

CHAPTER - III

PERFORMANCE AUDIT

This chapter contains performance audit on Management of Bio-medical Waste in Maharashtra (3.1), MP/MLA/MLC Local Area Development Schemes (3.2), Management of Prisons in Maharashtra (3.3), Information Technology (IT) Audit of Lottery and Flat Allotment System in the Maharashtra Housing and Area Development Authority (3.4).

Environment Department

3.1 Management of Bio-medical Waste in Maharashtra

Highlights

Government of India framed the Bio-medical Waste (Management and Handling) Rules, 1998, under the provisions of the Environment (Protection) Act, 1986 which prescribed the procedures for treatment and disposal of bio-medical waste generated by health care establishments (HCEs) such as hospitals, nursing homes, blood banks and veterinary institutions. The enforcement of the Bio-medical Waste (Management and Handling) Rules in the State was found to be inadequate. A large number of HCEs had no facilities for disposal of bio-medical waste; veterinary institutions had not obtained authorisation for treatment of bio-medical waste as required; bio-medical waste was not segregated as per colour codes; plastic wastes of Bio-medical Waste were sold to unauthorised recyclers without disinfection and norms were not prescribed for inspection of health care establishments by the Maharashtra Pollution Control Board (MPCB). The Advisory Committee for advising the Government and the Maharashtra Pollution Control Board on the implementation of the BMW Rules, 1998 met only once during 2003-08.

The Maharashtra Pollution Control Board did not conduct any survey of those institutions which did not require authorisations but were required to treat bio-medical waste in the prescribed manner and the mode of treatment of bio-medical waste generated by them.

(Paragraph 3.1.6)

None of the 4,710 veterinary institutions under the jurisdiction of the Animal Husbandry Department of the State had obtained authorisations under the Bio-medical Waste (Management and Handling) Rules, 1998 from the MPCB.

(Paragraph 3.1.6)

As of March 2007, 8168 hospitals and nursing homes neither had an individual facility nor joined any common treatment facility for disposal of bio-medical waste.

(Paragraph 3.1.7)

The MPCB reported incomplete figures of bio-medical waste generated and disposed of to the Central Pollution Control Board (CPCB).

(Paragraph 3.1.8)

Operators of common treatment facilities in nine districts did not observe the operational parameters of time, temperature and pressure. As such, the proper treatment of bio-medical waste could not be ensured.

(Paragraph 3.1.11.2)

Deep burial pits were being filled fully instead of half with BMW, without the requisite layers of lime and soil, by 58 health care establishments having a common treatment facility in Kolhapur District and three other hospitals having individual treatment facilities.

(Paragraph 3.1.11.3)

Thirty one hospitals did not have effluent treatment facilities. The MPCB also did not check the standards of liquid waste before they were discharged into public drains.

(Paragraph 3.1.11.4)

In Mumbai, 4,575 MT of treated and shredded material, which was required to be disposed in landfills, was dumped along with untreated municipal solid waste.

(Paragraph 3.1.11.5)

The MPCB did not fix any norms for inspection and verification of HCEs and common treatment facility operators by its officers.

(Paragraph 3.1.16)

An Advisory Committee constituted in January 2003 met only once in September 2004. The Committee had not given any suggestions to the Government on management of Bio-medical Waste.

(Paragraph 3.1.17)

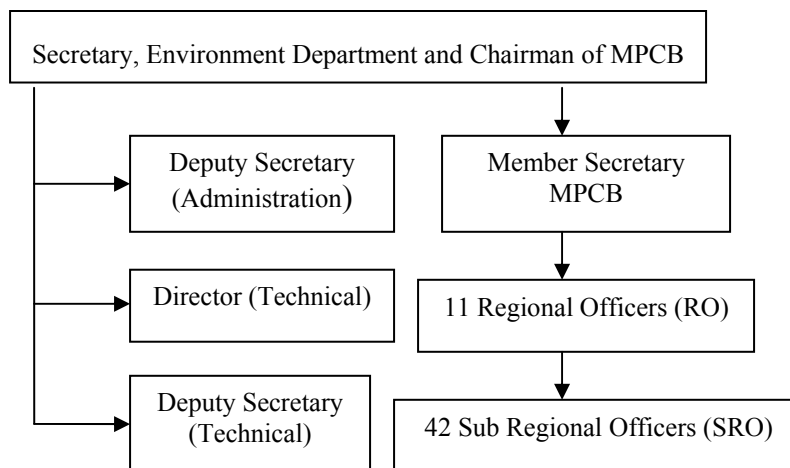
3.1.1 Introduction

Wastes are threat to the environment and human health if not treated properly. Bio-medical Waste (BMW) is generated during diagnosis, treatment, immunisation of human beings and animals, related research activities etc. Health care establishments (HCEs) such as hospitals, nursing homes, pathological laboratories, blood banks etc. are the BMW generating establishments. Government of India framed the Bio-medical Waste (Management and Handling) Rules, 1998 (BMW Rules) under the provisions of the Environment (Protection) Act, 1986, wherein the procedure for treatment and disposal of BMW was prescribed. The Rules require the BMW generating establishments to ensure compliance of the provisions of the Rules

within the prescribed time schedule. As of March 2007, there were 17,720¹ HCEs in Maharashtra.

3.1.2 Organisational set-up

The Secretary, Environment Department, who also acts as the Chairman, MPCB is responsible for implementation of the BMW Rules in the State. The structure of the organisation is shown in the flow chart below:



While the Sub Regional Officer (SRO) is responsible for overall implementation of the Rules in each district, he reports the violations and progress to the Regional Officer (RO). The RO is responsible for the implementation of the Rules in the Region and he reports to the Member Secretary (MS), Maharashtra Pollution Control Board (MPCB).

3.1.3 Audit scope and methodology

A performance audit on the implementation of the BMW Rules in the State covering period from 2003-04 to 2007-08 was conducted between September 2007 and March 2008 by test-check of records in the Environment Department, the head office of MPCB and ROs and SROs of MPCB in nine² out of 35 districts in the State. Three hospitals and common bio-medical waste treatment facilities and individual incinerators in each district were test-checked, along with the representatives of MPCB. Eight out of the 35 districts were selected on the basis of the simple random sampling method. Mumbai District and 14 HCEs in Mumbai were selected based on high risk perceptions. Twelve common treatment facilities (CTFs) and three individual treatment facilities situated in the selected districts were also test-checked. The details of the sample are given in **Appendix 3.1 and 3.2**. The audit plan, the audit objectives and audit criteria were discussed with the Member Secretary, MPCB in an entry conference. The results of the performance audit were discussed with the Member Secretary, Maharashtra Pollution Control Board,

¹ As reported in MPCB's Annual Report submitted to Central Pollution Control Board

² Ahmednagar, Aurangabad, Chandrapur, Kolhapur, Mumbai, Nagpur, Nashik, Pune, and Wardha

Mumbai on 6 August 2008. The Government also concurred (August 2008) with the views of the Member Secretary. The views of the Member Secretary/Government have been incorporated at appropriate places.

