

EXECUTIVE SUMMARY	
Tax collection	Receipts from Police, Forests, Public Works and Irrigation and Waterways are major non-tax revenue of the State government. The assessment and collection of these non-tax revenue are governed by separate sets of Acts and Rules which are administered by the Principal Secretaries/Secretaries of the concerned Departments who are assisted by the respective Directorates.
Results of audit conducted by us in 2010-11	<p>In 2010-11, we test checked the records of 25 units relating to non-tax receipts and found underassessment of revenue and other irregularities involving ₹ 146.46 crore in 31 cases.</p> <p>The Department accepted underassessment and other deficiencies of ₹ 69.24 crore in 10 cases, which were pointed out in audit during the year 2010-11.</p>
What we have highlighted in this Chapter	<p>In this Chapter we present a performance audit on “Assessment and Collection of Police Receipts” with a financial effect of ₹ 131.38 crore.</p> <p>We have highlighted the following points in the chapter:</p> <ul style="list-style-type: none"> • Non-implementation and incorrect determination of average basic pay after implementation of ROPA, 2009 resulted in short recovery of police cost of ₹ 64.62 crore. • Police cost was demanded on the basis of actual number of personnel deployed instead of sanctioned strength resulting in short recovery of ₹ 14.62 crore. • Lack of initiative on the part of the Home Department to obtain audit certificate led to non-raising of demand for re-imbursement of expenditure of ₹ 85.85 crore. • Irregular adjustment of charges by the Railway authorities led to short realisation of police cost of ₹ 18.45 crore. • Unserviceable vehicles not traceable in the depot led to loss of revenue of ₹ 35.56 lakh.
Our conclusion	We noticed a number of system and compliance deficiencies in functioning of the Home (Police) Department in respect of assessment and collection of the police cost. Absence of specific provisions in the Police Regulations of Bengal governing the function of the Department, adversely affected the collection of revenue.

Non-revision of average basic pay after implementation of ROPA, 2009, non-revision of the license/certificate for hotels/restaurants/bars/shops and absence of provision of interest for non/delayed payment of police cost adversely affected the revenue realisation. Lack of effective initiative for claiming re-imburement of police cost from the Central Government and other states regarding agencies function and election duty respectively. Weak control mechanism of the Department led to non-realisation of police cost from the organisation as per sanction strength of government offices. Considerable amount of government revenue remained unrealised due to non-disposal of condemned vehicles and unclaimed properties.

CHAPTER IX : OTHER NON-TAX RECEIPTS

9.1 Tax administration

Receipts from Forests, Public Works, Police and Irrigation and Waterways are major non-tax revenue of the state Government. The assessment and collection of these non-tax revenue are governed by separate sets of Acts and Rules which are administered by the Principal Secretaries/Secretaries of the concerned Departments who are assisted by the respective Directorates.

9.2 Results of audit

In 2010-11 we test checked the records of 25 units relating to non-tax receipts and found underassessment of revenue and other irregularities involving ₹ 146.46 crore in 31 cases which fall under the following categories:

(₹ in crore)

Sl. No.	Categories	No. of cases	Amount
Police Receipts			
1	Assessment and collection of Police Receipts (A Performance audit)	1	131.38
Forest			
1	Loss of Government revenue due to theft of timber	3	0.30
2	Other cases	14	0.30
Total		17	0.60
Departmental Receipts			
1	Non/short levy of Water rate	3	09.18
2	Other cases	10	05.30
Total		13	14.48
Grand Total		31	146.46

During the course of the year, the Department accepted underassessment and other deficiencies of ₹ 69.24 crore in 10 cases, which were pointed out in audit during the year 2010-11.

A performance audit on “**Assessment and collection of Police Receipts**” with a financial effect of ₹ 131.38 crore is mentioned in the following paragraphs.

9.3 A Performance audit on “Assessment and Collection of Police Receipts”

Highlights

- Non-implementation and incorrect determination of average basic pay after implementation of ROPA, 2009 resulted in short recovery of police cost of ₹ 64.62 crore

(Paragraph 9.3.6)

- Police cost was demanded on the basis of actual number of personnel deployed instead of sanctioned strength resulting in short recovery of ₹ 14.62 crore.

(Paragraph 9.3.11.3)

- Lack of initiative on the part of the Home Department to obtain audit certificate led to non-raising of demand for re-imburement of expenditure of ₹ 85.85 crore.

(Paragraph 9.3.12.1)

- Irregular adjustment of charges by the Railway authorities led to short realisation of police cost of ₹ 18.45 crore.

(Paragraph 9.3.13)

- Unserviceable vehicles not traceable in the depot led to loss of revenue of ₹ 35.56 lakh.

(Paragraph 9.3.20.1)

9.3.1 Introduction

During 2005 to 2010 the receipts of the Police Department, Government of West Bengal accounted for between 1.34 and 5.71 *per cent* of the total non-tax revenue of the State. The receipts comprise recovery of cost for deployment of police force to different organisations¹ including Central and other State Governments either permanently or on a temporary basis. Recovery from the Central Government arises by way of re-imburement of expenditure for discharging agency functions like registration and surveillance of foreigners, international border check post duties and passport work etc.

A part of the receipts comes from fees and fines collected for granting licences to shops, hotels and restaurants and for issue of certificates to restaurants with foreign liquor (FL) on-shop/bars etc. in Kolkata. Fees for issue of arms and ammunitions licence, sale proceeds of unserviceable vehicles and unclaimed confiscated properties also form part of police receipts.

