Overview

OVERVIEW

Introduction

Out of 25 Departments under the jurisdiction of this Office of the Principal Accountant General (Audit-II), West Bengal, this Report of the Comptroller and Auditor General of India covers matters arising out of Performance Audits and Detailed Compliance Audit of five State Government Departments (including four State Public Sector Enterprises and one Regulatory Body).

This chapter provides the gist of significant Audit observations highlighted in the above mentioned audits.

Significant Audit Observations

1. Performance Audit on Efforts of the State Government in Wildlife Protection including mitigation of Human-wildlife conflict and reducing illegal trade in wildlife articles, Forest Department

This audit on the "Efforts of the State Government in Wildlife Protection including mitigation of Human-wildlife conflict and reducing illegal trade in wildlife articles" seeks to draw an assurance that the forests and their wildlife were being cared for and maintained by the Forest Department of the State.

Management Plans and Tiger Conservation Plans were not prepared for a number of Protected Areas. Although notifications by the Government of India had added 1,097.15 sq km of Eco-Sensitive Zones around the 13 PAs, the State Government did not prepare Zonal Master Plans to regulate and prohibit activities in these Eco-Sensitive Zones.

(Paragraph 1.7.1)

Census of endangered/critically endangered species had not been carried out on regular basis, which had hindered appropriate conservation measures. Progress in the '*Tiger Augmentation Programme*' in Buxa Tiger Reserve (BTR) was very slow. A focused approach in terms of habitat improvement, reducing biotic pressure to the core area of the BTR is required. Conservation of other critically endangered species was sub-optimal.

(Paragraph 1.7.3 & 1.7.4)

Infrastructure of Wildlife Health Management was inadequate. Prevention and control of diseases around the Protected Areas did not appear to have been adequately monitored. Domestic animals around the Protected Areas were not vaccinated and veterinary support was inadequate in many Protected Areas.

(Paragraph 1.7.5)

Habitat management activities like natural and artificial regeneration of grass, plantation of fodder species, development of water holes, weed removal and regular maintenance, were not adequate, resulting in degradation of habitats for wildlife.

(Paragraph 1.7.6)

Mitigation measures undertaken by the Forest Department for Human-Elephant conflict did not have a major impact and were also not adequate. Instances of short, delayed and non-payment of compensation, to the victims led to growing antipathy among the people towards wildlife conservation and retaliatory killing or injuries to animals.

(Paragraphs 1.8.1 & 1.8.2)

Shortage of patrolling staff, as well as equipment, affected the conservation and anti-poaching efforts. Huge number of cases were pending before the courts and the conviction rate for wildlife crime was too low, due to lack of knowledge of the forest staff.

(Paragraphs 1.9.1 & 1.9.5)

2. Detailed Compliance Audit on Revenue Collection and Control of Mining Activities of Minor Minerals, Industry Commerce and Enterprises Department and Land & Land Reforms & Refugee Relief and Rehabilitation Department

The audit was conducted through test-check of records of the IC&E Department, Directorate of Land Records & Survey (DLRS), Directorate of Mines & Minerals (DMM), seven selected districts, Land & Land Reforms Officers (DL&LROs) and office of the Chief Mining Officer (CMO), Asansol, four Sub-Divisional Land & Land Reforms Officers (SDL&LROs) and 25 Block Land & Land Reforms Officers (BL&LROs), between April and October 2022, covering the period from FY 2017-18 to FY 2021-22.

In 73 lease agreements, of which annual raising target was 31.95 crore cft, lease deeds had not been executed, for periods ranging between 841 and 1,801 days, resulting in loss of revenue in the form of royalty and cess of ₹ 53.04 crore due to non-cancelling or re-auctioning of sand block.

(Paragraph 2.8.1)

Failure to realise balance bid money of ₹ 10.05 crore from 24 out of 35 lessees whose lease term expired which indicated deficient monitoring.

(Paragraph 2.9.1)

The Department failed to realise the balance bid money of ₹ 13.09 crore and interest of ₹ 3.07 crore thereon for late payment from the 18 successful bidders.

(Paragraph 2.9.2)

Failure to update the revised rate in portal resulted in short- realisation of royalty of ₹ 2.12 crore from sand mining lessees.

(Paragraph 2.10.2)

Failure to prescribe a system of intra/inter departmental cross-verification of data resulted in non-detection of extraction of minerals and consequent non-realisation of revenue of ₹ 3.62 crore from 902 contractors.

(Paragraph 2.10.3)

Failure to realise price of materials on excess extraction of minerals beyond the targeted quantity as per mining plan resulted in non-realisation of ₹ 2.05 crore.

(Paragraph 2.10.4)

Absence of provision in the Rules about timely payment by the lessees/ contractors resulted in non/ short realisation of royalty and cess of ₹ 3.35 crore from 230 brick kiln owners.