3.1.4 Audit objectives

The objectives of the performance audit were to examine whether the:

- identification of the BMW generating establishments and assessment of BMW by Government / MPCB was adequate;
- authorisations have been issued by MPCB in all cases, segregation and storage of BMW at source (HCEs), collection and transportation of BMW by operators³, were as per the relevant Act, Rules and Orders and were enforced effectively;
- BMW treatment facilities such as incinerators, autoclaves and deep burial pits were adequate and were functioning effectively;
- requirements of maintenance of records by the HCEs, individual facilities and common treatment facilities were complied with; and
- monitoring by MPCB and Government was effective.

3.1.5 Audit criteria

The main criteria used for the performance audit were:

- Bio-medical Waste (Management and Handling) Rules, 1998 issued by Government of India.
- Rules, orders and instructions issued by the State Government as well as the MPCB from time to time.
- Guidelines for common treatment facilities prescribed by the Central Pollution Control Board.

Audit findings

3.1.6 Identification of BMW generating establishments/ HCEs

Health care establishments dealing with less than 1000 patients per month were not required to obtain authorisations, but were required to treat the BMW generated by them. It was, however, found that MPCB did not conduct any survey of such HCEs in the State and ascertain the mode of treatment of BMW generated by them. During the entry conference the MS, MPCB agreed to conduct such a survey.

During the exit conference the Member Secretary, stated (August 2008) that MPCB had obtained some information through Regional Officers and Medical Associations. The details were, however, not furnished.

³ Operator means a person who own or control or operates a facility for collection, reception, storage, transportation, treatment and disposal or any other form of handling of BMW

➤ **Position in veterinary institutions**

None of the 4,710 veterinary institutions obtained authorisations for disposal of BMW

There were 4,710 Government veterinary institutions in the State as of 31 March 2007, which were required to obtain authorisations from MPCB under the BMW Rules. The Commissioner, Animal Husbandry stated (May 2008) that none of them had obtained authorisation from MPCB under the BMW Rules. Department also did not have any information about the quantity of BMW generated and disposed of by these institutions.

During the exit conference the Member Secretary agreed (August 2008) to take up the matter with the Animal Husbandry Department.

3.1.7 Authorisation

According to Rule 8 (1) of the BMW Rules, every occupier⁴ of an institution generating, collecting, receiving, storing, transporting, treating, disposing and/or handling BMW in any manner, except such occupier of clinics, dispensaries, pathological laboratories and blood banks providing treatment/services to less than 1000 patients per month, was to make an application in Form 1 of BMW Rules to the MPCB for grant of authorisation. The authorisation granted by MPCB specified the way in which BMW was to be disposed of. Authorisation was also required to be obtained by the operator of a common treatment facility, maintained through private parties. Authorisation fees were also payable by the occupiers and operators as per Rule 8(3).

The revenue realised by MPCB on account of authorisation fees for implementation of BMW Rules including renewal charges during the period covered by Audit was as follows:

(Rupees in lakh)

Year	2003-04	2004-05	2005-06	2006-07	2007-08
Revenue	51.91	73.86	43.90	69.90	119.00

During the exit conference the Member Secretary stated (August 2008) that MPCB had incurred expenditure on issuing public notices, awareness cum training, etc. Details of expenditure were, however, not furnished to audit.

➤ **Obtaining of authorisations by HCEs in the State**

8,168 hospitals and nursing homes had no treatment facilities for BMW

As on March 2007, out of 17,720 HCEs in the State only 8155 (46 per cent) HCEs had authorisations, 8,520 were attached to common treatment facilities for disposal of BMW, while 1,032 had their own treatment and disposal facilities. Thus, 8,168 hospitals and nursing homes (46 per cent) neither had an individual facility nor joined a common facility for disposal of BMW. Therefore, it could not be ascertained in audit as to how the BMW generated

⁴ Occupier in relation to any institution generating BMW includes a hospital, nursing home, clinic dispensary, veterinary institution, animal house, pathological laboratories, blood banks by whatever name called, and means a person who has control over that institution/premises

by these hospitals and nursing homes was disposed of and whether it was getting mixed with municipal solid waste (MSW).

➤ Medical colleges and Primary Health Centres (PHCs) had to obtain authorisation for disposal of BMW. It was observed that in Kolhapur District, all nine⁵ medical colleges and all 73 PHCs had not applied for authorisation. The RO stated (December 2007) that necessary notices would be issued.

In Mumbai 901 hospitals and nursing homes did not have authorisation for disposal of BMW

In Mumbai, there were 2,255⁶ hospitals and nursing homes registered with the Municipal Corporation (June 2008). However, only 1,354 hospitals and nursing homes including Government and Municipal hospitals had been given authorisation by MPCB for disposal of BMW as of June 2008. Thus, 901 hospitals and nursing homes did not have authorisation for disposal of BMW. Therefore, it could not be ascertained in audit as to how BMW generated by the remaining 901 HCEs was treated by these HCEs.

The MS, MPCB stated (June 2008) that the small and medium scale HCEs were not economically capable of providing full-fledged treatment and disposal arrangements like incineration and deep burial in-house. He also stated that prosecution methods would be taken against the hospitals which had not applied for authorisation and had not joined CTFs.

During the exit conference, the Member Secretary stated (August 2008) that directives were issued to Public Health Department and Local Bodies to ensure that all HCEs apply for authorisations under BMW Rules.

3.1.8 Estimation and generation of bio-medical waste

BMW Rules stipulated that every occupier, even if he does not require authorisation, was to submit an annual report to the MPCB by 31 January every year regarding the details of BMW generated and disposed of by him. MPCB was to send this information in respect of every occupier to the Central Pollution Control Board (CPCB) by 31 March every year. Information prior to 2004-05 regarding BMW generated and disposed of was not available with the MPCB and similar information for the year 2007-08 has not been prepared by the MPCB (August 2008). As per the information furnished by MPCB to CPCB, the quantities of BMW generated and disposed of during 2004-05 to 2006-07 were as under:

(Quantity in metric tonnes)

Year	No of HCEs	Quantity generated	Quantity treated	Quantity remained untreated
2004-05	11505	9245.45	9245.45	--
2005-06	15223	27771.75	27771.75	--
2006-07	17720	18969.42	17985.34	984.08

⁵ Chatrapati Shahu Medical College, D Y Patil Medical College, Medical Colleges at Kawala Naka, Darara Chowk, Gadinglaj, Jaysingpur, Rankala, Vadgaon Peth and Warna Nagar

⁶ As per the details furnished by BMC

MPCB sent incomplete reports to the CPCB regarding the quantities of BMW generated and treated

Scrutiny of the returns, however, revealed that category-wise BMW generated and treated was not indicated in the reports. Further, information regarding generation and treatment of BMW in Mumbai city during the above period was not included in the reports sent to CPCB. It was also noticed that the information on quantities of BMW generated and treated were compiled on the basis of the reports furnished by the ROs instead of obtaining the same from the occupiers. The ROs had furnished the quantities of BMW treated only by the CTF operators. Since there were no CTFs in 12 districts in the State, quantities/treatment of BMW was also not reported in respect of those districts. Thus, relying only on data of generation and treatment of BMW in CTFs and non-inclusion of data from 12 districts not having any CTF, resulted in inaccurate reporting of generation and treatment of BMW to CPCB.

