

**COMMITTEE ON PUBLIC ACCOUNTS
(2009-2011)**

HUNDRED AND TWENTY SEVENTH REPORT



सत्यमेव जयते

(Twelfth Assembly)

**Report of the Committee on Public Accounts,
Assam Legislative Assembly on the Report of the Comptroller
and Auditor General of India (Civil) for the year 2007-2008 relating to
P & RD, Social Welfare and Health & Family Welfare Departments.**

Government of Assam

Presented to the House on 12-07-2010

**Assam Legislative Assembly Secretariat
Dispur, Guwahati-781006.**

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(i)

COMPOSITION OF THE COMMITTEE

Chairman:

1. Shri Phani Bhusan Chaudhury

Members:

2. Shri Rajendra Prasad Singh
3. Shri Rameswar Dhanowar
4. Shri Gobinda Chandra Langthasa
5. Shri Abdul Khaleque
6. Shri Rajib Lochan Pegu
7. Shri Padma Hazarika
8. Shri Girindra Kumar Barua
9. Smti Kamali Basumatari
10. Shri Ranjit Dutta
11. Shri Jagat Singh Engti
12. Shri Anwarul Hoque
13. Shri Membor Gogoi

Secretariat:

1. Shri G.P.Das, Secretary
2. Shri B. Basumatari, O.S.D.
3. Shri P.K.Hazarika, Deputy Secretary
4. Shri K. Rahman, C.O.

(ii)

PREFATORY REMARKS

I, Shri Phani Bhusan Choudhury, Chairman, Committee on Public Accounts, Assam Legislative Assembly having been authorized to submit the report on its behalf present this Hundred and Twenty Seventh Report of the Committee on Public Accounts on the Audit paras contained in the Report of the Comptroller and Auditor General of India (Civil) for the year 2007-2008 pertaining to the P & RD, Social Welfare and Health & Family Welfare Departments, Government of Assam.

2. The Report of the Comptroller and Auditor General of India (Civil) for the year 2007-2008 was laid before the House on 7th March, 2009.

3. The Report mentioned above relating to the P & RD, Social Welfare and Health & Family Welfare Departments were considered by the Committee in their sittings held on 25th August, 2009 and 1st October, 2009.

4. The Report of the Committee on Public Accounts as finalized and approved by the Committee in its meeting held on 01-07-2010 for presentation before the House.

5. The Committee has appreciated the valuable assistance rendered by the Principal Accountant General (Audit), Assam as well as his junior officers and staff during the examination of the Departments.

6. The Committee thanks to the departmental witnesses as well as Finance Department for their kind co-operation and offers appreciation to the officers and staff dealing with the Committee on Public Accounts, Assam Legislative Assembly Secretariat for their strenuous and sincere service rendered to the Committee.

7. The Committee earnestly hope that the Government would promptly implement the recommendations made in this report.

Dispur:
The 1st July, 2010

PHANI BHUSAN CHOUDHURY
Chairman
Committee on Public Accounts.

Chapter - I

Panchayat and Rural Development Department

Presumptive fraud

(Audit Para 4.1.2/C & A.G(Civil)/2007-2008/(P-99-100)

1.1 The audit has pointed out that after scrutiny (May-June 2007) of the records of the Project Director (PD), District Rural Development Agency (DRDA), Dhemaji revealed that an amount of Rs.15 lakh was released by the PD to the Block Development Officer (BDO) of Dhemaji Development Block on 15 September 2005 as Central grant for natural calamities. The amount was not entered in the Cash Book of the Block. The BDO did not also produce the relevant vouchers, Actual Payee Receipts etc, in support of utilization of the funds. Neither the PD nor the BDO could produce the list of works approved or executed under the scheme with this fund. Thus, in the absence of records in support of utilization of Rs.15 lakh by the BDO, it is presumed that the funds have been misappropriated. Further, the PD also did not monitor the accountal and utilization of funds made available to the BDO by him for implementation of different schemes. In spite of the fact being pointed out by Audit, the PD did not take any action to confirm utilization of the funds in a proper manner (September 2008).

1.2 The department by their written reply has stated that the amount of Rs.15.00 (Lakhs) was released to the B.D.O. Dhemaji by the Project Director D.R.D.A. Dhemaji for construction of IAY houses against 60 nos. of beneficiaries under natural calamities 2004-2005. The fund received from the Project Director, D.R.D.A. Dhemaji vide Cheque No. 862793 dt. 07-09-2005 was duly accounted in Cash Book of the Block at Page No.84 and the B.D.O. distributed the amount amongst 60 nos. of IAY beneficiaries. The relevant document was not able to produce at the time of Audit Inspection on account of misplacing the relevant records.

OBSERVATIONS/RECOMMENDATIONS

1.3 The Committee heard the deposition of the departmental witnesses and observes that the departmental officials could not produce the relevant documents at the time of Audit Inspection as such the audit objection is raised. Now the Department has furnished all the relevant documents. Maintenance of Cash Book regularly is a must for showing receipts and expenditure properly. It is the basic rule. But the Committee observes that neither the Cash Book had been maintained in the office of the P.D. nor BDO, Dhemaji for which they could not produce the records before the audit in that particular years regarding utilization of fund. The Committee therefore, recommends that the department should issue show cause notices against those who failed to follow the basic rule and action should be initiated against them. Action taken report may be intimated to the Committee after 30 days from the date of presentation of the report before the House.

