). This indicated lapses in assessment of requirement.

- Against the norm of 500, 600 and 800 K. Calories per day per beneficiary respectively for children (six months to six years), pregnant and lactating mother and severely malnourished children, the actual provision was in the range of 314-384, 426-498 and 417-456 K. Calories respectively. This was attributable to price hike of food materials and consequent reduction in quantum of foodgrains every quarter to keep the cost per beneficiary within the limit as fixed by the Government of India. Cost per beneficiary was last revised by GoI in February 2009 and the Department had to reduce the quantum of foodgrains eight times till March 2011 in view of the price rise of food materials.

2.1.5.3.4 Monitoring and supervision

Shortfall in inspection of AW centres by CDPOs and Supervisors

Prior to October 2010, CDPOs were to undertake field visits for at least 18 days in a month. With effect from October 2010, CDPOs had to visit all AW centres once annually, while supervisors were required to visit AW centres under their jurisdiction six times a year. As against this, during 2006-11, CDPOs visited five to nine *per cent* of the AW centres annually. In three test checked projects, against the normative requirement of 14430 inspections by Supervisors during 2008-11, only 9947 (69 *per cent*) were conducted. It was

observed that during 2006-2007 to 2010-11, annually 13 to 56 *per cent*[34] of AW centres were not at all visited by Supervisors during 2006-11. Thus, lack of oversight over the scheme was evident. The DPO stated (July 2011) that necessary steps would be taken to improve supervision and monitoring by higher authorities.

Recommendations

- ***Immediate steps should be taken for improvement of infrastructural facilities of AW centres.***
- ***Provision of adequate food material should be ensured to provide stipulated nutrition to the beneficiaries for 300 days in a year.***
- ***Monitoring mechanism needs to be strengthened.***

2.1.5.4 Water Supply

Provision of adequate and safe drinking water to all the citizens, especially those living in the rural areas, has been a priority area for the Government. In this backdrop, implementation of the Accelerated Rural Water Supply Programme (ARWSP), a Centrally sponsored programme, in the District of Dakshin Dinajpur was reviewed through test check of records (2006-07 to 2010-11) of Balurghat Division, Public Health Engineering Department (PHED). From 2010-11, ARWSP has been modified as National Rural Drinking Water Programme (NRDWP). During the period 2006-11, ₹ 33.52 crore was provided to the District for the Programme, against which ₹ 25.22 crore (75 *per cent*) was spent. The audit findings revealed that the ARWSP failed to create the desired impact owing to various shortcomings in planning, execution and monitoring of the schemes as discussed in the following paragraphs:

2.1.5.4.1 Status of drinking water supply in the District

Drinking water supply of the District managed by the PHED depends mainly upon 15311 spot sources and 40[35] ground based (including one surface based) Piped Water Supply Schemes (PWSS). As per the Status report (March 2010) of PHED, 3.50 lakh people (23 *per cent* of the total population of the District) was covered under PWSS. In the test checked Blocks of Balurghat, Harirampur and Kumarganj, coverage was 26, 10 and 11 *per cent* respectively.

Balurghat Division, PHED did not maintain the basic data of year wise coverage of habitations during the last five years. Though Habitations survey[36] was conducted in 2003-04, no data was available in the Divisional Office. The habitation data prior to habitation survey and those furnished by the EE are as under:

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[34] *Number of AW centres not visited: 2006-07: 166 (13 per cent) out of 1285; 2007-08: 906 (34 per cent) out of 2630; 2008-09: 1341 (51 per cent) out of 2630; 2009-10: 1707 (56 per cent) out of 3071; and 2010-11: 1671 (52 per cent) out of 3212.*

[35] *ARWSP: 24 and MNP:16*

[36] *Habitation Survey was conducted to assess status of rural drinking water supply coverage in the villages.*

Table 2.1.11: Habitation data

	Fully covered (FC)	Partially covered (PC)	Not covered (NC)	Total
Data prior to- Habitation Survey (December 2003)	5242	52	207	5501
Date furnished by EE (March 2011)	4607	135	28	4770

Further, Executive Engineer (EE) stated that against the target of covering 229 NC habitations in the last five years, 56 habitations were partially covered and 134 habitations were fully covered. This is contradictory because even after coverage of 190 habitations, 39[37] habitations remained uncovered as of March 2011, while only 28 NC habitations existed as per information furnished by the EE. This implied that the data for coverage of habitations was not accurately maintained.

2.1.5.4.2 Inadequacy of planning

Though ARWSP guidelines required preparation of Annual Action Plans (AAPs), Balurghat PHED did not prepare AAP during the year 2006-07 to 2010-11. The EE replied that the AAP was prepared at State level. As no plan was prepared at the district level, priority for completion of the incomplete works, actual assessment of NC/PC habitations as well as their target for coverage etc. were not meaningfully considered in the AAP.

2.1.5.4.3 Financial management

Scrutiny revealed that out of Central and State allocation of ₹ 25.36 crore and ₹ 8.16 crore respectively, ₹ 17.55 crore and ₹ 7.66 crore were utilised resulting in aggregate savings of ₹ 8.31 crore (25 *per cent*) during 2006-11. In 2010-11 alone, against the Central allocation of ₹ 11.54 crore on NRDWP, the Division could utilize only ₹ 4.46 crore, leaving a balance of ₹ 7.08 crore (61 *per cent*) as of March 2011.

2.1.5.4.4 Implementation

The shortcomings noticed in the implementation of the programme are discussed below:

(i) Under ARWSP, out of total 24 PWSS taken up during 2006-07 to 2010-11 for covering 1.93 lakh population, 18 schemes were completed and six schemes were at various stages of completion. Two[38] schemes due for completion in December 2010, were yet to be completed as of July 2011, while two other schemes intended to benefit 5642 people had not been taken up due to land dispute (Baidyanathpara scheme) and insufficiency of water source (Ellahabad Scheme) to cater to the needs of the targeted population. Remaining two schemes were ongoing as of July 2011.

(ii) Out of total eight blocks in the district, ground water of five blocks[39] is contaminated with excess fluoride beyond permissible limit of 1.5 mg/litre. As ground water is more susceptible to fluoride contamination, it was felt necessary to tap alternative surface water source. In this backdrop, Fluoride Mitigation Programme was undertaken in two blocks (Gangarampur and Banshihari). Scrutiny revealed that the programme was not taken up in a

[37] *229 targeted **minus** 190 covered either fully or partially*
[38] *Chak Ramprasad W/S Scheme and Alipur W/S Scheme*
[39] *Banshihari, Gangarampur, Kumarganj, Kushmandi and Tapan*

Even after five years of introduction of the work, safe drinking water could not be supplied to 8.83 lakh people of fluoride affected areas due to delay in trial boring and investigation

comprehensive manner professing detailed work programme as only survey and investigation had been done till date. In May 2006, CE decided to conduct trial boring in three river beds of Punarbhava, Tangon and Baliakhari to assess the quality and sustainability of water, the work was completed in August 2009 at a cost of ₹ 7.47 lakh. Thereafter, PHED conducted (July 2011) geo-hydrological investigation to ascertain estimated discharge of sub-surface flow and its sustainability at a cost of ₹ 9.95 lakh. Thus, due to delay in trial boring and hydrological investigation, no fruitful action for providing safe drinking water to 8.83 lakh people residing in fluoride affected areas was taken even after lapse of five years since launching of the programme.

Even after two years of taking up the work under Jalmoni programme, safe drinking water could not be supplied to the school children in quality affected areas

(iii) With a view to providing safe drinking water to the school children in quality affected areas[40], GoI decided to install stand alone water purification system under Jalmoni programme. The PHED accorded (November 2009) administrative approval of ₹ 12.50 crore and allocated an amount of ₹ 6.03 crore for implementation of the programme in the State. Scrutiny revealed that out of ₹ 17 lakh received by Balurghat Division during 2009-10 for this purpose, ₹ 10.97 lakh had been spent in March 2010 on procurement of PVC-ASTM[41] pipes of various diameters, which had no relevance with the programme. Thus, not a single filter had been installed in the District as of March 2011. Thus, school children in the fluoride[42] affected areas of five[43] blocks were deprived from safe drinking water. On this being pointed out, the EE admitted the fact and stated that the matter was communicated to the higher authorities in April 2011.

(iv) As per ARWSP guidelines, 15 *per cent* of ARWSP funds are earmarked for operation and maintenance of the created assets like spot sources, PWSS, etc. Out of ₹ 33.52 crore received by this District on the programme, ₹ 5.03 crore was earmarked for operation and maintenance. Scrutiny of records revealed that due to various reasons, such as, shortage of spare parts, lowering of water tables etc., 5220 tube wells (25 *per cent*) out of total 20531 tube wells were lying defunct as of March 2011.

Though responsibility for maintenance of tube wells lies with the Dakshin Dinajpur Zilla Parishad (DDZP), technical support and funds required for the maintenance were provided by PHED. Despite financial and technical support being provided by PHED, a large number of tube wells remained defunct.

While admitting the facts, EE pointed out (July 2011) that the ZP was authorised to carry out all necessary maintenance. Regarding recharging of groundwater and water conservation, he stated that the PHED had no role to play. Reply was not convincing since both the implementing agencies (PHED and DDZP) were required to work in close co-ordination for proper maintenance of tube wells in the District. Moreover, the ARWSP guidelines emphasize on regular maintenance of created assets and taking up of water conservation measure on sustainable basis.

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[40] *Areas affected with the water quality problem viz. suffering with chemical or bacteriological contamination in the source of water.*

[41] *Poly Venyl Chloride-American Society for Testing and Material*

[42] *Ingestion of fluoride contaminated drinking water may lead to diseases like dental fluorosis, skeletal fluorosis and non-skeletal fluorosis besides inducing aging to human beings*

[43] *Banshihari, Gangarampur, Kumarganj Kushmandi and Tapan blocks*

Thus, defunct tube wells could not be made functional and availability of water supply could not be ensured to the targeted beneficiaries.

2.1.5.4.5 Monitoring of water quality

In violation of CE's order, Bacteriological test of the existing 40 PWSSs was not conducted at all since July 2009. During 2006-11, chemical test on PWSS was less than six *per cent* of normative requirement.

Periodic testing and monitoring of water quality is essential for providing safe drinking water to the population on a sustained basis. As per Chief Engineer's (CE) instruction (May 2006), water samples collected from existing PWS schemes were to be tested for bacteriological and chemical parameters once in a month to ensure the safe quality of water supplied to the people. Although the EE stated (July 2011) that the bacteriological and chemical test of PWSS were conducted regularly, audit scrutiny of records of one water testing laboratory (Divisional Laboratory[44]) out of three in the District revealed that the instruction of the CE were not adhered to as indicated below:

- Bacteriological test of the existing 40 PWSSs (including 24 ARWSP schemes) was not conducted at all during July 2009 to July 2011.
- Against the target of conducting 480 chemical tests (40 PWSSs X 12 months), only eight water samples were tested in 2010-11. In last five years (2006-11) the test conducted on PWSS ranged from less than one *per cent* to six *per cent*, due to lack of monitoring and supervision by the EE.

Further, though water samples of 14 out of 40 PWSS collected during May 2009 to November 2010 were found to be contaminated with iron and fluoride affecting 1.67 lakh populations, records regarding any action taken to mitigate the contamination were not available.

2.1.5.4.6 Monitoring and Supervision

It was seen that against the requirement of 60 monthly progress reports (MPRs) to be sent to the Circle office during 2006-11, Divisional office sent only six[45] MPRs. Records regarding monitoring and supervision of ARWSP schemes by the Superintending Engineer during last five years were not available at the circle or at divisional level. In absence of these records, necessary checks and supervision exercised by the supervisory officers could not be verified in audit. As a result, proper supervision on the implementation of the programme could not be exercised which affected the timely completion of the schemes.

Recommendations

- ***Annual Action Plan should be prepared in accordance with the guidelines indicating the prioritisation of incomplete works particularly NC habitations.***
- ***Monitoring the schemes and testing the water quality at prescribed interval should be enforced.***

2.1.5.5 Housing

Two schemes for providing shelter to the poor *viz.* Indira Awas Yojana and Integrated Housing and Slum Development Programme were reviewed in

[44] *Divisional Laboratory was responsible for testing of water quality of PWSSs in the district.*
[45] *MPR of December 2008, January 2009, March 2009, July 2009, August 2009 and March 2010.*

audit through test check of records (2006-07 to 2010-11) of DRDC, Zilla Parishad, three sampled PSs (Balurghat, Harirampur and Kumarganj) and seven sampled GPs[46].

2.1.5.5.1 Indira Awas Yojana

Indira Awas Yojana (IAY) is a flagship scheme to provide houses to the rural poor people and is being implemented through ZPs. The objectives of the scheme are:

(i) Primarily to help construction/upgradation of dwelling units of members of Scheduled Castes/Scheduled Tribes, free bonded labourers and other below poverty line non SC/ST rural households by providing them a lump-sum financial assistance; and

(ii) Utilisation of 60 *per cent* of total allocation for SC/ST BPL households.

During 2006-07 to 2009-11, the ZP, Dakshin Dinajpur spent ₹ 91.20 crore (99 *per cent*) out of total available funds of ₹ 91.36 crore. Annual expenditure under the scheme increased steadily from ₹ 8.15 crore in 2006-07 to ₹ 28.83 crore in 2009-10, but came down to ₹ 24.25 crore in 2010-11.