The Member Secretary accepted (June 2008) the position and assured that the annual reports (2006-07) would be amended and resubmitted to CPCB. During the exit conference the Member Secretary stated that category-wise information would be submitted from 2007-08 onwards. Efforts would also be made to collect the information from HCEs which did not join the common facilities and did not have individual facilities.

3.1.9 Collection and segregation of bio-medical waste

BMW was to be segregated into appropriate colour coded containers/bags at the point of generation in the HCEs, in accordance with a colour code scheme prior to its transportation, treatment, and disposal as shown below:

Colour code	Waste category	Mode of treatment
Yellow	human anatomical waste, animal waste, micro- biological and bio-technological waste, solid waste contaminated with blood etc	incineration/ deep burial
Red	disinfected containers and solid waste such as dressings soiled plaster casts, beddings etc	autoclaving/ micro- wave/ chemical treatment
Blue/ White translucent	needles, syringes, scalpels, blades, glass, tubes, catheters etc	autoclave/ micro- wave/ chemical treatment and destruction/ shredding
Black	discarded medicines and cytotoxic drugs, incineration ash and chemical waste	disposal in secured landfill

Eleven out of 38 test-checked HCEs did not segregate BMW as per prescribed colour codes

The segregated BMW was then sent to common treatment facilities, where treatment was to be given according to the colours of the bags. Joint site visits of 38 test-checked HCEs during September 2007 to June 2008 by Audit with MPCB officials revealed that in 11⁷ HCEs, BMW was not being segregated as per colour codes in the wards of the HCEs. The non-segregation of BMW into

⁷ Ahmednagar District: Saibaba Hospital; Aurangabad District: Dhoot Hospital and Hegdewar Hospital; Kolhapur District: Adhar Hospital and Chhatrapati Prameela Raje Hospital; Mumbai District: Petit Hospital for Animals, Tata Memorial Centre; Nagpur District: Indira Gandhi Medical College Hospital and Government Medical College; Nashik District: ESIS Hospital; Pune: Sasoon Hospital.

appropriate colour codes would adversely impact the transportation, treatment and disposal. The ROs/SROs had accepted the facts and agreed (September 2007 to June 2008) to issue notices to the HCEs. The Director of Health Services, Mumbai admitted (July 2008) that wrong treatment could also result in emission of toxic gases such as dioxins and furans, which were carcinogenic.

During the exit conference, the Member Secretary stated (August 2008) that the current status of these was being obtained from the ROs concerned.

3.1.10 Storage and transportation of bio-medical waste

According to the provisions contained in Rule 6 (5) of the BMW Rules, untreated BMW was not to be stored beyond a period of 48 hours in the HCEs, provided that if for any reason it became necessary to store the waste beyond such period, an authorised person was to take permission from MPCB and ensure that such storage did not adversely affect human health and the environment.

It was, however, noticed during joint site visits (September 2007 and June 2008) in three hospitals (Sarvodaya Hospital- Yellow category BMW and Bhabha Hospital Mumbai- Red category BMW and Adhar Hospital, Kolhapur -Red category BMW) that untreated BMW was kept for periods ranging from two to 15 days beyond the stipulated period of 48 hours.

Further, the untreated bio-medical waste was to be transported only in such vehicles which were authorised for the purpose by MPCB. It was, however, noticed (December 2007) that in Chandrapur District, the CTF operator was transporting the BMW collected from HCEs during 2003-2008 in a cycle rickshaw, which was not authorised by MPCB.

The Member Secretary stated (June 2008) that the operator had been directed (May 2008) to stop transporting BMW in cycle-rickshaws.

3.1.11 Disposal of bio-medical waste

According to Schedule I of the BMW Rules, human anatomical waste and animal waste, microbiological and biotechnological waste, cytotoxic and discarded drugs generated in towns and cities having populations of five lakh and above were to be disposed of through incineration while in towns with population below five lakh, they were to be disposed of through deep burial. Other types of wastes such as intravenous fluid bottles and sharps were to be disinfected, autoclaved/micro-waved, shredded and disposed of in municipal landfills or recycled. Liquid waste generated from the HCEs was to be disinfected or treated in effluent treatment plants before discharging it into municipal drains. Disposal facilities could be set up in the form of individual or common treatment facilities.

Joint physical verification of sites (September 2007 to July 2008) revealed that in two hospitals (Bhabha Hospital and Sarvodaya Hospital) in Mumbai out of 38 test-checked in the State, bottles, intravenous fluid bottles, needles, syringes etc., were not being disposed of in the prescribed manner. These were

not disinfected with 1 *per cent* hypochlorite solution as prescribed. In fact, on the date of visit (4 March 2008), there was no stock of the solution in the Sarvodaya hospital. This not only resulted in violation of the BMW Rules but also exposed the waste handlers to the infected material. MPCB accepted the position and issued show cause notices to these hospitals.



Glass bottles kept without disinfection at Bhabha hospital (4 March 2008)



Used needles/ sharps kept without disinfection at Sarvodaya Hospital (4 March 2008)

3.1.11.1 Operational standards for incinerators

According to Schedules V (A) and (B) of the BMW Rules, while operating incinerators, the temperature of the primary chamber was to be maintained at 800 ± 50 °C and the secondary chamber residence time was to be kept at 1050 ± 50 °C for at least one second, with a minimum of 3 *per cent* oxygen in the gases emitted from the chimney so as to minimise the release of suspended particulate matters (SPM) in the atmosphere. If the required temperatures were not maintained during incineration, toxic pollutants like dioxins, furans, heavy metals would be emitted which could be carcinogenic.

During the joint physical verification (September 2007), it was noticed that MPCB had given authorisation to Dr DY Patil Medical College and Hospital, Kolhapur for operation of a single chamber incinerator on 16 May 2002, in spite of the requirement of a double chamber incinerator (primary and secondary). It was also observed that the RO, Kolhapur had not checked the gas emitted from the chimney, to monitor the quality of emissions from the single chamber.

