Executive Summary

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The present Report contains two Subject Specific Compliance Audits (SSCAs) and one individual paragraph arising out of Compliance Audits.

The significant observations contained in this Report are discussed in brief in the following paragraphs.

Subject Specific Compliance Audits (SSCAs)

Utilisation of State Disaster Response Fund in West Bengal

The State of West Bengal is prone to natural disasters, particularly floods and cyclones. The Disaster Management and Civil Defence (DMCD) Department is the nodal Department responsible for works related to disaster management in the State. The State Disaster Response Fund (SDRF) is a fund constituted under section 48(1) (a) of the Disaster Management Act, 2005. The fund is used for meeting expenditure towards providing immediate relief to victims of calamities covered under the SDRF. The State Executive Committee (SEC) is responsible for all matters concerned with the SDRF and for ensuring that all norms and guidelines fixed by the Ministry of Home Affairs, Government of India (GoI) for using the SDRF, are adhered to.

An SSCA on 'Utilisation of SDRF in West Bengal', covering the period 2018-19 to 2022-23, was undertaken.

Significant audit observations that emerged from the audit were as follows:

- Audit noted that there was inefficient financial management of the SDRF due to which the State Government paid an interest of ₹ 4.88 crore for delayed transfer of its matching share to the SDRF account, after release of GoI's share.

  (Paragraph 2.2.1)

- In violation of Guidelines, an amount of ₹ 218.04 crore was kept outside the SDRF (as of March 2023), which resulted in loss of interest amounting to ₹ 4.51 crore. Further, interest of ₹ 5.56 crore earned was kept in savings bank accounts and was not deposited in the SDRF.

  (Paragraph 2.2.3.1)

- Fund of ₹ 90.08 crore was withdrawn from SDRF and deposited in Personal Deposit (PD) Accounts/ bank accounts. Of this, ₹ 36.51 crore was surrendered to SDRF after holding it for a period between 582 days and 788 days. The remaining ₹ 53.57 crore was neither utilised nor surrendered to SDRF for a period between 371 days to 973 days, as of November 2023.

  (Paragraph 2.2.3.2)

- Expenditure for the purpose of relief materials exceeded the prescribed limit of 25 *per cent* in Financial Year (FY) 2021-22 in respect of SDRF along with the National Disaster Response Fund (NDRF) allocation, in violation of prescribed norms.

  (Paragraph 2.3.1)

- Relief materials valued at ₹ 105.46 crore were sub-allotted (to eight districts) for distribution among beneficiaries or as reserve stock to tackle natural calamities during the FYs 2018-19 to 2022-23. However, materials worth ₹ 29.77 crore out of ₹ 105.46 crore (*i.e.* 28 *per cent*) were not only used during other calamities (Rain fall, Norwester, lighting *etc.*) that were not covered under SDRF guidelines but also used for social welfare purposes (*i.e.* for distribution during *Puja/ Eid*/ winter season to poor and needy persons).

(Paragraph 2.3.2.2)

- In nine test-checked districts, an expenditure of ₹ 17.57 crore was incurred during 2018-19 to 2022-23 (except 2020-21) for the purpose of Ex-gratia grant under the Head 2245 "Relief on Natural Calamities". Of this, ₹ 6.93 crore was incurred towards Ex-gratia to the next of kin of persons who died due to lightning, accidental fire, electrocution, boat capsizing, *etc.,* instead of natural calamities as defined or covered under SDRF guidelines.

(Paragraph 2.3.6)

- A total of 4,61,031 beneficiaries in affected *mouzas* of Hooghly and Purba Midnapore districts were eligible for getting assistance for crop damage due to Cyclone *'YAAS'*. However, there were 1,779 beneficiaries who received the assistance 'more than once'. This resulted in excess payment of ₹ 22.83 lakh from SDRF.

(Paragraph 2.3.7.1)

- Six Irrigation divisions had undertaken 321 schemes involving an expenditure of ₹ 23.85 crore related to sea protection, palliative works, restoration of protection works, and urgent repair works due to New Moon *Kotal (high tide during new moon phase)*, monsoon and heavy to very heavy rainfall during 2018-19 to 2020-21. However, New Moon *Kotal*, monsoon and heavy rainfall were not included as natural calamities in the SDRF guidelines, nor were these notified as local disasters by the State Government. Thus, the expenditure of ₹ 23.85 crore incurred on the above works was inadmissible and also violated SDRF guidelines/ norms.

(Paragraph 2.3.7.4)

- Cross verification of records disclosed that relief materials valued at ₹ 15.38 crore were issued from the Directorate/ Districts/ Sub-divisions levels but not accounted for in the records of the concerned receiving authorities. Resultantly, relief materials valued at ₹ 15.38 crore could not be traced during audit.

(Paragraph 2.4.3)

Recommendations:

2.1 State Executive Committee needs to ensure that State Disaster Response Fund balance amounts are invested as per prescribed norms and unutilized amounts are not retained in non-interest bearing accounts.

2.2 The State Government needs to ensure that funds released from State Disaster Response Fund are utilized as per the prescribed norms for mitigating Natural Disasters and are not diverted for other inadmissible purposes.

2.3 The State Government needs to ensure that funds for mitigating local level disasters not covered under State Disaster Response Fund, or for meeting its social welfare commitments, are sourced through State resources/ budget provision and not out of State Disaster Response Fund.

2.4 The State Government needs to ensure that a roadmap is prepared to appropriately forecast the requirement of relief material and in accordance undertake procurement thereof.