Scrutiny revealed that percentage of utilisation in the sample GPs was ranging between 17 and 96 *per cent* during 2006-11. Sample PSs, as executive agency since July 2009, utilised 29 and 31 *per cent* of total fund available during 2009-10 and 2010-11 respectively.

Implementation of the schemes

During 2006-11, against the target of construction of 26805 houses and upgradation of 3110 houses, actually 83 *per cent* (22348) houses were constructed and 77 *per cent* (2476) houses were upgraded in the District ***(vide Appendix 2.1.10)*** as per reports of the ZP.

Audit scrutiny revealed the following:

(a) The guidelines stipulated that the opening balance of the district should not exceed 10 *per cent* of the funds available during the previous year. In case, the opening balance exceeded the permissible limit, the Central share of the excess amount would be deducted proportionately at the time of release of the second instalment. It was seen that the ZP failed to adhere the said condition and GoI has deducted ₹ 1.33 crore from the second instalment of the Central share due to the ZP during 2009-10.

(b) The P&RDD directed (June 2008) that the beneficiaries should be selected first from the list of persons who are homeless or dependent on others for accommodation (P2=1) and then from the list of persons having one room mud-built house (P2=2) based on the Rural Household Survey (RHS). Deviating from this directive, five[47] out of seven sample GPs provided IAY assistance to 383 beneficiaries under P2=2 list though a good number of P2=1 beneficiaries existed in those GPs. Thus, those GPs deprived an equal number of beneficiaries identified as P2=1 under RHS.

[46] *Bhatpara, Chakvrigu, Gopalbati, Jakirpur, Nazirpur, Pundari and Safanagar.*
[47] *Bhatpara, Jakirpur, Nazirpur, Pundari and Safanagar.*

(c) Two (Harirampur and Kumarganj) out of three sampled PSs utilised scheme funds of ₹ 5.26 lakh towards payment of telephone bills, hire charges of vehicle and fuel cost etc.

(d) In Chakvrigu and Pundari GPs (out of seven sample GPs), 68 beneficiaries did not construct houses after receiving the IAY assistance.

Recommendations

- ***Strict financial control and monitoring to be enforced to prevent misuse of funds and deprivation of central funds.***
- ***The district authorities may analyse reasons for disproportionate financial and physical progress.***

2.1.5.6 Sanitation

2.1.5.6.1 Total Sanitation Campaign (TSC)

TSC envisaged improvement in the general quality of life in the rural areas and accelerate sanitation coverage in rural areas to provide toilets to households by 2012, covering schools by March 2008 and Anganwadi Centres by March 2009.



Unhygenic toilet at Nadipar High School under Chakvrigu GP

Since inception of the project (April 1999), Dakshin Dinajpur District incurred an expenditure of ₹ 12.81 crore out of total available funds of ₹ 16.85 crore (GoI: ₹ 9.87 crore, State: ₹ 3.92 crore, Panchayats' contribution: ₹ 1 crore and beneficiary contribution: ₹ 2.06 crore) leaving unutilised balance of ₹ 4.04 crore (March 2011).

(a) Target and achievement

Achievement in Sanitary Complex, School Toilet and *Anganwadi* toilet was very low even though target dates for full coverage had long elapsed. Even in case of Individual Household Latrine (IHHL) for BPL, the District was far from achieving target of full coverage by 2012.

Table 2.1.12: Target and achievement (1999-2011)

Component	Targets	Achievement	Percentage of achievement
IHHL for BPL	182621	151400	83
IHHL for APL	194577	31711	16
Sanitary complex	50	7	14
School toilets	3712	1633	44
Anganwadi	2642	165	6
Total	**383602**	**184916**	**48**

(Source: Records of ZP, Dakshin Dinajpur)

Expenditure on Information, Education and Communication (IEC), a very important component of the prorgramme was a mere 3.3 *per cent* (₹ 0.42 crore) against the stipulated 15 *per cent* on the project outlay. However, the ZP failed to furnish any reason for poor performance.

Thus, the programme failed to achieve the objective of providing toilets to all schools and anganwadis by March 2008 and 2009 respectively. Further, it seemed unlikely that the district would be able provide toilets to all by 2012.

Recommendations

- ***Implementation of the programme needs to be geared up for achievement of targets.***
- ***IEC activities should be strengthened.***

2.1.6 Economic Services

2.1.6.1 Infrastructure

Good infrastructure will go a long way in enhancing the growth potential of the District and bridging the gap between urban and rural areas. Infrastructure includes provision of good all weather roads, adequate electricity for households, industrial and irrigation needs, railway and air links and reliable communication facilities.

The District does not have any airlink. The District is connected by rail through eight railway stations. A review of the development of roads in the district through implementation of PMGSY revealed that only 48 *per cent* habitations had been provided road connectivity as of March 2011, as against the target of connecting all rural habitations by 2007. The deficiencies noticed in audit are discussed below:

2.1.6.1.1 Pradhan Mantri Gram Sadak Yojana (PMGSY)

Though length of road increased by 73 *per cent* and number of connected habitations by 64 *per cent*, 52 *per cent* of habitations are yet to be linked by road

The PMGSY was launched in December 2000, which aimed at connecting all rural habitations by providing all weather roads. West Bengal State Rural Development Agency (WBSRDA) implements the PMGSY through its Programme Implementation Unit (PIU) at the district level. During 2006-11, funds provided for the Programme was ₹ 161.08 crore in the District, of which ₹ 153.76 crore (96 *per cent*) was spent during this period.

Out of 1663 habitations in the District, 801 (48 *per cent*) had been provided road connectivity as of March 2011. Number of habitations connected through roads increased by 64 *per cent* since 2001 and road length increased from 632 kms in April 2001 to 1092 kms in March 2011 registering an increase of 73 *per cent*[48]. As of March 2011, 52 *per cent* of habitations were yet to be linked by roads. The status of connectivity as of March 2011 is shown in **Table 2.1.13.**

Table 2.1.13: Status of habitations connectivity as of March 2011

Habitation size in terms of population	Total numbers of habitations	Habitations as on 31.3.2011		Percentage of shortfall in connectivity
		Connected	To be connected	
More than 1000	428	283	145	34
More than 500	508	255	253	50
More than 250	727	263	464	64
TOTAL	**1663**	**801**	**862**	**52**

(Source: Figures provided by PIU)

[48] *Year-wise figures for 2006-11 were not furnished to audit.*

(a) Status of works

PMGSY guidelines stipulate that works should be completed within a period of twelve months from the date of the work order. During 2006-11, out of total 122 works sanctioned, 115 were awarded by the PIU. Of these awarded works, due dates for completion of 21 works were not yet over. Of the remaining 94 works, 84 (89 *per cent*) were completed. Of the completed works, 33 were completed within the stipulated date of completion. Forty works were completed with delays ranging between 111 days and 894 days. Ten works remained incomplete though 11 to 28 months had passed from due date of completion. The major cases of delays in completion of roads (complete and ongoing) works are shown in ***Appendix 2.1.11.***

The reasons attributed by the PIU for delays in completion of road works were land problem and lapses on the part of contractors. It was noticed in audit that the PIU had poor control and monitoring over the contractors in execution of the road works as would be evident from the following instances.

(b) Financial irregularities in execution of works

Audit scrutiny revealed non-recovery of royalty leading to loss of revenue of ₹ 1.44 crore and rate differences in Detailed Project Report (DPR) *vis-à-vis* WBSRDA[49] schedule of rates (SOR), deviations from instructions, etc. resulting in excess/unauthorised payments amounting to ₹ 6.65 crore to contractors, as detailed below:

Excess quantity of different items of works worth ₹ 6.65 crore as compared to DPR was approved without obtaining reasons for such deviations

- As per West Bengal Minor Minerals Rules, 2002, the State Government is to be paid royalty charges at the rate of ₹ 17 per cu. m. for use of earth and the same is to be recovered from Running Account bill of contractors. State exchequer lost revenue of ₹ 1.44 crore on use of 847670.78 cu. m of earth as royalty was not deducted by the PIU from contractors' bills pertaining to 2006-07. However, from 2007-08 onwards the PIU deducted royalty from contractors' bills.
- Avoidable extra expenditure of ₹ 71.18 lakh was incurred on construction (July 2007 to April 2010) of 11 roads by allowing higher compaction rates (between ₹ 384.75/cu.m and ₹ 451.67/cu.m) in DPR than the rate as per WBSRDA Schedule of Rates (₹ 113.56/Cu.m) as shown in ***Appendix 2.1.12***. The higher rates were proposed by the Executive Engineer of PIU and approved by the Chief Engineer of WBSRDA.
- In two road works under package WB-18/33, DPR included higher rate for stone dust at ₹ 2880.80 per cu. m. as compared to ₹ 2188.80[50] admissible under WBSRDA schedule. This resulted in excess expenditure of ₹ 12.90 lakh[51].
- Road construction under PMGSY is undertaken after NRRDA[52] approves the DPR prepared on the basis of survey, feasibility study, etc. Approved DPR indicates the drawing of alignment, cross section of road, proposed height, width and length, source of earth, etc. While increase in

[49] *West Bengal State Rural Development Agency is the Nodal Agency in West Bengal for PMGSY.*
[50] *Cost of compaction of 1 cu. m stone dust includes material cost including materials (₹2130.70) and compaction cost (₹58.10).*
[51] *2340.94 cu. m x (₹2880.80-₹2188.80)*
[52] *National Rural Road Development Agency, the national level agency for PMGSY.*

any item of work to the extent of 10 *per cent* of the quantity indicated in DPR is permitted during execution, excess beyond 10 *per cent* requires a revised estimate indicating specific reasons for the excess. Scrutiny revealed that out of 66 road works completed during 2006-11, 60 (91 *per cent*) required excess earth ranging from 12 to 977 *per cent* over the quantities indicated in DPR. This resulted in excess earth work involving unauthorised expenditure of ₹ 4.94 crore[53]. Contrary to the norms, the excess earth work was approved by the Chief Engineer (WBSRDA) / Superintending Engineer (WBSRDA) without obtaining any reason.

- During scrutiny of DPR for the year 2006-07, NRRDA instructed that Granular Sub Base (GSB) layer should be done with the appropriate blending of suitable material available within normal rates. Bats may be made by breaking bricks and allowing carriage of bricks, if necessary. Audit observed that out of 36 works executed in 2006-07, brick bats worth ₹ 586.49 per cu. m were used in GSB layer in case of 31 works, while stone metal costing between ₹ 1200 to ₹ 1550 per cu. m. was used in the remaining five. Usage of stone metal in five works involving 11373.06 cu. m. resulted in excess expenditure of ₹ 90.99 lakh.

The Executive Engineer, PIU stated (July 2011) that PIU had no role in fixing the rates of items of work as the Chief Engineer (WBSRDA)/Superintending Engineer (WBSRDA) was the competent authority in this respect. The reply was not tenable as he was liable to exercise 30 *per cent* check on DPR and the Assistant Engineer, 100 *per cent*.

Recommendations

- ***Financial controls should be made stringent to avoid excess payments.***
- ***Efforts should be made to complete works within stipulated time.***

2.1.6.1.2 Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

JNNURM is an urban modernisation scheme launched by the GoI Ministry of Urban Development in December 2005. It *inter alia* consists of sub-missions:

- Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) with the focus on water supply and sanitation, solid waste management, road network, urban transport and redevelopment of old city areas; and
- Integrated Housing and Slum Development Programme (IHSDP) administered by Ministry of Housing & Urban Poverty Alleviation aiming at providing adequate shelter and basic infrastructure facilities to the slum dwellers of identified urban areas.

Out of two Municipalities of Dakshin Dinajpur, implementation of the programmes in Balurghat was reviewed in Audit.

(a) UIDSSMT

Balurghat Municipality undertook drainage and other works under UIDSSMT at a cost of ₹ 14.64 crore in 2007 with the technical assistance from the

[53] *After allowing 10 per cent permissible excess*

Municipal Engineering Directorate. The works were scheduled to be completed in 2009. Audit noticed that out of 27075 meters sanctioned, the Municipality completed 24121 m of drainage (89 *per cent*) as of March 2011. Against the sanction of 35 outfall structures, 16 were constructed (46 *per cent*). Similarly, 18 culverts were completed (75 *per cent*) out of the sanctioned target of 24 culverts. Under the renovation and restoration of 3500 m of old drains, 2900 m (83 *per cent*) was covered. However, works relating to one pumping station for 'K' sub-basin and 35 penstock gates were not taken up as of March 2011. The Municipality attributed (May 2011) the tardy progress of works to non-availability of funds, encroachment of land etc. The reply was not tenable as the Municipality itself released only ₹ 0.27 crore, against its contribution of ₹ 1.53 crore. Further, the Municipality was required to take up the works after ensuring availability of the sites.

(b) Integrated Housing & Slum Development Programme (IHSDP)

Against the target of 790 DUs, 345 were complete, 386 were under construction and 59 were not taken up as of March 2011

IHSDP was launched in Balurghat Municipality in 2009–10. During 2009–11, against the approved allocation of ₹ 15.77 crore (₹ 7.90 crore for dwelling units and ₹ 7.87 crore for infrastructure development, etc.), the Municipality received ₹ 8.64[54] crore, of which it expended ₹ 7.24 crore (84 *per cent*). Of the same, ₹ 7.19 crore was spent only on construction of dwelling units.

Against the target of constructing 790 DUs, Balurghat Municipality could complete 345 DUs, while 386 DUs were under construction and 59 DUs were not taken up as of March 2011. Project Director, DRDC attributed (May 2011) the shortfall in construction of DUs to the irregular supply of building materials by local suppliers. However, steps taken to overcome the hindrances were not intimated to Audit.

