

CHAPTER XV : MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

Indian Statistical Institute, Kolkata

15.1 Excess payment to Municipal Authority

Payment of municipal dues to the Municipal Authority without verification of the prevalent clause of relevant Act, resulted in excess expenditure of ₹ 1.47 crore.

The Indian Statistical Institute, Kolkata (ISI) is an institution of national importance devoted to research, teaching and application of statistics and related disciplines. The ISI is fully financed from grants by Government of India.

Kolkata Municipal Corporation (KMC) supplied water to ISI at two of its premises at Kolkata viz. 202, Barrackpore Trunk (B.T.) Road and 205, B.T. Road. The water supplied at 202, B.T. Road Campus caters to the need of the Institute and academic buildings, administrative building, other ancillary units and residential out-houses while the water supplied at the 205, B.T. Road Campus is used for the residential quarters, hostel buildings, guest house and medical welfare unit. The KMC raises bills for supply of water according to the water meters attached to the two aforesaid connections at ISI premises and the same are paid periodically.

The 'Buildings' have been classified on the basis of occupancy and are defined in Section 390(2) of Chapter XXII of the KMC Act, 1980. The residential buildings are buildings provided for normal residential purposes and include one/two/multi-family dwellings, hostels, etc., and the educational buildings are buildings used for school, college or day-care purposes involving assembly for instruction, education or recreation incidental to them. It has been further mentioned that for the purpose of occupancy, it shall be deemed to include subsidiary occupancies which are contingent upon it. Therefore, the buildings to which water is supplied by KMC should have been classified under residential and educational buildings since principal occupancy of all those buildings

were either for residential purposes or educational purposes, except for the administrative building which was again contingent upon the rest. Section 238(2)(i) of Chapter XVII of the said Act stipulates that water supplied to residential and educational buildings may be deemed to be supplied for domestic purposes.

Audit found (February 2014) that KMC had raised bills from ISI at the rates applicable under 'Industrial Commercial and Institutional' category instead of 'Domestic' category. This resulted in excess expenditure of ₹ 1.47 crore for the period from January 2004 (as per records made available) to October 2013. It was also observed that ISI had never approached the KMC for rectification of categorisation of the type of consumer.

ISI stated (December 2014) that they had taken up the matter with KMC, for change of category and refund of excess amount charged.

The matter was reported to the Ministry in October 2014; their reply was awaited as of February 2015.

Indian Statistical Institute

15.2 Undue benefit to employees

Adoption of Medical Insurance scheme by Indian Statistical Institute which was yet to be finalised by the Administrative Ministry, coupled with non-deduction of contribution from employees for the years 2011-12 and 2012-13 towards the same, resulted in undue benefit of a minimum of ₹ 57.40 lakh to the employees.

The Sixth Central Pay Commission (Sixth CPC) recommended (August 2008) a health insurance scheme for Central Government employees/pensioners on voluntary basis subject to recovery of prescribed contribution. The Group A, B, and C employees should contribute 30 per cent, 25 per cent and 20 per cent of the annual premium respectively with the Government paying the remainder. As per normal procedure, the Department related recommendations of the CPC are processed for implementation or otherwise by the Administrative

Ministries in consultation with Ministry of Finance. The Ministry of Health and Family Welfare (MoH&FW) is the Administrative Ministry for introduction of insurance schemes in respect of Central Government employees. The MoH&FW have formulated a Group Health Insurance Scheme (Scheme) which was yet to be finalised.

Indian Statistical Institute (ISI) had been providing outdoor medical facilities to their staff through Medical Welfare Unit located in their campus. Besides, ISI provided indoor medical facilities as per the provisions of CS (MA) Rules. However, in September 2010, ISI decided to introduce a health insurance scheme for its employees in line with recommendation of Sixth CPC. ISI held discussion (December 2010) with four public sector insurance companies to explore the scheme on Floater¹ basis for a sum of ₹ 4 lakh per family per year. Bids were invited from four insurance companies and the proposal from National Insurance Company Limited (Insurer) was selected for being the lowest bidder at an annual premium of ₹ 1.45 crore. The work order was issued to Insurer in March 2011 and an annual premium of ₹ 1.46 crore for the year 2011-12 was paid.

Test check of records revealed that ISI did not recover contribution at prescribed rates as stipulated under Sixth CPC. In the meantime, annual premium amounting to ₹ 1.41 crore for the year 2012-13 was further paid to the Insurer in March 2012.

Ministry of Statistics and Programme Implementation constituted (May 2012) a Fact Finding Committee to look into issues relating to medical facilities of the existing and retired employees of ISI. The Committee recommended (July 2012) that the proposal for regularisation/implementation of the Medical Insurance Scheme with retrospective effect *i.e.* 30.3.2011 should be sent to the Administrative Ministry in consultation with nodal Ministries. The committee also recommended that the proposal should also include deduction of contribution at the rate of 20 to 30 *per cent* of the annual premium or at the rates of CGHS contribution from the existing as well as retired employees.

¹ A policy in which additional members of his/her family are covered alongwith the insured on payment of some additional premium.

Scrutiny of records revealed that ISI started deducting the contribution towards the Scheme at the rate of 20 *per cent* from the existing employees with effect from 31 March 2013. However ISI did not recover the contribution from the employees for the years 2011-12 and 2012-13. The unrecovered contribution towards the scheme was at least² ₹ 57.40 lakh. Meanwhile, insurance claims of ₹ 1.28 crore and ₹ 1.84 crore were processed during 2010-11 and 2011-12 respectively.

ISI stated (January 2015) that it was following CS (MA) Rules for indoor treatment of its employees prior to introduction of health insurance scheme and there was no provision for deduction of contribution in the CS (MA) Rules. The reply is contrary to the fact that the health insurance scheme, which was yet to be approved by the Administrative Ministry, was being implemented by ISI as recommended in Sixth CPC which *inter-alia* stipulated recovery of premium from the employees at prescribed rates. Hence, the reply of ISI that no recovery of premium was made from the employees as there was no provision in CS (MA) Rules was not relevant as the health Insurance scheme does not fall within the ambit of CS (MA) Rules.

The fact remains that though ISI implemented the health insurance scheme in line with the recommendation of sixth CPC without the prior approval of Ministry, they had also failed to recover the premium amount from the employees as recommended in Sixth CPC and also by the Fact Finding Committee. Subsequent deductions of premium from March 2013 onwards were also lower than those recommended under Sixth CPC. Thus, adoption of medical insurance scheme by ISI which was yet to be finalised by the Administrative Ministry coupled with non-deduction of contribution from employees for the years 2011-12 and 2012-13 towards the same resulted in undue benefit of a minimum of ₹ 57.40 lakh to the employees.

The matter was reported to the Ministry in October 2014, their reply was awaited as of February 2015.

² 20 *per cent* of ₹ 1.46 crore and ₹ 1.41 crore premium paid during 2010-2011 and 2011-2012