Presumptive fraud

(Audit para 4.1.3/C & AG(Civil)/2007-2008/(P-100-101))

1.4 The audit has pointed out that after scrutiny (May-June 2007) of the records of the Project Director (PD), DRDA, Dhemaji revealed that the PD had spent Rs.23.63 crore during 2004-06 on the construction of 9,452 IAY houses @ Rs. 25,000 per house without sanitary Latrines and smokeless chulhas. The reason for non-construction of sanitary latrines and smokeless chulhas within the specified amount was not on record. The PD, in violation of scheme guidelines, procured 6,612 chulhas (@Rs.308 per chulha) and 6,613 signboards (@Rs.111 per board) at an extra cost of Rs.27.71 lakh during May 2004 to October 2005 from a local supplier without calling for tenders and the items were shown as issued to five Block Development Offices (BDOs). The BDOs did not maintain any stock register showing the receipt of these items. It was only against a written requisition issued by audit (June 2007), that the concerned BDOs admitted receipt of 4,580 Chulhas and 3,379 signboards during the period, indicating short/non receipt of 2,032 chulhas and 3,234 signboards valuing Rs.9.85 lakh. The PD neither investigated the loss due to short/non receipt of material nor fixed any responsibility despite the matter being brought to his notice. Out of 4,580 chulhas and 3,379 signboards admitted to have been received, the concerned BDOs distributed only 776 chulhas and 261 signboards to the beneficiaries, leaving the balance items in stock as of July 2008. The reason for non-distribution of the items was not on record. Thus, procurement of chulhas and signboards separately in violation of the guidelines resulted in an extra expenditure of Rs.27.71 lakh, besides non accrual of the intended benefit to the targeted families. The matter needs to be investigated.

1.5 The department by their written reply has stated as under

- | | |
|--|--------------|
| (a). Total Chulha supplied from D.R.D.A | = 6,612 Nos. |
| (b). Total Chulha received by BDOs from DRDA | = 6,612 Nos. |
| (c). Total Chulha distributed by B.D.O.s | = 6,612 Nos. |

2.(a). Total Signboard with logo supplied from DRDA = 6,612 Nos. Not 6613 as shown in

- | | |
|--|--------------------------|
| (b). Total Signboard with logo received by BDOs | = 6,612 Nos. Audit Para. |
| (c). Total Signboard with logo distributed by BDOs | = 6,612 Nos |

- | | |
|--|----------------|
| 3.(a) Total Cost of 6612 nos. of <u>chullah@Rs.308/-per no</u> | Rs.20,36,496/- |
| (b) Total cost of 6613 nos. of signboard & logo | Rs. 7,33,932/- |
| @ Rs. 111/- per no. | |

Total	Rs. 27,70,428/
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The rate of procurement of signboard with logo and smokeless Chula was adopted as fixed by the Director Panchayat and Rural Development, Assam i.e-

- (a). Signboard with logo @ Rs. 111.00 Per no,
- (b) Smokeless chulhas @ Rs. 308.00 per no.

322 nos. of signboard & 322 nos. Chulha remained undistributed upto Audit time at MSTD. Block has been distributed during the period from August 2008 to July,2009.

No Extra expenditure of Rs.27.71 lakh (Rs. 27,70,428/-) was incurred in the procurement of 6612 nos. of chulha and 6612 nos .of signboard/logo. The procurement of chulhas and signboards/logos made against 6612 nos. I.A.Y. beneficiaries was made out of the amount Rs. 25,000/- earmarked against each beneficiary.

OBSERVATIONS/RECOMMENDATIONS

1.6 The Committee observes that the audit objection is raised because the departmental officials should have pointed out this matter at the time of receipt of audit inspection. The Committee directed the departmental officials to be more sincere in future while furnishing the reply to the audit party and decided to drop the para.

Diversion of funds.

(Audit para 4.4.4/C&AG(Civil)/2007-08/(P-108-109)

1.7 The audit has pointed out that after scrutiny (May-August 2007) of the records of the Project Directors (PD), DRDAs, Dhemaji and Sibsagar revealed that during 2004-06 the PDs lifted and dispatched 47,169.09 MT (SGRY-40,461.69 MT;NFFWP-6,707.40 MT) of rice from Food Corporation of India (FCI) Godown to the Blocks. In violation of the scheme guidelines, the PDs incurred an expenditure of Rs.two crore (SGRY-Rs.1.87 crore; NFFWP-Rs.0.13 crore) towards transportation cost out of the scheme funds meant for rural employment generation. Due to this diversion, 2.91 lakh mandays (@ Rs.68.75 per manday) employment could not be generated and the eligible beneficiaries were deprived of the benefit of employment to that extent. Further, the PDs did not initiate any action to get the amount reimbursed by the State Government.