¹ Banks, Local bodies, Post offices, Central & State Government undertakings.

The system of assessment, collection and accounting of receipts are governed by the Police Act, 1861, the Calcutta Police Act, 1866, the Calcutta Suburban Police Act, 1866, the Arms Act, 1959, the Police Regulations of Bengal, 1943 made thereunder and the Government orders and notifications issued from time to time.

9.3.2 Organisational set up

The Additional Chief Secretary to the Government of West Bengal, Home (Police) Department is the administrative head of the Department. He is assisted by the Director General and Inspector General of Police, West Bengal (DG and IGP, WB) and the Commissioner of Police, Kolkata (CP, Kolkata). The DG and IGP is assisted by the Directors General (DGs), Additional Directors General (ADGPs), Inspectors General (IGs), Deputy Inspectors General (DIGs) and Superintendents of Police (SPs)/Commandants.

The responsibility of assessment and collection of police cost for deployment of police personnel to the Central Government Departments including the Railways and the other State Governments lies with the DG & IGP, whereas in districts, for deployment of police personnel to banks and individuals etc., the responsibility lies with the concerned SPs/Commandants. In Kolkata, such responsibility lies with the Commissioner of Police (CP) who is assisted by Additional Commissioners (Addl. Cs), Joint Commissioners (Jt. Cs), Deputy Commissioners (DCs) and Assistant Commissioners (ACs) of Police.

9.3.3 Audit objectives

The performance audit was conducted with a view to ascertain:

- the adequacy and effectiveness of the system in the Department for assessment and collection of revenue;
- the extent of compliance with the provisions of Acts, Rules and Departmental instructions;
- lacunae in Acts/Rules leading to loss/blocking of revenue; and
- efficacy of the internal control system of the Department.

9.3.4 Audit methodology

We conducted the performance audit between October 2010 and May 2011 covering the period between 2005-06 and 2009-10. Ten out of 19 SP offices were selected on the basis of stratified random sampling method. We divided the 19 units in three strata on the basis of collection of revenue and selected 100 *per cent* i.e. three units from the first stratum, 50 *per cent* i.e. five units from the second stratum and 10 *per cent* i.e. two units from the third stratum. We also scrutinised the records maintained in the offices of CP, Kolkata and DG and IGP, West Bengal.

9.3.5.1 Trend of revenue

The budget estimate, revised estimate, actual collection of revenue, variation in actual receipts in respect of BE and RE and percentage of variations between 2005-06 and 2009-10 are mentioned in the following table:

(₹ in crore)

Year	Budget estimates (BE)	Revised budget estimates (RE)	Actual receipts	Variation excess(+)/shortfall (-)	Percentage of variation in respect of BE excess (+)/shortfall (-)	Percentage of variation in respect of RE
2005-06	88.89	92.03	57.05	(-) 31.84	(-) 35.81	(-) 38.01
2006-07	124.03	124.13	71.33	(-) 52.70	(-) 42.49	(-) 42.46
2007-08	132.64	102.39	63.02	(-) 69.62	(-) 52.49	(-) 38.45
2008-09	169.77	129.24	66.88	(-) 102.89	(-) 60.61	(-) 48.25
2009-10	151.12	97.59	68.67	(-) 82.45	(-) 54.56	(-) 29.63

The percentage of shortfall in actual receipts varied between 35.81 and 60.61 in respect of BEs and between 29.63 and 48.25 in respect of REs.

The Department stated (August 2011) that budget estimates for police receipts are framed by adding a common growth percentage in the Head quarters since no feed back is received from the district/local offices. As a result a difference between budget estimates and actual receipts is observed at the end of each year.

9.3.5.2 Arrears of revenue

DIGP(O), West Bengal in his Memo no. 5428(40)Fin/Bt of 26th December 2005 instructed to maintain a Control register for watching assessment and recovery of Police Cost. The said control register for watching the recovery of arrears of police cost is not maintained either at the district level or at the Police Directorate.

In the absence of a control register to monitor recovery of arrears of police cost in the SP offices and CP- Kolkata, the actual arrears of revenue could not be ascertained in audit. Though the DIG of Police (O) instructed in (December 2005), the SP offices to submit progress report on demand for police cost and its recovery, consolidated position of arrears and year wise break up of arrears of revenue were not available in the Directorate office.

Opening balance of arrears of police cost and annual accumulation during the period 2005-06 to 2009-10 as available from eight² SP offices and CP-Kolkata is given below:

(₹ in lakh)

Opening balance as on 01-04-05	2005-06	2006-07	2007-08	2008-09	2009-10	Total
1,468.45	279.16	289.00	323.40	495.23	591.65	3,446.89

The Joint Secretary, Home (Foreigners and NRIs), West Bengal raises claim against the Ministry of Home and External Affairs for obtaining reimbursement of expenditure incurred by the State Government in connection with agency functions³ performed by the State Police Department. The office

² Paschim Medinipur, Purba Medinipur, North 24 Parganas, Bankura, Purulia, Burdwan, Nadia and Darjeeling.

³ Agency function i.e. Registration and surveillance of foreigners, immigration check post, citizen matters and passport work.

did not maintain control register for monitoring recovery of arrears of revenue. From the statement of arrears of revenue it was seen that an amount of ₹ 125.49 crore for the period from 1997-98 to 2004-05 was payable by the Ministry of Home Affairs, Government of India as detailed below:

(₹ in crore)

1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	Total
8.44	17.14	22.38	16.94	15.14	17.66	13.57	14.22	125.49

Though the demands were raised between February 2001 and August 2007, the amount was neither paid by the Government of India, nor did the Department pursue for recovery further.

