

CHAPTER-III

PERFORMANCE REVIEWS

FOOD AND CIVIL SUPPLIES DEPARTMENT

3.1 Implementation of the Acts and Rules relating to Consumer Protection

Highlights

For providing simple, speedy and inexpensive redressal to consumer's grievances, Government of India enacted the Consumer Protection Act 1986. The Central Legislative mandate for protection of the interest of the consumers had largely not been achieved in the State. Whole time district fora were belatedly established only in eight out of 23 districts in the State. Uniform time frame for starting the fora, uniform staffing pattern, evolving consumer awareness programmes as envisaged in the Act were not undertaken. The performance of the State Consumer Protection Council formed to promote and protect the rights of the consumers was not upto the required level. Some significant findings are as under.

➤ Constitution of consumer fora in the State was delayed by more than three years and fulltime district fora have not been established even after 18 years of enactment of the Consumer Protection Act 1986.

(Paragraph 3.1.8)

➤ The State Commission and three out of six test-checked district fora were functioning from rented premises without space for record room and library. The remaining three district fora were functioning from the chamber/library of the District and Session Judge.

(Paragraph 3.1.11)

➤ Out of Rs.2.80 crore received from Government of India on infrastructure development during 1995-97, the State Government did not release Rs.1.92 crore even after eight years of receipt.

(Paragraph 3.1.10)

➤ Due to shortage of funds for procuring stationery, judgment of cases could not be delivered on two occasions in District Forum Kamrup. District Forum Cachar also stopped work during February 1999 for want of sufficient funds.

(Paragraph 3.1.18)

➤ Percentage of disposal of cases since inception in May 1990 to March 2005 was only 51 per cent in the State Commission.

(Paragraph 3.1.12)

➤ There were 16 cases in six test-checked district fora and 69 cases in the State Commission which were pending for disposal for over five years.

(Paragraph 3.1.13)

➤ Number of successful prosecution of cases under the Prevention of Food Adulteration Act declined sharply from 23 in 2000 to nil in 2004, which was indicative of failure to prepare foolproof cases against the offenders.

(Paragraph 3.1.14)

➤ State Level Consumer Protection Council constituted in March 1987 met only 17 times in 18 years against the norm of 72 meetings.

(Paragraph 3.1.16)

➤ Six district fora remained non functional for periods ranging from eight months to three years on various occasions owing to non-appointment of presidents and members. The post of woman member remained vacant from one to five years in the State Commission and three district fora.

(Paragraph 3.1.17)

3.1.1 Introduction

In order to provide better protection of the consumers' interest in relation to goods purchased or services availed "The Consumer Protection Act 1986" was enacted by the Government of India. The Act is intended to provide simple, speedy and inexpensive redressal of consumer's grievances. The Act provides for establishment of separate three-tier quasi-judicial consumer dispute redressal machinery at the national, state and district level which have been empowered to give relief of specific nature and to award compensation to the consumers. The Act has been amended in 2002 to facilitate quicker disposal of complaints.

In exercise of powers conferred by sub-section (2) of the Section 30 of the Act and for giving effect to the provisions of the Act, the Government of Assam had made "The Assam State Consumer Protection Rules 1989".

3.1.2 Organisational set up

Food and Civil Supplies (F&CS) Department, Assam is the administrative department as provided in the Assam State Consumer Protection Rules, 1989 and is headed by a Commissioner and Secretary, Government of Assam. The Director F&CS, Assam is the nodal officer in-charge of implementation of the Act. The Director is assisted by one Joint Director at the Directorate and Deputy Directors of Supply at the district level. The adjudication authority is headed at the State level by the President of Assam State Consumer Dispute Redressal Commission (referred to as State Commission under section 9(b) of the Consumer Protection Act 1986) at Guwahati, and at the district level by the Presidents of District Consumer Redressal Fora (referred to as District Fora under section 9(a) of the Consumer Protection Act 1986).

3.1.3 Scope of Audit

Performance on the implementation of the Acts and Rules relating to consumer protection for the period from 2000-01 to 2004-05 was reviewed in audit during June to August 2005 through test-check of records in the offices of the Commissioner & Secretary, Food & Civil Supplies (F&CS) Department, Assam, Director, F&CS Assam, the Director of Health Services (General), Assam, the Controller of Legal Metrology, Assam and the State Commission at Guwahati. Records of district fora, Deputy Directors of Supply, Joint Directors of Health Services in six⁵ selected districts were also test-checked.

To ascertain the ground realities relating to implementation of the Consumer Protection Act, the Comptroller and Auditor General of India commissioned the services of ORG Centre for Social Research (ORG-MARG). ORG-MARG had carried out the survey during July- August 2005 in six districts selected randomly viz., Kamrup, Dhubri, Tinsukia, Kokrajhar, Marigaon and Cachar. Against a total

⁵ Kamrup(Guwahati), Cachar(Silchar), Kokrajhar, Morigaon, Lakhimpur(North Lakhimpur) and Barpeta.

target sample of 2000 consumers at large, 2015 interviews were completed by the ORG-MARG after making contacts with 2100 eligible respondents. Engagement of ORG-MARG had been communicated to the Commissioner and Secretary; Food and Civil Supplies Department in July 2005. A summary of the findings of the ORG-MARG is given as an *Annexure* to the review.

3.1.4 *Audit Objectives*

The audit objective of the performance review was to critically examine the aspects of efficiency and effectiveness in implementation of the Act and Rules and to assess:

- the extent to which the adjudication mechanism has been created as prescribed in the Act.
- whether any documented policy exists which outlines the Government plans for the purpose of creation and strengthening of infrastructure of the adjudication mechanism, greater involvement of State/District administration/NGOs and for empowerment of the Consumers.
- the extent to which the infrastructure created for disposal of complaints has met the expectation of the consumers.
- whether there is adequate mechanism for administering various other relevant Acts for Consumer Protection.
- whether consumer protection councils have been notified in accordance with Sections 7 and 8 (a) of the Act and are functioning at the State/District level.
- whether rules have been formulated and notified particularly with respect to staffing, governance by the State Commission and District Forum and also setting out of uniform procedure.
- whether various steps and initiatives including schemes by Government of India/State Government had succeeded in creating awareness amongst the populace with regard to knowledge about consumer dispute redressal machinery.
- whether adequate system of monitoring for redressal of consumers' grievances had been created and the extent to which mid-course corrective measures were introduced with a view to ensure timely disposal of the grievances.

3.1.5 *Audit criteria*

- Actual creation of district fora and State Commission.
- Fixation of priorities by the Government for infrastructure development and adjudication mechanism and utilization of central assistance provided for creation of infrastructure.
- Engagement/involvement of NGOs and local administration in promoting consumer awareness.
- Notification of Rules and extent to which they are being adhere to.
- Uniformity in procedure for processing of complaints.
- Shortage of manpower and resources in the district fora and State Commission.
- Existence/performance of Consumer Protection Councils at district and State level.

- Monitoring mechanism devised for disposal of complaints at various stages, status of pendency of complaint cases.

3.1.6 *Audit Methodology*

The selection of sample for data collection, evidence gathering and evaluation was done on Stratified Unistage Sampling basis by using Random Number Table. The total coverage was 26 per cent of the total districts (23) in the State. Units selected were the State Commission, Assam, Guwahati, Capital District i.e., Kamrup with headquarters at Guwahati and five other districts⁶ selected by applying random sampling method.

3.1.7 *Financial Outlays and Expenditure*

Year wise budget allocation and expenditure for the period from 2000-01 to 2004-05 are indicated in Table-1 below:

Table-1

(Rupees in lakh)

Year	Budget Allocation			Expenditure			Savings (Percentage)
	State	Central Assistance	Total	State	Central Assistance	Total	
2000-01	120.00	Nil	120.00	103.51	Nil	103.51	16.49 (14)
2001-02	80.00	210.00	290.00	73.43	Nil	73.43	216.57 (75)
2002-03	80.00	210.00	290.00	60.47	17.92	78.39	211.61 (73)
2003-04	106.00	192.07	298.07	98.12	Nil	98.12	199.95 (67)
2004-05	74.00	192.07	266.07	60.93	Nil	60.93	205.14 (77)
Total	460.00	804.14	1264.14	396.46	17.92	414.38	849.76 (67)

Source: Departmental figure and Detailed Appropriation Accounts

Yearly savings ranged from 14 to 77 per cent during 2000-05 and the overall saving was 67 per cent. The savings were due to non-release of fund by the State Government.

Audit findings on Implementation of Consumer Protection Act 1986

3.1.8 *Creation of Adjudication Mechanism*

Section 9 of Consumer Protection Act 1986 provided for 3- tier quasi-judicial machinery at the District, State and National level to provide relief and to award compensation to the consumers.

In November 1989, the Government of Assam notified appointment of a sitting Judge of the Gauhati High Court as part time President of the State Commission and sitting District & Sessions Judges as part time Presidents of the District Fora in addition to their normal duties. Notifications for constitution of the State Commission and the

⁶ Cachar, Kokrajhar, Morigaon, Lakhimpur and Barpeta.

District Fora in 23 districts in the State were issued in May 1990. Thus, it took more than three years after the enactment of the Principal Act to notify setting up of redressal machineries in the State.

It was only in July 1994 that the State Government appointed retired District Judges as full time Presidents of District Fora in eight districts⁷. The remaining district fora continued with existing arrangements of part time presidents. Thus, after lapse of more than 18 years of enactment of the Act, full-fledged district fora were not established in 15 districts. In the case of the State Commission a retired judge of the Gauhati High Court was appointed as full time President only in November 2002.

Only six district fora commenced their functions between February 1990 and January 1998. This indicated that commencement of functions of consumer fora in the State were not uniform and delays ranging from two months to eight years occurred from the date of appointments of presidents.

Delay in setting up of these institutions frustrated the objectives of providing speedy redressal of consumers' grievances as envisaged in the Act. This is corroborated by the findings of the ORG-Marg, which brought out that the awareness on Consumer Protection Act was very low. 76 per cent of the populations covered were either carrying a negative opinion on the efforts made by the Government in safeguarding consumer rights or had no idea of the same. Thus, Government had not been able to adequately inform the consumers about the existence of the Consumer Protection Act.

3.1.9 Formulation of Policy and Notification of Rules

Although Rules were framed (1989) by the State Government under the Act, there was no policy pronouncement of the Government on the aspects of time frame for commencement of functioning of the consumer fora and creation of basic infrastructure, framing of uniform staffing pattern, evolving consumer awareness programmes and declaration of appropriate laboratory for testing of goods.

In the absence of policy formulation on such significant parameters there were inherent lacunae at the planning stage of consumer protection efforts as stated below:

Infrastructure facility

Government of India, Ministry of Consumers Affairs sanctioned for Assam a sum of Rs.2.80 crore for creation of infrastructure of the consumer courts in the State, Rs.50 lakh for the State Commission and Rs.10 lakh each for district forum. The amount was released in four installments from July 1995 to March 1997. The assistance was provided for Construction of buildings for consumer courts, Office equipment like computers, photo copiers, type writers and fax machines and furniture like bookracks, file racks, table, chairs, almira, computer table, visitors' chairs etc.

⁷ Kamrup, Cachar, Kokrajhar, Nagaon, Dibrugarh, Jorhat, Tezpur and Nalbari.

3.1.10 *Non- release of funds by the State Government*

Records revealed that though the Government of India released the entire amount of Rs.2.80 crore by March 1997, the State Government till date (August 2005) had released only Rs.73.14 lakh. Of this, Rs.62.48 lakh were spent for purchase of office equipment (Rs.36.05 lakh), furniture (Rs.18.41 lakh) and library books (Rs.8.02 lakh). Of the balance Rs.10.66 lakh, Rs.10.27 lakh were diverted towards payment of house rent (Rs.0.48 lakh) and printing of brochures etc. (Rs.9.79 lakh), retaining Rs.0.39 lakh in cash by the Directorate of F&CS. Out of the remaining Rs.206.86 lakh, an amount of Rs.14.79 lakh was locked up in Revenue Deposit since its drawal in March 1996. The State Government had not yet released the remaining Rs.192.07 lakh even after eight years of release of the amount by the Union Government.