2.1.6.2 Employment Generation

The GoI and the State Government have initiated a number of livelihood programmes to tackle poverty and unemployment. Implementation of two such programmes -- Swarnjayanti Gram Swarozgar Yojana and National Rural Employment Guarantee Scheme (NREGS) were reviewed in audit.

2.1.6.2.1 Swarnjayanti Gram Swarozgar Yojana (SGSY)

The objective of the SGSY is to facilitate poor families to climb above the poverty line by ensuring appreciable sustained level of income over a period of time through their organisation into Self Help Groups (SHGs) brought about by a process of social mobilisation, training and capacity building and provision of income generating assets through a mix of bank credit and subsidy.

Each District Rural Development Cell headed by Project Director (PD) may utilise the scheme funds on provision of revolving fund to SHGs, training, infrastructure development and subsidy. Providing infrastructure support under SGSY aims primarily to bridge the gaps in available infrastructure. Further, the progress/performance of the SHG/individual in management of assets for generation of incremental income has to be continuously followed up, monitored and evaluated. The programme is implemented by Panchayat

[54] *Including interest of ₹ 4.78 lakh earned upto 31 March 2011.*

and Rural Development Department in the State and by the DRDC in the District. The follow up on the projects undertaken by the *Swarozgaris* should be done by DRDC/Block officials and bankers to assess the capability to generate the projected income. The funds received and expenditure incurred during 2006-11 are indicated in Table below.

Table 2.1.14: Funds received and expenditure incurred during 2006-11 (Rupees in lakh)

Year	Allocation		Opening balance	Release		Miscellaneous receipts	Funds available	Expenditure	Closing balance
	Central	State		Central	State				
2006-07	201.51	67.17	43.70	195.99	65.32	0.77	305.78	276.56	29.22
2007-08	307.48	102.49	29.22	305.72	103.74	10.13	448.81	345.69	103.12
2008-09	363.50	121.17	103.12	363.50	105.63	3.74	575.99	494.57	81.42
2009-10	440.08	146.69	81.42	462.70	161.82	8.90	714.84	708.83	6.01
2010-11	507.59	169.20	6.01	507.59	177.14	5.72	696.46	693.59	2.87
Total	**1820.16**	**606.72**		**1835.50**	**613.65**	**29.26**	**2522.11**	**2519.24**	

(Source: Data furnished by DRDC, Dakshin Dinajpur)

In three test checked blocks and the ZP, out of ₹ 3.08 crore released (training: ₹ 0.83 crore, and infrastructure: ₹ 2.25 crore) during 2006-11, ₹ 1.22 crore meant for infrastructure and ₹ 7.29 lakh meant for training in one Block (Kumarganj) remained unutilized, while utilisation of ₹ 0.66 crore released to two other test-checked blocks[55] for training could not be ascertained due to non-maintenance of records by the Executive Officers of the PSs.

(a) Status of Self Help Groups

Before credit linking, SHGs have to undergo two stages of evaluation to ensure that they have developed credit discipline and financial management skills. SHGs are evaluated six months after their formation for assessment of their eligibility for being benchmarked as Grade I, which would make them eligible for receipt of first installment of Revolving Fund (RF). Grade I SHGs are further evaluated six months after the receipt of RF and successful groups enter Grade II stage for credit linkage to start income generating activities. Target and achievement during 2006-11 are indicated in the table below:

Table 2.1.15: Status of SHGs

Year	Target for SHG to be formed	SHG formed	SHG passed Grade -I	SHG passed Grade –II	SHG started economic activities
1999-2005	NA	3009	2503	307	297
2006-07	NA	3327	1901	231	73
2007-08	NA	2694	2007	452	132
Total	**NA**	**9030**	**6411**	**990**	**502**
2008-09	366	462	383	334	329
2009-10	278	244	2061	222	447
2010-11	2450	429	620	605	357
Total	**3094**	**1135**	**3064**	**1161**	**1133**
Grand total		**10165**	**9475**	**2151**	**1635**

(Source: Records of DRDC, Dakshin Dinajpur)

Sixteen *per cent* of SHGs could reach the level of income generating activities with credit linking

During the years 2006-07 and 2007-08, 6021 SHGs were formed, while no targets were available with the DRDC. During 2008-11, only 1135 (36 *per cent*) SHGs were formed against 3122 targeted. Though the targets fixed during 2008-11 were low, achievement in formation of SHG were poor. As of March 2011, 51 *per cent* of BPL families (98450 out of 191885) in the District were covered under the Scheme. The performance of the programme was unsatisfactory as out of 10165 SHGs formed, only 1635 (16 *per cent*) were credit linked for income generating activities as of March 2011. Considering that each group normally consists of 10 persons, benefit of the

[55] *Balurghat and Harirampur*

scheme was actually accrued to approximately 16350 BPL families (nine *per cent)* of the District.

Scrutiny of records revealed the following:

- There were delays beyond the permissible limit of 30 days in processing applications for RF/ loans by PSs and DRDC. In 849 test checked cases of RF (out of 1338 cases in 2010-11) and 79 cases of activity loan/subsidy (out of 358 cases in 2010-11), substantial delays in processing the cases were noticed in test check as under:

Table 2.1.16: Delays in processing application for revolving fund

	Agency	Number of cases with processing time			
		0 to 30 days	31 to 180 days	181 to 365 days	Above 365 days
Releasing RF	**By PSs**	264	567	nil	18
	DRDC	75	670	104	nil
Activity loan/subsidy	**By PSs**	01	69	nil	09
	DRDC	nil	64	15	nil

Source: Record of DRDC

- Records of three test-checked blocks and ZPs, revealed that ₹ 2.21 crore was released (as of March 2011) to the executing agencies for construction of cluster houses, green houses, training centres, etc. Deviating from stipulation to release funds in phases according to the progress of work, funds were released lump sum without assessment of the requirement. This led to parking of ₹ 90 lakh[56] (41 *per cent*). As of March 2011, 12[57] such houses out of 25[58] were completed, while work was yet to be taken up in case of 10 (40 *per cent*) due to land problems, etc. Out of the 12 houses completed, 10[59] constructed at a cost of ₹ 89.51 lakh were not handed over to DRDC by PSs for over ten to 42 months owing to non-completion of electrical works, non transfer of land to DRDC, want of water source, etc. In reply, PD, DRDC stated (July 2011) that he did not have technical personnel to assess the requirement of funds for construction and to monitor the progress of work.



Incomplete cluster house in Kumarganj Block



Unutilised Green House in dilapidated condition in Kumarganj Block. Green House constructed in July 2009 could not be utilised for want of water source

- Audit interviewed 66 SHGs in three test checked blocks for impact assessment and found that individual members of 35 credit-linked SHGs

[56] *Unutilised funds: ₹ 78.50 lakh and unspent balances retained: ₹ 11.50 lakh*
[57] *clusters house(8), green houses(2) , training centre(1) and facility centre(1)*
[58] *clusters house(17), green houses(2) , training centre(1)and facility centres(5)*
[59] *clusters house(8), green houses(2) , training centre(1)and facility centre(1)*

generated monthly income ranging from ₹ 400 to ₹ 900 against the target of ₹ 2000. As revealed from interview with beneficiaries, inadequate income generation was attributable to SHGs engaging in individual activity instead of group activities, taking up activities other than for which they were credit-linked, parking of loans in fixed deposits without being invested in the stipulated activity[60] etc. The same was confirmed (August 2011) by the PD, DRDC.

Stipulated monitoring mechanism of SGSY was not working effectively in the District. The District SGSY Committee which was to review the progress of SGSY met only 11 times during 2006-2011 *vis-à-vis* stipulated 60. There were no records to indicate whether various levels of functionaries undertook stipulated number of field visits. Though the inspection reports of field visits were to be discussed in the governing body of DRDC, no such body was existing in the District. PD, DRDC admitted that lack of proper monitoring was the main hindrance of progress of SGSY.

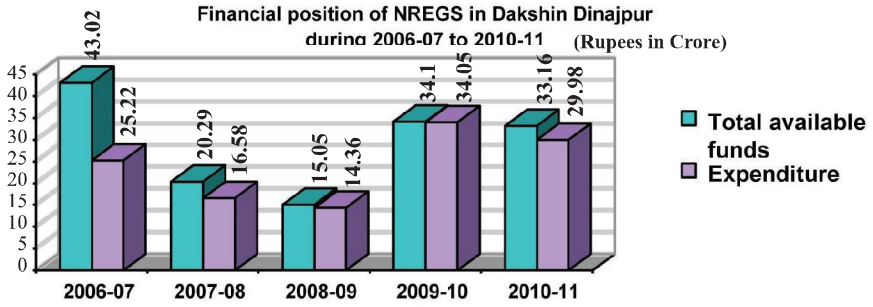
2.1.6.2.2 National Rural Employment Guarantee Scheme (NREGS)

National Rural Employment Guarantee Act (NREGA) was enacted in September 2005. In West Bengal, the Panchayats and Rural Development Department (P&RDD) is the nodal agency for implementation of NREGS; while at the District level the District Programme Co-ordinator implements the scheme through the Programme Officers at PS level and GPs. The primary objectives of the scheme are as under:

(i) To enhance the livelihood security of the rural people by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work; and

(ii) Payment of daily wages to the labourers on a weekly basis or in any case not later than a fortnight after the date on which the work is done.

During 2006-11, out of ₹ 145.62 crore available under NREGS, ₹ 120.19 crore (83 *per cent*) was expended. Percentage of utilization of available funds in sample GPs ranged between 67 and 86 *per cent*.



Audit observed that the scheme suffered due to lapses in planning and implementation as discussed below:

[60] *Out of 35 credit-linked SHGs, all were engaged in individual activities, 12 in activities other than for which they were credit-linked and 21 had parked loan amounts ranging from ₹ 50000 to ₹ 2.5 lakh in term deposits.*

(a) Annual Plan and Labour Budget

Annual Action Plan is a proposal of developmental projects keeping in view of local needs and contains estimated demand for employment opportunities. The labour budget containing anticipated demand for unskilled manual work is to be prepared by the District Programme Coordinator. Scrutiny revealed that only 41 *per cent* of labour budget estimate was received by the District during 2007-11. The year-wise position is shown in ***Appendix 2.1.13.***

Achievement against target in respect of both labour budget and AAP was far below during 2008-09 and 2010-11 than the achievement in 2007-08.

Table 2.1.17: Achievement against target in respect of labour budget and AAP

Year	Target (number of schemes)		Achievement (number of schemes)		Percentage of schemes completed with reference to	
	Labour budget	AAP	Completed	Ongoing	Labour budget	AAP
2006-07	Not available	Not available	1801	906	-	-
2007-08	2874	21231	2137	229	74	10
2008-09	1298	10010	317	378	24	3
2009-10	972	12888	1688	1089	100	13
2010-11	7696	19457	1255	692	16	6
Total	**12840**	**63586**	**7198**	**3294**		

(b) Generation of Employment

It was noticed that on an average only 36 *per cent* of the job card holders were provided employment, but a negligible number of households were provided 100 days guaranteed employment. The shortfall in providing guaranteed 100 days wage employment to card holders who had demanded employment ranged between 92 and 99.71 *per cent* as shown in the table below:

Table 2.1.18: Shortfall in providing employment to card holders *(Number in lakh)*

Year	Number of Job Cards Issued	Job card holders who demanded and were provided employment	Job card holders provided 100 days employment	Percentage of shortfall *vis-à-vis* card holders demanding for employment	Total no. of mandays generated
2006-07	2.45	1.76 (72)	0.009	99.49	27.70
2007-08	2.46	0.87 (35)	0.021	97.59	18.62
2008-09	2.46	0.70 (28)	0.002	99.71	17.30
2009-10	2.69	0.56 (21)	0.011	92.04	29.84
2010-11	2.74	0.78 (28)	0.005	99.36	20.02
Total	**12.80**	**4.67 (36)**	**0.048**		**113.48**

Audit scrutiny revealed deficiencies in implementation of the scheme, as discussed below:

- Wages were to be paid to the labourers on a weekly basis and in any case within a fortnight of the work being done. Any delay in payment of wages entitles the labourers for compensation. In two sampled GPs[61], there were delays ranging from 2 to 35 days in payment of wages (amounting to ₹ 4.51 lakh) to 887 labourers during 2008-10. However, the labourers were not paid any compensation.
- In the sampled GPs, photographs were not affixed on 19124 job cards out of 27796 job cards in contravention of the provision of the guidelines. In absence of photographs possibility of issuance of more than one job card to any person could not be ruled out.

[61] *Bhatpara and Gopalbati*

- Social audit was not conducted during 2006-09. Though social audit forum was constituted at the GPs level, only 59 *per cent* of targeted number of social audit was conducted during 2009-11.
- Though the District NREGA cell stated that inspection of works was conducted, no record in support of the same could be produced to audit despite ₹ 13.53 lakh shown as spent towards hire charges of vehicles and fuel during 2006-11 on account of inspection.

Thus, achievement against the targets for Annual Action Plan was very low. Basic tenet of providing 100 days of guaranteed wage employment to every household has not been achieved. Implementation of the programme was deficient as reflected from delay in payment of wages, non payment of compensation, lack of effective inspection and absence of social audit.