1.8 The department by their written reply has stated that the transportation cost of the foodgrain from FCI Godowns to Ware House/Block godowns including handing and storage charges of foodgrain amounting to Rs.169.45 lakh as shown in Audit Report was paid from schematic contingency of the programmes. As per Para-4.7 of SGRY Gaudline – “upto 2% of the respective share of the fund released during the year can be spent by the District Panchayat and intermediate Panchayat of contingency for strengthening of monitoring and coordination. As per para 2.7 of SGRY guideline – the State Govt./Territories will bear the transportation cost and other handling charges from their own resources and cash component can not be used for transportation payment of local taxes etc. As per SGRY Annual Report – 2004-05 at Chapter 1 page -7- it has been stated that – “Based on the feedback and keeping in view of the poor network of the FCI godowns in the North Eastern States, it has now been permitted to the states of this regions to meet the transportation cost out of their respective cash component subject to permissible ceiling for each state under the SGRY”. As per Govt. letter No.RDD.5/2002/Pt/23 dtd 6th February 2002 – the transportation cost for lifting of foodgrans may be managed from 3% schematic contingency under the schemes through requisition of trucks subject to the condition that expenditure for transportation from FCI depot to worksite does not exceed paise twenty five per kg of foodgrain. As per Govt. of India. Ministry of Human Resource letter No.11-3(5) 97-(MDM) dtd. 28/02/2005 the transportation charges under Mid-day-Meal are payable on the actual basis subject to maximum of Rs.50% per Qtl. W.e.f. 01-06-1997 and Rs. 75/- per Qtl. w.e.f. 01-10-2004 against proper voucher. As no sufficient foodgrain was available at Dhemaji FCI allotted for D.R.D.A., Dhemaji under the programmes Most of the foodgrain used in the programmes had to be lifted from different FCI godowns located outside the district as – (a) From Noth Lakhimpur FCI Godowm which is 70 km. distance from Dhemaji and from FCI .Narayanpur which is 120 km from Dhemaji both

the FCI Godowns are under Lakhimpur District (b) from FCI Hojai to Dhemaji is 392 KM and from FCI, Nowgaon to Dhemaji is 320 KM both the FCI Godowns are under Nowgaon District. (c) from FCI, Tezpur to Dhemaji is 285 KM, (d) from FCI, Dibrugarh to Dhemaji via Kalia Bhumura bridge is 620 KM. The distance from Dhemaji FCI Godown to MSTD Block H.Q. Jonai is also at a distance of 100 Km. The FCI and other godowns from where foodgrain had to be lifted and against which transportation charges was paid may be stated as follows :-

(A). Under S.G.R.Y (1).FCI,Hojai	= 13715.42 Qtls.
(2). FCI,Nowgaon	= 47068.49 Qtls.
(3). FCI,Tezpur	= 11260.99 Qtls.
(4). FCI N.Lakhimpur	=252848.68 Qtls.
(5) FCI,Dibrugarh	= 10895.28 Qtls.
(6). Ware House,Nowgaon	= 6416.14 Qtls
(7). Ware House Tezpur	= 11508.13 Qtls.
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Total (outside the district)	= 353713.13 Qtls.
(1) Ware House,Gogamukh	= 9789.96 Qtls.
(2) FCI,Dhemaji	= 32776.76. Qtls.
<hr/>	
Total(inside the district)	= 42566.72 Qtls.
Total foodgrain lifted under SGRY	= 396279.85 Qtls.
(B) N.F.F.W.P. (1) FCI, Narayanpur	= 10000.00 Qtls
(2) FCI N.Lakhimpur	= 26763.26 Qtls.
<hr/>	
Total	= 36763.26 Qtls.
Total foodgrain lifted under SGRY & NFFWP	= 433043.11 Qtls
© Mid-day-meal : (1) FCI Dhemaji	= 7177.26 Qtls.
Total foodgrain lifted under SGRYWP & Mid-day-meal	= 440220.37 Qtls.

Considering the – (1) long distances from different FCI Godowns warehouses (2) poor communication system in Dhemaji district. (3) Road condition from North Lakhimpur particularly at Chamrajan area in view of the flood condition, (4) likely hike in diesel price, (5) uncertainty of stock causing delay and (6) holding of vehicle – the maximum lifting rate of paise twenty five per KG of foodgrain as fixed by the Govt. in 2002 was not supported the transportation cost for lifting of the foodgrain from different FCI depots to worksite or to different storage godowns. Considering all adverse factors in transportation of the

foodgrain the district Committee headed by Deputy Commissioner, Dhemaji had to fix rate for lifting of foodgrains. As per Para 9.6 of the guidelines of SGRY – “Keeping in view of the need to immediately respond to the exigencies of the situation, all the works to be taken up under this programme will however be decided by the District Committee formed for this purpose under the Chairmanship of the District Collector”. Therefore the Deputy Commissioner, Dhemaji decided to fix rate of lifting of foodgrain to carry out the programme amid odd circumstances. In reality, it is not possible to distribute the foodgrains to the worksite in Dhemaji District directly from different FCI Godowns on account of location of the FCI/storage godowns at long distances from Dhemaji as well as poor transport system in the district. Therefore, a sizeable amount of the cash component of the programmes cost had to incur in the Payment of transportation cost and storage charges of foodgrain. The storage charges also included in the transportation cost. Therefore, the 2% Administrative Contingency was not sufficient to meet the cost of transportation in lifting of foodgrain and the storage charge of foodgrain. Therefore, the expenditure incurred in transportation of foodgrain including storage charges was made out of the cash component of the programmes to carry out the programmes in exceptional circumstances which is also permissible for North-Eastern States. The transportation charges amounting to Rs.2.25 lakh included in the Audit Report against 7177.26 Qtl of foodgrain was under Mid-day-Meal programme and the amount was reimbursed from the Central Govt. and the same was spent against the works under the programme. The amount of Rs.1.26 lakh shown as expenditure against transportation cost was on account of inclusion in the concern ledger wrongly. This amount was actually spent against the execution of works – “construction of Community Hall”. Therefore, the amount may be considered to exclude from transportation cost. From the above discussion, it revealed that the actual transportation cost against 433043.11 Qtls. Of foodgrain (including storage charge of Rs.4.39 lakh). = Rs.169.45 lakh – Rs.3.51 lakh (Rs.2.25 lakh + 1.26 lakh) = Rs. 165.94 lakh. Therefore, the average expenditure incurred in transportation of 433043.11 Qtls. Of foodgrain is Rs.37.30 per Qtl. As per Audit Report expenditure in transportations of foodgrain is Rs.169.45 lakh against 3.46.880.86 Qtl. but, as per payment records – the expenditure of Rs. 169.45 lakh against total 440220.37 Qtls. Of foodgrain (including 7177.26 Qtls. Of Mid-day-Meal & Rs. 1.26 lakh incurred against work executed). On scrutiny, it is seen that the foodgrain of 86162.29 Qtl. lifted previous years and payment made against transportation charges of the foodgrain within the inspected period was not reflected considered in the concern Audit Para.