Records of DG & IGP West Bengal revealed that demand for obtaining reimbursement of expenditure for deployment of force in GRP⁴ of ₹ 6.09 crore and ₹ 8.21 crore relating to the period 2008-09 and 2009-10 respectively was raised against Kharagpur and Siliguri divisions respectively between March 2010 and March 2011. But the Directorate office did not take any initiative for realisation of Government revenue.

Absence of control mechanism and lack of pursuance for recovery of arrear revenue has led to accumulation of arrears for ₹ 174.25 crore during the period from 1997-98 to 2009-10.

Audit Findings

System deficiencies

9.3.6 Non-revision and incorrect determination of average basic pay after implementation of ROPA, 2009

The Police Regulation of Bengal (PRB) 1943 provides that police cost will be recovered for supply of police forces to banks, post offices, other Government and non-Government organisations. G.O. No. 273(2) dated 18.01.2007 prescribes that police cost will consist average basic pay plus 90 per cent of the average basic pay plus dearness allowance at prevalent rates. Prior to April 2008, the average basic pay was calculated as per G.O. dated 06.06.2006. The Revision of Pay and Allowance Rules (ROPA), 2009 was published in February 2009 and was implemented in the state w.e.f. 01.04.2008. The demand for police cost is to be raised on revised average basic pay as per ROPA, 2009 from April 2008.

We found in seven SP offices⁵ that police cost was demanded on the basis of pre-revised average basic pay instead of revised average basic pay⁶ as per ROPA Rules, 2009. ROPA, 2009 was published in February 2009 and was effective from April 2008. Average basic pay for the assessment of police cost was not revised and no

⁴ Government Railway Police.

⁵ SPs: Darjeeling, Coochbehar, Nadia, Paschim Medinipur, North 24 Paraganas, Bankura and Burdwan.

⁶ Revised average basic pay = average of minimum and maximum of basic pay + grade pay.

arrears were recovered from the borrowing organisations till the date of audit (May 2011). This resulted in short demand and short recovery of police cost of ₹ 12.53 crore.

In eight SP offices⁷ ROPA, 2009 was implemented from April 2009. While implementing ROPA, 2009 the police cost was to be assessed on the basis of revised average basic pay as stipulated in G.O. issued in June 2006. In six offices instead of taking average of the minimum and maximum of the new pay scale of each category staff as per ROPA, 2009, the average basic pay of the old scale was converted into revised average basic pay by multiplying it with 1.86 plus grade pay and in two offices revised basic pay drawn by each police personnel deployed, was taken for the assessment of police cost. Incorrect determination of average basic pay resulted in short demand and short recovery of police cost of ₹ 7.08 crore.

In two SP offices⁸ and CP, Kolkata ROPA, 2009 was implemented from April 2008 but police cost was not assessed on the basis of revised average basic pay. Incorrect determination of average basic pay resulted in short levy and short recovery of police cost of ₹ 45.01 crore.

The short demand and short recovery is shown in the table below:

Nature of observation	Period of demand	Period over which demand raised	No. of cases	No. of organisations involved	Amount of police cost		Short demand & short recovery
					To be demanded	Actually demanded	
Non-revision of average basic pay after implementation of ROPA, 2009	April 2008 to March 2010	Between July 2008 and April 2010	272	46	18.36	5.83	12.53
Seven SP offices							
Incorrect determination of average basic pay and delayed application.	April 2009 to March 2010	July 2009 and April 2010	197	42	15.76	8.68	7.08
Eight SP offices							
Incorrect determination of average basic pay.	April 2008 to March 2010	July 2008 and April 2010	278	65	93.17	48.16	45.01
Two SP offices and CP Kolkata							
Total			747	153	127.29	62.67	64.62

The Government in their reply (July 2011) stated that orders had been revised in May 2011 and Police Directorate had admitted the delay in revision of average basic pay. They further stated that average basic pay is calculated on the basis of fitment table in the newly created bands and not on previous pay scales.

⁷ SPs: Darjeeling, Coochbehar, Nadia, Paschim Medinipur, Purba Medinipur, North 24 Paraganas, Bankura and Burdwan.

⁸ Bankura and Birbhum.

The reply is not tenable as the revised basic pay in the fitment table is in relation to pre-revised scale and not in conformity with the principle stipulated in G.O. issued in June 2006 and January 2007.

The Government may consider revising of the orders May 2011 to bring them on the principles enumerated in the orders of June 2006 and January 2007 for working out of the police cost.

9.3.7 Non-revision of licence/certificate fee of hotels, restaurants, bars etc.

Under the provisions of the Calcutta Police Act, 1866, CP, Kolkata grants licences to the owners of restaurants, snacks bars, hotels, sweet meat shops and other types of shops in Kolkata. As certification officer the CP issues certificates to the owners of foreign liquor (FL) on-shop/bar and charges licence/certificate fee at the rates mentioned in the Act.