3.1.11 *Inadequate infrastructure*

Status of infrastructure available with the State Commission and the test-checked district fora are indicated in the **Appendix-XIV**. Three district fora (Silchar, Guwahati, Kokrajhar) and the State Commission were functioning from rented premises without space for record room and library. The other three district fora (Lakhimpur, Morigaon, Barpeta) were functioning from the chamber/library of the District & Session Judge. There were no computers, up to date law books and journals in any of the seven units mentioned above. Xerox machine was not available in Barpeta and in Kokrajhar (it remained out of order since July 2003).

Enforcement Mechanism

3.1.12 *Functioning of Consumer Courts*

The number of cases filed, disposed off since inception of all the fora to March 2005 are shown in Table-2 below:

Table-2

Particular of Consumer Fora	No of cases filed	No of cases disposed of	Percentage of disposal
State Commission	2151	1090	51
District Fora	10196	9218	90

Source: State Commission and Directorate of Food & Civil Supplies.

While the percentage of disposal of cases in the district fora was 90 *per cent* the same in case of the State Commission was as low as 51 *per cent*.

Out of six test-checked district fora, three full time fora (Kamrup: 95, Cachar: 91 and Kokrajhar: 84) recorded an average disposal rate of 90 *per cent*, while the remaining three part time district fora (Morigaon: 87, Lakhimpur: 75 and Barpeta: 75) recorded an average disposal rate of 79 *per cent*. Thus, due to absence of regular district fora in three test-checked districts the rates of disposal of cases were low.

The position of cases filed, disposed off and pending during 2000-05 in respect of the State Commission and the test-checked district fora are shown in Table-3 below:

Table-3

Year	Opening balance	Cases registered	Total	Cases disposed off	Pendency
State Commission					
2000-01	588	120	708	11	697 (98)
2001-02	697	55	752	22	730 (97)
2002-03	730	135	865	16	849 (98)
2003-04	849	135	984	18	966 (98)
2004-05	966	233	1199	138	1061 (88)
Total	--	678	1266 (588+678)	205	1061 (84)
District Fora					
2000-01	321	218	539	202	339 (63)
2001-02	337	224	561	76	485 (86)
2002-03	485	202	687	318	369 (54)
2003-04	369	293	662	291	371 (56)
2004-05	371	289	660	328	332 (50)
Total	--	1226	1547 (321+1226)	1215	332 (21)

Note: Figures within brackets indicate percentage.

It would be evident from the table that disposal rate in the State Commission (16 *per cent*) was abnormally low in comparison to the rate of the District Fora (79 *per cent*) during 2000-05.

3.1.13 Delay in disposal of cases

Section 13 (3A) of the Act provided that endeavour should be made to dispose of the complaints within a period of three months from the date of notice by the party concerned, where it does not require testing of commodities and within five months if it requires testing of commodities. Test-check of records of three fulltime district fora⁸ and the State Commission revealed that only 9 to 19 *per cent* cases were disposed of within 90 days and 17 to 25 *per cent* cases were disposed of within 150 days respectively since inception to March 2005. It was further noticed that out of 365 pending cases reported by six test-checked district fora, 109 cases are more than one year old and 16 cases are more than five years old. In the case of the State Commission, out of 1,061 pending cases 212 and 69 cases are over one and five years old respectively.

The delay in disposal of cases was attributed by the District Fora to short release of funds, lack of adequate manpower and adjournments sought by advocates/parties as the location of the fora were away from other courts.

⁸ Kamrup, Cachar and Kokrajhar.

In three District Fora no complaint was disposed of for periods ranging from 5 to 17 months during 2000-2005 (Kamrup :October 2000 to May 2001, Barpeta: July 2004 to November 2004, Kokrajhar: November 2003 to March 2005) Thus, the objective of the Act to provide a speedy redressal to the consumer remained to be achieved.

According to the survey report of the ORG-MARG, analysis of time taken at various stages of the cases showed that on an average 2.5 days were spent for registering a case and 24 days were taken for serving the notice, and first hearing was held after 24 days. On an average seven hearings were required to resolve the case. Around 44 *per cent* cases were still unresolved even after about 5.6 hearings. Further analysis of the data revealed that to resolve and pass the decree, on an average, 11 months were spent when as per the provisions of the Act, the consumer forum needs to pass the decree within 90 days of registering the complaints. There was also a case where approximately five years were taken in passing the decree. In case of unresolved cases the same were pending for the past 18 average months. There were 17 cases where the decree was passed and compensation was yet to be received. On an average the compensation was due for 9.5 months.

Other Acts and Rules relating to consumer protection

As regards other relevant Acts and Rules relating to consumer protection, the Prevention of Food Adulteration Act is administered in the State by the Health Department while the Standards of Weights and Measures Enforcement Act 1985 and Standards of Weights and Measures (Packaged Commodities) Rules 1977 are administered by the Director of Legal Metrology, Assam under the administrative control of the Food & Civil Supplies Department. Information collected from the implementing departments revealed the following:

3.1.14 Prevention of Food Adulteration Act

Section 10 (2) of the Act envisage that the Food Inspectors are required to inspect all establishments licensed for manufacture, storage or sale of food articles within the area assigned to him. He is required to collect samples and get the samples tested in the State Public Health Laboratory, Guwahati. The working strength of Food Inspectors in the department as on March 2005 were 44 as shown in Table-4 below:

Table-4

Sl. No.	Category of post	Sanctioned strength	Men in position	Vacancy
1	Food Inspectors (Sr)	18	16	2
2	Food Inspectors	31	28	3 (since December 2002)

According to information obtained from the department, the norms for inspection of units by Food Inspector are 10 in a month. At this rate, 44 inspectors who are available should inspect 5,280 units per year. However, the number of units inspected by the Food Inspectors for the period from 2000 to 2004 were not furnished to Audit. On an analysis based on number of samples collected, tested and found adulterated,

number of prosecution cases filed and number of cases prosecuted, as shown in *Appendix-XV* and *Appendix-XVI*, revealed shortfall in inspection as discussed below:

Even at the rate of one sample collected from each unit inspected by Food Inspectors, there was shortfall in inspection ranging from 71 to 76 *per cent* during 2000-2004.

The number of cases of successful prosecution declined sharply from 23 in 2000 to nil in 2004. Decline in percentage of successful prosecution reflects the department's inability to prepare foolproof cases against the offenders.

Records of Joint Directors Health Services (Jt. DHS), in the six test-checked districts, revealed that against 205 samples found adulterated during 2000-2004, 196 prosecution cases were filed. Reasons for non-filing of cases against offenders relating to 9 (Cachar: 5, Kokrajhar: 4) adulterated samples were not stated.

Except Cachar and Lakhimpur districts, other four test-checked districts did not report successful prosecution of cases. Joint DHS, Kamrup stated (July 2005) that 96 cases were pending with the court.

Shortfall in collection of samples were stated (July 2005) to be due to attending to court cases and VVIP/VIP duties by the Food Inspectors.

3.1.15 *The Standards of Weights and Measures (enforcement) Acts and Rules*

The Acts and Rules of the Standards of Weights and Measures (Enforcement) provided that the Inspector shall visit every premise within his jurisdiction and stamp all measuring instruments at least once in a year.

The Controller could not furnish any information about the norms prescribed or targets fixed for inspection of units and the number of units actually inspected by the Inspectors. As such, adequacy of inspection conducted by the inspectors could not be examined in audit.

During 2000-05, 2,979 cases were booked against users of faulty weights and measuring instruments. Of these, 814 cases were settled by the Department and the remaining 2,165 cases were filed for prosecution in the courts but outcome of the cases could not be shown to Audit. This indicated laxity in monitoring of cases in courts by the Department.

The Legal Metrology Department has 29 working standard laboratories and nine secondary standard laboratories. None of these laboratories have been upgraded to Electronic System to ensure accuracy for regulating all the weighing measuring instruments in use. The laboratories had not been recognised either by the Bureau of Indian Standards (BIS) or by the National Accreditation Board for Laboratories (NABL). Thus, standardisation adopted by the Department lacked credibility.

3.1.16 *Functioning of Consumer Protection Councils*

Section 7 (1) of the Consumer Protection Act 1986 provided for constitution of the State Level Consumer Protection Council (SLCPC) and Section 8 A of the Act

provided for establishment of a District Level Consumer Protection Council (DLCPC) in every district with the object of promoting and protecting the rights of consumers. The Act also provided that the State as well as district councils should meet at least twice in a year and the State Government should prescribe procedure in regard to transaction of business of these councils.

The Government constituted the SLCPC vide notification issued on 30 March 1987, which held that the council should meet once in three months. Procedure to transact business of the council had not been prescribed.

During the period from 1987 to 2005 (18 years), the SLCPC met only 17 times against the requirement of 72 meetings (18 x 4). Even the meetings held were poorly attended, the shortfall in attendance ranging from 22 to 69 *per cent*. Details of meetings held during 2000-05, number of members who attended and resolutions adopted are indicated in *Appendix-XVII*.

Joint Director, F&CS stated (July 2005) that due to natural calamities like flood, sometimes the meeting of the SLCPC could not be held in time. The reply was not tenable as natural calamities were occasional in nature and as such could not be accepted as sufficient reason for not holding regular meetings over a period of 18 years.

The Food & Civil Supplies Department issued (September 2003) instructions to Deputy Commissioners of all districts to constitute the District Level Consumer Protection Council (DLCPC) by 20 October 2003, but information regarding constitution of the same in the districts could not be furnished. It was, however, found that out of six test-checked districts, two districts, viz., Lakhimpur and Barpeta, constituted DLCPC by March 2005. Out of these, only Lakhimpur DLCPC held one meeting in December 2004.

In view of very few meetings held by the SLCPC and also in view of non constitution of most of the DLCPCs, the objective of the State and District Consumer Protection Councils to promote and protect the rights of consumers as laid down in the clauses (a) to (f) of section 6 of Consumer Protection Act 1986 largely remained unfulfilled. This was corroborated by the following findings contained in the survey report of ORG-MARG.

The Act provides for a simple registration process where application can be filed on plain sheet but the survey showed that 38 *per cent* of the complainants used stamp paper to file the case and in large number of cases (69 *per cent*) the lawyer/agent advised them to do so. About 15 *per cent* of complainants who registered their complaint prior to March 2003 reported to have deposited court fee notwithstanding the fact that the court fee was introduced only in March 2003.

Staffing Pattern and Funding for Operation

3.1.17 Staffing Pattern

The Assam Consumer Protection Rules 1989 dealt with terms and conditions of appointment of presidents and members of the district fora and the State Commission; there were no provisions relating to other staff.

The Government of India set up a high Powered Committee (HPC) headed by Justice S.P. Bagla in December 1999, to look into the requirement of staff for consumer fora. The committee in January 2000 recommended minimum requirement of staff for all the three tiers of consumer fora but the State Government had not yet adopted the recommendation. Records of the State Commission and six test-checked district fora disclosed shortfall in staff strength against that recommended by the Bagla committee as detailed in Table-5 below:

Table-5

Name of consumer fora	Reco- mmended strength	Sanctioned strength	Men-in-Position	Percentage of shortfall against recommended strength
State Commission Guwahati	41	Nil	9	78
DF, Kamrup, Guwahati	16	8	8	50
DF, Cachar, Silchar	16	8	7	56
DF, Kokrajhar	16	8	7	56
DF, Lakhimpur, North Lakhimpur	16	Nil	Managed by part time staff from District court	Not Assessable
DF, Morigaon	16	Nil	-do-	-do-
DF, Barpeta	16	Nil	-do-	-do-

The State Commission was functioning with 16 staff diverted from the Gauhati High Court on part time basis against the requirement of 41 staff. With the appointment of a full time president of the State Commission from 1 November 2002, the High Court staff were withdrawn. As a result, the work in the State Commission remained suspended for four months from January 2003 to April 2003. After the withdrawal of the High Court staff, only three clerical staff were provided by the Food & Civil Supplies Department who had no knowledge and experience about the working of the State Commission. Besides, there was no stenographer after the withdrawal of the High Court staff till one was appointed purely on temporary basis in April 2004.