The total available cash component under SGRY and NFFWP during 2004-05 & 2005-06	= Rs. 8305.06 lakh
Total foodgrain lifted during 2004-05 & 2005-06	= Rs. 37279.27 Qtls.
Value of the lifted foodgrain @ Rs.800/-Qtl.	= Rs. 2982.50 lakh

During the period the fund flow from the State Govt. was not regular so, no reimbursement of transportation cost was done but, the programme had to be carried out.

OBSERVATIONS/RECOMMENDATIONS

1.9 The Committee discussed the matter thoroughly and satisfied with the replies of departmental witnesses and hence the Committee has been pleased to drop the para.

Unauthorized expenditure

(Audit Para 4.5.6/C & AG(Civil)/2007-2008/(P-115-116)

1.10 The audit has pointed out that after scrutiny (May-June 2007) of the records of the Project Director (PD), District Rural Development Agency (DRDA), Dhemaji revealed that between May 2005 and June 2006, the PD, in violation of scheme guidelines, incurred an expenditure of Rs.49.30 lakh for construction of five godowns at five Block Development Headquarters. These works did not form part of the approved Annual Action Plan. Further, as per verbal order of the Deputy Commissioner, the godown at Dhemaji Development Block was occupied by the CRPF personnel since its completion (May 2005). Thus, the expenditure of Rs.49.30 lakh incurred by the PD on construction of godowns was irregular and unauthorized. Besides, occupation of the godown at Dhemaji Development Block (construction cost. Rs.16.10 lakh) since its completion (May 2005) by CRPF personnel resulted in use of Departmental assets for purposes other than those for which these were constructed.

1.11 The department by their written reply has stated that the Governing Body Meeting of DRDA Dhemaji held on 21/06/04 resolved to construct 5(five) nos of Block Godowns in the District under SGRY Fund for storage of foodgrains allotted under different programmes in the district. Accordingly one Godown was constructed at each Development Block. The DRDA Governing Body is competent enough to approved annual plan under SGRY executed by DRDA as per Guidelines of DRDA Administration & SGRY. As Para 5-3 of the Guidelines of DRDA Administration the power and function of DRDA Governing Body is referred as – “The administration of the DRDA shall be carried out by a governing body. The Governing Body of the DRDA will provide policy directions, approve the annual plan and also review and monitor the implementation of the plan, including the different programmes. They shall give such direction to the DRDA as may be necessary from time to time”. As per Para 6.1.1 of the guidelines of SGRY – “Each District Panchayat/DRDA, intermediate and Village Panchayat shall independently prepared and approve before the beginning of each financial year, an “Annual Action Plan equivalent in value of about 125 percent of it share of funds allotted in the preceding year”. As per Para 6.1.5. of the said guidelines – ‘the Annual Action Plan prepared by the Village Panchayat should be thoroughly discussed in meeting of the Gram Sabha. Similarly, the Annual Action Plan prepared by the DPs/DRDAs and intermediate panchayats should be thoroughly discussed in their respective General Bodies. The Gram Sabha in respect of village Panchayat and the General Bodies in respect of DPs/DRDAs and intermediate Panchayats shall approve the Annual Plan. Therefore,, the proposal for construction of 5(five) nos. of Godown one at each Development Block under DRDA Dhemaji duly approved by the DRDA Governing Body meeting held on 21/06/2004 can be treated as a part of Annual

Action Plan under SGRY under DRDA Dhemaji. Therefore, the construction of the 5(five) nos. of Godown was executed with due approval as per Guidelines of SGRY. As per 6.7 of the SGRY Guidelines – construction of godown under SGRY fund is not treated under prohibited/impermissible works. Hence, it is permissible to construct Godown under SGRY.

OBSERVATIONS/RECOMMENDATIONS

1.12 After threadbare discussion, the Committee was satisfied with the reply of departmental witnesses and pleased to drop the para.