During the exit conference the Member Secretary agreed (August 2008) to identify the incinerators with single chamber.

➤ Joint site visits were conducted on 11 December, 2007 with MPCB team to two out of the 15 incinerator plants test-checked. At Indira Gandhi Medical College, Nagpur and Government Medical College, Nagpur, it was noticed that the temperatures in both the primary and secondary chambers of the incinerators were between 700°C and 800 °C, on the day of visit. The RO, Nagpur agreed (December 2007) to issue notices to the medical college authorities.

During the exit conference, the Member Secretary agreed (August 2008) to obtain the current position for taking necessary action.

Monitoring of the prescribed parameters of incinerators was not done by the five test-checked Regional Offices

➤ According to the standards for incinerators prescribed in the BMW Rules, five⁸ parameters were required to be monitored by the ROs/SROs so as to ensure that pollution limits were maintained. Scrutiny of monitoring of these parameters involving 15 common and individual facilities done by five⁹ ROs of MPCB revealed that all the prescribed parameters were not being monitored. Hence, the actual position of emissions of nitrogen oxide, hydrochloric acid released into air and volatile organic compounds in ash could not be checked by MPCB and verified in Audit.

During the exit conference, the Member Secretary stated (August 2008) that necessary instructions would be issued to all the ROs to monitor all the prescribed parameters.

➤ Scrutiny of the stack monitoring reports of the nine test-checked ROs and SROs further revealed that though the permissible concentrations of SPM and hydro-chloric acid of incinerators were 150 mg/ Nm³ and 50 mg/m³ respectively, the actual concentration of SPM ranged from 167 mg/ Nm³ to 1637 mg/Nm³ at these places (maximum at CTF at Chandrapur in February 2007). The concentration of hydro-chloric acid ranged from 65 mg/m³ to 1019 mg/m³ (maximum at Jawarharlal Medical College, Dhule in January 2007). The MS, MPCB stated (June 2008) that notices would be issued and bank guarantees would be obtained from the operators of common and individual treatment facilities so that they could be invoked in case the limits of pollution were not observed by the operators.

However, it is seen that the BMW (M&H) Rules, 1998 do not provide for any such bank guarantee or monetary penalty to be imposed in such situations. In fact, as per Rules 7(6) and 7(8), the MPCB can only cancel or suspend an authorisation of an occupier/operator for failure to comply with any provisions of these Rules.

Though there was a CTF in Sangli-Miraj Municipal Corporation area, Vasantdada Patil Government Hospital, Sangli, since December 2006 when its incinerator was not in working condition, neither handed over the BMW generated by it to the CTF nor treated the waste as per the provisions of the BMW Rules. The plastic waste of BMW was being sold to the CTF. The SRO noted (9 October 2007) that BMW generated by the hospital was being burnt in an open pit in the hospital premises which resulted in emission of carcinogenic gases into air. An estimated quantity of 40.8 MT¹⁰ was thus burned in an open pit from December 2006 to April 2008 in contravention to the Rules. The SRO agreed (December 2007) to issue a notice to the hospital.

⁸ SPM, NoX, H Cl, Stack (incinerator's chimney) height and Volatile organic compounds in incineration ash

⁹ Aurangabd, Kolhapur, Nashik, Nagpur, and Pune

¹⁰ Worked out on the basis of the approximate quantities indicated by the hospital

Six common and individual treatment facilities had not provided ramps for washing the vehicles carrying bio-medical waste

➤ **Providing of vehicle/container washing facilities**

The urban local bodies (ULBs) are providing sites for CTFs and thereafter, the operators create infrastructure with an agreement with the ULBs and then the MPCB issues authorisations to the operators on payment of prescribed fees. Vehicle washing facilities were also required to be provided at the premises of BMW waste treatment facilities by the operators. Every time a vehicle was unloaded of BMW, the vehicle waste containers were required to be washed and disinfected on an impermeable surface and the liquid effluent treated in an effluent treatment plant (ETP). Joint physical verification of sites (September 2007 to February 2008) revealed that in six¹¹ out of 15 common treatment facilities and individual treatment facilities, ramps (i.e. impermeable surfaces) were not provided. The contaminated effluents can seep into the soil and pollute the ground water.

During the exit conference, the Member Secretary stated (August 2008) that necessary condition regarding providing vehicle washing facility would be incorporated in the authorisation.

3.1.11.2 Autoclave/microwave and shredding of non-incinerable BMW

➤ **Installation of autoclaves**

According to Schedule I of the BMW Rules, micro-biological and biotechnology waste, waste sharps, solid waste were required to be treated through autoclave¹². Further, autoclaved BMW in the form of plastic and waste sharps is required to be shredded and disposed of on the landfills.

➤ Joint physical verification of site (December 2007) revealed that in Chandrapur, autoclave had not been installed resulting in disposal of plastic material including all type of BMW through incineration, without disinfection by autoclaving. The SRO, Chandrapur accepted (December 2007) the facts and agreed to issue a notice to the operator.

➤ Every autoclave was required to have a graphic or computer recording device which would automatically and continuously monitor and record the time, date, load identification number and operating parameters throughout the entire autoclave process. BMW was not to be considered as properly treated unless the required time, temperature and pressure were reached during the autoclave process.

Joint site visits (October 2007 to February 2008) to the common treatment facilities in nine¹³ districts, revealed that this recording device was not provided by the common treatment facility operators. In its absence, it could not be ascertained whether the BMW was being properly treated during the

Operational parameters of time, temperature and pressure were not observed in the CTFs in nine districts

¹¹ Aurangabad, Kolhapur and Pune common treatment facilities and individual treatment facilities at IGMC, GMC and Super Specialties Hospital in Nagpur

¹² Autoclave is an equipment wherein micro-biological and biotechnology waste, waste sharps, solid waste is disinfected by way of maintaining prescribed pressure and temperature

¹³ Ahmednagar, Aurangabad, Chandrapur, Ichalkaranji, Kolhapur, Mumbai, Nagpur, Nashik and Pune

autoclave process. This aspect was also not pointed out by the ROs of the MPCB though they made periodic visits to the common facilities. It was noticed that the operator of the common treatment facility at Navi Mumbai was however, following the prescribed procedure for recording of parameters.

During the exit conference, the Member Secretary stated (August 2008) that it was decided to issue instructions to all ROs to review the position and thereafter action would be initiated.