There were no Head Assistant in the District Forum Cachar and Kokrajhar from April 1996 and December 1999 respectively. The post of stenographer was also not filled up in the District Forum, Cachar after the resignation of the incumbent in August 2002. In Kamrup District Fora there were no typist and Stenographer. The shortage of staff resulted in delay in disposal of cases in these districts.

Due to non-posting of President and Members, the State Commission and six District Fora remained non functional for periods ranging from eight months to three years as detailed in **Appendix-XVIII**.

The post of woman member remained vacant in the State Commission for one year from March 2001 to April 2002. The posts also remained vacant in Kokrajhar, Kamrup and Cachar for periods varying from one year five months to five years.

While there were persistent delays in appointment of presidents and members to the consumer fora, instances of members functioning beyond the prescribed tenure of 5/10 years were also noticed. Four members in three district fora (Lakhimpur, Morigaon and Barpeta) overstayed beyond the prescribed tenure of office by two years to more than five years. One member was even appointed for a third time in

Barpeta District Forum after having completed 10 years. This was a gross violation of Section 10(2) of the Consumer Protection Act 1986, which provides that every member of a district forum is appointed for a term of five years or attainment of the age of 65 years whichever is earlier. The section was amended in 2002 (effective from 15-3-2003) allowing another term of five years subject to the age limit of 65 years. Particulars of members overstaying their tenure are shown in the **Appendix-XIX**.

Section 10(1) of the Act provided that “a person who has been or is qualified to be a district judge shall be nominated by the State Government to be president of a district forum”. Records revealed that the Deputy Commissioner of the N.C.Hills district was functioning as president of the N.C.Hills district forum from February 2004 till date (August 2005) in violation of this provision of the Act.

3.1.18 Funding for operation

Budget allocation and expenditure under office expenses (OE) reflected a very negligible provision and even lesser expenditure as detailed in Table-6 below:

Table-6

(Rupees in lakh)

Year	Total provision	Provision under OE	Percentage of provision under OE	Expenditure	Percentage of expenditure against total provision
2000-01	120	8.50	7	7.01	6
2001-02	80	1.20	2	1.20	1
2002-03	80	1.20	2	1.20	1
2003-04	106	5.00	5	5.00	5
2004-05	74	7.75	10	5.00	7

Source: Departmental records.

The allocation under OE during the last five years ranged between 2 to 10 *per cent* of the total provision and actual expenditure did not exceed 7 *per cent* due to less release of fund under FOC system. This adversely hampered the functioning of the consumer fora.

Due to shortage of funds for procuring stationery, judgment of cases could not be delivered on two occasions in District Forum Kamrup. District forum Cachar also stopped work during February 1999 for want of sufficient fund. The State Commission did not furnish similar information in respect of other fora.

Two fax machines supplied to district fora of Kamrup and Kokrajhar during April 2004 could not be operated since installation, due to disconnection of telephone line for non-payment of bills.

Due to non-release of funds for ‘Rent’, District Forum Kamrup, Cachar and Kokrajhar could not pay the rent of the forum buildings for the last 5-6 years and had accumulated a liability of Rs.10.40 lakh. President of Kamrup District Forum even apprehended that the forum might be asked to vacate the building at any time, which will adversely affect the work of the Forum as well as redressal of grievances of consumers.

Awareness and Empowerment of Consumer

The Consumer Welfare Fund Rules (CWFR) were notified in 1992 by the Government of India with the objective of providing financial assistance to promote the welfare of the consumers and to strengthen the voluntary consumer movement in the country, particularly in the rural areas. Under the CWFR, the Government of India launched in October 2003 programmes to create consumer awareness at district level, at research institution/university/college level and at school level by organising camps, meetings, functions etc. It also envisaged setting up of consumer information centres at the State and district level with the help of Zilla Parishads and voluntary organisations (VOs).

3.1.19 Non-implementation of awareness programme

No record in regard to implementation of the programmes, financial assistance received by the State Government/NGOs/VOs could be furnished to Audit. The Joint Director, Food & Civil Supplies, Assam stated (July 2005) that no financial assistance was received from Government of India for awareness programme in Assam. Information received from the Ministry however, disclosed that three NGOs received Rs.5.13 lakh⁹ during 2003-04 and 2004-05. The NGOs had not yet furnished any utilisation certificate. Further, it was seen from the State Government Secretariat records that “The Assam Consumer Welfare and Guidance Fund Rules 1996” were framed in July 1996. Finance Department even released Rs.5 lakh, which was kept in term deposit since September 1996 by the Secretary of the Department.

Apart from non-implementation of the scheme and blocking of fund, this indicated lack of co-ordination between the Secretariat and the directorate of the nodal Department.

The survey report of the ORG-MARG revealed that 97 *per cent* of the complaints were lodged by people in urban areas and the average monthly household income of complainants was Rs.17,680. All were educated respondents. This indicated that facilities provided by redressal agencies were availed of mostly by residents of urban areas and that too by the middle-income group of the society.

3.1.20 Laxity in interaction with NGOs in awareness programmes

Except inclusion of some representatives of consumer organisations as members of consumer protection councils no other interaction with NGOs was done. None of the seven test-checked consumers fora reported any complaint filed with the assistance of NGOs. This indicated failure of Government in involving NGOs in strengthening consumer awareness campaigns. The survey report of the ORG-MARG revealed that only 1.1 *per cent* of the respondents reported to have learnt about the Act from NGOs.

⁹ Manav Sarathi, Guwahati : Rs.1.98 lakh in April 2004, PVI Pathari Vocational Institute, Nagaon : Rs.1.44 lakh in March 2004 and United rural Development Organisation, Haoraghat, Rs.1.71 lakh in October 2004.

Lack of awareness among consumers is further evident from the fact that the capital district of Kamrup alone registered 34 *per cent* of total cases. The rest were spread over the remaining districts. In five district fora (Kokrajhar, Goalpara, Karbi Anglong, NC Hills and Karimganj), it was even less than 1 *per cent*.

The ORG-MARG in course of their survey found that overall only 6 *per cent* of the respondents were aware of any redressal agency for addressing consumer complaints. Among the respondents who were aware of the redressal agencies, only 21 *per cent* were aware of the financial limits of redressal agencies.

3.1.21 *Monitoring Mechanism*

The functioning of the monitoring cell in the Directorate was limited to compiling the statistical information relating to cases filed and disposed. Corrective measures by analysing the reasons for slow progress of disposal were never taken by the nodal Department. Cause List Register to record the sitting of the court was maintained from February 2003 only. Consumer fora in the State were yet to be computerised and as a result there was no effective mechanism for interlinking three tier fora. The SLCPC, which was formed to protect the interest of the consumers, failed to recommend for strengthening the State Commission by providing adequate manpower, proper infrastructure and basic amenities for the consumers.

A Consumer Grievance Cell was opened at the directorate only in December 2004 by a resolution adopted in the SLCPC. The fact of opening of the Cell had not been given wide publicity for information of the general public and as a result not a single complaint had been registered till March 2005.

3.1.22 *Evaluation*

Efficiency of the adjudication mechanism had not been evaluated either at the district or at the State level by any agency. According to the survey conducted by the ORG-MARG the process of consumer fora needs to be made speedier as presently 80 *per cent* of the cases are still taking more than the stipulated three months in resolving cases.

3.1.23 *Conclusion*

There was delay in constitution of Consumer Fora in the State by more than three years of enactment of the Consumer Protection Act. The State Government had not framed any policy with which various consumer welfare objectives could be achieved. Though sufficient funds were provided by the Union Government for development of infrastructure, basic infrastructure for consumer courts remained to be created mainly due to non release of funds by the State Government. Enforcement mechanism under Prevention of Food Adulteration Act and Standards of Weights & Measure Acts had not been properly utilised. Meetings of the State Level Consumer Council were far below the prescribed norm. Uniform staffing pattern had not been adopted for all the Consumer Fora and there were delays in appointment of Presidents and Members as a result of which consumer courts remained non-functional for substantial periods. Consumer Awareness Programmes had not been taken up to the desired extent.

3.1.24 *Recommendations*

- Government should provide necessary funds for creation of adequate infrastructure required for all the Consumer Fora in the State.
- Enforcement mechanism should be revamped by fixing targets for inspection, collection of samples etc. Prosecution Cases should be framed expeditiously.
- District Level Consumer Protection Councils should be constituted in all the districts and meeting of both the State and district level Councils should be held regularly.
- A uniform staffing pattern in the light of recommendations of the High Power Committee should be adopted for all the Consumer Fora.
- Consumer Awareness Programmes should be taken up in coordination with the district administration, NGOs and Voluntary Organisations to educate the consumers of the avenues of redressal of their grievances.

Annexure

(Ref: Para-3.1.3; Page- 26)

Summary of the findings of the ORG MARG

In order to gain an understanding of the functional status of the Consumer Protection Act Consumers at large, Complaints, manufacturers/service providers, NGOs and appropriate laboratories were covered under the survey. In the State of Assam a total of 2015 consumers spread across urban and rural areas were contacted. Besides 277 complainants, 10 manufactures/service providers one laboratory and 2 NGOs were interviewed. The survey was conducted during 2nd week of July to 4th week of August 2005

FINDINGS OF THE SURVEY

- Overall 83 *per cent* of the Consumers at large gave importance to knowing the Consumer Protection Act (CPA). Nearly 24 *per cent* not aware of consumer rights and 83 *per cent* still unaware of Consumer Protection Act.
- The act is envisaged to benefit all the consumers in urban and rural areas but only 14 *per cent* of the rural population has heard about it.
- In response to, whether the government is making any effort in safe guarding the consumer rights, only 24 *per cent* replied positively remaining either carrying negative opinion or have no idea of the same.
- Formal source of awareness- electronic and print media stand at 91 and 31 *per cent* respectively and only 1.1 *per cent* of the aware consumers came to know about CPA from the NGOs.
- Nearly 68 *per cent* of the aware Consumers at Large have come to know about the Act only in the last 4 years where as the act has been in existence for past 19 years.
- Overall, only 6 *per cent* reported to be aware of the existence of any redressal agency. Awareness on this among those aware of rights and CPA was higher.
- Around 65 *per cent* aware of redressal agency did not know the location of the district forum in their respective districts.
- Except one, all complainants were literate. Their average monthly household income was Rs.17,680. This implied that facilities provided by redressal agencies were availed by educated residents of urban areas and that too by the middle/upper middle strata of the community.
- Majority of complaints (68 *per cent*) were against services such as other insurance (37 *per cent*) and communication (28 *per cent*).

- Majority of the complainants came to know about the redressal agencies through electronic media (54 *per cent*), print media (73 *per cent*) and others i.e., friends/relatives (48 *per cent*). NGOs were not a popular source of awareness (6.7 *per cent* overall).
- Nearly 38 per cent of the complainants used stamp paper to file the case and in majority of cases (69 *per cent*) the lawyers/agents advised them to do so.
- Nearly 15 per cent of complainants who registered their complaint prior to March 2003 reported to have deposited court fee notwithstanding the fact that the court fee was introduced only in March 2003.
- An analysis of time taken at various stages of the cases show that on an average 2.5 days were spent for registering a case and 24 days were taken for serving the notice, first hearing was held after 24 days of serving the notice.
- On an average seven hearings were required to resolve the case. Around 44 *per cent* of cases were still unresolved even after about 5.6 hearings and most of these cases were against consumer durables (26 *per cent*).
- To resolve a case on an average 11 months were spent. In case of unresolved cases the same were pending for past 18 average months.
- There were 17 cases where the decree was passed and compensation was yet to be received. On an average the compensation was due for about 9.5 months. For those received compensation the same was received within an average period of 4.4 months.
- On an average the complainant had to spend Rs.3,359 to resolve the case of which a large proportion (average amount of Rs.3,128) comprised of the advocates fee.
- Nearly half of the manufacturers and service providers were well aware of CPA on the contrary not many Consumers at large were aware of Act or the redressal system.
- The complaints found the redressal system to be simple but not speedy. Almost similar thing was opined by the manufacturers/service providers.