Implementation of Yuvasree Scheme in West Bengal

Government of West Bengal (GoWB) introduced (October 2013) a Scheme titled '*Yuvasree*' with the objective of providing unemployment assistance to job-seekers enrolled in the Employment Bank (a web-based job portal). Under the Scheme, an unemployment assistance of ₹ 1,500 per month was to be provided to job-seekers to enable them to upgrade their skills & make them employable or suitable for setting up of self-employment ventures. Job-seekers between the ages of 18 to 45 years were eligible for assistance under the Scheme. The Scheme was implemented by the Labour Department, GoWB through its Directorate of Employment.

An audit of the Scheme covering the period 2018-19 to 2022-23 was undertaken to examine issues related to planning, implementation, achievement of envisaged objectives and monitoring. During the period covered under the audit, against an allocation of ₹ 924.17 crore, ₹ 896.77 crore was expended by the State Government on the Scheme.

Significant audit observations that emerged from the audit were as follows:

- For receiving unemployment assistance of ₹ 1,500 per month under the *Yuvasree* Scheme, the eligible candidate should be between 18 to 45 years of age. However, the criteria do not prescribe any maximum tenure for which the financial assistance is to be provided to the beneficiary. A person once registered under the Scheme, will continue to receive assistance till 45 years of age or till he/ she gets employed. In comparison, similar schemes of two neighboring States, *viz.*, Jharkhand and Bihar were examined wherein it was noted that the period of financial assistance was much lesser. In case of Jharkhand, the eligibility condition was age limit between 18-35 years & assistance for a maximum period of one year, while in case of Bihar, this increased to a maximum period of two years, for candidates between 20-25 years of age. However, in West Bengal, once a beneficiary became eligible and was availing the financial assistance, he/ she could technically continue to draw the benefit for a period of 27 years, provided he/ she was still unemployed. This clearly restricted the scope/ opportunity of the subsequently enrolled candidates to get financial assistance. This was evident from the fact that, of one lakh beneficiaries (receiving financial assistance under *Yuvasree* as of September 2023), 71,423 beneficiaries (*i.e.* more than

71 *per cent*) had been receiving the benefit for more than five years. Further, 36 *per cent* of the beneficiaries had been availing *Yuvasree* financial assistance for nine to ten years. Hence, the aim of covering all/ significant portion of eligible candidates waiting since 2013 (inception of the Scheme) seems unlikely to be achieved.

(Paragraph 3.5.1)

- Each beneficiary was to submit a self-declaration certificate every six months to certify that the beneficiaries were still eligible to get unemployment assistance. Test check of records of selected Employment Exchanges (along with related District Employment Offices) showed that the certificates were not accessible by them in the Employment Bank and consequently remained unverified. This lack of verification raises the risk that ineligible job-seekers may continue to obtain financial assistance under the Scheme for prolonged periods, thereby depriving other registered and eligible candidates.

(Paragraph 3.5.2)

- During test check, it was noticed that of 40,620 beneficiaries who were provided financial assistance of ₹ 360.43 crore for a period of five years (2018-19 to 2022-23), only 504 beneficiaries (1.24 *per cent*) got employed.

(Paragraph 3.5.4)

- In contrast to the scheme guidelines, the Official Identity Card Number of the certifying Group-A officer, establishing the authenticity of the identity of the officer, was not found mentioned in 4,558 certificates of unemployment of beneficiaries. Further, in 356 cases (of 10,874 cases), the certificates of unemployment submitted by beneficiaries were defective since the date of issue of the certificates were not found to have been recorded by the certifying Group-A officer and the status of unemployment as on the date concerned, was not ascertainable.

(Paragraph 3.5.5)

- A total of 1,382 beneficiaries submitted offline applications during the period 2018-19 to 2022-23 which were recommended for continuation of the financial assistance by the Joint Directors of Employment (JDsE) concerned. Out of these 1,382 recommended beneficiaries, JDsE had recommended 314 (22.72 *per cent*) cases despite there being deficiencies like absence of requisite certificate of declaration of employability or otherwise/ any proof of undertaking training during the previous six months. This resulted in irregular extension of financial assistance to such beneficiaries amounting to ₹ 1.55 crore in five of the test-checked districts.

(Paragraph 3.5.7)

- The State Level Monitoring Committee had not yet been set up, even after more than 10 years after the commencement of the Scheme.

(Paragraph 3.6.1)

Recommendations:

3.1 Government may examine the feasibility of fixing a maximum time-frame for which financial assistance is to be provided to each beneficiary, to ensure that job-seekers enrolled subsequently are not deprived of the benefits of the Yuvasree Scheme.

3.2 Government should devise a suitable verification mechanism to ensure that ineligible applicants are identified and excluded from the list of beneficiaries.

3.3 Government may expeditiously set up the State Level Monitoring Committee to review and monitor the progress of the Yuvasree Scheme.

Individual Observation

- Lack of validation control and absence of appropriate verification process allowed inadmissible disbursement of pensionary benefits of ₹ 15.82 crore in respect of National Social Assistance Programme and State Pension Schemes, through Direct Benefit Transfer mechanism.

(Paragraph 4.1)

Preface

This Compliance Audit Report for the year ended March 2023 has been prepared for submission to the Governor of West Bengal under Article 151 of the Constitution of India for being laid before the Legislative Assembly of West Bengal.

This Report contains significant results of Compliance Audit on certain topics as well as one individual paragraph arising out of Compliance Audit of Departments and functionaries of the Government of West Bengal.

The instances mentioned in this Report are those which came to notice in the course of test audit for the period 2022-23 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2022-23 have also been included wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

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Appendices