➤ **Procurement of autoclaves and shredders in medical colleges**

Three medical colleges had not utilised Central funds of Rs 1.39 crore for autoclaves and shredders

The Ministry of Health and Family Welfare (GOI) released (March 2004) Central assistance of Rs 1.46 crore to three¹⁴ Government medical colleges for purchase of autoclaves and shredders to each of the hospitals as they did not have any such equipment and for imparting training to autoclave operators. It was, however, noticed that the colleges had kept the funds in Personal Ledger Accounts (PLA). These hospitals were among the 19 hospitals, which were selling plastic waste to private persons.

These colleges had spent Rs 12 lakh¹⁵ on training of their staff on management of waste though the release orders of GOI did not stipulate such training. The Director of Medical Education and Research, Mumbai, while accepting the audit observation stated that the machinery (autoclaves and shredders) had not been purchased even as of June 2008, as the Purchase Committee at State Government level did not select the agency for procurement of the machinery.

Non-utilisation of funds (Rs 1.34 crore) resulted in blocking of Government of India funds besides improper disposal of infected BMW plastic material, endangering public health. The GOI also failed in monitoring the utilisation of funds released by them.

➤ **Disposal of plastic waste by hospitals**

Plastic bottles used for intravenous fluid were to be disinfected first through autoclave/microwave. Thereafter, they were to be shredded and only then used for plastic recycling by recyclers, approved by MPCB. It was, however, noticed that 17¹⁶ out of 38 test-checked hospitals disposed of plastic waste to private parties through auction sales, without disinfection for recycling of plastic material. The ROs and SROs (September 2007 to June 2008) promised to issue notices to the concerned hospitals.

During the exit conference, the Member Secretary stated (August 2008) that instructions would be issued to all the ROs to ascertain whether HCEs were

¹⁴ Beheramji Jijibhai Medical College, Pune, Grant Medical College, Mumbai and Government Medical College, Nagpur

¹⁵ (i) Government Medical College, Nagpur Rs 4.50 lakh, (ii) Beheramji Jijibhai Medical College, Pune, Rs 0.50 lakh and (iii) Grant Medical College, Mumbai Rs 7.00 lakh

¹⁶ Ahmednagar District: Civil Hospital; Aurangabad District: Ghati Hospital, Hegdewar Hospital; Chandrapur District: Civil Hospital; Mumbai District: Bhabha Hospital, KEM Hospital, St. George Hospital, ESIS Hospital, Mahatma Gandhi Memorial Hospital and R N Kuper Hospital; Nagpur District: IGMC, GMC, Super Specialties Hospital; Nashik District: ESIS Hospital; Wardha District: Civil Hospital; Pune district: K E M Hospital and Sasoon Hospital

sending plastic waste to CTFs for treatment and shredded material was sold to authorised plastic recyclers.

3.1.11.3 Disposal of bio-medical waste by way of deep burial

As per Schedule I of the BMW Rules, 1998, human anatomical waste and animal waste is to be either incinerated or buried deep in towns with population less than five lakh and in the rural areas. Schedule V of the BMW Rules, lays down the standards for deep burial. A pit or trench of about two meters depth was required to be dug. The deep burial pit was to be impermeable with masonry work, so that fluids do not percolate under ground. It was to be half filled with BMW, and then covered with lime within 50 cm of the surface, before filling the rest of the pit with soil. Scrutiny of deep burials revealed the following:

➤ There was no provision in the Rules as to how many days it was to be kept after the pit was closed and where the decomposed material was to be disposed of. Though the authorisations given by MPCB specified the standards and mode of disposal of BMW in respect of autoclaving and incineration, it did not specify the ways in which the buried material was to be disposed of.

The Director of Health Services, Mumbai, stated that the bio-degraded BMW can be used as manure after two months for the hospital garden and the reopened pits can be reused after one month. However, the Director could not cite any rules or provisions in the Act/Rules for the same.

➤ During joint site visits (September 2007 to December 2007) along with the MPCB team, it was noticed that the deep burial pits were filled fully with BMW without the requisite layers of lime and soil by 58 HCEs which had a common deep burial treatment facility at Gadhinglaj, Kolhapur District and by the Sub District Hospital, Kamptee, District General Hospital, Wardha and the Civil Hospital Chandrapur which had individual treatment facilities. In Mahatma Gandhi Institute of Medical Sciences, Sewagram, Wardha, 60 open *kaccha* pits were dug without any masonry work, of which 30 pits were filled with BMW up to the rim, during the period covered by Audit. As the pits were *kaccha* and lime was not filled in at the half-filled stage, there was danger of pollution to ground water through percolation/run-of of surface water and ground water.

➤ Deep burial facilities were admissible only in towns and cities having population of less than five lakh. It was, however, noticed that the Mahatma Gandhi Memorial Hospital and Medical College, Aurangabad and Chhatrapati Shahu Medical College, Kolhapur were burying human anatomical waste in the college campuses itself, without the authorisation of MPCB. The RO accepted (June 2008) the facts and agreed to issue notices to the hospitals.

Government agreed (August 2008) to obtain present status from the respective ROs.

➤ It was also noticed during joint visits that the hospital authorities of the Civil Hospital, Wardha had reopened a fully filled deep burial pit and shifted the BMW to municipal solid waste (MSW) dumping ground of the Wardha Municipal Council. No replies were received from the MS regarding the above issues.

During the exit conference, the Member Secretary stated (August 2008) that there was no provision in the Rules regarding reclamation and reopening of the deep burial pits filled with BMW. It was also stated that an expert committee would be formed to look into this aspect and send their opinion to Central Pollution Control Board.

3.1.11.4 Treatment of liquid waste

According to Schedule V of the BMW Rules, the effluents generated from hospitals should conform to the specified standards of pH, suspended solids, oil and grease, Bio Chemical Oxygen Demand, Chemical Oxygen Demand and Bio-assay test. These standards were applicable to those hospitals which were either not connected to public sewers or connected with sewers without terminal sewage treatment plants.

Scrutiny of the records and joint site visits (October 2007 to June 2008) with the field staff of the MPCB revealed that in 31¹⁷ out of the 38 test-checked hospitals, effluent treatment plants (ETPs) had not been installed for treatment of liquid waste and samples of liquid waste were not taken by the officials of the MPCB for test in laboratory and to ensure the prescribed limits.

The Member Secretary stated (August 2008) that initially, in respect of major hospitals, waste sample would be collected.

3.1.11.5 Mixing of BMW with MSW

According to provisions contained in Rule 6 (1) of the BMW Rules, BMW was not to be mixed with other wastes. Further, according to Schedule I of the BMW Rules, incineration ash and shredded waste were to be disposed of in municipal landfills. Scrutiny of the records of MPCB revealed that as there were delays ranging from 10 to 57 months¹⁸ in setting up of common treatment facilities, BMW of 3388 metric tonnes (**Appendix 3.3**) generated (estimated quantity) during April 2003 to September 2007 was not treated and was mixed with municipal solid waste (MSW) in 22 districts. CTFs had also not been set up in 12¹⁹ other districts. MPCB has no information regarding BMW generated and mixed with MSW in these districts (July 2008).