HEALTH AND FAMILY WELFARE DEPARTMENT

3.2 Status of Medical Equipment, Buildings, and vehicles in hospitals/health centres and their utilisation in Health care services

Highlights

Health care services to the people of the State have been a priority item in the planning of social services by the Government of Assam. This was planned to be achieved by providing hospitals, community health centres, primary health centres, and dispensaries with well-equipped medical facilities in the districts/sub-divisions and in rural areas. During the successive five-year Plan periods, construction of district level hospitals, sub-divisional level hospitals and sizable number of community health centres, primary health centres and dispensaries were taken up but many of the buildings remained incomplete. A large number of health care institutes functioning from Government buildings, rented houses and other public houses were in a deplorable condition without facilities for drinking water, electricity and sanitation. Medical instruments, equipment and machines procured were either not optimally used or not utilised at all for different reasons. There were instances of delay in utilisation of equipment and many types of costly equipment with repairable defects remained unused for years. Transport infrastructure was poor as many departmental vehicles remained off road. As a result the intended health care services could not be made available to a large section of people.

- The State Government did not release Rs.109.59 crore (60 per cent) of the budgeted provision for construction and repair/renovation of health care buildings.

(Paragraph: 3.2.7)

- There were deficiencies in establishing health care institutes as per population norm. In six selected districts shortfall of 52 CHCs (60 per cent), 151 PHCs (44 per cent), and 394 SCs (19 per cent) indicated that there was inadequacy of infrastructure for rendering health care services to the people of the districts. Due to the shortage of CHCs and PHCs 45.30 lakh and 62.40 lakh people in these districts were deprived of getting health care facilities at their doorsteps and referral health care services.

(Paragraph: 3.2.8)

- Out of 2031 health care buildings in six selected districts 1093 (54 per cent; mainly sub-centres) were functioning from private accommodation. Only 938 health centres were in Government buildings of which 439 (47 per cent) were in dilapidated condition requiring major repair. In four Districts (Kamrup, Nagaon, Cachar, Barpeta) out of 1,617 health care institutes, there was no provision for water supply in 404 institutes (25 per cent), there was no power supply in 499 institutes (31 per cent) and there was no functional toilet in 502 institutes (31 per cent).

(Paragraph: 3.2.8)

➤ Construction of 314 health care buildings remained incomplete after incurring expenditure of Rs.33.67 crore even after the lapse of 5 to 37 years of taking up construction works. Of this, 122 buildings had been taken up for construction between 1967-68 and 1999-2000.

(Paragraph: 3.2.9)

➤ In Kamrup district five Community Health Centres and six Mini Public Health Centres constructed at a cost of Rs.5.72 crore between August 1999 and August 2004 could not be made operational till March 2005.

(Paragraph: 3.2.10)

➤ Out of 102 buildings constructed for up gradation of State Dispensaries to Public Health Centres, only 14 buildings were utilised as Public Health Centres and the remaining 88 buildings constructed at a cost of Rs.5.05 crore were still continuing as State Dispensaries.

(Paragraph 3.2.13)

➤ In five districts namely, Kamrup, Nagaon, Cachar, Dibrugarh and Barpeta against 231 sub-centres shown as constructed from IPP-IX only 202 sub-centres were actually constructed. Construction of 29 sub-centres at a cost of Rs.1.44 crore was doubtful.

(Paragraphs: 3.2.14)

➤ According to a survey conducted by the Government, out of 18,743 existing equipment in the different health care institutes of the State 7,812 equipment (42 per cent) were unserviceable. Though the majority of the equipment was assessed as repairable at an approximate cost Rs.88.90 lakh, the Department had not taken steps for their repair/replacement.

(Paragraph 3.2.22)

➤ Out of the fleet of 602 vehicles under the Health Department, 103 vehicles remained off the road due to lack of repair/replacement affecting badly the delivery of health care service. In 118 PHCs and 23 CHCs of five districts there were no vehicles for carrying high risk and other emergency patients to the nearest Government hospital.

(Paragraph: 3.2.26)

3.2.1 Introduction

Providing universal health care services to the people of the State is a priority item in the planning of basic health care services by the Government of Assam. The population of Assam, as per 2001 Census was 2.67 crore with a density of 339.61 people per square kilometre. For providing medical education and specialised and referral health care services, there are three major medical colleges and hospitals one each at Dibrugarh, Guwahati, Silchar and a Regional Dental College at Guwahati. In addition, there are four medical colleges under the indigenous systems of medicine (Ayurvedic-1 at Guwahati and Homoeopathic-3, one each at Guwahati, Jorhat and Nagaon) one Nursing College at Guwahati and three Pharmacy Institutes at Guwahati, Silchar and Dibrugarh. General health care and family welfare programmes (including Mother and Child Health and Reproductive Child Health) are provided through the network of the three medical colleges and hospitals, one state hospital (Mahendra Mohan Choudhury Hospital) at Guwahati, 21 district and three sub-divisional

hospitals, 100 community health centres (CHC), 610 primary health centres (PHC), 99 subsidiary health centres (SHC), 323 state dispensaries (SD) and 5,466 sub-centres (SCs)¹⁰.

The objective of establishing the health care units was to provide health care services in the entire State in a uniform manner in accordance with the common rules and guidelines issued by the Government.

The Department executed all construction works/repairs etc., through the Chief Engineer (CE), PWD (Buildings), Assam who is assisted by the Executive Engineers (EE), PWD (Buildings) in the districts and an EE, Medical College Construction (MCC) Division, Guwahati. Besides, health care buildings were also constructed under different health infrastructure projects like Assam Area Project (India Population Project-IX), Reproductive and Child Health Programme Project (RCH) etc., under the administrative control of separate societies.

3.2.2 *Organisational set up*

The Department of Health and Family Welfare headed by a Commissioner and Secretary implements all health care activities through the network of medical college and hospitals, district and sub-divisional hospitals, CHCs, PHCs, state dispensaries, sub-centres etc. The Commissioner and Secretary is assisted by a Joint Secretary and three Directors viz., Director of Health Services (DHS-General), Director of Health Services (DHS-Family Welfare) and Director of Medical Education (DME). In the districts, the Joint Director of Health Services (Jt. DHS) and Additional Chief Medical and Health Officers, Family Welfare (ACM & HO - FW), implement health care services.

3.2.3 *Scope of Audit*

The performance audit on the “Status of buildings, equipment and vehicles etc., and their utilisation in health care services” covering the five-year period of 2000-05 was conducted between April - June 2005. The study and test-check of records was carried out in the Health and Family Welfare Department (H & FWD) of the Government, two DHS, two medical colleges¹¹, one state hospital¹², four¹³ district hospitals (Nagaon, Diphu, Silchar, Barpeta) and records of CHCs, PHCs, State dispensaries, sub-centres available with the Jt. DHS and ACM & HOs of six¹⁴ selected districts covering 34 CHCs, 194 PHCs, 1,691 SCs. In addition, records of Central Drug Warehouse, Narangi and Regional Drug Warehouse, Nagaon were also test-checked.

¹⁰ Sub-centre (Family Welfare): 5,109
Sub-centre (Medical): 357
 5,466

¹¹ Assam Medical College & Hospital (AMCH) Dibrugarh and Guwahati Medical College & Hospital (GMCH)

¹² Mahendra Mohan Choudhury Hospital, Guwahati.

¹³ In Kamrup and Dibrugarh there were no District Hospitals.

¹⁴ Kamrup, Nagaon, Karbi-Anglong, Cachar, Barpeta and Dibrugarh

3.2.4 *Audit objectives*

The objectives of the performance audit were to find out whether:

- Hospitals and health care units were equipped with the three types of basic infrastructure viz., buildings, equipment and vehicles,
- Construction of hospital buildings, repair and renovation of health centres as envisaged in successive Annual Plans have been achieved,
- Equipment provided to hospitals and health care units were in good working condition and were providing needed health care facilities to the people at their door steps, and
- Vehicles provided were available at the hospitals and other health care units for normal and emergency service deliveries.

3.2.5 *Audit criteria*

- Number of health care centres in accordance with prescribed norms.
- Status of buildings with required basic facilities for housing hospitals and health care centres.
- Availability of essential equipment in health care centres.
- Vehicles available for running health care centres in the State.

3.2.6 *Audit Methodology*

The selection of samples for data collection, evidence gathering and evaluation, was done on a representative basis. Six (26 *per cent*) out of 23 districts, covering a population of 34 *per cent* were selected based on their geographical location and population density and after ensuring that the sample districts were large enough to include all significant characteristics of the population. The selected districts also included one out of two hill districts of the State. Records have been checked in the implementing units located in these districts on the basis of sample data that is representative of the population.



Audit findings

3.2.7 Budget provision and funds released

The budget provision and fund released in respect of building component of health schemes as furnished by the Chief Engineer (Building) Assam are shown in *Appendix - XX*.

Against the provision of Rs.183.76 crore during the period of 2000-05, the Department released only Rs.74.17 crore (40 per cent). Reasons for non-release of balance Rs.109.59 crore (60 per cent) of budgeted provision were neither furnished by the Department nor available on record. Short release of funds had resulted in non-completion of large number of buildings and consequential deficiencies in health care infrastructure.

3.2.8 Deficient infrastructure

According to norms for setting up of health care centres, one SC is required to be set up for a population of 5,000 (3,000 in case of hills), one PHC for a population of 30,000 (20,000 in case of hills) and one CHC for a population of 1,20,000 (80,000 in case of hills). Against the required number of CHCs, PHCs, SCs, to be set up in the State, the Department had set up lesser number of these units. The resultant shortfall under CHC/PHC sector ranged from 29 to 53 per cent as shown in Table-1 below:

Table-1 (For Assam)

	Projected numbers to be set up as per norms (Target)	Nos in position as per statement submitted by DHS (General)	Shortfall	
			Numbers	Percentage
CHCs	214	100	114	53
PHCs	855	610	245	29
SCs	5133 FW	5109 FW	24	0.47

Source: Departmental records.

Table-2 (For six test-checked districts)

District	Health care units	Projected numbers to be set up as per norms (Target)	Nos in position as per statement submitted by DHS (General)	Shortfall	
				Numbers	Percentage
Kamrup	CHCs	21	9	12	57
	PHCs	84	52	32	38
	SCs	503	355	146	29
Nagaon	CHCs	19	9	10	53
	PHCs	77	34	43	56
	SCs	463	404	59	13
Karbi Anglong	CHCs	10	5	5	50
	PHCs	41	34	7	17
	SCs	271	103	168	62
Cachar	CHCs	12	1	11	92
	PHCs	48	21	27	56
	SCs	289	272	17	6
Barpeta	CHCs	14	5	9	64
	PHCs	55	37	18	33
	SCs	328	326	2	1
Dibrugarh	CHCs	10	5	5	50
	PHCs	40	16	24	60
	SCs	231	231	--	--
Total	CHCs	86	34	52	60
	PHCs	345	194	151	44
	SCs	2085	1691	394	19

The total population in the six selected districts was 99.20 lakh according to the 2001 census. As against the norm for setting up of 86 CHCs, 345 PHCs, and 2,085 SCs, actual numbers of existing health care units in these districts were 34 CHCs, 194 PHCs and 1,691 SCs. Shortfall of 52 CHCs (60 per cent), 151 PHCs (44 per cent) and 394 SCs (19 per cent) indicated inadequacy of health care infrastructure in these districts with resultant poor coverage of the basic health care needs of the people. Due to the shortage of PHCs, 45.30 lakh (17 per cent) of the population were deprived of getting health care facilities at their doorsteps. Again due to the shortage of CHCs, 62.40 lakh (23 per cent) of the population failed to avail referral health care services.