(Paragraph 2.11.1)

Failure to initiate action to stop unauthorised extraction of earth resulted in non-recovery of price of brick earth of ₹ 19.48 crore from 1,272 unauthorised brick owners.

(Paragraph 2.11.2)

Failure to initiate proceedings even after a lapse of 16 to 25 months of assessment, resulted in non-realisation of revenue of ₹ 4.12 crore.

(Paragraph 2.13)

Department did not object for delay of more than six months in submission of ECs. Further, lease deeds were executed before submission of ECs in violation of Rule indicated inadequate monitoring.

(Paragraph 2.16.1)

Audit observed overlapping of mines areas, mis-match between *khasra* map and co- ordinates map, co-ordinates not verified before approval of mining plan and plantation not carried out in the barrier zone as per mining plan with the help of Google Earth Pro Software.

(Paragraphs 2.19.2, 2.19.3 & 2.19.4)

Geo-spatial survey of selected Granite mines showed mining operations beyond the approved mining area and illegal excavation of 5,182.53 m^3 of mineral.

(Paragraph 2.20.1)

3. Performance Audit on Management of Regulatory Assets by Power Sector State Public Sector Enterprises (SPSEs), Power Department

A regulatory asset (RA) is an entity's right to recover fixed or determinable amounts of money towards incurred costs, as a result of the actual or expected actions of its regulator, under the applicable regulatory framework. As of 31 March 2022, there was huge accumulation of RAs by the four SPSEs.

(Paragraph 3.1)

Due to non-preparation of annual accounts in time, the SPSEs belatedly submitted applications for determination of tariff.

(Paragraph 3.9.2)

Non-achievement of the targeted norms on various parameters of different generating stations of SPSEs led to excess consumption of fuel and procurement of power which was disallowed by WBERC and due to low Plant Availability Factor fixed costs of the SPSEs were not allowed to be recovered by WBERC.

(Paragraph 3.10.3)

WBERC, in its tariff regulations, segregated the items of cost into controllable and uncontrollable items. It was observed that SPSEs failed to recover huge amount on controllable items, *viz*. meter reading & billing distribution, collection and franchisee cost, coal & ash handling and O&M charges *etc*.

(Paragraph 3.10.5)

The excess interest burden adversely affected the financial health of SPSEs. Due to decrease in the credit rating, the SPSEs would end up incurring higher interest expenses, in future.

(Paragraph 3.11.3)

GoWB accepted that the current scale of regulatory assets was beyond its means to liquidate the same, as it had done before. Accordingly, WBERC was directed to expedite the process of annual performance review (APR) orders, to ensure complete recovery of actual costs incurred by the SPSEs and admitted by WBERC.

(Paragraph 3.11.4)

4. Performance Audit on Solid Waste Management in Urban Local Bodies, Urban Development & Municipal Affairs Department

The Performance Audit was carried out on 'Solid Waste Management in Urban Local Bodies' for the period 2017-18 to 2021-22 to assess status of management of Municipal Solid Waste (MSW) in the State by covering 26 Urban Local Bodies (ULBs).

State Level Advisory Body (SLAB), constituted in November 2016, was not functioning since 2017. The Department had not notified its policy for Construction & Demolition waste management. There were delays in preparation of Solid Waste Management Plans/ Detailed Project Reports (DPRs) for ULBs and the same were not placed before the elected body of ULBs for approval.

(Paragraphs 4.5.1, 4.5.3 & 4.5.7)

Door-to-door collection of waste could not be commenced in 85 *per cent* of the test checked ULBs. Domestic hazardous waste gets mixed with other solid waste and is reaching the landfills. In the test checked ULBs, the open vat system was still operational, for temporary storage of municipal solid waste.

(Paragraphs 4.7.3, 4.7.5 & 4.7.7)

ULBs/Development Authorities dumped the collected MSW at dumpsites without processing. Only 23 *per cent* of the waste generated in the State was subjected to any kind of waste processing.

(Paragraphs 4.8.1 & 4.9.1)

Only six dumpsites were cleared as of September 2022, out of 123 dumpsites with an aggregated legacy waste of 123.87 MT on 838.09 acres of land. Slow progress in bio-mining and bio-remediation of legacy waste delayed setting up of waste processing plants.

(Paragraph 4.9.5)

Observing the slow progress in implementation of the SWM Rules, 2016, NGT imposed environmental compensation of ₹ 32.91 crore, for the period July 2020 to May 2021, out of which ₹ 26.42 crore was paid. The remaining environmental compensation of ₹ 6.49 crore was not paid as of October 2022.

(Paragraph 4.9.7)

There were only two Sanitary Landfills in the State. Owing to acute shortage of waste processing facilities and sanitary landfills in the States, the untreated solid waste was either being dumped in the dumping grounds, or strewn at road side, in water bodies, drains, canals *etc*.

(Paragraph 4.10.1)