¹⁷ Terminal treatment facilities were available only in Nashik (three hospitals) and Yashwantrao Chavan Memorial Hospital, Pimpri-Chinchvad. Individual ETPs were available in three test checked HCEs in Aurangabad.

¹⁸ Calculated from 1 January 2003; as per the Rules all facilities for disposal of BMW were to be constructed by 31 December 2002

¹⁹ Akola, Bhandara, Dhule, Gadchiroli, Hingoli, Nandurbar, Parbhani, Ratnagiri, Sindhdurg, Yavatmal, Wardha and Washim

Thirty one out of 38 test-checked hospitals had not set up effluent treatment plants and samples of liquid waste were not checked by MPCB

The Member Secretary stated (August 2008) that the responsibility of providing suitable site for CTFs within their jurisdiction was with the respective ULBs.

➤ Scrutiny of the records showed that out of the three test-checked hospitals in Kolhapur District, Chhatrapati Pramila Raje Hospital, Kolhapur, a 665 bedded hospital, was mixing sharps, needles etc with municipal solid waste (MSW) though a CTF existed at the district headquarters. It was also observed that Kolhapur Municipal Corporation (KMC) had refused (October 2006) to lift the solid waste as it contained untreated BMW. The KMC did not report the same to the MPCB.

The Member Secretary stated (August 2008) that current status of the hospital would be called for.

➤ In Mumbai, shredded plastic BMW weighing 4,575 MT was disposed of in an open dumping ground at Deonar, Mumbai, along with MSW, though required to be disposed of in municipal landfills²⁰, during 2003-08. In Mumbai there is no secured landfill authorised by the MPCB.

For want of secured landfills in Mumbai, shredded BMW was disposed of in open ground

During the exit conference, the Member Secretary stated (August 2008) that it was the responsibility of Municipal Corporation of Greater Mumbai to provide suitable site for MSW treatment and landfill.

3.1.12 Personal protective gear for waste handlers

As per the CPCB guidelines for CTFs, personal protective gear was necessary to reduce the risks faced by the waste handlers. Appropriate specialised clothing was also required to protect them from blood and potentially infectious material. The Government of India, Ministry of Labour had stipulated (2004) the use of gloves, masks, gum boots and aprons for such waste handlers.

It was, however, noticed during the joint physical verification (September 2007 to June 2008) that the waste handlers were not using gloves in any of the hospitals (except Bombay Hospital, Mumbai). Further, aprons, eye shields and proper footwear were not being used in all the test-checked hospitals (except Bombay Hospital, Mumbai) and in the common treatment facilities. No guidelines had been issued in this regard either by the State Government or by MPCB. The Director of Health Services, Mumbai stated (April 2008) that instructions had been issued in this matter to the hospitals under his control for use of protective gear.

During the exit conference, the Member Secretary agreed (August 2008) to incorporate a condition to this effect in the authorisation.

3.1.13 Selection of location for disposal of bio-medical waste

As per CPCB's guidelines, common treatment facilities were required to be located at places which were reasonably far away from residential and

²⁰ Disposal of residual solid waste on land in a facility designed with protective measures against pollution of ground water, surface water, erosion etc.

sensitive areas so that they had minimal impact on these areas. Site visits with MPCB team revealed that out of the 12 CTFs visited, the CTF at Yeshwantrao Chavan Hospital, Pimpri-Chinchwad, Pune was situated in the hospital premises itself.

During the exit conference, the Member Secretary stated (August 2008) that a suitable site had been provided by the Pimpri-Chinchwad Municipal Corporation.

3.1.14 Deep burial facilities in inhabited areas

According to Schedule V of the BMW Rules, deep burial pits were required to be kept away from human habitation in order to rule out contamination of surface or ground water.

However, the Sub-District Hospital at Kamptee, Nagpur, the District General Hospital, Mahatma Gandhi Institute of Medical Sciences, Wardha and the Civil Hospital, Chandrapur were permitted by the MPCB to dispose of BMW in inhabited areas. Ground water and surface water samples were also not taken by MPCB.

During the exit conference, the Member Secretary stated (August 2008) that the individual deep burial facilities were required to be in the campus of hospital area so as to avoid transportation of BMW for long distance and the standards for deep burial take care of the contamination of ground water.

Reply of the Member Secretary was not tenable as the standards prescribed for deep burial i.e. the pit was to be half filled with BMW etc were not followed by the above four hospitals. Therefore, the possibility of contamination of ground water and surface water could not be ruled out.

3.1.15 Monitoring

According to Rule 11(1) of the BMW Rules, all authorised persons were required to maintain records relating to the generation, collection, reception, storage, transportation, treatment, disposal of BMW in accordance with these Rules. It was, however, noticed that 22²¹ out of the 38 test-checked hospitals had not kept records.

➤ As per the guidelines for setting up of common treatment facilities, the operators were to keep records of daily category-wise collection from individual generators and submit a weekly list for taking action against the generators who had not sent the BMW to the facility. Moreover, this would also help the operator to know which HCE was properly segregating the BMW as per Rules.

Twenty two out of 38 test-checked hospitals did not maintain records of generated and treated BMW

²¹ Ahmednagar: Saibaba, Aurangabad: Kamalnayan Bajaj, Kolhapur: Adhar, Dr. D Y Patil, Mumbai: J J, Sarvodaya, Jaslok, KEM, Petit, ESIS Hospital, City Hospital, Mahatma Gandhi Memorial Hospital, R N Cooper Hospital, Sabnis Hospital Pune: KEM, Sasoon, Nagpur: IGMC, GMC, Wardha: District General Hospital, Nashik: Civil Hospital, ESIS, HAL

It was, however, noticed that nine²² out of 15 common and individual treatment facilities test-checked had not kept records showing category-wise quantities of BMW received from each occupier. The registers maintained were showing only the total BMW disposed during the day. Thus, the quantity generated by each HCE and sent for disposal was not available with the CTFs. These incomplete details were subsequently reported by the MPCB to CPCB. The concerned ROs agreed to issue notices to the hospitals and common treatment facility operators.

During the exit conference, the Member Secretary stated (August 2008) that instructions were being issued to the RO/ SRO and current status would be obtained.