A study carried out in the six selected districts revealed that out of the existing 2,031 health care institutes (including 112 State dispensaries), 938 institutes were functioning from Government buildings, 976 from rental accommodation and 117 from accommodation provided by the public. Out of 938 Government buildings, 439 buildings are in dilapidated condition requiring major repairs, while another 220 buildings required minor repair. Information furnished by four districts (Kamrup,

Nagaon, Cachar, Barpeta) revealed that out of 1,617 health care institutes in these districts, in 404 institutes (25 per cent) there was no provision for water supply, there was no power supply in 499 institutes (31 per cent) and there was no functional toilet in 502 institutes (31 per cent). Similar information was not furnished by Dibrugarh and Karbi Anglong though called for. The details are indicated in Table-3 below:

Table 3

Name of the District	Total number of Institutes	In Government Building	In rental accommodation	In private accommodation	Requiring Major repair	Requiring Minor repair	Water supply facility not available	Electricity facility not available	Toilet facility not available
Kamrup	461	253	142	66	184	71	229	375	376
Nagaon	477	207	270	NA	40	61	115	115	117
Cachar	299	118	145	36	47	39	2	2	6
Karbi-Anglong	149	117	32	NA	94	NA	NA	NA	NA
Dibrugarh	265	109	156	NA	55	26	NA	NA	NA
Barpeta	380	134	231	15	19	23	58	7	3
Total	2031	938	976	117	439	220	404	499	502

Source: Department records.

Besides, as per norm there should be provision for beds for indoor patients in PHCs (6-10 beds), CHCs (30 beds) and State Dispensary/State Health Centres (1 bed). However it was found that in 160 health centres (PHCs, CHCs, SD/SHC) in five selected districts (other than Nagaon) there were no beds for indoor treatment.

The Joint Directors of Health Services in five selected districts (other than Dibrugarh), in reply to the audit query, intimated that provision of furniture was inadequate in all health care institutes of the respective districts.

Thus, apart from shortages in health care units in the districts test-checked, the existing units too lacked basic infrastructure like proper buildings and beds.

3.2.9 Unfruitful/wasteful outlay on incomplete buildings

The DHS (General) and the CE, PWD, (Buildings) had not furnished information on buildings remaining incomplete. Compilation of the quarterly progress reports showing position up to June 2004 submitted by the EEs, PWD (Buildings) divisions to the CE, disclosed that 314 works taken up during 1967-68 to 2003-04 remained incomplete in the entire State (*Appendix-XXI*). Of these, 122¹⁵ works were taken up between 1967-68 and 1999-2000 with approved estimated cost aggregating Rs.54.92 crore. The works remained incomplete, as of June 2004, after incurring expenditure of Rs.26.83 crore. The reasons for non-completion of the buildings even after the lapse of five to 37 years were mainly due to paucity of funds as stated by the concerned EEs.

Scrutiny of progress reports of June 2004 revealed that 192 works with aggregate approved estimated value of Rs.22.37 crore taken up between 2000-01 and June 2004 remained incomplete, as of June 2004, after incurring expenditure of Rs.6.84 crore. Thus, buildings for 165 PHCs, 66 CHCs, 5 two hundred bed hospitals, 11 hundred bed hospitals, 49 State Dispensaries and 18 Sub-centres remained incomplete. The

¹⁵ 62 PHCs + 25 CHCs + 5 (200 bed hospital) + 11 (100 bed hospital) + 4 state dispensaries + 15 medical sub centres = 122

reasons for non-completion of works were attributed mainly to non-receipt of funds as it was evident that only 40 *per cent* of budget provision was released to the Department.

Thus, the investment of Rs.33.67 crore (Rs.26.83 crore + Rs.6.84 crore) on buildings that remained incomplete even after the lapse of five to 37 years was unfruitful.

3.2.10 *Non-utilisation of completed buildings*

Records of Jt. Director of Health Services, Kamrup disclosed that five CHCs¹⁶ and six Mini Primary Health Centres (MPHCs)¹⁷ constructed between August 1999 and August 2004 at a cost of Rs.5.72 crore remained unutilised as of March 2005. Reasons for non opening of CHCs and MPCHs in the newly constructed buildings were not on record.

Thus, the infrastructure created at a cost of Rs.5.72 crore out of the State's scarce resources turned into non-performing assets and the Government's commitment of providing doorstep health care services to the targeted population was not realised.

3.2.11 *Delay in execution of works*

During the period from 2000-01 to 2004-05 EE, Medical College Construction (MCC) division took up 19¹⁸ works at an estimated cost of Rs.16.69 crore. Of these 19 works, 13 works were completed (December 2004) at a cost of Rs.11.97 crore, of which 11 works were completed with delays ranging from nine to 55 months. The remaining six works estimated to cost Rs.4.67 crore were in progress (March 2005) with an expenditure of Rs.0.51 crore even after the lapse of eight to nine months from the due date of completion. The reasons for delay were attributed to late administrative approval, paucity of funds and failure of the contractor to execute the works in time.

Absence of infrastructural facilities would have had an adverse impact on the effectiveness of the health service units.

Buildings under externally aided projects

3.2.12 *Operational period and provision of funds*

Assam Area Projects (AAP) under India Population Project –IX (IPP–IX) is an externally aided project implemented in Assam from 20 September 1994 to 31 December 2001 for creation of infrastructure for family and child welfare during the project period of 1995-2001 with an outlay of Rs.144.37 crore, of which the civil

¹⁶ CHCs-Goroimari(Rs.222.02 lakh),Nagarbera(Rs.107.23 lakh),Bamunigaon(Rs.50.00 lakh),Hajo(Rs.76.69 lakh),Azara(Rs.39.65 lakh).

¹⁷ MPHCs-Bondapara(Rs.15.00lakh),Tupamari(Rs.9.75 lakh),Uttarghilabari(Rs.17.71 lakh),Gamerimura(Rs.13.86 lakh),Puranburkha (Rs.9.80 lakh),Brindaban(Rs.10.33 lakh)

¹⁸ GMCH complex:10 Nos + Government Ayurvedic College:3 Nos+ Regional Nursing College :3 Nos+ Regional Dental College :3 Nos=19 Nos

works (building construction) component comprised Rs.87.43 crore. The following audit observations are made in this regard (paragraphs 3.2.13 to 3.2.16).

3.2.13 Upgradation of state dispensaries to PHCs – non-utilisation/under utilisation of assets created

To augment health care facilities, Project Director (PD) AAP constructed additional rooms/buildings in 102 State Dispensary buildings for upgrading them to the status of PHC buildings at a cost of Rs. 5.86 crore. Of these newly constructed buildings, only 14¹⁹ buildings were utilised as PHCs and the remaining 88 buildings constructed at a cost of Rs.5.05 crore continued to function as State Dispensaries thereby depriving the people of in-patient treatment facilities. Thus, assets created at a cost of Rs.5.05 crore remained underutilised and did not serve the intended purpose for which the expenditure was incurred.

Test-check further revealed that out of 14 SDs upgraded to PHCs, two such PHCs (Deochar and Bahjani PHC) in Kamrup district were functioning without sanctioned posts of doctors and para medical staff required for a PHC. Thus, in spite of having the infrastructure, the intended purpose was not served in these two PHCs due to manpower constraint.

3.2.14 Discrepancy in construction of sub-centres

The PD, AAP spent Rs.39.70 crore during 1995 to 2001 towards construction of 800 sub-centres (FW), of which 231 SCs were shown to have been constructed in five²⁰ out of six selected districts as revealed from the Project Implementation Completion Report (PICR) under IPP-IX. But, according to the report (May 2005) of the Additional Chief Medical & Health Officer (FW), there were only 202 SCs in these five districts constructed from AAP funds. Thus, there was a discrepancy of 29 SCs between two sets of reports as shown in Table-4 below:

Table-4

(Rupees in lakh)

Sl. No.	District	Nos. constructed as per IPP-IX record	Nos. constructed as per information of ACM&HO	Difference	Average cost of construction	Cost involved
1	Kamrup	59	55	4	4.96	19.84
2	Nagaon	49	44	5		24.80
3	Cachar	47	36	11		54.56
4	Dibrugarh	38	30	8		39.6
5.	Barpeta	38	37	1		4.96
	Total	231	202	29	4.96	143.84

Source: Departmental records.

In the above five districts, against 231 sub-centres shown as constructed from IPP-IX, the Addl. CM & HOs of the respective districts, who are the custodians of the

¹⁹ Kamrup : 3 + Morigaon : 1 + Korajhar : 2 + Darrang : 1 + Sonitpur : 1 + Lakhimpur:1 + Golaghat : 1 + Cachar 3 + NC Hills : 1 = 14.

²⁰ Karbi Anglong did not prepare PICR

sub-centres, stated that only 202 sub-centres were actually constructed. Thus, construction of 29 sub-centres was shown in excess by Project Director, IPP-IX. The two contradictory statements involving expenditure of about Rs.1.44 crore need to be investigated by the Government. The fact remained that these buildings were not available for utilisation in health care services as per records of the Addl. CM & HOs.

3.2.15 *Doubtful expenditure*

The PD, Reproductive Child Health (RCH) received (May 1998) Rs.2.30 crore from Government of India for minor works/repair of PHCs with the stipulation to complete the works by November 1998. The PD RCH disbursed (September 1999) Rs.2.20 crore to the executing agency viz., PD, AAP (IPP – IX), after a delay of 16 months. The PD, AAP completed the repair works (138 nos in 22 districts) between July 2000 and November 2001 at a cost of Rs.2.10 crore and submitted (November 2001) accounts showing savings of Rs.29.99 lakh (principal Rs.9.35 lakh + bank interest Rs.19.31 lakh + sale proceeds of bid documents Rs.1.33 lakh).

In March 2002, the PD, AAP (IPP-IX) stated that the balance amount of Rs.29.99 lakh had been utilised for additional minor works under RCH. Neither the project review status paper (IPP-IX), nor the Project Implementation Completion Report (24-12-2001) disclosed any account of additional work taken up under RCH except the 138 minor works executed earlier at a cost of Rs.2.10 crore. Though called for, no record in support of the expenditure of Rs.29.99 lakh could be shown. Thus, actual utilisation of Rs.29.99 lakh and utilisation of the infrastructure stated to be created could not be vouchsafed in audit.

3.2.16 *Construction of Regional Drug Warehouse at Nagaon-excess expenditure and other irregularities*

The construction of Regional Drug Warehouse at Nagaon was taken up (August 2000) at the sanctioned estimate of Rs.1.31 crore. The PD, AAP awarded (August 2000) the work to a contractor at a tendered value of Rs.1.41 crore. The contractor completed the work in July 2001 and the PD paid Rs.1.62 crore to the contractor despite the contractor not having executed certain items of work in the estimate worth Rs.1.95 lakh. Thus, the PD had incurred an irregular excess expenditure of Rs.31.25 lakh (Rs.162.49 lakh – Rs.131.24 lakh) over the sanctioned estimate without obtaining any approval of the competent authority even though the expenditure exceeded the sanctioned amount by 24 *per cent*. Further, the Jt. DHS, Nagaon reported (October 2002) that the building and shutters required immediate repair. Subsequently, the power and water supply had been cut off as the power transformer went out of order in September 2003. Since the Zonal Warehouse caters to the needs of five districts for drugs it has been observed that the storage of life saving drugs and supply thereof to five districts (Nagaon, Jorhat, Sonitpur, Golaghat and Karbi Anglong) had been badly affected because of defective buildings and non-functioning of electric and water installations.

Equipment

3.2.17 Fund receipts and utilisation

The details of funds released by North Eastern Council (NEC)/State Government and utilised by the implementing agencies during 8th, 9th and 10th Five Year plan period (up to September 2004) against Revenue Head of nine schemes are shown in *Appendix - XXII*.