Chapter – II

Social Welfare Department

Excess payment to contractors

(Audit para 4.2.3/C & AG(Civil)/2007-2008/(P-102-103)

2.1 The audit has pointed out that after scrutiny (September-October 2006) of the records of the Director, Social Welfare and further information collected.(June 2008) revealed that construction of the AWCs was completed (June 2008) at a cost of Rs.86.78 crore including VAT of Rs.2.66 crore. The contractors were paid Rs. 84.12 lakh. However, income tax applicable on this payment, amounting to Rs. 1.89 crore was not deducted from the contractor's bills. The Director drew an additional amount of Rs.1.93 crore from the treasury and deposited it in Government Account as income tax on behalf of the 13 contractors. Thus, there was an excess payment of Rs.1.89 crore to the contractors and excess deposit of Rs. Four lakh against income tax.

2.2 The department by their written reply has stated that the C&AG's observation recorded in the report for the year ending March,2008 indicating that construction of AWCs was completed at a cost of Rs.86.78 crores including 'VAT of Rs.2.66 crores. Actually this is not an accurate reflection. Records in the Directorate have been verified and confirmed that Rs.90,52,49,839/- only has been the actual cost for construction of 7242 Nos. of AWCs. The drawal of Income Tax and deposition in the Govt. A/C by the Director of Social Welfare, Assam on behalf of 13 Nos. of Contractor is not correct. Actually and as per procedure and norms, the income tax have been deducted from the Contractor's bills and credited in the appropriate head of A/C. in the Govt. Therefore, it can not be construed that Rs. 1.89 crore have been paid in excess to the contractors.

OBSERVATIONS/RECOMMENDATIONS

2.3 After threadbare discussion, the Committee was satisfied with the reply of departmental witnesses and decided to drop the para.

Injudicious expenditure.

(Audit para 4.5.9/C&AG(Civil)/2007-08/(P-117-118)

2.4 The audit has pointed out that after scrutiny (September-October 2006) of the records of Director of Social Welfare and further information collected (June 2008) revealed that the Government sanctioned (May 2005) Rs. 1.56 crore for supply of utensils to 7,470 AWCs under the centrally sponsored Integrated Child Development Scheme (ICDS) during 2005-06. The sanction fixed the cost of utensils to be provided to each AWC at Rs. 2084.15 based on approved rates of the Government Marketing Corporation (AGMC)/Assam small Industries Development Corporation(ASIDC). Out of the sanctioned amount, Rs.1.11 crore was released, which was drawn (December 2005) and spent by the Directorate for procurement of utensils. Procurement of utensils for Rs. 1.11 crore after discontinuance of supply of cooked meal was, thus, irregular and injudicious. The Director stated that order for supply of utensils was issued on the basis of Government's decision dated December 1999. The Government, however, in its reply stated (August 2008) that as there was no provision for procurement of utensils under Supplementary (Nutrition Programme, these were purchased from funds available under ICDS. The reply is not tenable, since the supply of cooked meal was discontinued with effect from 2000-01 and the amount was sanctioned and paid only in 2005-06.

2.5 The department by their written reply has stated that the as per the provision of ICDS Scheme Govt. of India allows procurement of various equipments such as furniture, pre school kits, medicines and other essential articles like water filter candles, utensils which includes stainless steel plate, drinking glass, aluminium mug, bucket, aluminium sauspens, etc. for everyday use in the Anganwadi Centres. These items are also been utilized for conducting programmes such as immunizat5ion, health check up and other health related programmes. Utensils like sauspens, buckets, mug etc. are essential equipments used everyday. Utensils procured during 2005-06 incurring expenditure of Rs. 1.11 crores are essential items required in the management of AWCs. Items so procured are filter candle, aluminium sauspens, bucket, aluminium mug, stainless steel drinking glass, stainless steel plate (thali). Water filters are necessary to ensure safe drinking water to children attending pre school education. Therefore, filter candles were supplied to replace damaged candles worn out and rendered unusable. Aluminum sauspens is an approved item as per schematic guidelines for dual purpose of storing water for anti natal and post natal check up of pregnant and nursing mothers in the AWCs, as well as, to boil water for health check up and other medical check up. Aluminum suspend is also necessary when cooking takes place in the centre. Stainless steel drinking glass: Its goes without saying, the drinking glasses are required and essential for taking drink of water by children attending pre-school education. Bucket and aluminum mugs are

prescribed in the schematic guidelines as bathroom item in the AWCs particularly when immunization and during health check up programmes. Stainless steel plates (thali) were procured and supplied to the AWCs as a contingency arrangement. Stainless plates are used when community people and certain individuals contribute food as charity to the children.

OBSERVATIONS/RECOMMENDATIONS

2.6 The Committee is satisfied with the deposition of the departmental witnesses and pleased to drop the para.

Chapter - III
Health and Family Welfare Department

Wasteful expenditure

(Audit Para.4.2.2/C & AG(Civil)/2007-2008/(P-101-102))