We found in the office of the CP, Kolkata that licence fees and certification fees were being collected at the rate prescribed in 1978 and the rates

were not revised in the last 32 years. In March, 2004 the Joint CP, Kolkata proposed for revision of different licence fees and certification fees pointing out the prospect of growth in collection of revenue. The Commissioner of Excise, West Bengal hiked the licence fee 11.11 times (over a period of 25 years) in 2005-06 in respect of the rate prevailing in 1981. Taking into account the data regarding number of restaurants, bars etc. contained in the statement annexed to the proposal of the Joint CP in March, 2004 the loss of revenue due to non-revision had been worked out at ₹ 2.52 crore per year and ₹ 12.61 crore for the period from 2005-06 to 2009-10.

After we pointed this out, the CP, Kolkata did not furnish any reply. Government accepted (July 2011) the audit observation and stated that the matter would be looked into.

The Government may consider revising the rates of license and certification fees for hotels, restaurants, shops etc. for augmentation of revenue.

9.3.8 Absence of provision of interest for non/delayed payment of police cost

Section 33 of the West Bengal Value Added Tax Act, 2003, Section 27 of the West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979 and Section 5A of the Bengal Electricity Duty Act, 1935 prescribe interest at the rate of 12 per cent per annum for non/delayed payment of Government dues. However, the Police Regulation of Bengal, 1943 does not provide for levy of interest for non/delayed payment of police cost.

We found in nine SP offices⁹ and CP, Kolkata that Police authorities raised a demand of ₹ 37.39 crore in 386 cases for realisation of police cost for the period from 1997-98 to 2009-

10. However, the police cost was not paid by the borrowing organisations in 348 cases involving ₹ 36.50 crore even after expiry of two to 291 months after issue of demand notice whereas in 38 cases police cost of ₹ 89 lakh was paid after delay ranging between one and 76 months from the date of raising demand. However, no interest could be charged for non/delayed payment of police cost due to absence of a provision in the PRB.

After we pointed this out, the SPs did not furnish any reply. Government in their reply stated (July 2011) that a decision in this regard would be taken.

The Government may consider incorporating the provision of interest in the PRB for non/delayed payment of police cost.

9.3.9 Non-maintenance of records and registers

There exists no system to review the assessment, demand and collection of police cost by the higher authority. Memo no. 5428(40) Fin/Bt dated 26.12.2005 issued by DIGP (O), West Bengal prescribed a control register for watching assessment and recovery of police cost but the format of the register has not been prescribed in the said order.

9.3.9.1 We found in the offices of the Reserve Inspector of all the districts that no control register for watching the deployment of force on permanent basis was maintained. In absence of the register the number of sanctioned

strength of police personnel and actual number of police personnel deployed in various organisations on a permanent basis could not be ascertained from the office of the Reserve Inspector of the districts. Thus, we could not ascertain the status of police cost realisable and realised in the districts.

9.3.9.2 Demand and collection register for deployment of Police force to cultural functions¹⁰ is required to be maintained in the district office centrally to keep a watch and control over realisation of police cost for such functions. Such register had not been prescribed under the Acts and Rules. Though Memo No. 5428(40) Fin/Bt dated 26.12.2005 prescribed the control register but format had not been described. None of the district offices maintained

⁹ SPs: North 24 Parganas, Burdwan, Purba Medinipur, Paschim Medinipur, Nadia, Coochbehar, Darjeeling, Purulia and Bankura.

¹⁰ Musical soiree, Jatra show etc.

such register centrally except Bankura and Purulia. In other districts, though a register to this effect was maintained by the SDPO/Addl. SP, the said registers were never submitted to the SP of the concerned district. In North 24 Parganas and Paschim Medinipur districts no such register was maintained either at the district level or at the sub-division level. This indicates lack of control of the district authority over the deployment of force for cultural functions in the district.

Government accepted (July 2011) the audit observation and stated that action would be taken accordingly.

The Government may consider prescribing the format of control register, demand and collection register etc. for a better control over the assessment and collection of police cost and uniformity of record maintenance in the sub-ordinate offices.

9.3.10 Non-raising of demand of police cost on IPL authority

Under the provisions of the PRB, 1943, police cost for deployment of police force is realisable from the requiring authority.

We found in office of the Brigade Reserve Inspector, Bodyguard Line, under the CP, Kolkata that 1,766 number of police personnel were deployed in each of the seven matches of Indian Premier League (IPL) held at the Eden Gardens, Kolkata during March and April 2010. IPL Twenty-20 Cricket Match was organised by the IPL authority for commercial purpose. The police force was deployed for security of the participating teams, VIPs and spectators. Though the deployment involved police cost of ₹ 1.80 crore¹¹ but the Department did not raise demand for police cost on the IPL authority.

Further, the CP, Kolkata did not furnish information regarding deployment of police force in IPL matches organised in Kolkata during 2008 and 2009 though sought for. In the absence of information, non-raising of demand for police cost on the IPL authority for the year 2008 and 2009 could not be ascertained in audit. The Department had not adopted any policy for raising demand for police cost from IPL authority though the IPL matches were meant for commercial purposes and were likely to be held every year in future.

After we pointed this out, the CP, Kolkata did not furnish any reply. The Government accepted (July 2011), the audit observation and stated that the matter would be looked into.

¹¹ For seven days at the rate of ₹ 25.73 lakh per day.

Compliance deficiencies

9.3.11 Non-observance of government orders and administrative instructions

Order no.5428(40) dated 26.12.2005 of the DIG (O) West Bengal prescribed different allowances and charges like leave contribution, pension contribution, contributory cost for arms and ammunition etc. are to be added to the average basic pay for assessment of police cost. It also instructed that police cost is to be recovered on sanctioned strength of force and for the full period for which the posts were sanctioned.