Recommendations

- ***Steps need to be taken for effective utilisation of created infrastructure.***
- ***Concerted efforts needed to be taken for achieving the targets as per labour budget and thereby ensuring 100 days employment.***
- ***Effective oversight needs to be ensured.***

2.1.6.3 Energy

2.1.6.3.1 Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)

Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) was launched by GoI in April 2005 to provide electricity to all rural households within a period of five years. The scheme is implemented with 90 *per cent* subsidy from GoI. Electrification of below poverty line (BPL) rural households is fully financed by GoI. The West Bengal State Electricity Distribution Company Limited (WBSEDCL) is the implementing agency. During 2006-11, out of the available funds of ₹ 99.54 crore, ₹ 71.16 crore (72 *per cent)* was expended.

Twelve *per cent* of the targeted households and 18 *per cent* of BPL households were covered under RGGVY

As per DPR prepared by WBSEDCL, the aim was to (i) electrify 185 virgin mouzas and (ii) energise 1.75 lakh rural households including 1.09 lakh BPL households in 1346 mouzas by March 2010.

As of March 2011, with the electrification of 185 virgin mouzas, all the mouzas in the District were electrified. However, against the target of energising 1.75 lakh rural households in 1346 mouzas, achievement was mere 0.21 lakh households (12 *per cent*) in 392 mouzas. This included 0.19 lakh BPL households which accounted for 18 *per cent* of the targeted 1.09 lakh. Thus, the targets were not met as of March 2011 and the objective of electrifying all rural households remained unachieved. WBSEDCL attributed non-achievement of targets to delay in procurement of materials and non-mobilisation of manpower.

Further, out of 659 mouzas and 0.33 lakh BPL households where electrification work was completed, 267 mouzas (41 *per cent*) and 0.18 lakh BPL households (46 *per cent*) were not energised. This was attributed by

WBSEDCL to lack of co-ordination among its various wings and apathy of WBSEDCL towards energisation of BPL consumers.

As per Rural Electricity Policy (2006), a village would be declared as electrified based on the certificate issued by GP. It was noticed that out of 577 mouzas energised in Dakshin Dinajpur, 244 (43 *per cent*) were not declared as electrified for want of certificates from GP. Thus, though all the mouzas in the District were electrified as per WBSEDCL records, they were not declared as electrified. WBSEDCL attributed this to delay in collection of GP certificates by contractor.

Audit noted the following irregularities in course of scrutiny:

- Under the scheme, BPL households were to be provided the connection free of cost. Joint inspections (with Gram Pradhan) of five[62] mouzas in three selected blocks where the scheme was implemented under the Tenth Plan (up to March 2007), however, revealed that 52 out of 53 (98 *per cent*) BPL households had to pay ₹ 150 to ₹ 200 for Pressed Cement Concrete (PCC) pole for service connection. It was seen that in Eleventh Plan[63] (2007-12), BPL households were provided connection free of cost using 'U' shaped service pipe instead of PCC pole. Audit noted that BPL beneficiaries had to pay money for faulty planning of WBSEDCL.

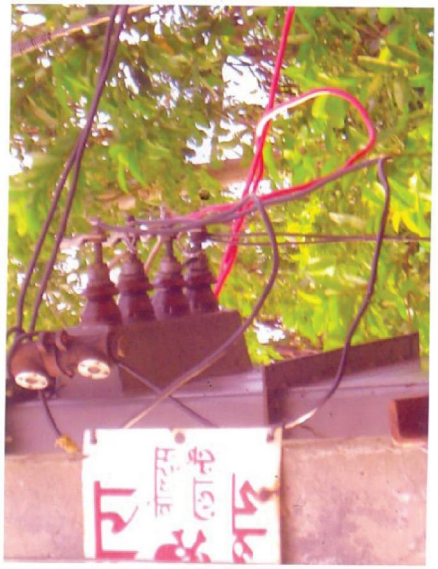
- For creation of Rural Electricity Distribution Backbone WBSEDCL awarded (August 2006) work for construction of one sub-station at Rampur in Tapan Block at ₹ 3.11 crore to a contractor. The sites were, however, handed over (September 2007) 13 months after the award. Further, WBSEDCL had to change the design and Bill of Quantity[64] and delayed approval of the drawings which was indicative of inadequate planning. Thus, the sub-station slated to be completed by August 2007 got delayed by 22 months depriving the beneficiaries of quality power for 22 months. Further, work for erection of 1279 KM of three phases and 131 KM of single phase LT lines was awarded to another contractor in February 2009. Against the same, 260 KM (20 *per cent*) of three phase lines and 440 KM (336 *per cent*) single phase lines have been extended as of March 2011. Abnormal extension of single phase line disproportionate with three phase lines resulted in heavy load demand leading to frequent burning of Distribution Transformers (DTRs) and power interruptions frustrating the objective.

- RGGVY is implemented by the Rural Electrification (RE) wing of WBSEDCL. After completion of electrification work of 185 virgin mouzas, excess material worth ₹ 1.30 crore was returned by contractors between June and September 2009. WBSEDCL transferred the excess materials, which should have been part of the RE store, to its O&M division. This was tantamount to diversion of scheme fund of ₹ 1.30 crore.

[62] *Bunnapara, Mahasani, Paschim Gobindpur, Setor and Srikol*
[63] *RGGVY had two tranches of funds – 10th plan funds and 11th plan funds.*
[64] *Estimated quantity of material*

- It was noticed that 0.986 KM of 11 KV and 0.664 KM of LT 3 phase lines and three 10 KVA DTRs were erected (September 2006) in Pyrapur mouza under Jakirpur Gram Panchayat at a cost of ₹ 9.11 lakh. The expenditure of ₹ 9.11 lakh proved unfruitful as the mouza was uninhabited according to the record of GP.

- Guidelines mandate engagement of Third Party Inspection Agency (TPIA) to ensure that the required materials and the workmanship conform to the prescribed specifications. The defects and deficiencies pointed out by TPIA were to be rectified by the contractors. Accordingly, WBSEDCL entered (September 2008) into an agreement with RECPDCL[65] to monitor the electrification of 185 virgin mouzas[66] at a cost of ₹ 40 lakh. The electrification work, however, had been completed in April 2007. Engagement of TPIA 18 months after the completion of work served no purpose as the contractors refused to rectify the defects and deficiencies pointed out in inspection (January to March 2009) owing to lapse of guarantee period. Thus, delay in engaging TPAI led to infructuous expenditure of ₹ 40 lakh.



Illegal tapping of electricity from transformer in Srikol mouza

- Srikol under Harirampur Block was electrified in March 2007 under Tenth Plan (2002-2007). As per records of GP, this mouza was no longer populated by 2006 and four BPL households had been residing there after 2006. Out of the four BPL households, one was electrified. On joint inspection of this mouza with Gram Pradhan (June 2011), it was noticed that electricity was being illegally tapped from the transformer (which was erected to electrify this mouza) for drawing water from Shallow Tube Well. This illegal connection was known to be continuing since 2007. WBSEDCL was unaware of this illegal connection owing to poor monitoring.

- Out of 7094 connections effected under the scheme (as of June 2011), bills were not raised in respect of 3011 resulting in loss of revenue of ₹ 45.16 lakh[67] during May 2007 to June 2011. Lack of co-ordination between the Rural Electrification wing which implements the scheme and the Supply wing which raises the bill led to non-billing.

Recommendation

- ***Activities of concerned wings of WBSEDCL should be co-ordinated for effective implementation of the Scheme.***

[65] *Rural Electricity Corporation Power Distribution Company Limited.*
[66] *Apart from Dakhsin Dinajpur, TPIA jurisdiction extended to seven other districts.*
[67] *Calculated at the minimum bill of ₹ 30 per month for 50 months (up to June 2011) in respect of 3011 beneficiaries.*

2.1.7 Monitoring

2.1.7.1 Supervision

Guidelines for implementation of the Central and State plan schemes stipulate monitoring requirements. However, the DM is responsible for monitoring the overall progress of implementation of various developmental programmes and ensuring that these are executed within the specified timeframe and approved budget. In view of convergence of multiplicity of developmental schemes and involvement of larger number of implementing agencies, stronger and comprehensive district level monitoring mechanism needs to be in place. However, in the absence of any such consolidated monitoring mechanism at the district level, sufficiency of monitoring was not assessable against standards set. However, that DPC convened only four review meetings during 2006-11, no meeting having been convened in 2007-08 and 2010-11, speaks of the gaps in monitoring. Lack of monitoring impacted execution of schemes significantly, as discussed in specific cases.

2.1.8 Conclusion

While audit observed some positive trends in the Social Sector programmes relating to health and education, there are quite a few areas that have been flagged for focused attention of the State/District administration.

The overall impact of various socio-economic developmental programmes being implemented in Dakshin Dinajpur District on the living standards of the people of the District was limited as indicated by non-achievement of targets. The district either failed to formulate district plans or formulated these with such delay that the exercise proved to be futile. The individual planning of major schemes reviewed were also deficient. While PRIs are empowered to prepare specific plans for integrated development of their area, lack of structured annual action plans at these levels resulted in their inability to expend funds provided to them for implementation of various programmes. Absence of adequate participation from PRIs in the planning process is hindering the planned progress of the District and the felt needs at the grass root level remain unaddressed.

Under the Health sector, though Implementation of NRHM brought about some positive effect in terms of wider coverage of institutional deliveries and reduction in infant mortality, there is much scope for improvement as regards setting up of new health centres and supplementing deficient facilities in inpatient services like, operation theatres, labour room, pathological test facility etc. Besides, significant shortages of medical officers and paramedics were also a matter of concern, which potentially affected quality of health care services. Functioning of Rogi Kalyan Samitis needs to be honed up for ensuring better community participation and ownership in health delivery services.

There was no increase in the number of elementary schools during the last five years. Even the existing schools lacked requisite infrastructure like stipulated number of class rooms, toilets, etc. as various interventions of the Scheme were either not implemented or inadequately implemented. Disparities in posting of teachers coupled with deficiencies in capacity building of teachers might potentially affect the quality of teaching. Though drop-out and promotion rate of students improved, enrollment of children decreased during last five years.

ICDS programme failed to provide requisite nutrition to the targeted population for 300 days in a year mainly due to shortage in supply of food. Besides, not only the Anganwadi Centres (AW centres) suffered from inadequate infrastructural facilities, supervision on their functioning was also compromised owing to shortages of CDPOs.

Under Water supply sector, out of 24 works taken up under ARWSP during 2006-2011, two schemes due for completion in December 2010, were yet to be completed as of July 2011, while two other schemes had not been taken up due to land dispute and insufficiency of water sources. Slow implementation of work resulted in safe drinking water not being supplied to school children in quality affected area and 8.83 lakh people of fluoride affected areas. In violation of CE's order, Bacteriological test of the existing 40 PWSSs was not conducted at all since July 2009. Remaining two schemes were ongoing as of July 2011.

Even after implementation of PMGSY for last ten years, 52 *per cent* of the habitations remained unconnected, though length of road increased by 73 *per cent* and number of connected habitations by 64 *per cent*.

The components of JNNURM like sanitation and construction of houses were restricted due to irregular supply of building material and encroachment of land.

Employment generation schemes like SGSY and NREGS failed to make the desired impact in the District and suffered from lax supervision. Concerted efforts need to be taken to exercise effective oversight in order to achieve the targets.

Though the RGGVY succeeded in bringing electricity to all the mouzas in the District, all rural households in the District could not be energised after five years of launching the programme.

The State Government will have to address these serious issues in order to ensure development of Dakshin Dinajpur District at the desired pace.

The matter was referred to the Government in September 2011; reply is, however, awaited (November 2011).

2.1.9 Summary of recommendations

- ***Under NRHM, the District Health Society should commission household and facility surveys to assess the requirement and identify the gaps in health care infrastructure in the District. Initiatives should be taken for time-bound construction of Sub-centres to equip the health centres with facilities and manpower as per IPHS norms, to achieve the Programme objectives.***

- ***Under SSA, the civil works should be geared up to provide the minimum infrastructural facilities to all schools in a time-bound manner. Posting of teachers needs to be rationalised to remove extreme disparities in PTR.***

- ***Under ICDS, immediate steps should be taken for improvement of infrastructural facilities of Anganwadi centres. Provision of adequate food material should be ensured to provide stipulated nutrition to the beneficiaries for 300 days in a year.***

- ***Annual Action Plan for the Accelerated Rural Water Supply Programme should be prepared in accordance with the guidelines indicating the prioritisation of incomplete works particularly the Not Covered habitations. Monitoring of the schemes and testing the water quality at prescribed interval should be enforced.***

- ***Under Indira Awas Yojana, strict financial control and monitoring to be enforced to prevent misuse of funds and deprivation of central funds. The district authorities should analyse reasons for disproportionate financial and physical progress.***

- ***Implementation of Total Sanitation Campaign programme needs to be geared up for achievement of targets. IEC activities should be strengthened.***

- ***Under Pradhan Mantri Gram Sadak Yojana, financial controls should be made stringent to avoid excess payments. Also, efforts should be made to complete works within stipulated time.***

- ***Steps need be taken for effective utilisation of infrastructure created under NREGS and SGSY. Concerted efforts needed to be taken for achieving the targets as per labour budget and thereby ensuring 100 days employment under NREGS.***

- ***Activities of concerned wings of West Bengal State Electricity Distribution Corporation Limited should be co-ordinated for effective implementation of the Rajiv Gandhi Grameen Vidyutikaran Yojana.***

URBAN DEVELOPMENT DEPARTMENT

2.2 Working of Siliguri Jalpaiguri Development Authority

Executive Summary

Located at the narrow corridor linking North-Eastern States to the rest of the country and on the traditional trade route to Sikkim, Nepal, Bhutan and mandated with the responsibilities of planned and integrated development of Siliguri Jalpaiguri Planning Area (SJPA), Siliguri Jalpaiguri Development Authority (SJDA) was constituted in April 1980 under the West Bengal Town and Country (Planning and Development) Act, 1979. Since then, it has taken leadership in providing connectivity with the existing state and national highways by way of constructing new and alternative bye-roads, fly-overs and bridges and has executed a number of projects for development of housing and transport infrastructure. During 2006-11, 481 developmental works valuing ₹ 256 crore were undertaken by SJDA, of which 177 were completed up to March 2011. It has a total notified planning area of 5.75 lakh acres under its jurisdiction and prepared long term Master plan for land use in the form of Land Use and Development Control Plan (LUDCP) for 1.35 lakh acres. Audit has flagged certain areas of concern as regards planned use of land, strengthening financial and operational controls, acquisition, utilisation of land, infrastructure development and internal control.