3.1 The audit has pointed out that after scrutiny (January-2008) of the records of the Director of Medical Education (DME) regarding utilization of Rs.1.10 crore revealed that the works were taken up belatedly and agreements were drawn up with contractor in April 2004(Guwahati Medical College Hospital), May 2004 (Assam Medical College Hospital) and August 2004 (Silchar Medical College Hospital) with stipulation to complete the work within two months of issue of work order at a total cost of Rs.76.05 lakh. The firm installed the incinerators between April 2005 and December 2005 and was paid Rs.62.56 lakh till January 2008. The firm, however, did not furnish the Pollution Clearance Certificate from the State Pollution Board which is required as per the agreement. The Superintendents of all the three Medical Colleges reported (June to September 2007) non functioning/partial functioning of the waste disposal system. As a third attempt, the State Government decided to install four new incinerators in three Medical Colleges and MMCH at a cost of Rs.2.52 crore from Twelfth Finance Commission award. The work was awarded (October 2007) to a Delhi based firm. The DME drew (December 2007) Rs. 2.52 crore on AC bill and kept the amount in DCR till the date of audit. The DME admitted (January 2008) that Pollution Control Board is not satisfied with the functioning of waste disposal system. Thus, the second attempt at installing waste disposal systems in three Medical Colleges failed to take off after incurring an expenditure of Rs.62.56 lakh. Besides, commitment for installing biomedical waste disposal system by December 1999 was not fulfilled. The third attempt at setting up the incinerators had also not materialized (August 2008).

3.2 The department by their written reply has stated that (I) the incinerator was, procured floating a national tender and Govt. constituted a technical committee with the following members :-

- | | |
|--|-------------|
| 1. Director of Medical Education, Assam | - Chairman, |
| 2. Director of Health Services, Assam | - member, |
| 3. The Principal-cum-Chief Supdt, GMC&H-Ghy | - Member, |
| 4. A representative of Pollution Control Board to be nominated by Chairman State Pollution Board | - Member, |
| 5. Superintendent, Gauhati Medical College Hospital, Guwahati | - Member, |
| 6. A representative of PWD not below the rank of Supdt. Engineer, PWD(Bid) | - Member. |

After technical evaluation by the Technical committee, M/S National Associates was selected as successful bidder and accordingly work order was issued to the Firm. As such DME alone has not selected the Firm for supply and installation of incinerator and other equipments/stores to the three Medical College Hospitals of Assam. After observing financial formalities proposal for sanction of an amount of Rs.89,26,844/- was submit to the Govt. as per breakup shown below-

Statement

After observing financial formalities proposal for sanction of an amount of Rs.89,26,844/- was submitted to the Govt. as per breakup shown below:

Incinerator	AMCH	GMCH	SMCH	Total
ad, Civil and Electrical i, waste transportation l burrow, other ments like needle lder, bins etc. ing/IEC etc.	Rs. 27,50,560/-	Rs. 26,45,500/-	Rs. 22,08,760/-	Rs. 76,04,820/-
				Rs. 6,00,000/-
				Rs. 7,22,024/-
Total				Rs. 89,26,844/-

Govt. vide letter No. HLB. 73/2002/93, dated 13-08-2003 accorded sanction for Rs. 89,26,899/- as per breakup shown below:

Name of the Item	AMCH	GMCH	SMCH
incinerator	1	1	1
ivil and Electrical works	According to approved Plan and Estimate.		
ther equipments/ stores eedle Shredder/ Syringe troyer	148	131	98
lastic Shredder	1	1	1
covered Color coded bin@ 4 colour	1190	1050	790
arried wheel Burrow/ Trolley	148	131	98
olythene Bags for 180 days	106560	94320	70560
ron, Glove, Mask	As recommended by Technical Committee.		
aining / IEC	As per approved scheme.		

As per agreement, there is a provision for making running bill upon certification by concerned Superintendent of the Medical College Hospitals of Assam. Accordingly, payment was released based on certification from the concerned Authority. The breakup of the payment is as follows:

AMCH, Dibrugarh

Sl. No.	Description	Qty.	Unit per cost (Rupees)	Total cost (Rupees)
1.	Oil fired Incinerator including cost of standby Generator	1	8,50,000/-	8,50,000/-
2.	a) Civil Works (Shed, foundation etc.)		1,97,000/-	1,97,000/-
	b) Temporary storage.		1,57,000/-	1,57,000/-
	c) Disinfection Tank		39,000/-	39,000/-
3.	Electrical/Mechanical works		50,000/-	50,000/-
4.	Needle Shredder/ Syringe Destroyer	148	1,100/-	1,62,800/-
5.	Plastic Shredder	1	98,000/-	98,000/-
6.	Covered Color Coded Bin	1190	300/-	3,57,000/-
7.	Carried Wheel Burrow/ Trolley	24	5,500/-	1,32,000/-
8.	Polythene Bags	106540	1.50	1,59,810/-
9.	Apron	148	250/-	37,500/-
10.	Gloves	148	200/-	29,000/-
11.	Mask	148	50/-	7,400/-
12.	Training for operation and maintenance of Incinerator		50,000/-	50,000/-
			Total	Rs. 23,26,510/-
			Unpaid	Rs. 50,000/-

GMCH, Guwahati

Sl. No.	Description	Qty.	Unit per cost (Rupees)	Total cost (Rupees)
1.	Oil fired Incinerator including cost of standby Generator	1	8,90,000/-	8,90,000/-
2.	a) Civil Works (Shed, foundation etc.)		1,97,000/-	1,97,000/-
	b) Temporary storage.		1,57,000/-	1,57,000/-
	c) Disinfection Tank		39,000/-	39,000/-