G.O. 273(2) dated 18.01.2007 prescribes for inclusion of 90 per cent of the average basic pay with average basic pay in lieu of different allowances and charges granted by the Government.

9.3.11.1 We found in three SP offices¹² and CP, Kolkata that while assessing police cost leave salary, pension contribution and contributory cost for arms and ammunition for the period from January 2006 to March 2008 were not included and TA, ration allowance, DA and pension contribution were included at lower rates. This resulted in short demand and short levy of police cost worth ₹ 44.25 lakh in 76 cases

relating to 26 organisations.

After we pointed this out, the Government accepted (July 2011) the audit observation. We await report on realisation (October 2011).

9.3.11.2 We found in three SP offices¹³ that the district authority did not implement the provisions of the G.O. dated 18.01.2007. Non-observance of the order led to short assessment and short recovery of police cost in 77 cases of 19 organisations for the period from January 2007 to March 2008 amounting to ₹ 13.91 lakh.

After we pointed this out, the Government accepted (July 2011) the audit observation. We await report on realisation (October 2011).

9.3.11.3 We found in nine district offices¹⁴ and CP, Kolkata that police cost in 425 cases relating to 26 organisations was demanded for ₹ 9.28 crore on the basis of number of police force actually deployed instead of ₹ 23.90 crore on the basis of their sanctioned strength for the period from January 2006 to March 2010. This resulted in short demand and short recovery of police cost of ₹ 14.62 crore.

After we pointed this out, the Government accepted (July 2011) the audit observation. We await report on realisation (October 2011).

¹² SPs: Darjeeling, Coochbehar and Nadia.

¹³ SPs : Darjeeling, Coochbehar and Burdwan.

¹⁴ SPs: Darjeeling, Coochbehar, Nadia, Paschim Medinipur, Purba Medinipur, Burdwan, Birbhum, North 24 Parganas and Purulia.

9.3.11.4 We found from the records of deployment of force in the office of the Reserve Inspector, Darjeeling that one head constable and six constables were posted at Bagdogra Airport till the date of audit (March 2011) against 16 posts¹⁵ sanctioned by the Home (Police) Department under their order of September 1978 for enforcing security/anti hijacking measures at Bagdogra Airport.

The Bagdogra Airport authority was liable to pay police cost on actual strength of force from April to December 2005 and on sanctioned strength from January 2006 to March 2010. But no demand was raised by the SP, Darjeeling to recover police cost from the Airport Authority. This resulted in non-raising of demand of ₹ 2.48 crore for the period from 2005-06 to 2009-10.

The Government in their reply stated (July 2011) that the matter had been taken up with the Central Government.

9.3.12 Non-raising of demand for agency function

In terms of Government of West Bengal order of March 2002, the State Police Department discharges agency function on behalf of Ministry of Home/External Affairs, Government of India on the basis of 100 per cent re-imbusement of expenditure by deploying police force for registration and surveillance of foreigners, passport & immigration and immigration check post on international border.

The Joint Secretary Home (F & NRIs) obtains statement of expenditure (SOE) from Home (Police) Department and submits it to the Principal Accountant General (Audit). PAG (Audit) issues audit certificate regarding correctness of expenditure. The Joint Secretary Home (F & NRIs) Department on the basis of the audit certificate prefers claim for re-imbusement of expenditure for agency functions.

9.3.12.1 We found that the Joint Secretary, Home (F & NRIs) Department did not obtain audit certificate from the office of the Principal Accountant General (Audit), WB for re-imbusement of expenditure for agency functions¹⁶ of ₹ 85.85 crore relating to the period from 2007-08 to 2009-10. Due to lack of initiative on the part of the Home (F and NRIs) Department, demand for re-imbusement of expenditure of ₹ 85.85 crore was not raised till the date of audit.

After we pointed this out, the Government in their reply stated (July 2011) that action would be taken. We await further report on action taken by the Government (October 2011).

¹⁵ Inspectors-01, Sub-Inspectors (Male)-04, Sub-Inspectors (Female)-02, Assistant Sub-Inspectors-02, Head Constable-01, Constable-06.

¹⁶ Agency functions i.e. Registration and surveillance of foreigners, immigration check post, citizen matter and passport works.

9.3.12.2 We found in the office of the Joint Secretary, Home (F & NRIs) Department that office of the PAG (Audit), West Bengal issued certificates of expenditure for ₹ 38.24 crore for 2005-06 and 2006-07 between May 2007 and March 2008 but demand for ₹ 32.31 crore was raised between May 2007 and April 2008 to the Ministry of Home Affairs, Government of India (GOI) for re-imburement. Demand for the balance amount of ₹ 5.93 crore and further demand of ₹ 4.23 crore in connection with passport and immigration for the years 2003-04 and 2004-05 were not raised against the Ministry of External Affairs, GOI. This resulted in non-raising of demand and consequent non-realisation of police cost of ₹ 10.16 crore for agency functions.

After we pointed this out (May 2011) the Government in their reply stated (July 2011) that action would be taken. We await further report on action taken by the Government (October 2011).