- Contrary to its statutory responsibility to prepare Land Use and Development Control Plan within two years of notification, SJDA did not do so in respect of substantial part of its notified area after seven to 31 years of notifications. As a result, individual development works taken up by SJDA did not have desired linkage with long term development plans.
- Budget management was flawed as would be evident from instances of delays in sending budget proposals to Government and wide variation between budget and actuals. Financial management was deficient leading to shortfall in collection of toll charges, rents, etc. and retention of heavy cash balances in savings and current bank accounts.
- Inability to protect its interest was apparent from the instances of non-registration of 462.43 acres of land acquired, acquisition of excess land than requisitioned by the requiring body, transfer of 8.58 acres of land in excess of acquisition to a requiring body free of cost, etc. noticed in audit. Besides, 48.748 acres of land acquired at ₹ 7.83 crore was under encroachments, indicating lack of diligence.
- In the absence of comprehensive policy for fixation of prices for leasing out of land, decisions taken by SJDA were often arbitrary resulting in loss of revenue on allotment of land at reduced rate and extension of undue favour to lessees. Instances of execution of works outside SJPA were noticed.

- The control deficiencies in SJDA were compounded by lax monitoring by Urban Development Department, though the Act had mandated the Department to monitor the activities of the Authority and Government was represented in the board of the Authority by Minister and Principal Secretary of the Department.

2.2.1 Introduction

Siliguri Jalpaiguri Development Authority (SJDA) was constituted in April 1980 under the West Bengal Town and Country (Planning and Development) Act, 1979 (the Act) with the main objective of ensuring planned and integrated development of Siliguri Jalpaiguri Planning Area (SJPA) by providing facilities like land, roads, drainage system, housing complexes, industrial estates, marketing complexes etc. SJPA comprises total area of 575031 acres notified (up to February 2011) by the Government of West Bengal (GoWB) in the jurisdiction of ten Police Stations of Darjeeling and Jalpaiguri Districts.

The Annual accounts of SJDA are prepared through Chartered Accountants, while audit of the accounts is entrusted under Section 20 (1) of CAG's DPC Act 1971 to the Comptroller and Auditor General of India by the Government in pursuance of Section 111 of the Act *ibid.* The SJDA has been incurring losses for last four years up to 2009-10; the accounts for 2010-11 has not yet been finalised.

2.2.2 Organisational set up

The SJDA functions under the administrative control of Urban Development Department and its activities are managed by a Board[1] constituted by the GoWB under Section 11 of the Act, *ibid.* The Chief Executive Officer (CEO), who is the Member-Secretary of the Board, supervises day-to-day activities of SJDA. There are four wings in SJDA. They are Engineering, Planning, Administrative and Accounts headed by Superintending Engineer, Associate Planner, Assistant Executive Officer and Accounts Officer respectively, who assist the CEO in their respective fields. Besides, there are 65 regular officers/staff of different cadres and 11 personnel under contract service.

The Board of Directors of SJDA is chaired by the Minister in Charge of UD Department with Principal Secretary of UD Department, Divisional Commissioner of Jalpaiguri Division, District Magistrates of Darjeeling and Jalpaiguri as Members. As per the Act, soon after the close of a year, SJDA shall prepare a report of its activities during the preceding year and submit it to the State Government.

2.2.3 Audit objectives

The objective of audit was to examine whether

[1] *Comprising 12 to 14 members including the Chairman, the Minister in Charge of UD Department*

- planning for development of the area was adequate and effective;
- financial management was economical and prudent;
- land acquired by SJDA for different purposes were utilised fruitfully and leasing of land was transparent, efficient and cost effective;
- schemes taken up for infrastructure development were appropriate and executed successfully; and
- internal controls were adequate and functioning of SJDA was adequately monitored.

2.2.4 Audit criteria

Audit criteria used for the study were as under:

- Norms and procedures laid down in West Bengal Town and Country (Development and Planning) Act, 1979 and Development Authority (Audit and Accounts) Rules, 1981 (DA Rules);
- Guidelines of individual schemes framed by Government of India and executed by SJDA;
- Monitoring mechanism formulated by the State;
- Land Acquisition procedure followed by Land and Land Reforms Department; and
- Public Works Code.

2.2.5 Audit coverage and methodology

The performance audit of SJDA was conducted during May-July 2011 covering activities during the period 2006-2011 through test check of records of the Authority, including the records relating to 105 works out of 177 works completed during 2006-11. An entry conference was conducted in July 2011 with the Principal Secretary, Urban Development Department and with the CEO of SJDA in May 2011 to ascertain the activities of SJDA and schemes executed during 2006-2011 and to share with them the audit objectives, audit criteria and the audit methodology. On completion of audit, the audit observations were discussed in November 2011 with the Principal Secretary, UD Department in an exit conference and the views of the Government have been incorporated in appropriate places. The important audit findings are discussed in the following paragraphs.

Audit Findings

2.2.6 Developmental Plan

According to Section 31 of the Act *ibid*, every Development Authority shall, within two years of declaration of the planning area and with the approval of the GoWB, prepare Land Use and Development Control Plan (LUDCP) formulating

the policy and the general proposals in respect of the development of land and indicating broadly the manner in which the land is proposed to be used, such as residential, commercial, industrial, agricultural, natural scenic beauty, forest, wild life, natural resources, fishery and landscaping for public and semi-public open spaces, parks and playgrounds.

The Planning Section of the SJDA is responsible for preparation of LUDCP, which, after approval by the Board of Directors, was to be forwarded to the UD Department for approval.

2.2.6.1 Land Use and Development Control Plan

LUDCP prepared only for 59 *per cent* of Planning area notified up to May 2004

Initially, SJPA comprised (April 1980) an area of 2,87,130.2 acres spread over six PS *viz* Bhaktinagar, Jalpaiguri, Matigara, Naxalbari, Rajganj and Siliguri. Subsequently, 2,87,901.152 acres in four PSs[2] were added to SJPA between March 2002 and February 2011. Thus, as of March 2011, the planning area of SJDA comprised a total of 5,75,031.352 acres in 10 PSs of Darjeeling and Jalpaiguri districts.

Against 2,87,130 acres of land area available under its jurisdiction in 1980, SJDA prepared LUDCP for 1,35,262.54 acres (47 *per cent*), which was approved by GoWB in August 1992. The LUDCP due for 41488.09 acres of SJPA land notified between March 2002 and May 2004 was also not prepared as of November 2011. Thus, LUDCP for 1,93,355.75 acres (59 *per cent*) of land was not done even after seven to 31 years of notifications. As a result, SJDA was unable to assess and identify the areas available for various developmental works and to check unplanned growth, if any, within its planning area.

The SJDA received grant of ₹ 0.59 crore during November 2005 to March 2009 from GoWB for preparation of LUDCP. The amount remained parked in the deposit account for 24 months (₹ 0.59 crore) to 64 months (₹ 0.03 crore) up to March 2011, as the works were not taken up. The CEO, SJDA attributed (July 2011) the same to lack of sufficient in-house qualified planning expertise, but assured that preparation would be taken up shortly.

The reply did not address the issue of non-preparation of LUDCP for the notified area within the stipulated period of two years, which was the statutory responsibility of SJDA. Further, the Act stipulated that in case a Development Authority fails to prepare the development plan within the stipulated period, the State Government may direct any of its officers to prepare or cause to be prepared the same. The UD Department did not take any such step to get the LUDCP done.

The CEO intimated (November 2011) that the Government had consented to SJDA's proposal for strengthening the Planning Section. It was further intimated that SJDA engaged a private agency in June 2006 for preparation of Land Use Map and Register, which was almost complete as of November 2011. Though,

[2] *March 2002: 25856.544 acres in Phansidewa PS, May 2004: 15631.546 acres in Mainaguri PS and February 2011: 50410.871 acres in Phansidewa PS: 59007.48 acres in Khoribari PS and 136994.711 acres in Mal PS., LUDCP in respect 246413 acres of land added in February 2011 is not yet due.*

CEO assured to take proper steps to complete the LUDCP expeditiously, no target date for finalisation of the same was intimated.

2.2.7 Financial management

SJDA earns revenue receipts from development charges, bank interest, toll charges, lease rent of land/ market/ shops, parking fees, etc. Besides, it receives loans from State Government and grants/ subsidy from State/ Central Governments for different developmental works and schemes. During the period 2006-10, the quantum of such grants and loans stood at ₹ 97.63 crore and ₹ 9.69 crore respectively. Year-wise position of receipts and expenditure *vis-à-vis* budget estimates is given in **Table 2.2.1.**

2.2.7.1 Delay in submission of budget

Budgets for 2006-07 and 2007-08 were submitted to State Government after delays of 29 months and 17 months

According to Section 110 of the Act, *ibid,* read with DA Rules, 1981, SJDA was required to submit budget for the next financial year to the Government on or before 1 November every year, showing estimated receipts and expenditures in prescribed forms. SJDA intimated that it submitted the budgets to the GoWB for the financial years 2006-07 and 2007-08 both on 7 April 2008 with delays of 29 months and 17 months respectively, after close of the concerned financial years. It, however, could not produce the copies of budget estimates to Audit. The dates of submission of budgets for the financial years 2008-09 to 2010-11 were also not made available to Audit, though called for. As the estimates of fund requirements of the SJDA were sent to GoWB only after closure of the relevant years, there was no linkage between the funds allotted by the GoWB and the schemes sanctioned/taken up by the SJDA. Scrutiny revealed that due to non-receipt of funds, eight works with estimated cost of ₹ 14.44 crore sanctioned during 2008-09 (seven works) and 2010-11 (one work) were not started, while one work[3] with estimated cost of ₹ 2 crore (sanctioned in 2007-08) was abandoned in 2009-10. This was accepted (July 2011) by the CEO.

The laxity in budget preparation resulted in variations in actual receipts and expenditures as compared to budget estimates of the SJDA during the years 2006-07 to 2009-10. Accounts for 2010-11 has not been prepared (November 2011).

Table 2.2.1: Budget and actuals in receipts and expenditures during 2006-07 to 2009-10

Particulars	2006-07		2007-08		2008-09		2009-10		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	(Rupees in crore)									
Receipt	15.88	135.73 (855)	97.09	43.94 (45)	194.39	79.37 (41)	251.10	178.71 (71)	558.46	437.75 (78)
Expenditure	34.24	137.43 (401)	24.84	38.55 (155)	91.88	70.74 (77)	235.17	210.64 (90)	386.13	457.36 (118)

(Source: Budget figures furnished by SJDA and actuals as shown in Annual Accounts of SJDA)
Figures in brackets represent percentage of actuals with respect to budgets.

[3] *Town Drainage Scheme, Jalpaiguri, for which no grant was received from the State Government and the project was not included in the Budget for 2009-10*

High annual variations between budget estimates and actuals indicated unrealistic budget preparation

As evident from the above table, during 2006-10, total receipts fell short of budget estimate by 22 *per cent*; while expenditure surpassed budget estimates by 18 *per cent*. However, annual variations were higher, indicating unrealistic budget preparation which rendered the exercise meaningless. Reasons for such wide deviations from budgets were neither available on record nor intimated to Audit, though called for.

Further, the actual expenditure as intimated by CEO to Audit were at variance with those booked under annual accounts as shown under:

Table 2.2.2: Statement showing figures of actuals reported by SJDA and those booked in SJDA Accounts

	2006-07		2007-08		2008-09		2009-10		Total	
	(Rupees in crore)									
	As reported by SJDA	As per SJDA accounts	As reported by SJDA	As per SJDA accounts	As reported by SJDA	As per SJDA accounts	As reported by SJDA	As per SJDA accounts	As reported by SJDA	As per SJDA accounts
Receipts	135.73	135.73	46.65	43.94	78.30	79.37	48.61	178.71	309.29	437.75
Expenditure	54.46	137.43	38.31	38.55	65.56	70.74	86.27	210.64	244.60	457.36

(Source: Figures furnished by SJDA and Annual Accounts)

Such variations were indicative of flawed financial control in SJDA.

2.2.7.2 Working results

According to Section 112 of the Act, soon after the close of a year, SJDA shall prepare a report of its activities during the preceding year and submit it to the State Government. Further, in terms of Section 111 of the Act, *ibid* read with Development Authority (Audit and Accounts) Rules, 1981, SJDA was required to prepare annual accounts for submission to the Auditor appointed by the GoWB within 1 June every year.