3.	Electrical/Mechanical works		50,000/-	50,000/-
4.	Needle Shredder/ Syringe Destroyer	130	1,100/-	1,43,000/-
5.	Plastic Shredder	1	98,000/-	98,000/-
6.	Covered Color Coded Bin	925	300/-	2,77,500/-
7.	Carried Wheel Burrow/ Trolley	18	5,500/-	99,000/-
8.	Polythene Bags	94320	1.50	1,41,480/-
9.	Apron	130	250/-	32,500/-
10.	Gloves	130	200/-	26,000/-
11.	Mask	130	50/-	6,500/-
			Total	Rs. 21,56,980/-
			Unpaid	Rs. 89,000/-

SMCH, Silchar

Sl. No.	Description	Qty.	Unit per cost (Rupees)	Total cost (Rupees)
1.	Oil fired Incinerator including cost of standby Generator	1	7,50,000/-	7,50,000/-
2.	a) Civil Works (Shed, foundation etc.)		1,97,000/-	1,97,000/-
	b) Temporary storage.		1,57,000/-	1,57,000/-
	c) Disinfection Tank		39,000/-	39,000/-
3.	Electrical/Mechanical works		50,000/-	50,000/-
4.	Needle Shredder/ Syringe Destroyer	98	1,100/-	1,07,800/-
5.	Plastic Shredder	1	98,000/-	98,000/-
6.	Covered Color Coded Bin	790	300/-	2,37,000/-
7.	Carried Wheel Burrow/ Trolley	34	5,500/-	1,87,000/-
8.	Polythene Bags	62500	1.50	93,750/-
9.	Apron	98	250/-	24,500/-
10.	Gloves	98	200/-	19,600/-
11.	Mask	50	50/-	4,900/-
			Total	Rs. 19,65,550/-
			Rs.	Rs. 700/-

From the records it can be seen that M/S National Associates has operated the Incinerator at AMCH, Dibrugarh upto March, 2007 after completion of the trial run period of six months as per agreement. After that Hospital staffs operated the Incinerator till Deep Burial was carried out from the month of Feb'08. In respect of GMCH, Guwahati M/S National Associates continued to run the Incinerator even after completion of trial run period till the tie up with M/S Fresh Air for outsourcing the BMW management from Feb'08. In respect of SMCH, Silchar, the trial run of 6 month was completed and the Incinerator was not handed over to the Hospital Authority formally. For this reason final bill has not been paid.

From the payment schedule shown above, the cost of Incinerator is Rs. 8,50,000/- for AMCH, Dibrugarh, Rs. 8,90,000/- for GMCH, Guwahati and Rs. 7,50,000/- for SMCH, Silchar. PCB raised objection only on the functioning of the Incinerator as the Incinerators were not producing the requisite/ desired results. The payment includes other equipment/stores like needle/syringe destroyer, plastic shredder, covered colour coded bins, wheel burrow, trolley and disposal item like gloves, aprons, plastic bags which were fully utilized for management of BMW in the three Medical College Hospital and nobody raised any objection on these items. As PCB, Assam did not issue the Pollution Clearance Certificate due to the non functioning of the incinerator up to the desired level, Govt. decided to install new Incinerator.

Till the passing of the interim order by the Hon'ble Gauhati High Court, Guwahati in WP(c) No. 4146/2006 (taken up) the Incinerators were in running conditions although not functioning up to the standard of PCB. Hon'ble High Court in order dated 07-05-2007 stated that until such time that the new Machinery and equipments are installed every attempt will be made to effectively handle biomedical waste through the existing machinery and in a manner to obviate any danger to human life from such waste.

As per Biomedical waste (Management and Handling) Rules 1998 no untreated Biomedical waste can be kept stored beyond a period of 48 hours. It is re-iterated that the provision of the Rules as stated above is fully implemented and waste generated is handled without any adverse affect to human health and environment. Steps were taken at the appropriate time for spending the amount earmarked for training/IEC. Letter No.DME/90/2002/45/10, dated 23-04-2003 issued by DME, Assam and letter No.WB/OTWA/BMW-138/03-04/3, dated 3rd June, 2003 received from PCB, Assam will clarify the position as to how much we are interested in proper training, Letter No.DME/90/2002/7509, dated 29-08-2006 issued by DME, Assam is also enclosed for kind perusal and consideration. The entire expenditure cannot be observed as un-fruitful as the payment includes other equipments/stores like needle/syringe destroyer, plastic shredder, covered color coded bins, wheel burrow, trolley and disposal items like gloves, aprons, plastic bags which were fully utilized for management of BMW in the three Medical College Hospitals and nobody raised any objection on these items which comprises 61.39% of the total cost of Rs.64,49,040/- and incinerator cost comprises only 38.61% (Cost of three Incinerators is Rs.24,90,000/- only. The Incinerators were running till the date of Deep Burial at AMCH, Dibrugarh and disposal through M/S Fresh Air for Incineration of infectious waste at GMCH, Guwahati. (Para 6 of Minutes of the meeting held on 02-02-2008. In case of SMCH-Silchar Incinerators were functioning though it was not handed over to the Hospital authority. (ii) Regarding the new installation it may be mentioned that M/S Alfa Therm Ltd. Did not turn up to sign the Deed of Agreement and furnished Performance security. EMD furnished by M/S Alfa Thermo Ltd. For Rs. 6,00,000/- only has since been forfeited. Fresh tender was called, Bidder selected, Agreement signed, Work Allotment issued, NOC applied for, Drawing and Design approved by PWD Building works completed at GMCH-Guwahati & SMCH-Silchar and PCB, Assam has also issued consent to operate. Work has been completed at MMCH-Guwahati only clearance from PCB is awaited. Work at AMCH-Dibrugarh is going on war footing and the whole process is expected to be completed shortly. We are committed for a Green and Clean environment as per requirements of the Bio-Medical Waste (Management and Handling) Rules, 1998.