9.3.13 Short realisation due to irregular adjustment of charges by the Railway authority

As decided by the Railway Board in consultation with the Ministry of Home Affairs, Government of India, the expenditure of Government Railway Police (GRP) will be shared between the State Government and Railways on 50:50 basis. The DGP of the state raises demand for reimbursement of the expenditure against the Railway Administration zone-wise. For this purpose an authentication in respect of correctness of the charges booked under the concerned heads of the state accounts has to be obtained from the PAG (A & E) before raising demand from the Railways.

We found in the office of the DG & IGP, WB that claim of ₹ 126.23 crore for the period from 2005-06 to 2009-10 (50 per cent of the cost of police force deployed) was raised by the State Government against the Railway authority.

But the Railway authority while making payment between February 2007 and March 2011 adjusted ₹ 18.45 crore against their claims such as electric charges, rent, maintenance of level crossing etc. The memorandum of Railway Board did not stipulate any provision for adjustment of any charge from the reimbursable amount by the Railway authority. This irregular adjustment of the railway claims against the reimbursable amount resulted in short realisation of ₹ 18.45 crore.

After we pointed this out (April 2011), the Government in their reply stated (July 2011) that initiatives had been taken and letter issued to the Railway Board. We await further development in the matter (October 2011).

9.3.14 Lack of initiation for recovery of arrears

Provisions of the PRB prescribe that the borrowing organisations are liable to pay the amount of police cost in full as per demand notice. If there is any non/short payment in respect of demand notice, the arrears should be pursued effectively by the Department for recovery of the dues.

We found in the office of the DG & IGP, WB that the office obtained authentication from the PAG (A&E), WB in respect of the correctness of expenditure incurred and booked in the state accounts for deployment of force in GRP of two railway divisions for different periods¹⁷ and prepared

statement of police cost for each railway division for raising demand. The DG & IGP issued between December 2006 and March 2010 demand of ₹ 10.58 crore to the Railway divisions out of which ₹ 10.01 crore (including adjustment) was realised between March 2007 and October 2010. No initiation was taken by the Department for realisation of the balance government dues. This resulted in short realisation of police cost of ₹ 57 lakh from the railway.

After we pointed this out (April 2011), the Government in their reply stated (July 2011) that the cost of deployment would be recovered. We await further report on realisation (October 2011).

9.3.15 Non-raising of demand of police cost inspite of specific order for deployment

DIG (O), WB in his order of December 2005, directed the Superintendent of Police to recover police cost on the sanctioned strength and for the full period for which the posts are sanctioned.

We found in three SP offices¹⁸ that sanction orders were issued by the Government between October 1990 and March 2008 for deployment of police force in banks, Central Government undertaking for the purpose of guarding cash chests/security reason

etc. But the SPs did not deploy the police force as per sanction order. No specific reason for non-deployment of the police force was furnished by any of the SPs though sought for. This resulted in non-realisation of police cost of ₹ 5.49 crore due to non-deployment of the force inspite of specific government order.

After we pointed this out, the SP, Burdwan stated (June 2011) that demand had been raised in two cases involving ₹ 2.47 crore in May 2011 to Indian Overseas Bank and State Bank of India, Asansol Branch for recovery. In the remaining cases the other SPs did not furnish any reply.

Government in their reply stated (July 2011) that Bank cash chests were not ready; so deployment was not made. The reply is not acceptable as the GO was issued in October 1990 and force was deployed in July 2010 in one case. In another case, the GO was issued in July 2005 but deployment was not made till the date of audit (December 2010).

¹⁷ North East Frontier Rly (Siliguri Divn.) for 2005-06 and 2006-07, and South Eastern Rly (Kharagpur Divn.) for 2005-06 and 2008-09.

¹⁸ SPs : Burdwan, North 24 Parganas and Purba Medinipur.

9.3.16 Non-adjustment of police cost for deployment of force to Commercial Check post

The district police authorities deployed police force for guarding Commercial Check posts in West Bengal on the basis of Government order issued on different dates for different check posts by the Home (Police) Department. The order contained instruction for adjustment of the cost of deployment against the Sales Tax (Commercial Tax Authority).

We found in five SP offices¹⁹ that 68 number of police personnel were deployed between January 1981 and September 1985 in five check posts²⁰ which was also retained till the date of audit. The expenditure of ₹ 8.95 crore in respect of this police force was to be credited to the head of accounts - 2055

‘Police’ by debiting the head of accounts 2040 ‘Sales Tax’ during the period from 2005-06 to 2009-10. But no attempt was made by the Department for adjustment of police cost at the end of every financial year. This resulted in non-reflection of actual state of performance of Police Department and non-adjustment of police cost of ₹ 8.95 crore by contra credit to the police accounts.

After we pointed this out, SP, Purulia accepted the audit observation involving ₹ 72.11 lakh but did not furnish any report on further action taken. In the remaining cases the other SPs did not furnish any reply.

The Government accepted the audit observation (July 2011). We await for further report on action taken by the Government (October 2011).

9.3.17 Short realisation of escort charges

Under regulation 666(c) of the PRB, 1943 escort charges should be recovered from banks, post offices and other organisations which require deployment of police temporarily for escorting cash. As per instruction of Special Inspector General of Police, West Bengal of December, 2005 escort charges on temporary deployment were to be realised in advance before deployment of the police force.

9.3.17.1 We found in nine SP offices²¹ that police force was deployed temporarily between April 2008 and March 2010 to banks, Post offices and Central Government offices. The SPs assessed escort charges in these cases at the rate applicable for the period prior to 1 April 2008 without taking into account the effect of

ROPA, 2009. Application of lower rate resulted in short demand and short recovery of ₹ 1.86 crore.