Preparation of annual accounts was often delayed

It was noticed that SJDA appointed Chartered Accountants for preparation of the Accounts. The accounts for the years 2006-2010 were, however, submitted for audit with delays ranging from 160 days to 241 days while the accounts for 2010-11 had not yet (November 2011) been finalised. Government, however, continued to release funds without receiving the audited accounts. As a result, timely and proper utilisation of the funds allocated could not be ensured by the Government. Audited accounts for 2009-10 disclosed accumulated deficit of ₹ 87.89 crore. This was mainly on account of liability of ₹ 93.86 crore as interest on Government loans.

The CEO attributed (July 2011) the delay in preparation of accounts mainly to the time taken for estimation of different provisions and compilation of the same. The contention was not acceptable as it was a statutory duty to submit the accounts within 1 June every year and persistent delays weakened the financial management.

The SJDA suffered continuous losses during 2006-07 to 2009-10; year-wise losses being ₹ 7.33 crore, ₹ 11.12 crore, ₹ 10.36 crore and ₹ 9.47 crore respectively. However, test check disclosed instances of avoidable financial burden of ₹ 1.28 crore due to execution of schemes (₹ 47 lakh) outside its

planning area[4]; waiver (₹ 0.79 crore) of revenue on a market complex and financial aid (₹ 2.46 lakh) to individuals, clubs, mela committee etc.

CEO stated (July 2011) that the Board decided to bear the expenditure on works outside its planning area for developmental purpose, which was in the interest of the common people. The reply was not acceptable as SJDA was not statutorily liable to bear any expenditure on works outside SJPA.

2.2.7.3 Government dues remaining unpaid

SJDA did not repay any part of State Government loan; overdue loans and interest stood at ₹ 115.44 crore

Between March 1981 and March 2009, SJDA obtained loans aggregating ₹ 58.42 crore from GoWB at rates of interest varying from nine *per cent* to 15 *per cent per annum.* In terms of the Government orders, the overdue instalments of loan together with interest amounted to ₹ 115.43 crore[5] as of March 2011. SJDA neither paid interest nor repaid principal to Government till March 2011. The Department did not take any action for recovery of dues.

CEO stated (July 2011) that SJDA would focus on payment of interest and repayment of principal taken from GoWB.

2.2.7.4 Maintenance of balance in savings/current accounts

SJDA retained heavy cash balances in savings and current accounts; it did not prepare cash flow statement to assess requirement of liquid cash.

During 2006-11, SJDA maintained eight to nine bank accounts, of which two were designated for Valmiki Ambedkar Awas Yojana and West Bengal Municipal Development Fund[6]. Scrutiny of bank statements and pass books in respect of seven other accounts revealed retention of minimum monthly balances of ₹ 0.94 crore to ₹ 76.95 crore in aggregate. SJDA neither fixed any minimum amount to be retained in the bank account nor prepared cash flow statement to assess its requirement of liquid funds for day to day transactions so as to gainfully invest surplus funds. During 2006-11, SJDA maintained two current accounts (United Bank of India and State Bank of India) meant for day to day transactions. These accounts retained minimum balance of ₹ 0.10 lakh to ₹ 9.18 crore. The reasons for maintaining non-interest bearing current accounts was not stated, though called for.

The CEO stated (July 2011) that minimising the number of bank accounts was under active consideration. The reply was silent about reasons for maintenance of substantial cash balance in saving/current accounts. The CEO further intimated (November 2011) that conversion of current accounts into savings accounts was under process.

2.2.7.5 Financial burden in respect of service tax

As per Section 69 of Finance Act, 1994 read with Rule 4 of the Service tax Rules, 1994, every person who provided a taxable service of value exceeding ₹ 9 lakh in the preceding financial year is required to recover the service tax from the client

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[4] *Excess expenditure incurred over the sanctioned amount out of its own fund for construction of bus terminus at Kurseong (₹ 0.32 crore) and Mirik College (₹ 0.15 crore)*

[5] *Overdue principal: ₹ 21.69 crore and interest accrued and due: ₹ 93.74 crore.*

[6] *with effect from February 2011.*

against services rendered. In case of non-recovery, value of services will be taken to be inclusive of service tax.

SJDA did not collect service tax on rent/ advertisement revenue in violation of the extant rule and incurred liability to pay ₹ 0.30 crore on this count

Scrutiny of records revealed that the revenue received by SJDA from rent and advertisement, became taxable considering the exemption limit under service tax rules from May 2005 and June 2007 respectively. SJDA, however, did not collect service tax from the clients in violation of the Rule. It was noticed that Additional Commissioner, Central Exercise & Service Tax claimed (June 2011) Service tax of ₹ 8.14 lakh from SJDA on account of rent collected from one of its premises. As per the accounts of SJDA, revenue amounting to ₹ 3.06 crore was earned on account of rent and advertisement during 2006-11, but no amount of Service tax was shown as payable in the accounts. As a result, SJDA would have to shoulder financial burden of ₹ 0.30 crore out of its rent/ advertisement revenue of ₹ 3.06 crore.

While accepting the Audit observations, CEO stated (November 2011) that service tax would be recovered from lessees/clients concerned and due process for the same was on.

However, chances of recovery of service tax in the present cases remained remote as agreement with the clients did not include enabling clause in this regard.

2.2.7.6 Lack of control over collection of revenue

SJDA had outstanding dues of ₹ 1.62 crore, of which Board decided to waive ₹ 0.37 crore

SJDA earned revenue from development charges, lease rent of land/ market/ shop rooms, toll charges, parking fees, etc. However, it has no policy to fix the reserve price for tenders for selection of toll collecting agencies. Besides, although the revenue from the tenants, shop owners and toll collecting agencies remained outstanding for more than one year to 17 years, SJDA did not enforce recovery from the defaulters. As a result, aggregate amount of outstanding dues increased from ₹ 1.08 crore in March 2006 to ₹ 1.62 crore in March 2010. Of this, ₹ 0.37 crore on account of rent of stalls at Surya Sen Market handed over to Siliguri Mahakuma Parishad, was irrecoverable because of delay in realisation. The Board decided (October 2010) to waive the amount in view of difficulties faced by the payees, leading to loss of revenue.

Further, SJDA printed two lakh toll receipts (1.5 lakh in May 2007 and 0.5 lakh in May 2009) of various denominations[7] worth ₹ 0.56 crore. Though the same was shown as issued in the stock register, details of issue were neither on record, nor intimated by the Authority. It was stated (August 2009) that receipts were utilised for collection of toll[8] during the process of selection of regular toll collecting agency. SJDA did not monitor utilisation of toll receipts and correlate these to the amount of tolls deposited during that period. Though, SJDA had stated that collections of toll were deposited regularly, it could not produce any record in support of amount deposited by the security agency. This indicated lack of monitoring of revenue collection by SJDA.

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[7] *₹ 5, ₹ 6, ₹ 20, ₹ 37, and ₹ 55*

[8] *During the intermediate periods, the work of toll collection was assigned to the security agency of the office engaged by SJDA*

In reply CEO stated (November 2011) that the matter was noted for guidance to handle the situation in a more professional way in future.

2.2.8 Acquisition and leasing of land

As per order of GoWB (May 2011), SJDA prepared a status report of land. However, the basic records/registers in support of the data included in the Status Report could not be shown to Audit. As per the statement, SJDA acquired 1207.958 acres of land till March 2011 for ₹ 101.35 crore through Land Acquisition (LA) Collectors (821.468 acres) of Darjeeling and Jalpaiguri, on lease from Government Department/Authorities (324.98 acres) and direct purchase (61.51 acres) from land owners. Out of this 801.189 acres were utilised, 48.748 acres were under encroachment and 237.59 acres involved in litigation. Time frame for utilisation of remaining 120.431 acres was not fixed.

SJDA did not make available the details of land allotted/ utilised during 2006-11. As a result, the number of allottees and total quantum of land allotted during this period along with the purpose *vis-à-vis* the status of utilisation were not ascertainable in audit. Moreover, SJDA did not indicate mouza/plot-wise identification of the land in LUDCP; nor did the Board of SJDA draw any reference of the LUDCP in the acquisition proposals. As such, adherence to or deviation from the existing LUDCP could not be examined in audit. Scrutiny revealed instances of extra expenditure, blockage of funds and loss on leasing of land as discussed in the succeeding paragraphs.

2.2.8.1 Delay in registration of acquired land

Out of 1207.958 acres of land acquired, 462.43 acres of land has not been registered by SJDA

Out of 1207.958 acres of land acquired, SJDA was yet to register acquisitions/ lease deeds in respect of 462.43 acres of land acquired under West Bengal Land Reforms Act, 1955, reasons for which were not on record. In absence of proper record keeping, it was not possible to assess the delays in registering the deeds. In absence of registered deeds, SJDA was unable to get the legal title on 462.43 acres of acquired land, indicating lack of seriousness in utilisation of the acquired land.

2.2.8.2 Extra expenditure on purchase of bulk land

In order to meet the requirement of land adjacent to urban areas, SJDA decided (June and September 2007) to create a land bank. During the period from November 2008 to January 2011, SJDA purchased 52.485 acres of land directly from owners at rates varying from ₹ 16.50 lakh to ₹ 30.80 lakh per acre against market value ranging from ₹ 6.01 lakh to ₹ 19.80 lakh per acre as discussed below:

In November 2007, owners[9] of 16.22 acres of land offered SJDA a price of ₹ 16.50 lakh per acre. For assessing acceptability of the cost, SJDA allowed

[9] *individuals, group of individuals, developers*

20 *per cent* enhancement (₹ 1.20 lakh per acre) in market value (₹ 6.01 lakh per acre) and added solatium[10] of 30 *per cent* (₹ 2.16 lakh per acre) of the enhanced price and notional rehabilitation cost of ₹ 8.27 lakh and arrived at the comparable price of ₹ 17.25 lakh[11] per acre. As the calculated price was higher than the offered price, the offered price was accepted and land was purchased accordingly.

SJDA purchased 52.485 acres of bulk land at prices higher than the market price leading to an extra expenditure of ₹ 2.21 crore

As LA Act justifies addition of 30 *per cent* solatium and 12 *per cent* additional amount on the value of land. Inclusion of 20 *per cent* enhancement, notional rehabilitation cost and 10 *per cent* administrative cost was thus not justifiable. As per the LA Act the admissible price of per acre land comes to ₹ 8.53 lakh per acre. Thus, there was an excess payment of ₹ 1.29 crore[12].

Similarly, land owners offered rates of ₹ 30.80 lakh per acre for 28.79 acres and ₹ 30 lakh per acre for 7.475 acres of land. SJDA accepted the offered price as it was less than the assessed the price of ₹ 30.92 lakh per acre calculated by adding 30 *per cent* solatium (₹ 5.94 lakh per acre), 12 *per cent* additional amount (₹ 2.37 lakh per acre) and 10 *per cent* administration cost (₹ 2.81 lakh per acre) on the market value (₹ 19.80 lakh per acre). As per the LA Act, the admissible price of land should be ₹ 28.11 lakh per acre. Thus, there was excess payment of ₹ 91.58 lakh[13].

Thus, there was an additional payment of ₹ 2.21 crore. The CEO stated (July 2011) that while approving the assessment, the Board had taken into consideration the additional funds that would have been expended on acquisition through LA Collector. However, the fact remained that SJDA had made excess payment even after allowing additional components of expenditures admissible under the Act.

2.2.8.3 Blockage of fund on acquisition of land in excess of requirement

SJDA acquired land in excess of the area requisitioned by the requiring body resulting in blockage of its own funds

To establish a Land Custom Station (LCS) at Fulbari, Jalpaiguri, SJDA initiated (February 2010) land acquisition proposal for 10 acres with the LA Collector, Jalpaiguri as per requirement of the Customs Authority, GoI, Siliguri, the primary requiring body (RB). During the initial stage of the process of acquisition of the land, RB intimated (April 2010) revised requirement of 6.51 acres. SJDA, however, did not take cognizance of the revision and acquired 10 acres on payment of ₹ 1.93 crore (February 2010: ₹ 0.38 crore and August 2010: ₹ 1.55 crore) out of its own fund. Though SJDA raised (July 2010) a claim of ₹ 1.26 crore for 6.51 acres of land, the RB did not pay the amount (July 2011). SJDA had also constructed a boundary wall around the entire area of 10 acres at ₹ 0.46 crore.

Thus, by acquiring land in excess of requirement, SJDA blocked ₹ 0.83 crore (land cost: ₹ 0.67 crore and proportionate cost of boundary wall around the excess

[10] *A statutory allowance payable in case of acquisition under LA Act.*
[11] *Though the price so arrived was ₹ 17.64 lakh, SJDA took it as ₹ 17.25 lakh.*
[12] *16.22 acres X (₹ 16.50 lakh - ₹ 8.53 lakh)*
[13] *28.79 acres X(₹ 30.80 lakh - ₹ 28.11 lakh) + 7.475 acres X (₹ 30 lakh - ₹ 28.11 lakh)*

land: ₹ 0.16 crore). CEO stated (November 2011) that 3.49 acres area would be utilised in near future, but did not specify the purpose and target date for utilisation of the same.

2.2.8.4 Transfer of land in excess of actual acquisition

SJDA erroneously transferred 8.58 acres of land in excess of actual acquisition to a requiring body

In accordance with the proposal (January 2004) of Central Reserve Police Force Authority, Siliguri (CRPF) for suitable land for establishment of Group Centre and Residential Colony, SJDA initiated land acquisition of 194.98 acres (Darjeeling District: 105.72 acres and Jalpaiguri District: 89.26 acres) and paid (July and December 2004) ₹ 7.16 crore to LA Collectors, Darjeeling and Jalpaiguri. SJDA was handed over (August 2005) possession of 182.39 acres of land. The balance 12.59 acres, being vested land was yet to be transferred (as of July 2011). After completion of all formalities, SJDA transferred the possession of the acquired land to CRPF in August 2005 and CRPF constructed boundary wall around the transferred land as per demarcation (December 2008) done by SJDA. However, on a joint survey conducted in April 2009, it was found that actual land area was 203.56 acres. Thus, there was excess transfer of 8.58 acres valuing ₹ 0.60 crore[14] free of cost to CRPF, depriving the State exchequer of revenue.