3.1.16 Inspection by the ROs

According to Rule 11 of the BMW Rules, all records maintained by the HCEs under the Rule were to be subject to inspection and verification by MPCB at any time. The MPCB had however not fixed any norms for conducting inspections of HCEs and common treatment facilities. In the absence of any such norms, shortfall in conducting inspection could not be ascertained in audit. The region-wise position of visits as stated by the ROs was as under:

Norms for conducting of inspections of health care establishments were not prescribed by MPCB

Region	ROs' remarks
Aurangabad	RO stated (November 2007) that major hospitals were monitored quarterly and hospitals were visited at the time of renewal of authorisation.
Kolhapur	RO, stated (October 2007) that due to paucity of staff, hospitals could not be visited.
Mumbai	RO stated (February 2008) that major hospitals were visited once in a month and other hospitals as per convenience
Nashik	RO stated (February 2008) that hospitals with more than 100 beds were inspected once in six months and the remaining hospitals were inspected depending upon the availability of manpower.
Nagpur	RO stated (December 2007) that due to paucity of staff, all the major hospitals were inspected more than twice a year and others could not be visited.
Pune	RO stated (October 2007) that inspections could not be carried out due to insufficient staff.

Lack of proper inspections resulted in non-observance of the provisions of the Rules by the hospitals and CTFs as brought out in the preceding paragraphs.

The MS stated (June 2008) that the lack of inspections was due to shortage of staff. A proposal for creation of 626 posts (including senior level post) had been approved (April 2008) by MPCB and the same would be sent to the State Government for sanction.

²² Common treatment facilities: Aurangabad, Chadrapur, Nagpur, Nashik, Mumbai, Individual facilities in Aurangabad District: Ghati Hospital and Nagpur District: IGMC, GMC, Super Specialities

During the exit conference, the Member Secretary stated (August 2008) that in view of inadequate manpower, the issue of uniform frequency of visits to the HCE's would be examined. Proposal for additional manpower was also submitted to the Government.

3.1.17 Advisory Committee

According to Rule 9 of the BMW Rules, the State Government was required to constitute an Advisory Committee to advise the State Government and MPCB on matters relating to the implementation of BMW Rules. As per the Government Resolution (January 2003), the Committee was to meet at least twice a year.

The Committee was to be constituted from experts in various fields. The Committee constituted in January 2003 (after four years of introduction of Rules) met only once in September 2004. The implementation of various suggestions of the Committee like formation of advisory committee at regional level, legal action against defaulting agencies, arranging workshops was not on record. A second committee formed on 30 December 2006 i.e., after almost two years of expiry of the term of first committee (22 January 2005) has also not met as of July 2008. As a result the State was deprived of the advantage of advice on implementation of the Rules from experts in the field.

3.1.18 Supervision by the State Government

According to Rule 7(3) of the BMW Rules, MPCB was to function under the supervision and control of the State Government. Scrutiny of the records of MPCB and the Environment Department, however, revealed that neither MPCB sent any returns regarding generation, storage, transportation, treatment of BMW to the Government nor the Government insisted for the same. MPCB had also not prescribed any periodical returns to be sent by the ROs and SROs regarding achievement of operating standards, emission standards, standards for autoclaving, microwaving and deep burial etc, so as to consolidate and send it to Government. The effective implementation of BMW Rules was thus not ensured by the Government.

Government (August 2008) stated that an Advisory Committee was constituted for this purpose. The manner, by which supervision could be made more effective, would be taken up with the Committee.

3.1.19 Conclusion

Enforcement of the BMW Rules in the State was inadequate. Large numbers of health care establishments had no facilities for disposal of bio-medical waste. Veterinary institutions were disposing of their bio-medical waste without any authorisation from MPCB. MPCB reported inaccurate figures of generation and disposal of BMW in the State to the CPCB. Bio-medical waste was not segregated as per the required colour codes. Plastic waste of BMW was sold to unauthorised recyclers without disinfecting the same. Hospitals at Nagpur, Wardha and Chandrapur were permitted by MPCB to dispose of their BMW through deep burial pits in contravention of the Rules. Waste handlers

The Advisory Committee to advise on matters relating to implementation of BMW Rules, met only once during 2003-08

in common and individual facilities were not provided with full personal protective equipments. Incinerators and deep burial pits established for disposal of BMW were not as per required standards. No norms were prescribed for inspection of the health care establishments by the Maharashtra Pollution Control Board. The Advisory Committee set up to advise the Government met only once during 2003-08.

3.1.20 Recommendations

Government should:

- conduct a survey for identification of occupiers of institutions generating bio-medical waste in the State and should ensure that these occupiers follow the prescribed procedure for disposal of the same.
- make a provision in the Conditions/Rules for strict penalty for the failure to obtain authorisation and thereafter also for failure to comply with any provisions of the Act of these Rules.
- ensure that the health care establishments segregate the bio-medical waste as per the prescribed colour codes.
- issue clear directions regarding reopening of pits filled with BMW and their disposal after the pits are filled completely.
- fix norms for inspections of health care establishments and operators of common and individual treatment facilities and ensure their compliance by MPCB.
- ensure that the Advisory Committee meets at proper intervals and its recommendations are implemented.
- ensure close monitoring and inspection for effective implementation of Rules and procedures.

The matter was referred to the Principal Secretary to the Government in July 2008. Reply had not been received (August 2008).

Planning Department

3.2 MP/MLA/MLCs' Local Area Development Schemes

Highlights

Government of India introduced the Members of Parliament Local Area Development Scheme in 1993-94, under which developmental works were taken up in each parliamentary constituency on the recommendations of the Members of Parliament. Government of Maharashtra had introduced the Small Works Programme Based on Felt Needs of the District in 1984-85, which was re-christened as the Members of Legislative Assembly/Members of Legislative Council Local Area Development Programme in 1996, under which developmental works were taken up in assembly constituencies on the recommendations of the concerned Members of Legislative Assembly and Members of Legislative Council. A review of the implementation of the schemes revealed that Central funds were received short due to non-recommendation of works; funds were disbursed towards the end of the year; inadmissible works were sanctioned; a large number of works were lying incomplete; inspections of works were either not carried out or there were shortfalls in inspections and the monitoring mechanism was inadequate.

Central funds of Rs 204.83 crore were received short due to non-recommendation of works by the Members of Parliament and non-utilisation of scheme funds by the Collectors.

(Paragraph 3.2.6)

Four out of nine test-checked District Collectors had not distributed unspent balances of Rs 6.04 crore in respect of 16 former Rajya Sabha Members among the sitting Rajya Sabha Members, as required.

(Paragraph 3.2.6.2)

Six out of nine test-checked District Collectors had sanctioned works costing Rs 2.36 crore during 2003-08 which were not covered under the Members of Parliament Local Area Development Scheme and Members of Legislative Assembly/Members of Legislative Council Local Area Development Programme.

(Paragraphs 3.2.7.1)

Government sanctioned 24 works during 2006-08 under the Members of Legislative Assembly/Members of Legislative Council Local Area Development Programme, as special cases, which were not covered by the guidelines.