¹⁹ SPs: Purulia, Burdwan, Paschim Medinipur, Coochbehar and Darjeeling.

²⁰ Sarbani more, Duburdih, Chichira, Buxirhat and Phansideva.

²¹ SPs: Darjeeling, Coochbehar, Nadia, Paschim Medinipur, Purba Medinipur, Burdwan, Birbhum. North 24 Parganas and Purulia.

9.3.17.2 In two SP offices²² police force was deployed temporarily during 2005-06 to 2009-10 in 48 cases for escorting cash to three post offices but the SPs did not raise demand of escort charges for ₹ 37.68 lakh.

9.3.17.3 In five SP offices²³ police escorts were deployed to different organisations but escort charges were not realised in advance in 192 cases by the SPs and the delay ranged between 19 and 390 days. Out of 192 cases, in 88 cases escort charges of ₹ 2.10 lakh was not realised whereas in 104 cases escort charges of ₹ 24.88 lakh was realised short.

The Government in their reply (July 2011) did not furnish specific reply and in 192 cases accepted the audit observation.

9.3.18 Short realisation of police cost relating to cultural programme/musical shows etc.

Under regulation 666(c) of the PRB, 1943, the Superintendent of Police of the district may supply temporary police guard to a private party at his own discretion.

We found in seven SP offices²⁴ that in 246 cases police force was deployed for cultural functions during the period from April 2008 to March 2010 on requisition placed by the organisers for peaceful conduct

of the programmes. The daily rate of deployment of police force was revised due to enhancement of pay and allowances after introduction of ROPA, 2009. The effect of revision was not taken into account by the SPs while raising demand in these cases. This resulted in short realisation of police cost of ₹ 47.41 lakh.

The Government in their reply (July 2011) stated that the rate has been revised since 25 May 2011. The reply is not acceptable as the G.O. of May 2011 prescribed average basic pay/daily rate based on fitment table of ROPA, 2009.

9.3.19 Non-realisation of police cost for election duties in other states

State Armed Police Force (SAPF) are kept under the control of the Commandants in the districts. As per the existing arrangement, the West Bengal Police Directorate (WBPD) deploy SAPF in other states for election duty for maintenance of law and order. The DG & IGP, WB assesses the deployment cost, forwards the claim to the Deputy Secretary, Home (Police) Department (DS/Home) who raises the demand against the requiring state(s) for recovery.

We found from the records of DG & IGP and Home (Police) Department that the police force was deployed in the Lok Sabha Elections and State Assembly Elections of five states but police cost was not assessed and demanded in two cases and in the other two cases though demand was raised, the dues were not realised till the date of audit (May 2011)

as shown in the following table:

²² SPs: Birbhum and Purba Medinipur.

²³ SPs: Purba Medinipur, Burdwan, North 24 Parganas, Purulia and Bankura.

²⁴ SPs: Purulia, Bankura, North 24 Parganas, Burdwan, Purba Medinipur, Birbhum and Nadia.

(₹ in lakh)

Sl. No.	Name of the borrowing States	Purpose of deployment of force	Amount of police cost realisable	Period of demand	Remarks
1	Bihar and Punjab	Assembly Election	28.96	October 2005 and February 2007	Demand raised by the DS (Home) in April 2011
2	Punjab	Assembly Election	13.27	February 2007	Demand not assessed by the CP Kolkata
3	Madhya Pradesh, Rajasthan and Chhatisgarh	Assembly Election	8.32	November 2008	Demand was not raised by the DS (Home)
4	Bihar	Lok Sabha election	73.60	April 2009	Demand raised by the DS (Home) in February 2010

Lack of initiative on the part of the Department resulted in non-raising of demand of ₹ 21.59 lakh and/or non-realisation of arrears of revenue of ₹ 1.03 crore.

The Government in their reply stated (July 2011) that follow up action would be taken. We await further report on action taken by the Government for realisation of police cost (October 2011).

9.3.20 Other irregularities

9.3.20.1 Unserviceable vehicles not found in depot for disposal

The Government of West Bengal, Transport Department issued guidelines regarding the normal life of state Government vehicles and formation of a Condemnation Testing Committee and its role for declaration of vehicles as condemned for ultimate disposal in auction.

We found in the office of the Assistant Commissioner of Police, Police Service Depot, Kolkata (AC/PSD) that in June 2009 AC/PSD informed all the Deputy Commissioners (DCs) and Motor Transport Officers (MTOs) about the disposal of 330 condemned vehicles (188 vehicles and 142 Motor Cycles) of Kolkata Police. The DC, Wireless Branch, the nominated Chairman of the Condemnation Testing Committee (CTC), directed three inspectors to trace the existence of the vehicles in the scheduled locations. From the case records, it was observed that 147 (80 cars and 67 motor cycles) out of 330 vehicles could not be traced by the inspectors. AC/PSD directed the inspectors to locate the untraced vehicles and to submit a report by 6 August, 2010 but no report was submitted till the date of audit (May 2011).

From the latest sale value of vehicles and motor cycles as available from tenders held in June 2010 organised by Metal Scrap Trading Corporation (MSTC) the value of 147 untraced vehicles had been worked out to ₹ 35.56 lakh.

After we pointed this out, the AC/PSD -Kolkata stated (September 2011) that out of 183 vehicles available for disposal, 177 vehicles had been disposed of in auction on 11 August 2011 at ₹ 40 lakh.