CEO stated (July 2011) that CRPF would be asked to hand over the excess land at the earliest in order to avoid complications. But the fact remained that SJDA had neither asked CRPF to hand over the excess land even after lapse of 30 months from joint survey nor taken action to ascertain the reasons for such excess transfer of land free of cost, indicating indifferent attitude.

2.2.8.5 Encroachment of land by unauthorised occupants

Out of 1207.958 acres of acquired land, SJDA failed to get physical possession of 48.748 acres of land acquired at ₹ 7.83 crore, as these were encroached upon by unauthorised occupants. Three such instances are indicated below:

48.748 acres of land acquired at ₹ 7.83 crore was under encroachment

a) SJDA did not get physical possession of 7.37 acres of land acquired (December 2003) at Eastern Bye Pass-Don Bosco connector, as the land had already been under encroachment at the time of acquisition. As a result, infrastructure development at the site could not be initiated. Though SJDA asked (April 2010) LA Collector, Jalpaiguri to refund ₹ 1.16 crore paid (September/ November 2003) for acquisition, the amount was yet to be refunded (October 2011).

b) SJDA took on lease (February 2008) 3.118 acres of encroached land (Nivedita Market: 1.442 acres and Hawkers Corner: 1.676 acres) from Railways at a cost of ₹ 4.87 crore[15] (paid between March 2006 and March 2007). Although the Railway Authority handed over (February 2008) the

[14] *Calculated at average rate of 194.98 acres of land*
[15] *Including ₹ 0.20 crore spent on registration of lease deed for Nivedita Market land*

possession of land at Nivedita Market on paper[16], SJDA failed to clear the encroachments as of July 2011. Several meetings with the business community to clear the encroachment met with no result. However, nothing was on record to show whether the issue was taken up by SJDA with other civil authorities. Thus, decision to develop lands which were not free from encumbrance resulted in expenditure of ₹ 4.87 crore infructuous. In reply, CEO stated (November 2011) that discussion and negotiations with the shop owners were going on for arriving at a solution.





Encroached land acquired by SJDA - Nivedita Market (left) and Hawkers Corner (right)

For establishment of cargo complex, SJDA acquired 3.91 acres of land (August 2006 and January 2008 and November 2008) at Dakshin Bagdogra mouza, Naxalbari PS through LA Collector, Darjeeling, at a cost of ₹ 0.75 crore. Though LA Collector handed over possession in July 2009, SJDA did not take necessary action to prevent encroachment of land. Consequently, SJDA failed to get physical possession of the land as of July 2011.

There was no record to show that there was any mechanism in SJDA to exercise diligence over acquired land and to take administrative measures to prevent encroachment of its land.

2.2.8.6 Allotment of land on lease hold basis

SJDA has no comprehensive policy for determining the economic price of land for allotment on lease

As of 31 March 2011, SJDA had allotted/utilised 801.189 acres of land for various purposes and developmental works on lease to entrepreneurs/individuals. It was observed that SJDA did not have any comprehensive policy regarding fixing of allotment price/lease premium of its land for various purposes. On an audit query, SJDA intimated (July 2011) that it had determined some rates for leasing of land in 1993 for allotting lands in Parivahannagar and Himachal Vihar and these rates were enhanced from time to time on initial base rate and actual allotment rate fixed through bidding/quotation/offer. It also decided to offer discounted rates for encouraging IT industries. It was observed that SJDA compromised its financial interest in the course of determination of the price of land to entrepreneurs, in the following cases.

[16] *Taking over note was signed by the Regional Planning Officer, SJDA*

- ***Leasing of land at food park***

SJDA took up construction (July 2006) of a food park in 32.77 acres of land at Siliguri at a cost of ₹ 18.60 crore[17]. Out of the 22.58 acres of land to be allotted to the intended industries, SJDA allotted 18.049 acres to 14 entrepreneurs on lease for 99 years at an aggregate cost of ₹ 5.19 crore at prices ranging from ₹ 20 lakh to ₹ 36 lakh per acre. It was, however, noticed that SJDA fixed the prices on *ad hoc* basis without any cost benefit analysis and without adding service charge, administrative cost and profit margin, unlike in another similar case, indicating absence of uniform policy.

While accepting the audit observation CEO stated (July 2011) that price of the land was fixed to encourage food processing industries and generate employment. However, the reply was not acceptable in the absence of policy in this regard. The fact remained that SJDA had incurred loss and would incur further loss on allotment of the remaining 4.531 acres unless the price is revised to cover the cost incurred.

- ***Leasing out of land at Tea Park***

SJDA incurred loss of ₹ 59.64 lakh due to injudicious fixation of lease price of land

SJDA, with financial assistance from ASIDE[18] scheme, decided (October 2007) to set up a Tea Park at approximately 50 acres of land at a project cost of ₹ 23.92 crore[19]. Out of the same, ₹ 16 crore was sanctioned (October 2008) under ASIDE scheme and SJDA was to provide the remaining ₹ 7.92 crore (including ₹ 6.03 crore being cost of land acquisition). As per the project report (October 2007), 24.61 acres of land was earmarked for allotment to the entrepreneurs, while the balance was to be utilised for common facilities and other infrastructure. In November 2009, SJDA constituted a three-member Pricing and Allotment Committee for deciding the allotment price. The Committee assessed the realisable amount from allotment of 24.61 acres of land in the park at ₹ 15.41 crore, after considering the contribution of SJDA (₹ 7.92 crore), 12 *per cent* interest for three years (₹ 2.85 crore) and working expenditure of SJDA for eight years to run the Park (₹ 4.64 crore[20]). The land was allotted to 152 entrepreneurs (July 2011).

Audit observed that while fixing the allotment price, the Committee had not taken into consideration ₹ 43.85 lakh spent by SJDA for registration of 50 acres of land. Thus, SJDA incurred a loss of ₹ 59.64 lakh (including ₹ 15.79 lakh as interest at the rate of 12 *per cent* for three years) on allotment land at Tea Park.

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[17] *SJDA's contribution: ₹ 1.55 crore, NABARD grant: ₹ 7.70 crore, State Government: ₹ 2.97crore and ASIDE grant: ₹ 6.38 crore*

[18] *Assistance to States for Developing Export Infrastructure and Other Allied Activities*

[19] *The component wise project cost were : Land: ₹ 6.03 crore (already acquired land), Land development: ₹ 1.70 crore, Civil Construction: ₹ 3.91 crore, Road : ₹ 3.55 crore, Plant & Machinery: ₹ 6.59 crore, Electrical and automation : ₹ 1.75 crore and Government fees etc: ₹ 0.39 crore*

[20] *at an average expenditure of ₹ 58 lakh per annum*

While admitting the audit observation, CEO stated (August 2011) that ₹ 1.89 crore[21] of SJDA's contribution had not yet been spent and ₹ 59.64 lakh can be made good from the interest component on the unspent amount. The views of CEO were untenable as SJDA was committed to provide funds for creation of infrastructure at the park for which orders had been placed and the works were in progress.

- ***Undue favour to an entrepreneur***

SJDA extended undue favour of ₹ 0.70 crore to an entrepreneur as administrative expenses were not charged

Videocon Reality and Infrastructures Limited (Videocon) requested (April 2007) SJDA to allot approximately 25 acres of land to set up an Electronic and Bio-technology project at Satellite Township near Dabgram, Jalpaiguri. It was decided (May 2007) in a meeting chaired by the Minister in charge, Municipal Affairs and Urban Development Departments that Home (Police) Department would relinquish 34.32 acres of land to Land and Land Reforms (L&LR) Department for settlement in favour of SJDA for subsequent allotment of 25 acres to Videocon.

SJDA received possession of 34.32 acres of land in August 2007 from L&LR Department and handed over 25 acres to Videocon in December 2007. Videocon paid (November 2007 and September 2008) ₹ 11.25 crore, as demanded by SJDA. SJDA, however, did not charge incidental expenses like service and administrative expenses and profit margin etc. while calculating the price. Considering administrative expenses at the rate of 10 *per cent* as was charged by LA Collector while acquiring land on behalf of RBs the chargeable amount for taking the land on lease from L&LR Department should have been ₹ 11.95[22] crore. Thus, SJDA extended undue financial benefit of ₹ 70 lakh. Reason for the same was not communicated, though called for. However, it was noticed that SJDA had charged 20 *per cent* as incidental charges in a similar case in April 2010.

- ***Delay in construction process after leasing***

SJDA had no system in place to monitor timely utilisation of the land allotted

Lease deed agreements entered into with allottees envisaged that construction process should start within six months from the date of possession of land failing which SJDA was at liberty to cancel the agreement and resume the land. It was, however, seen that SJDA handed over 1.8 acres of land to Advanced Medical Research Institute (AMRI) in November 2009 and three acres of land to Siliguri Commerce College in June 2008. Though works have not been started in either of these cases even after expiry of 20 to 36 months from allotment, action has not been initiated by SJDA. It was observed that there was no system in place in SJDA to monitor timely utilisation of the land allotted.

[21] *₹ 7.92 crore minus ₹ 6.03 crore*

[22] *Proportionate cost for 25 acres including registration charge: ₹ 10.86 crore and service/ administrative charge/ profit at the rate of 10 per cent: ₹ 1.09 crore*





Land handed over to AMRI (left) and Siliguri Commerce College (right) not utilised (July 2011)

2.2.9 *Execution of schemes under Public-Private Partnership (PPP)*

During June 2003 to May 2008, SJDA took up six schemes[23] with estimated cost of ₹ 3013 crore for development of township, amusement park, IT Park etc. under Public-Private Partnership (PPP). Of these, only one project (Amusement park at Dagapur) has been completed as of March 2011, while remaining five were under various stages of execution. Audit noted the following.

2.2.9.1 Failure to implement the PPP project on development of a township

A township could not be set up even after spending ₹ 56.92 crore on land acquisition

In view of demand for infrastructure development in North Bengal, SJDA proposed (August 2003) to develop an integrated township in 232.4 acres of land near North Bengal Medical College and Hospital, Siliguri (Project) on PPP mode for the benefit of different groups of people. SJDA spent ₹ 56.92 crore up to March 2011 on acquisition of land and rehabilitation of some of the evictees. The project envisaged as Build Own Operate (BOO) was awarded (December 2006) to M/s Bengal Unitech Universal Siliguri Projects Ltd. (BUUSPL), Kolkata, a private company, which made the highest financial offer of ₹ 210.60 crore. As per work order (December 2006) BUUSPL was to pay ₹ 84.24 crore as first instalment and the balance in two instalments of ₹ 63.18 crore each by December 2007 and December 2008 and receive possession of the entire plot. Accordingly, BUUSPL deposited the first instalment of ₹ 84.24 crore in December 2006 and received possession (August 2007) of proportionate 92.96 acres. Meanwhile, SJDA entered (April 2008) into a 'Development Agreement' with BUUSPL. Clause 12.4 (vi) of the agreement empowered SJDA to terminate the agreement in case of delay of more than six months in payment of any instalment. BUUSPL was required to deliver 480 dwelling units (DU) or seven *per cent* of the total DUs, whichever was more, for resettlement of evictees.

[23] *Parking lot cum commercial complex near Hashmi Chawk, Siliguri (ongoing): ₹8 crore, New Township near NBMC (ongoing): ₹2500 crore, Amusement park at Dagapur (completed): ₹20 crore, Multi-utility infrastructural project, Dagapur (ongoing): ₹50 crore, Information Technology Park, Siliguri (ongoing): ₹400 crore and Inland Container Depot, Siliguri (ongoing): ₹35 crore*

Scrutiny of records revealed that BUUSPL did not pay the remaining instalments even after 29 months from the due date up to May 2010. Instead, it offered two options to SJDA - the land to be returned to SJDA on refund of ₹ 84.24 crore, else the project would be executed only on 92.96 acres. Thus, it was clear that BUUSPL had no intention to execute the project as per agreement. Despite BUUSPL defaulting on contractual obligations, SJDA did not invoke the termination clause of the agreement in time so as to avoid further delay in project. SJDA issued termination notice in December 2010 on intervention of GoWB. However, possession of the land has not yet been (June 2011) received back. As a result, the project got stalled defeating the objective of development of township despite incurring expenditure of ₹ 56.92 crore up to March 2011 on land and rehabilitation works. Further, 480 project affected families could not be rehabilitated despite acquisition of their land.

SJDA intimated (November 2011) that the matter was referred (October 2011) to the State Government for suitable decision.

2.2.9.2 Delay in development of an IT Park

Delay of SJDA to nominate its representatives in a JVC led to delay in development of an IT park

In order to develop, manage and operate an IT Park in 23.8 acres vacant land at Uttarayan Township, Siliguri, SJDA decided (November 2006) to form a Joint Venture Company (JVC) with equal share between SJDA and the selected partner. Accordingly, M/s Infinity Infotech Parks Ltd (IIPL) which made the highest offer of ₹ 2.21 crore per acre, was selected (December 2007) as JV partner. In terms of the letter of award (LOA) IIPL deposited ₹ 5.26 crore (January 2007: ₹ 10 lakh and January 2008: ₹ 5.16 crore) as 10 *per cent* of the financial bid (₹ 52.60 crore).