It would be seen from *Appendix-XXII* that the State Government did not release Rs.3.48 crore (33 per cent) out of Rs.10.49 crore released by the NEC during the 8th and 9th Five Year Plan period to the implementing agency. Besides, the implementing agency too failed to utilise Rs.65.80 lakh (nine per cent) out of funds released by the State Government during the corresponding plan periods.

Short release of NEC funds by the State Government and partial utilisation of released funds had retarded the pace of modernisation of hospital equipment as well as repair/upkeep of existing equipment resulting in sub-standard health service benefits to the targeted beneficiaries.

3.2.18 Performance of equipment/machinery

Equipment and machinery were installed in medical colleges and Mahendra Mohan Choudhury (MMC) Hospital, Guwahati for optimisation of medical and health care services to the people at large. In these institutes sophisticated equipment like CT Scan, Ultrasound, X-ray and Auto analyzer were available for health care services. A test-check of records in these institutes revealed that records showing numbers of patients prescribed for these tests were not maintained. However, average percentage of enrolled patients who had undergone these tests during last five years, indicated that a small percentage of the patients availed of the diagnostic test facilities as indicated in Table-5 below:

Table-5

Sl. No.	Name of Hospital	Yearly Average enrollment 2000-05	Average No. and percentage of patients undergone tests during 2000-05							
			CT Scan		Ultrasound		X-Ray		Auto analyser	
			No.	Percentage	No.	Percentage	No.	Percentage	No.	Percentage
1	Guwahati Medical College Hospital	3,32,940	5169	1.55	5174	1.55	37,795	11.35	NA	NA
2	Asssam Medical College Hospital, Dibrugarh	1,77,892	2385	1.34	5199	2.92	15736	8.85	7617	4.28
3	Mohendra Mohan Choudhury Hospital, Guwahati	1,08,759	Nil	Nil	758	0.70	5076	4.67	Nil	Nil

Scrutiny of stock books of equipment maintained in these hospitals revealed that a number of machines/equipment remained non-installed, out of order etc., as detailed below:

(a) X - Ray

Out of nine X-Ray machines procured for Radiology Department in AMCH Dibrugarh between 1989 and 2004, six were not functioning. Of the remaining three, the fluoroscope of one 300 MA Seimens X-Ray unit procured in 1995 was not working. Another X-Ray unit - 3 Arm Allenger procured in November 2004 was sent to the cardiology department on 6 January 2005. Thus, X-Ray wing of the Radiology Department in AMCH was practically working with two machines, one of which is a portable unit.

In GMCH, Guwahati, out of 13 X-Ray machines, eight were not working. The detailed particulars of machines were not indicated in the stock books, in the absence of which date of receipt, periodical repairs done could not be ascertained.

(b) Ultrasound machine

The AMCH, Dibrugarh had two ultrasound machines procured in 1996 and 2000. The Colour Doppler camera of the machine purchased in 1996 was not working since March 2000. The camera was repaired only in December 2004 after a delay of over four years during which period the machine remained non-functional. There were three ultrasound machines in GMCH and in case of two, date of receipt etc., were not available. The Colour Doppler of the machine received in March 1997 went out of order in February 1998, which was within the warranty period. Records did not indicate whether this was replaced or repaired. Logbooks were not maintained.

(c) CT Scan machine

One CT scan machine was installed in AMCH, Dibrugarh in May 1999 at a cost of Rs.1.55 crore but no logbook for the machine was maintained. The relevant scan registers produced to Audit showed that 2,518 cases were scanned during a span of 12 months²¹ of which 512 (20 per cent) patients were not even registered with the hospital. Superintendent, AMCH, Dibrugarh did not respond to the audit query in this regard. Thus, there was apparent misutilisation of the machines installed. The performance of the CT scan machine installed in GMCH was low in 2002-03 (3,601 cases) as compared to other years (4,286 in 2000-01 and 6,738 in 2004-05). In the absence of logbooks, actual performance of the machines could not be analysed.

(d) Auto-analyser

While the auto analyser could perform, on an average, 540 tests per hour, in AMCH an average of 21 tests only were performed per day during the last three years. In GMCH an Auto-analyser machine costing Rs.28 lakh was installed in the biochemistry department for providing 24-hour service, but it was working only for

²¹ From 8-6-2001 to 10-3-2002 and from 13-8-2003 to 31-10-2003.

five to eight hours per day. Shortage of manpower with technical know-how was stated to be the reason for underutilisation.

(e) **Cardiac Monitor**

In AMCH Dibrugarh a Cardiac Monitor System was procured in March 2000 at a cost of Rs.6.21 lakh. Subsequently, between March 2000 and September 2002 another 11 monitors were procured at Rs.3.09 lakh. Information furnished by Superintendent AMCH showed that during the last five years the monitors were utilised for only 12 patients when the average number of patients enrolled in the hospital during 2000-05 was 1,77,892. Thus, there was under utilisation of the equipment procured.

3.2.19 Obsolete/condemned equipment in the cardiology department

Test-check of stock books maintained in the cardiology department revealed that a number of equipment in the department were declared condemned (6-3-1998) and were handed over to the Superintendent, GMCH. The Superintendent, however, did not maintain any record of these obsolete instruments. The details are given in Table-6 below:

Table -6

Sl. No.	Name of equipment	Total nos as per stock entries	Period of receipt	Nos. of condemned	Dt. Of condemnation
1	ECG Machine	24	1988-1991	12	6.3.1998
2	Cardiac Monitor	10	NA	6	6.3.1998
3	Defabrillator	9	NA	2	6.3.1998
4	Ventilator	1	11.3.1980	1	6.3.1998

Source: Departmental stock books.

Non-maintenance of separate records for obsolete/condemned instruments was indicative of deficient store control and possibility of pilferages could also not be ruled out.

Further, in the same department it was found that the machines listed in Table-7 below were not working for want of repairs.

Table-7

Sl. No.	Name of machine	No.	Date of receipt	Date from which not working
1	Boyles apparatus	1	05.04.1990	24.1.2000
2	Image Intensifier System	1	1982	2.8.1993
3	Echo Doppler	1	22.10.1991	1995
4	ICU Monitor Unit (Central-1, Bedside – 6)	1	22.10.1991	24.1.2000

Source: Departmental stock books.

Efforts made to repair these machines were not on record. Failure to repair these costly machines adversely affected the performance of the department.

3.2.20 *Non-utilisation of equipment*

Test-check of records in the pathology department in AMCH, Dibrugarh disclosed that costly equipment as detailed in Table –8 below remained unutilised due to non-procurement of reagents for the tests.

Table-8

Name of instrument	Received on	Reagents received upto	Date from which remaining non-functional
Blood Gas Analyser with accessories (27 Nos.) UPS	26.08.1995 25.06.1998	18.12.2003	March, 2005
Spectrophotometer (Semiautomatic Auto analyzer)	14.12.1994	14.12.1994	1996
QBC-Reference-II Hematology Analyzer, QBC parlance blood parasite detection system	08.01.1998	N.A	2001

Source: Departmental stock books.

After establishment (March 2003) of the Hospital Management Society (HMS) and introduction of the system of realising the cost of pathological tests from the patients, procurement of reagents should not have posed a problem. Patients were deprived of the benefit of the tests due to inaction for timely procurement of reagents.

Equipment worth Rs.21.20 lakh as detailed in Table-9 below were also lying non-functional in two civil hospitals of Barpeta and Karbi Anglong districts.

Table-9

Name of Civil Hospital	Name of equipment	Date of installation	Cost (Rs. in lakh)	Date from which remaining non-functional	Action taken
Barpeta Civil Hospital, Barpeta	One X-Ray Unit	N.A	N.A	07.03.05	Nil
	One Ultrasound Machine	N.A	6.20	August/04	N.A
Diphu Civil Hospital, Karbi Anglong	One 300 MA X-Ray	23.11.01	8.80	30.05.03	Higher Authority informed
	One Ultrasound Machine	08.07.2000	6.20	15.08.03	Company was intimated on 20.08.03
Total			21.20		

Source: Stock books of the respective hospitals.

In Diphu Civil Hospital, the Ultrasound machine became non-functional after conducting only 75 tests. Except for intimating the company through a fax message, no other action was taken. Thus, the apathy and lack of appropriate action of the authority concerned was responsible for underutilisation of equipment as well as their prolonged non-functioning for want of repair/replacement.

3.2.21 *Non availability of equipment*

Joint Director of Health Services, Kamrup in Draft District Action Plan 2005-10, prepared under Reproductive and Child Health Care Programme-II, had observed that more than 99 per cent of the SD/SHCs and more than 98 per cent of the sub-centres

had no delivery table. Almost 80 *per cent* of the sub-centres had no examination table. Out of nine CHCs opened so far, four were running with minimum indoor facilities, and the remaining five were functioning as OPD only. There was lack of privacy in all the sub-centres to carry out proper antenatal, natal and post natal examinations, IUD insertion etc., due to non-availability of proper infrastructure.

In other test-checked districts either draft action plans were under preparation (Barpeta, Dibrugarh) or similar information were not available in the draft action plan prepared (Karbi Anglong, Nagaon, Cachar).

Spot verification of the records of 4 PHCs and 3 CHCs in Kamrup²² and Nagaon²³ districts disclosed that only in Kawaimari CHC X-ray, Ultrasound and generator set were functioning and that too only from April 2005. Life saving devices like oxygen cylinder was available only in Kawaimari CHC. Simple laboratory testing facilities like urine testing were available only in Rampur PHC and Kawaimari CHC. Most of the essential equipment were not available in Uparhali and Samaguri PHCs.

3.2.22 *Unserviceable equipment*

The Joint Director of Health Transport and Equipment Maintenance Organisation, Guwahati conducted (July 2001 to December 2002) a survey on the status of equipment as on 31-12-2002 in different Government health units of 23 districts and three medical colleges and MMC Hospital, Guwahati. According to the survey, the condition of the equipment in the hospitals and health centres of the State presented a very poor picture. Out of 18,743 items of existing equipment under 40 major categories (like X-Ray, Autoclave, Ultrasound, ECG machines etc.), 7,812 items (42 *per cent*) remained unserviceable for a considerable period of time. The districts with the maximum number of unserviceable equipment were Silchar Medical College Hospital (784 equipment), Nalbari (287 equipment), Kokrajhar (370 equipment) and Goalpara (202 equipment). Though the majority of the equipment was assessed as repairable at an approximate cost Rs.88.90 lakh, the Department had not taken steps for their repair/replacement, for reasons not on record.

As a result of non-repair of the equipment, the health centres failed to render requisite health care services for which these were procured.

²² Kamrup CHC: Mirza, Chaygraon

PHC: Rampur, Chaygraon, Uparhali

²³ Nagaon: CHC: Kaneaimari

PHC: Samaguri

Waste (Biomedical and others) disposal management

3.2.23 Non-construction of sewage treatment plant

According to Bio Medical Waste Rules 1998 framed under the Environment Protection Act 1986 which were made effective in the State from July 1998, hospitals with bed strength of 200 and above were required to create facilities for disposal of bio-medical waste by December 1999. The GMCH, AMCH and MMC hospitals having bed strength of 1,435, 1,374 and 350 respectively were required to have waste disposal facilities like incinerator, effluent treatment plant etc.

Scrutiny of records revealed that the Department and their implementing agencies did not take care of waste disposal management due to non-construction of Sewage Treatment Plant in GMCH. The work taken up in November 2000 with Government approval and sanctioned for Rs.97.66 lakh, remained incomplete, as the appointed contractor did not carry out the work after receipt of mobilisation advance of Rs.10 lakh in December 2000. The mobilisation advance was also irregularly granted violating the provision of paragraph 32.7 of CPWD Manual Volume-II which stipulated that mobilisation advance up to a maximum of 10 *per cent* of the contract value could be granted where the value of the work is more than Rupees one crore. The advance remained unrecovered (July 2005).