The Government in their reply stated (July 2011) that matter would be scrutinised and final reply would follow.

9.3.20.2 Non-disposal of condemned vehicles

Sale proceeds of unserviceable and condemned vehicles of the police establishment form part of police receipts.

We found in four SP offices²⁵ that though 87 Departmental vehicles were declared unserviceable between June 2003 and March 2010, the reserve price was not fixed in eight cases. The competent authority did not take any action for sale of 79 vehicles in auction though their reserve price was fixed in March 2010. The vehicles were lying undisposed for a period between 12 and 81 months resulting in deterioration of their condition. Non-disposal of 78 condemned vehicles resulted in non-realisation of government revenue of ₹9.74 lakh.

After we pointed this out, SP, Purulia admitted (July 2011) the audit observation in 19 cases involving ₹ 4.15 lakh and stated that prompt action would be taken. SP, North 24 Parganas stated (September 2011) that nine vehicles had been sold at ₹ 2.79 lakh in June 2011. In the remaining cases the other SPs did not furnish any reply.

The Government in their reply stated (July 2011) that 51 vehicles of Burdwan are lying pending with WBPD.

²⁵ SPs: Burdwan, North 24 parganas, Purba Medinipur and Purulia.

9.3.20.3 Non-disposal of unclaimed properties

Under the provisions of the Police Act, 1861, a police officer shall take charge of all unclaimed property and will furnish an inventory thereof to the Magistrate of the district or any other Executive Magistrate authorised. The Magistrate or the Executive Magistrate so authorised may issue a proclamation under the Act. If no person claims the property within six months from the date of such proclamation, the property would be sold under the order of the District Magistrate or Executive Magistrate authorised in this behalf.

We found in two SP offices²⁶ that in 66 cases 139²⁷ articles seized between 1999-2000 and 2009-10 were lying in the police stations for a period ranging between eight and 59 months. The inventories of the articles were not furnished to the Magistrate or the authorised Magistrate for issue of proclamation. Lack of initiative by the police

stations to send inventories of articles to the Magistrate resulted in non-disposal of unclaimed properties.

The Government in their reply stated (July 2011) that district police offices had been directed to take necessary action.

9.3.21 Lack of monitoring in case of lapsed arms licence

Under the provisions of the Arms Act, 1959, any person having in his possession any arms and ammunitions has in consequence of expiration or revocation or by any other reason whatever ceased to be lawful shall without delay deposit the same either with the officer in charge of the nearest police station or with a licensed dealer.

We found in the office of CP, Kolkata that issue and renewal of arms licences are recorded in the licence register. In 37 cases the validity of licences were found to have been expired between 19 July 2007 and 22 August 2010 but from the licence register it could not be ascertained whether the

arms were deposited with the nearest police station or a licensed dealer as per the provisions of the Act.

In the absence of regular reviewing of arms licence, evasion of Government revenue could not be ruled out. Lack of monitoring over the unlawful possession of arms may also create a law and order problem in the State.

The Government in their reply stated (July 2011) that the matter would be looked into.

²⁶ SPs: Birbhum and Burdwan.

²⁷ Big Vehicles-2, small vehicles-3, T.V.Set-31, fan-83, Maruti car-1, Motor Cycle-17 and video camera-1, Refrigerator-1.

9.3.22 Conclusion

We noticed a number of system and compliance deficiencies in functioning of the Home (Police) Department in respect of assessment and collection of the police cost. Absence of specific provisions in the Police Regulations of Bengal governing the function of the Department, adversely affected the collection of revenue. Non-revision of average basic pay after implementation of ROPA, 2009, non-revision of the license/certificate fees for hotels/restaurants/bars/shops and absence of provision of interest for non/delayed payment of police cost adversely affect the revenue realisation. There was lack of initiative for claiming reimbursement of police cost from the Central Government and other states regarding agency functions and election duty respectively. Weak control mechanism of the Department led to non-realisation of police cost from the organization as per sanction strength of police force, escort charges from banks, post offices and other central government offices. Considerable amount of government revenue remained un-realised due to non-disposal of condemned vehicles and unclaimed properties.

9.3.23 Summary of recommendation

The Government may consider the following recommendation for proper assessment and collection of police receipts:

- Revising the average basic pay after implementation of ROPA, 2009 in the light of government orders of June 2006;
- Revising the rates of license and certification fees for hotels, restaurants, shops etc. for augmentation of revenue;
- Incorporating the provision of interest in the PRB for non/delayed payment of police cost;
- Prescribing the format of control register, demand and collection register etc. for better control over the assessment and collection of police cost and uniformity of record maintenance in the sub-ordinate offices;
- Prescribing fixed rates for deployment of police depending on the nature of the occasion/number of policemen to be deployed/population size. The entire arrangement may be computerised, so that the rates are made available on the website and the database on such deployment and realisation of police receipts are also maintained, updated and monitored by the police authority in a transparent and systematic manner.
- Adopting a policy for realisation of police cost from the IPL authorities; and

- Strengthening the internal control mechanism to obtain reimbursement of expenditure from the Central Government, efficient realisation of escort charges and prompt disposal of condemned vehicles and unclaimed properties.



Kolkata
The

(M. RAY BHATTACHARYYA)
Accountant General
(Economic and Revenue Sector Audit),
West Bengal

Countersigned



New Delhi
The

(VINOD RAI)
Comptroller and Auditor General of India