In August 2008, IIPL moved SJDA to develop the Park as Special Economic Zone (SEZ), for which minimum 25 acres of contiguous land was required. Though terms and conditions of SEZ were different from the original scope of work, SJDA did not call for new tender and accepted (August 2008) the proposal of IIPL and accordingly arranged (December 2009) the requisite extra land[24]. In September 2010, SJDA and IIPL entered into an agreement to form the JVC with a 10 Member Board of Directors, five each nominated by SJDA and IIPL. However, JVC was not incorporated as SJDA did not finalise nomination of its Directors[25] as of July 2011. Thus, the work of IT Park was not started, as SJDA failed to form the JVC. Besides, due to non-incorporation of JVC, SJDA could not realise the balance amount of ₹ 17.51 crore[26] receivable from the partner as per the agreement.

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[24] *On joint physical survey (February 2009) land available with SJDA was found to be 18.91 acres. Lakshmi Township Ltd., another JVU of SJDA in a separate project, was to allot 3.915 acres at ₹50 lakh per acre to SJDA, 1.305 acres of developed land to JVC at IIPL bid price (₹2.21 crore per acre) and 1.59 acres was vested land.*

[25] *The nominated Directors for the JVC had not yet applied for Directors' identification numbers with the Registrar of Companies, Government of India*

[26] *₹ 25.23 crore being 50 per cent quoted price on 22.825 acres – (₹ 1.96 crore being price of 3.915 acres at ₹ 0.50 crore/acre + ₹ 5.26 crore already received + ₹ 0.50 crore for equity contribution).*

CEO stated (November 2011) that necessary formalities with the Ministry of Company Affairs, GoI have been completed and process of formation of the JVC has been taken up with IIPL.

2.2.9.3 Allotment of land at Dagapur Amusement Park

Highest bid for allotment of land for Amusement Park was rejected on flimsy ground leading to loss of ₹ 0.45 crore

In order to build, manage and maintain Amusement Park at Dagapur, Siliguri, SJDA invited (June 2005) Expression of Interest (EOI) and selected (October 2005) M/s Sanghu Valley (India) Ltd, Kolkata, (SVL) at a lease rent of ₹ 6.35 crore payable over a period of 21 years on the basis of technical and financial bids. The project was completed in November 2009 and presently is in operation.

Audit noticed that financial bid of ₹ 7.73 crore (₹ 7.35 crore for 21 years with provision of increment of 0.5 *per cent* per year) offered by one of the bidders, M/s Rnox Amusement (P) Ltd (RAPL), which qualified the technical bid was not accepted on the ground that their bid included a multiplex to be built within the park.

However, it was seen that SJDA, without any recorded justification, permitted (September 2006) SVL, the selected bidder, to install a Multiplex at the Park at ₹ 0.93 crore over the period of 21 years. Thus, rejection of offer of RAPL resulted in loss of ₹ 0.45 crore[27].

While accepting the audit observation, CEO stated (July 2011) that initial project report did not include the Multiplex. The fact, however, remained that the same was accepted at a later stage which indicated inconsistent decision making on the part of SJDA.

2.2.10 Execution of developmental works

During 2006-2011, SJDA placed 481 work orders valuing ₹ 256.08 crore[28] for development of land, construction/strengthening/widening/repairing of roads, bridges, construction of boundary walls, protection work of river banks, electrical works, etc. Out of these, 177 works were completed at a cost of ₹ 40.98 crore upto March 2011. Audit analysis of 105 completed works indicated that 32 works were completed with time over runs varying from three months to two years mainly due to delayed handing over of work site, delay in supply of departmental materials, problems in availability of land, involvement of additional work, local agitation, etc. Audit scrutiny revealed instances like intended benefits not being available from assets created at a cost of ₹ 7.02 crore, deficient planning for setting up sewage treatment plants (STP) leading to non-completion of work,

[27] *₹ 7.28 crore was receivable from SVL against ₹ 7.73 crore from RAPL*

[28] *2006-07: 25 work orders for ₹ 7.15 crore; 2007-08: 49 work orders for ₹ 15.33 crore; 2008-09: 142 work orders for ₹ 103.45 crore; 2009-10: 65 work orders for ₹ 44.34 crore and 2010-11: 200 work orders for ₹ 85.79 crore*

non-obtaining of environmental clearance for setting up STPs, non-recovery of dues on execution of deposit works on behalf of other agencies.

2.2.10.1 *Failure to derive intended benefits from created asset*

Capacity of a Rail over-bridge constructed at a cost of ₹ 7.02 crore was compromised restricting its usefulness

In order to facilitate connectivity of the Railway Colony and the surrounding areas of Siliguri junction station with the main city, SJDA decided (October 2006) to construct a Railway Over Bridge (ROB) for vehicular traffic up to six wheeler and 10 ton capacity with foot path for use of pedestrians, on deposit work basis through Railways. The Railway authority submitted (October 2006) estimate of ₹ 4.77 crore and SJDA paid ₹ 4.62 crore in August 2008 and May 2010. The work was started in October 2008 and was completed in October 2010 with an escalated cost of ₹ 7.02 crore.

SJDA pointed out (October 2010) the Railway authority that excessive vibration and lateral sway were noticed from the opening day of the bridge. The Railway authority admitted (October 2010) that some minor vibration was noticed during passing of goods train (on the tracks below) and during passing of light vehicles. They also stated that further strengthening of the bridge was being planned. However, SJDA did not pursue the matter with the Railway authority.

Subsequently, a nine feet high beam was erected on both sides of the bridge to restrict six wheelers. The ROB (for six wheeler and 10 ton capacity) created at a cost of ₹ 7.02 crore proved insufficient. Further, foot-path on ROB was not constructed and people from either side could not cross the bridge safely. Thus, in spite of spending ₹ 4.72 crore, purpose of the bridge was not fully achieved, as SJDA failed to pursue the issue with the Railway authority. The CEO, SJDA accepted (July 2011) the audit contention.



ROB without Foot Path at Siliguri with the beam for restricting six wheelers

2.2.10.2 *Implementation of Mahananda River Conservation Plan*

Under Mahananda River Conservation Plan (MRCP) Sewage Treatment Plant (STP) were to be constructed to ensure proper treatment of sewerage water of Siliguri and surrounding areas before discharge to river Mahananda. Accordingly, SJDA awarded (July and August 2010) work orders for ₹ 6.92 crore for construction of three Sewage Treatment Plants (STP: I, II & III)[29] at three different places to three different agencies with the stipulation that the work

[29] *STP-I: Right bank of Mahananda river, STP II: Left bank of Mahananda river and STP III: Dabgram*

Construction of none of the STPs on Mahananda fructified due to deficiencies in planning

should be completed within four to six months from the date of issue of work orders. However, STP-II & III, started in July 2010, had not been commissioned even after sixteen months from the date of issue of work orders, as works of the main pumping stations were not completed as of October 2011. Such delays were attributed by SJDA Authority to monsoon, encroachment of land, lapses of contractor, etc. Construction of STP-I had not been started as of October 2011, as the required land had not been transferred in the name of SJDA by the L&LR Department. Although, SJDA took up (November 2010) the matter with L&LR Department, no progress was noticed as of October 2011.

Further, another work for laying of trunk sewer line along the right bank of river Mahananda under MRCP was taken up in October 2007 through M/s Makintosh Burn Ltd at a cost of ₹ 1.93 crore though title of the land for construction of STP-I had not been transferred in favour of SJDA. The work due to be completed within October 2008 remained suspended as of October 2011. The contractor was, however, paid ₹ 0.67 crore towards earth excavation work, cement/reinforced concrete work, spreading of river bed materials and fixing/fitting work etc. Thus, incurring of expenditure of ₹ 0.67 crore towards laying of sewer line proved to be an idle investment. Moreover, possibility of deterioration in the condition of the sewer line with passage of time could not be ruled out.

SJDA stated (November 2011) that delay in completion of STP II and III was due to delay in receiving possession of land from Housing and Land & Land Reforms Departments and due to removal of encroachments, heavy monsoon, etc. It was further intimated that vigourous persuasion was going on for having possession of requisite land from L&LR Department. The reply was not tenable as the decision (February 2007) to construct sewer lines before possession of land was not justifiable.

- ***Environmental clearance not obtained***

Ministry of Environment and Forest, GoI notified (September 2006) a list of projects or activities including construction of Common Effluent Treatment Plants which required prior environmental clearance from the Pollution Controlling authorities. Any construction without obtaining appropriate pollution clearance certificate would therefore frustrate the ultimate purpose of MRCP.

Scrutiny of records revealed that SJDA, in violation of GoI's instruction *ibid*, did not obtain environmental clearance from the appropriate authority before construction of the three Sewage Treatment Plants, indicating its indifference towards environment as well as statutory obligations.

SJDA stated (November 2011) that necessary action would be taken for obtaining required permission from proper authority as well as for early completion of the STPs.

2.2.10.3 Non-recovery of dues on execution of deposit works

SJDA expended ₹ 4.48 crore on deposit works in excess of amount deposited by other agencies

SJDA executed construction works on behalf of various Government Departments, Municipalities and other local bodies on 'Deposit' basis. The cost of 'Deposit Works' is required to be borne by the requiring bodies concerned. SJDA is required to review the work monthly to see that no expenditure is incurred in excess of the deposit obtained. If any excess is anticipated, expenditure on the work should be restricted to the deposit received till acceptance of the additional expenses of the party is obtained and additional funds are deposited.

Scrutiny revealed that an amount of ₹ 12.13 crore was spent by the SJDA against receipt of ₹ 7.65 crore during 2006-11 in respect of 17 works as detailed in ***Appendix 2.2.1***. Expenditure of ₹ 4.48 crore incurred in excess of the deposit was not received from the requiring bodies by SJDA as of July 2011.

SJDA, while accepting the audit observation, intimated (July 2011) that correspondence was on with the concerned departments for obtaining additional funds as early as possible.

2.2.11 Internal Control

Inadequacies in internal control were observed in budget preparation, financial management and operational control

Internal Control is an integral component of an organisation's management to provide reasonable assurance that the operations are carried out economically, effectively and efficiently to achieve the organisational objectives.

Audit noticed the following inadequacies in internal controls:

Budgetary controls in SJDA were deficient as indicated by delays in submission of budget and significant deviation of actuals from the budget. Retention of substantial funds in savings bank accounts depriving SJDA of interest income of ₹ 0.32 crore reflects lack of financial control. Absence of controls were evident as SJDA failed to chalk out a repayment schedule although principal loan and interest amounting to ₹ 115.43 crore was overdue for repayment to GoWB.

Further, as per PW code, any construction work, estimates of which exceeds ₹ 1.25 crore, requires sanction of Chief Engineer (CE). Test-check, however, showed that out of 10 such works, technical approval of three were obtained from CE (Construction Board), PWD, while the remaining seven were approved by SE, SJDA. The Authority stated (July 2011) that the same had to be done as SE was the highest technical authority under SJDA. In the exit conference it was intimated that Government received proposal for sanction of post of CE in SJDA. Principal Secretary, however, opined that such cases should have been referred to outside agencies with appropriate technical expertise, like Engineering College authorities.

The deficiencies in financial and operational management were indicative of Departmental monitoring over functioning of SJDA, despite the Board of the Authority being represented by Minister and Principal Secretary of the Urban Development Department.

2.2.12 Conclusion

The objective of planning and development of SJDA was adversely affected as SJDA, ignoring its statutory responsibility to prepare Land Use and Development Control Plan within two years of notification, did not prepare the same in respect of substantial part of its notified area, even after seven to 31 years of notifications. As a result, development works undertaken by SJDA did not have the desired linkage with long term development plan.

Budget management was flawed as would be evident from instances of delays of 29 months and 17 months in sending budget proposals to the Department. Instances of non-initiation and abandonment of works due to non-receipt of Budget allotments were also noticed.

Lack of internal controls over realisation of revenue led to loss on account of unrealised toll charges, rents, etc. Retention of heavy cash balances in bank savings and current accounts without gainfully investing them in term deposits led to loss of possible additional interest.

Indifference towards financial interest of the Authority was also apparent from instances of non-registration of acquisition of 462.43 acres of land, acquisition of excess land than requisitioned by a requiring body, transfer of land in excess of actual acquisition to a requiring body free of cost. Besides, 48.748 acres of land acquired at ₹ 7.83 crore was under encroachments

In the absence of comprehensive policy for fixation of prices for leasing out of land, SJDA often took arbitrary decisions resulting in loss of revenue owing to allotment of land at reduced rate, extending undue favour to lessees.

Execution of developmental projects in PPP model failed to yield the intended benefits due to indifferent approach of the Authority in taking timely action.

The deficiencies in financial and operational management were indicative of inadequate departmental monitoring over functioning of SJDA, though the Government was represented in the board of the Authority by the concerned Minister and Principal Secretary of the Urban Development Department.

Recommendations

- ***SJDA should take immediate action for preparation of Land Use and Development Control Plan for entire notified planning area in a time-bound manner.***

- ***SJDA should seriously pursue realisation of funds from Departments/bodies on behalf of which it is undertaking the deposit work and should prepare cash flow statement to assess the requirement of funds so as to allow gainful investment of surplus funds.***

- ***Comprehensive policy for determining lease allotment/value of land should be adopted to avoid extra payment/loss on this account.***

- ***The Urban Development Department should actively monitor the functioning of the SJDA and provide necessary guidance/instructions, wherever necessary.***