Subsequently, the estimate was revised with fresh administrative approval (November 2003) for Rs.1.71 crore and the work was entrusted to the Public Works Department. As of December 2004, only 15 *per cent* physical progress of work was reported. Apart from cost escalation of Rs.73.60 lakh, the unusual delay in construction had led to the hazard of environmental pollution.

3.2.24 Delay in implementation of Central scheme for waste management

Government of India, Ministry of Health and Family Welfare sanctioned (March 2002) Rs.1.10 crore for construction of incinerator, wheel barrow for transportation of waste and equipment like needle shredders, storage bins, high density plastic etc., for the three medical colleges (Rs.30 lakh each) and for MMC Hospital (Rs.20 lakh). The works were taken up belatedly and agreements with the contractors drawn up in April 2004 (GMCH), May 2004 (AMCH) and August 2004 (SMCH) with stipulation to complete the works within two months of issue of work orders. As of March 2005, none of these works had been completed.

Thus, the Central scheme of waste management in the major hospitals did not take off.

Vehicles

3.2.25 Purchase of vehicles under IPP – IX

The PD, AAP procured 211 vehicles²⁴ between 1995 and 2001 at a cost of Rs.6.76 crore and distributed them to CHCs, PHCs, Hospitals and Dispensaries including Training Centres.

²⁴ 93 Jeeps, 66 Mahindra and Mahindra, 33 Tata Sumo, 3 Ambassadors, 3 Maruti Van, 10 Nos. 407 Tata delivery van and 3 Nos. 709 Tata delivery van.

The information furnished by four Jt. DHS of six test-checked districts, revealed that under IPP-IX four Jt. DHS had received 17 vehicles against 21 vehicles shown to have been issued to them by the PD, AAP (IPP-IX) as shown in Table -10 below:

Table -10

Sl.No.	Name of Jt. DHS	Vehicles received from IPP - IX		Difference (Short receipt by Jt.DHS)
		As per IPP – IX record	As stated by Jt. DHS	
1.	Jt. DHS, Silchar	5	5	Nil
2.	Jt. DHS, Nagaon	9	6	3
3.	Jt. DHS, Karbi Anglong	3	2	1
4.	Jt. DHS, Dibrugarh	4	4	Nil
	Total	21	17	4

Source: Departmental records.

Short receipt of four vehicles under IPP-IX by the Joint DHS needs to be investigated by Government. The types of vehicle could not be ascertained from the information furnished and hence cost could not be worked out.

3.2.26 Off-road vehicles

Vehicles are essential for providing day to day health care services. Scrutiny of records disclosed that large numbers of vehicles were not functional in the three Directorates due to non-repair as shown in Table-11 below:

Table-11

Sl. No.	Directorate	Total No. of vehicles in the Department	Nos. of on road vehicles	Nos. of off-road vehicles
1.	DHS (Central)	435	363	72
2.	DHS (FW)	130	106	24
3.	DME	37	30	7
	Total	602	499	103

Source: Information furnished by the Directorates.

Thus, as of March 2005, 17 per cent of the departmental vehicles remained off the road, with consequential effect on smooth delivery of health care services.

In five out of six test-checked districts, out of 127 vehicles, 52 vehicles (41 per cent) were non functional as of March 2005 as shown in Table-12 below:

Table-12

Sl. No.	Name of district offices	Total	Nos. on road	Nos. off road
1	Cachar: Jt. DHS Addl. CM & HO	15 5	12 5	3 -
2	Barpeta: Addl. CM & HO	10	5	5
3	Nagaon: Jt. DHS	50	26	24
4	Karbi Anglong: Jt. DHS	28	13	15
5	Dibrugarh: Jt. DHS Addl. CM & HO	14 5	10 4	4 1
6.	Kamrup, Jt. DHS	Did not furnish information		
	Total	127	75	52

Source: Information furnished by the district offices.

In five selected districts (except Barpeta) 118 PHCs and 23 CHCs (out of 194 PHCs and 34 CHCs) were functioning without vehicles. Thus, in 61 *per cent* of the PHCs and 68 *per cent* of the CHCs in the five selected districts there were no transportation facilities to carry high risk and other emergency patients to Government hospitals/health care units.

Absence of requisite number of serviceable vehicles in these districts had affected speedy achieving of health care service to the patients.

3.2.27 Conclusion

The number of health care centres in the State i.e., CHCs, PHCs and Sub-centres were not adequate. In a number of existing health care units, facilities such as drinking water, electricity supply and functional toilet were deficient. Slow and tardy pace of construction had resulted in a number of buildings remaining incomplete for considerable periods of time, thus adversely affecting delivery of health care services. Added to the above, is the large stock of unserviceable medical equipment due to non-replacement, non-repair, non-maintenance etc., and highly unsatisfactory rate of utilisation of the functioning equipment. These shortcomings had severely compromised efficient and effective working of the health care system in the State.

Recommendations

- A detailed action plan should be chalked out for repair/renovation/completion of existing building infrastructure and provision of basic facilities therein.
- The Chief Engineer, Public Works Department should be asked to submit an action plan for completing on-going construction of all incomplete buildings.
- Optimum utilisation and accountal of functional equipment/instruments is to be ensured through effective monitoring and reporting.
- Immediate action should be taken on the survey report submitted by the Joint Director of Health Transport and Equipment Maintenance Organisation, for repair/replacement of unserviceable equipment and instruments.
- Investigation should be carried out to find out the status of vehicles provided to different health care institutes/units. Based on the investigation report Government may draw up an action plan for providing transport facilities to the rural health care institutes/units.

The matter was reported to Government in June 2005; their replies had not been received (August 2005).

**PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT &
PUBLIC WORKS DEPARTMENT**

3.3 Pradhan Mantri Gram Sadak Yojana

3.3.1 Introduction

Pradhan Mantri Gram Sadak Yojana (PMGSY) was launched by Government of India (GOI) in December 2000 as a cent *per cent* Centrally Sponsored Scheme (CSS) with the primary objective of providing connectivity by way of constructing good all weather roads to all rural habitations with a population of more than 500 persons, and in respect of the two hill districts of North Cachar Hills and Karbi Anglong with a population of 250 persons and above, by the end of the Tenth Plan period (2007). The scheme was implemented in four phases: Phase I (2000-01), Phase II (2001-02 and 2002-03), Phase III (2003-04) and Phase IV (2004-05). The list of road works to be taken up under the PMGSY Scheme are finalised each year by the district panchayats on the basis of allocation of funds communicated to the districts by the State Government. Under each phase a cluster of road works are taken up in each district known as package. In Assam the earmarked road length of 2323.91 km was divided into 356 packages under Phase-I to Phase-IV.

Records of six²⁵ District Programme Implementation Units (DPIUs) out of 23, six Heads of Programme Implementation Units (HPIUs/SE) and also the records of the Chief Engineer (CE), Public Works Department (PWD) (Roads)/ Empowered Officer, Assam State Road Board (ASRB); Director, Panchayat and Rural Development Department (P&RD), Government of Assam; Project Director (PD), District Rural Development Agency (DRDA), Kamrup; Director, Road Research Laboratory, PWD (State Quality Coordinator) Assam were test-checked during February to May 2005 covering the period from 2000-01 (December 2000) to 2004-05.

Important points noticed during audit are brought out in the succeeding paragraphs.

Audit Findings

3.3.2 Programme Performance

Year wise financial and physical performance of the Programme as a whole for the State of Assam is given in table-1 and table-2 respectively:

²⁵ (i) Kamrup (Rural) (ii) Bongaigaon (iii) Barpeta (iv) Morigaon (v) North Cachar Hills and (vi) Karbi Anglong

Table-1
(Financial Performance)

Phase	Year	(Rupees in crore)		
		Amount sanctioned by Government of India.	Amount released by Government of India.	Expenditure as of March 2005
I	2000-01	75	75	72.81
II	2001-02 & 2002-03	154.92	154.92	144.25
III	2003-04	199.72	100	101.15
IV	2004-05	244.46	234.54	8.54
Total:		674.10	564.46	326.75

Source: Sanction and release orders of Ministry of Rural Development, Government of India and CE's progress report.

Expenditure under Phase IV was only Rs 8.54 crore (four *per cent*) against fund release of Rs 234.54 crore because of poor progress of work, and for Phase-III and Phase-IV funds were released combined.

Table-2
(Physical Performance)

Habitation details:

Total numbers of eligible unconnected habitations—13144 (Road length 18987 km)			
Population>1000	Population>500	Population>250	Total
6149	4196	2799	13144

Habitations proposed to be covered up to March 2005 - 2222 (Road length 2324 km)			
Population>1000	Population>500	Population>250	Total
1445	514	263	2222

Source: Information furnished by the C.E, PWD (Roads)

The total target of habitations to be covered was fixed as 13,144 by the year 2007. Up to March 2005 (Phase-IV) only 2,222 habitations (17 *per cent*) were proposed to be covered. Thus, during the remaining two years of the project period i.e., 2005-06 and 2006-07 the balance 10,922 (13,144 - 2,222) habitations (83 *per cent*) would have to be covered which, at the present pace of execution of the works, seems hardly attainable.

Package details:

No. of packages sanctioned	Sanctioned			Work done upto March 2005			Payment made upto March 2005 (Rs.in crore)		
	No. of roads	Cost (Rs.in crore)	Length (km)	Value (Rs.in crore)	Length (km)	Percentage			
Ph-I	NC	46	212	75.00	179.69	75.00	179.69	100	72.81
	Upg	Nil	--	--	--	--	--	--	--
Ph-II	NC	110	294	154.92	593.75	152.03	582.71	98	144.25
	Upg	Nil	--	--	--	--	--	--	--
Ph-III	NC	89	107	199.72	800.10	125.40	502.38	63	101.15
	Upg	Nil	--	--	--	--	--	--	--
Ph-IV	NC	111	195	244.46	750.37	43.26	132.79	18	8.54
	Upg	Nil	--	--	--	--	--	--	--
Total	NC	356	808	674.10	2323.91	395.69	1397.57		326.75

Source: Information furnished by CE, PWD (Roads), Government of Assam.

NC: New connectivity

Upg: Upgradation

Against sanctioned length of 2,323.91 km pertaining to 356 packages under phase-I to phase-IV, road length of 1,397.57 km (60 *per cent*) was constructed upto March 2005 at a cost of Rs.395.69 crore.

3.3.3 *Non-utilisation of funds*

Scrutiny of the bank passbooks/statements of six districts²⁶ out of 23 districts selected for test-check revealed that the funds, received under Phase-I & II of PMGSY by the DPIUs and operated by concerned Project Directors, DRDA and Superintending Engineers PWD (Roads), could not be utilised fully in the programme and this led to accumulation of high bank balances of Rs.9.99 crore including accrued interest Rs.1.80 crore (details in *Appendix-XXIII*). The unspent balance of Rs.9.99 crore included an amount of Rs.5.87 lakh lying with PDs of District Rural Development Agency, North Cachar (NC) Hills (Rs.3.21 lakh) and Karbi Anglong (Rs.2.66 lakh) and remained undisbursed to the Heads of Project Implementation Units (SEs' of respective district circles) till the date of audit. The HPIUs of four districts had transferred Rs.6.56 crore, during November 2004 to May 2005, to the ASRB leaving balance Rs.3.43 crore with the remaining two HPIU's.

As regards the unspent balances lying with 17 (seventeen) other districts, the actual position could not be ascertained due to non-availability of the same in the Chief Engineers office inspite of the matter having been repeatedly pursued by both Government of Assam and Government of India. In May 2005 the CE, PWD (Roads) furnished the position (as on April 2005) of balances transferred to the account of Assam State Road Board by 14 districts, totaling Rs.19.26 crore which included Rs.4.30 crore pertaining to three test-checked districts of Bongaigaon (Rs.1.35 crore), Morigaon (Rs.1.19 crore) and NC Hills (Rs.1.76 crore).

The accumulation of such large unspent bank balance of Rs.24.95 crore²⁷ with 17 districts is indicative of unrealistic assessment of fund requirement, submission of inflated project proposals and tardy implementation of road projects.