OBSERVATIONS/RECOMMENDATIONS

3.3 During oral deposition before the Committee, the Commissioner & Secretary, Health & Family Welfare Department informed that a court case is pending before the Hon'ble Guwahati High Court on Bio Medical Waste Disposal System in Medical Colleges of Assam.

3.3.1 Hence the Committee asked the department to submit a copy of the judgement of the Hon'ble High Court to the Committee.

Irregular payment

(Audit para 4.5.4/C&AG(Civil)/2007-2008/(P-114)

3.4 The audit has pointed out that after scrutiny (January 2008) of the records of the Director, Medical Education (DME) revealed that the DME forwarded (March 2007) to the Government, a proposal submitted by the Assam Electronics Development Corporation Limited (AMTRON) for computerization of Guwahati Medical College hospital (GMCH) at a cost of Rs.3.75 crore (Phase-I). As per the proposal the firm was responsible for software (SW), hardware (HW) and networking. The work was to be completed by September 2007. The Government sanctioned (March 2007) and the DME drew (March 2007) the amount on the basis of retail invoices submitted by AMTRON and paid (April 2007) Rs.3.61 crore to the firm after deducting and depositing VAT (Rs.14 lakh). The DME neither invited tenders nor executed any agreement with AMTRON. Further, documents relating to selection of the firm, work order, plan estimates were not produced to audit. AMTRON stated (March 2008) that bills were submitted on verbal request of the Department to facilitate drawl of funds. The work was stated to be in progress. The DME in his reply (August 2008) stated that AMTRON, is a State Government undertaking and according to the Government instruction all IT requirements are to be procured through AMTRON. He, however, had not stated the reasons for not preparing plan and estimate and not executing agreement with definite time schedule for completion of the project. Thus, payment of Rs.3.75 crore to a firm without any plan or detailed estimates of work, non tendering and non execution of a contract with the firm was irregular.

3.5 The department by their written reply has stated that (I) (a) The Govt. of Assam has set up AMTRON in the year 1984 for promotion of industries in the electronics and allied sector. Computerization at Gauhati Medical College Hospital, Guwahati under 12th FC Award (Phase-I) is a part of the proposed computerization project of various records of 3(three) Medical Colleges including Govt. Ayurvedic College, Guwahati, Regional College of Nursing, Guwahati, Regional Dental College, Guwahati undertaken by the Govt. in the Health & F.W. Department. The Govt. vide its letter No.HLB.491/2005/137, dated 22.06.2006 had informed the Director of Medical Education, Assam that the Govt. has decided to computerize the record of Officers and officials of all the Medical Colleges, Govt. Ayurvedic College, Guwahati, Regional College of Nursing, Guwahati and Regional Dental College, Guwahati and procurement/distribution of Drugs including basic infrastructure facilities of the Medical Colleges. It was also requested to submit proposal through Managing Director, AMTRON. The Managing Director, AMTRON has submitted a proposal directly to the Govt. for GMCH Computerization Phase-I amounting to Rs.375 lakhs vide his letter No. AEDC/MD/GMCH/2007 dated 05.03.2007 with details of the schemes. Accordingly, the project had been approved by the Govt.

and accorded necessary sanction. (b) As observed by the Audit, it is a fact that no NIT had been invited. As because the Govt. of Assam, Industries and Commerce Department vide its letter No. MI.98/2001/3, dated 11.10.2001 had issued instructions to all Govt. Dept, PSU/Govt. Corporation that the State Govt. in order to maintain uniformity in the Computer Hardware and Software procured by different State Govt. Dept. all procurement should be made from AMTRON which is a State Govt. undertaking. It will justify as to why the Director of Medical Education, Assam had not invited NIT. (c) Dept. of Industries has been acting as the nodal Department for information technology to the Govt. of Assam and AMTRON, a State Govt. Undertaking has been giving its technical support to the Nodal Dept. as well as to the State Govt. Moreover, AMTRON being a Govt. undertaking, the amount of bills paid had gone into the coffers of a State Govt. undertakings. (d) The Computerization Project includes software which were designed and developed by AMTRON. The following modules have been made functional.

1. Registration
2. Cash
3. Radiology(a) MRI, (b) X-Ray,(c) CT Scan, (d) Ultrasound
- 4 Pathology
5. Microbiology
6. Biochemistry
7. MRD
8. IPD
9. Central Store

(II) Reply furnished above in I (a to d) will speak the truth that there are schematic project for Computerization at GMCH, Guwahati Phases-I and the reasons for non-invitation of tender for Computerization from other reputed firms. The printout of the modules enclosed will speak about the targeted result. It would have been a violation of Govt. order if we had invited tender and not accepted the rates of the AMTRON. (III) The photographs indicating physical progress report of the Computerization at GMCH, Guwahati Phase-I.

OBSERVATIONS/RECOMMENDATIONS

3.6 The Committee is satisfied with the deposition of the departmental witnesses and pleased to drop the para.