3.3.4 *Preparation of inflated estimates*

Scrutiny of estimates of various road works of six selected districts, revealed that additional provision for payment of four *per cent* Assam General Sales Tax (AGST) was included in the total estimated cost of works (pavements & compact drainage works). As the rates provided in the estimates were based on Assam PWD, schedule of rates (SOR) 2000-01 which was inclusive of AGST the additional provision of AGST in the estimates was irregular and resulted in double inclusion of the element of AGST. Due to inclusion of AGST in the estimates there was additional sanction by Ministry of Rural Development amounting to Rs.16.52 crore (Rs.2.88 crore in Phase I, Rs.5.96 crore in Phase II and Rs.7.68 crore in Phase III) leading to accumulation of unspent balances.

²⁶ Kamrup (rural), Bongaigaon, Barpeta, Morigaon, North Cachar Hills and Karbi Anglong.

²⁷ Rs.9.99 crore + Rs.19.26 crore – Rs.4.30 crore

3.3.5 Irregular parking of PMGSY funds - loss of interest

The guidelines of PMGSY provided that the funds received from Government of India for implementation of PMGSY works were to be kept in a single interest bearing bank account with Public Sector Banks (PSBs). Scrutiny of records of the Director, P & RD, Assam revealed that Government of India Ministry of Rural Department (MORD) released (February 2002) funds of Rs.75 crore under the programme for the year 2001-02 (Phase-II) to Government of Assam, which in turn released the same to P&RD Department on 15 March 2002. The Director, P & RD drew the amount and, in gross violation of PMGSY guidelines, deposited (22 March 2002) the entire amount in Revenue Deposit under Civil Deposit according to instructions of Government of Assam. Subsequently, the Director withdrew the amount from the treasury in two instalments of Rs.11.50 crore (5 April 2002) and Rs.63.50 crore (30 May 2002) and deposited it in a current bank account operated with State Bank of India (SBI), Dispur Branch till the closure of this account in April 2004. In addition, another amount of Rs.5.47 crore received by the Director, P & RD on 12 April 2002 (Rs.5 crore) and 7 October 2002 (Rs.47.02 lakh) from MORD was also kept in the said current bank account. The Director, P&RD released the entire fund of Rs.80.47 crore (Rs.75 crore + Rs.5.47 crore) to the concerned DRDAs during the period from May 2002 to February 2003.

Due to parking of the funds in civil deposit account of the State followed by subsequent transfer of the same to current bank account, there was a loss of interest of Rs.1.73 crore (details in *Appendix-XXIV*).

Similarly, PD, DRDA, North Cachar Hills also suffered loss of interest of Rs.5.26 lakh by keeping Rs.2.50 crore received against works of Phase-I (Rs.1.70 crore) and Phase-II (Rs.80 lakh) in current bank account of SBI, Haflong instead of a SB account, as envisaged in the guidelines.

Further, in respect of Phase-I of the programme, Government of India released (March 2001) Rs.75 crore to Government of Assam. The State Government released the entire amount in four installments during the period from March 2001 to February 2002 to the DRDAs through the Director, P & RD Department. Thus, in the process of piecemeal release of funds, State Government delayed release of Rs.70.35 crore for periods ranging from 99 days to 121 days. Had the funds been released immediately, the amount could have been kept in an interest bearing exclusive bank account. This resulted in further loss of interest of Rs.1.24 crore (at the rate of 4 per cent per annum).

Thus, in the above three cases, there was a total loss of bank interest aggregating Rs.3.02 crore.

3.3.6 Opening of accounts in non- Public Sector Banks

According to the directives (February 2004) of MORD, Government of Assam (December 2004) and Chief Engineer, PWD Roads (April 2004), the SE, PWD, Jorhat Road Circle, (erstwhile ex-officio project Director, Jorhat) directed (30 December 2004) the Sibsagar District Central Co-operative Bank Ltd to close the PMGSY SB account and transfer the unspent closing balance in favour of Assam State Road

Board for crediting to its SB account at State Bank of India, New Guwahati. Accordingly, the Co-operative bank issued a cheque (5 February 2005) on Union Bank of India, Jorhat for Rs.50.65 lakh being the closing balance of the account in favour of ASRB. The said cheque bounced due to insufficient balance and was returned to the ASRB.

Subsequently, the empowered officer, ASRB (CE, PWD- Roads, Assam) returned (5 April 2005) the cheque to the S.E, Jorhat Road Circle. There was no further development till the close of audit (May 2005).

Thus, the unspent programme fund of Rs 50.65 lakh has been put at risk because of irregular operation of bank accounts in non-Public Sector banks.

3.3.7 Over payment due to irregular payment/reimbursement of AGST

Scrutiny of vouchers of selected packages of selected districts revealed that in the three districts of Barpeta, Morigaon and Bongaigaon, payments towards 'four per cent AGST extra' was paid additionally and in some cases reimbursement in the form of refund of AGST (four per cent) deducted earlier, was made in violation of the tender agreements (rates and corresponding clause). In some cases tampering with tender agreements was detected (by inserting four per cent extra AGST in different ink and different handwriting) whereas the work orders issued and recommendation of the Bid Evaluation Committee on the body of the Comparative Statement were in order. This resulted in overpayment of Rs.29.33 lakh as shown in table-3 below, and responsibility for the same needs to be fixed.

Table-3

Name of District	Phase (Year)	Package No	Name of contractors	Recoverable Overpayment (Rupees in lakh)
1) Bongaigaon	I (2000-01)	AS 0202	Rudra Pathak	3.02
		AS 0201	H Basumatary	3.09
2) Barpeta	I (2000-01)	AS 0101	P Talukdar	3.58
		AS 0102	A Sarma	4.02
		AS 0103	P Deka	2.71
		AS 0104	M Ali	4.06
3) Morigaon	I (2000-01)	AS 1702	U C Nahata	5.07
		AS 1701	M/S Saikia & Associates	3.78
Total				29.33

The item rates of both estimate and tender agreements of Ph- I, II and III were allowed according to APWD, SOR 2000-01 and as such the rates were already inclusive of four per cent AGST.

While finalizing the tenders and issuing work orders, the CE, PWD (Roads) did not make any mention of payment of four per cent extra AGST. Besides, payment of extra AGST was in violation of Clause 4.1 and 29 (e) of conditions of the contract agreement.

Thus, allowing an additional four per cent towards AGST was irregular and resulted in overpayment of Rs.29.33 lakh. The possibility of similar overpayments in other districts could also not be ruled out.

3.3.8 *Diversion of funds*

The primary objective of the PMGSY was to provide connectivity by way of constructing new all weather roads to the eligible unconnected habitations. Repair works were excluded from the purview of PMGSY. Scrutiny of records of Morigaon district revealed that based on the directives (23 April 2004) from the State Government, the HPIU (SE, PWD Roads) incurred an expenditure of Rs.22.14 lakh out of PMGSY funds on flood damage repair works of six roads in three packages. The estimates for the works were approved by CE, PWD (Roads).

Incurring expenditure on flood damage repair works out of funds meant for PMGSY programme was violative of PMGSY guidelines and resulted in unauthorised diversion of Central funds.

Similarly, HPIU, Kamrup (SE, PWD, Guwahati Circle) also incurred expenditure of Rs.19.24 lakh *inter alia* on renovation of CE's office and Inspection Bunglow out of PMGSY fund in violation of PMGSY guidelines.

The two HPIU's thus, incurred unauthorised expenditure of Rs.41.38 lakh on works which were outside the scope of PMGSY guidelines.

3.3.9 *Irregular payments under BMS Programme*

The sanctioned (March 2001) amount of Rs.75 crore under Phase-I of the PMGSY included an amount of Rs.17.22 crore for completion of incomplete road works under the erstwhile Basic Minimum Service Programme (BMS). The amount of Rs.17.22 crore was allocated (July 2001 to February 2002) to 21 districts of the State and the entire amount was spent towards clearance of pending liabilities of BMS as shown in the progress reports submitted to MORD from time to time.

The CE, PWD (Roads) failed to furnish the details of district-wise expenditure incurred under the BMS programme despite sending (March 2005) Wireless Telegraphic message to all DPIUs. According to directives (May 2002) of Government, all the heads of DPIUs were required to furnish detailed statements of pending liabilities of works under the BMS programme. Due to non-furnishing of district-wise details of expenditure of Rs.17.22 crore under BMS works, the veracity of the progress reports submitted to MORD from time to time could not be verified.

Scrutiny of records of four districts out of six selected districts revealed the following irregularities.

In Kamrup district, funds received were in excess of requirement. The excess funds were transferred to other district project implementation units. In case of Barpeta district, expenditure of Rs.94.93 lakh was incurred against original liability statement for Rs.79.97 lakh. In Bongaigaon district, no records in support of payment of Rs.68.72 lakh could be made available to Audit. Justification for creation of additional liability of Rs.8.64 lakh in Morigaon district over the original demand was not on record.

3.3.10 Internal Control Systems

The first tier of quality control is the head of the project implementation unit. There was no record to indicate that the HPIUs had done any effective monitoring for grading the roads constructed by DPIUs under their control, nor were any instructions issued to the DPIUs for undertaking rectificatory measures wherever the roads needed to be upgraded to the accepted bench-mark.

According to the grading criteria followed by the State Quality Monitor, whenever either or both the workmanship and materials is/are found to be unsatisfactory, the grading is average or poor. Whenever everything is satisfactory except fixing of road furniture (like sign boards, kilometer posts, logo sign, etc), the grading is good. Whenever both materials and workmanship are good including completion of road furniture, the grading is very good.

Scrutiny of records and statements furnished by the Director, Road Research Laboratory, PWD, Assam, being the State Quality Coordinator (SQC), PMGSY, revealed that out of total 611 road works under 245 packages pertaining to Phase-I, II & III of the programme, State Quality Monitor (SQM)'s inspection was conducted for 566 roads and the quality was rated very good in 262 roads, good in 257 roads, average in 46 roads and one road work was rated poor. Simultaneously, the National Quality Monitor (NQM) also inspected 179 numbers of road works and rated as very good—33; good—108; average—10 with grading not applicable in new formats in the case of 28 roads.

No action has so far been taken against the erring officials and contractors responsible for non-adherence to prescribed specifications during execution of works. Action Taken Reports were also not submitted to SQC by the PIUs. Thus, there was no effective accountability mechanism to ensure construction of quality roads.

Moreover, test results of quality control are to be monitored through the On-line Management and Monitoring System (OMMS). It was found that the test results carried out by SQM and NQM were not recorded in the relevant module of the OMMS.

3.3.11 Conclusion

There was shortfall on various counts. Against the target for constructing 2,324 km of roads by March 2005 only 1,398 km (60 per cent) of roads were constructed till March 2005. Funds remained unspent with various State level agencies. The State Government lost interest due to parking of funds in civil deposit/current account instead of placing them in interest-bearing account with Public Sector Banks, which was a clear violation of the Programme guidelines. Contractors were given undue benefit in several cases due to non-deduction of AGST. Further, accountability mechanism to ensure construction of quality roads was also absent.

Recommendation

- To achieve the objective of connectivity of rural habitations, projection of funds should be realistic and its optimum utilisation as per plan ensured.
- Delays ranging from 4 to 21 months for completion of all projects cannot be attributed to natural calamities alone. Factors leading to chronic delays in completion of projects need to be analysed and remedial measures taken.
- Planning and monitoring needs to be toned up to ensure commencement and completion of all works well before monsoons.
- All ground works preparatory to actual physical construction of roads should be completed by October each year so as to facilitate commencement of actual construction work from November/December to take full advantage of the dry spell of the year.
- Effective measures need to be taken for updating the level of grades to appropriate level (very good) by enforcing rectificatory measures with submission of action taken reports on quality control memos and invoking clauses laid down in the contract agreement for adhering to the prescribed specification.

The foregoing paragraphs were reported to the Government in July 2005; their replies had not been received (August 2005).