(Paragraph 3.2.7.2)

In four out of nine test-checked districts, the Collectors had not carried out any inspections of works under the Members of Parliament Local Area Development Scheme.

(Paragraph 3.2.9)

Irregularities pointed out in earlier Audit Reports, viz., retention of unspent balances, delay in sanction of works, delay in execution of works, lapses in monitoring continue to persist during 2003-08.

(Paragraph 3.2.9)

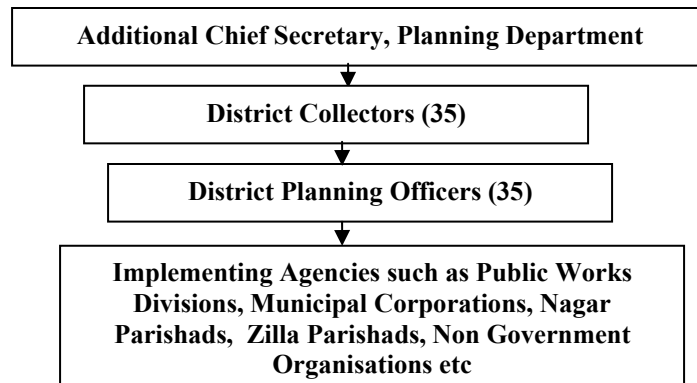
3.2.1 Introduction

The Members of Parliament Local Area Development Scheme (MPLADS), a fully funded Central scheme, was launched by the Government of India (GOI) during 1993-94. Under this scheme, each Member of Parliament (MP) could recommend works for their respective constituencies. Elected members of the Rajya Sabha could recommend works for implementation in one or more districts as per their choice in the States from which they were elected. Nominated members of the Lok Sabha and Rajya Sabha could recommend works for implementation in one or more districts anywhere in the country. Works to be taken up under MPLADS were to meet locally felt community infrastructural and developmental needs and lead to the creation of durable assets in the respective constituencies. The time limit for completion of the works was generally not to exceed one year.

A State run scheme namely the “Small Works Programme Based on Felt Needs of the District” on the same lines to provide small developmental works based on the local needs of the people was introduced from 1984-85. It was rechristened as MLA/MLCs’ Local Area Development Programme (MLA/MLC LADP) from 1996-97.

3.2.2 Organisational set-up

The Planning Department, headed by the Additional Chief Secretary, was the nodal agency for implementation of MPLADS in the State and also to co-ordinate with the Ministry of Statistics and Programme Implementation of the GOI. An organisational chart of implementation of MPLADS in the State was as follows:



A State level co-ordination committee headed by the Chief Secretary at State level and the Divisional Commissioner at Divisional level were to undertake periodic review of the programme.

The same organisational structure was also responsible for implementation of the MLA/MLC LADP.

3.2.3 Audit Scope and Methodology

Performance Audits of MLA/MLC LADP covering the period from 1993-99 and of MPLADS covering the period 1993-1997 and 1997-2000 were conducted and comments included in the Audit Reports for the years ended on 31 March 1997, 31 March 1999 and 31 March 2000 vide paragraphs 3.12, 3.2 and 3.13 respectively. An action taken note by the Government on these paragraphs and further audit observations thereon is included in paragraph 3.2.9 of this report.

As the objectives of both the schemes were similar and were being implemented through the same organisational structure, a synoptic performance audit of both the schemes were undertaken (February to June 2008) for the period 2003-08 by test-check of records in the Planning Department, Collectorates and 48 implementing agencies in nine²³ out of 35 districts. Seven districts having the maximum number of MPs/MLAs/MLCs were selected on risk basis and one tribal district viz., Nandurbar and one newly established district, viz., Washim were also selected. There were 71 MP (Lok Sabha-48; Rajya Sabha/Nominated-23) and 288 MLAs and 77 MLCs. The MPs and MLAs/MLCs were selected by applying the Simple Random Sampling Method in seven districts while 100 *per cent* of the MPs and MLAs of Nandurbar and Washim districts were selected. The audit plan and the audit objectives were discussed with the Additional Chief Secretary, Planning Department at a meeting held on 2 May 2008.

The audit findings were discussed with the Additional Chief Secretary in a meeting held on 8 August 2008 and the views of the Government have been incorporated at appropriate places.

3.2.4 Audit Objectives

The objectives of the performance audit were to assess whether:

- the finances were being managed economically and efficiently;
- the works were being sanctioned and executed as per the guidelines; and
- the monitoring mechanism was effective.

²³ Amravati, Aurangabad, Mumbai Suburban, Nagpur, Nandurbar, Nashik, Pune, Thane and Washim.

3.2.5 Audit criteria

The main criteria used for the performance audit were:

- Members of Parliament Local Area Development Scheme guidelines of April 2002 and November 2005.
- The MLA/MLC's Local Area Development Programme guidelines and the orders issued by the Government of Maharashtra, Planning Department from time to time.
- Compliance to the Bombay Financial Rules, 1959 Maharashtra Treasury Rules, 1968, Public Works Manual etc.

Audit findings

3.2.6 Fund Management

Allotment of funds under MPLADS was raised to Rs 2 crore (Rs 1 crore earlier) from 1998-99 for each MP. The funds were directly released by GOI to the District Collectors, who in turn released them to the implementing agencies. Under the MLA/MLC LADP, funds allotted by the State Government to each assembly constituency was increased from Rs 80 lakh to Rs one crore (2007-08). Funds for the implementation of the scheme were placed at the disposal of the District Collectors by the Planning Department through budget allotment and in turn they released the same to the implementing agencies.

➤ MPLADS

Year-wise funds received from GOI and spent on implementation of MPLADS during the period 2003-04 to 2007-08 were as follows:

(Rupees in crore)

Year	Opening balance	Funds received from GOI	Total funds available with Collector	Funds released to implementing agencies	Closing balance with Collector	Expenditure
2003-04	34.80	132.50	167.30	141.94	25.36	135.76
2004-05	25.36	132.38	157.74	119.67	38.07	115.26
2005-06	38.07	125.08	163.15	114.92	48.23	105.09
2006-07	48.23	96.21	144.44	93.58	50.86	76.23
2007-08 (Dec. 2007)	50.86	35.00	85.86	22.73	63.13	13.17
Total		521.17		492.84		445.51

Out of the interest amount (Rs 55.87 crore) available with District Collectors since inception of the scheme, Rs 11.13 crore was released to the agencies for works taken up, against which Rs 10.83 crore was incurred.

Scrutiny of MP-wise and constituency-wise progress reports of December 2007, compiled by the Planning Department for the State as a whole revealed that, as unspent balances were more than Rs 1 crore and audit and utilisation

certificates of previous years were not furnished by the Collectors, funds amounting to Rs 204.83 crore were not released by GOI during the years 2003-08, as detailed in **Appendix 3.4**.

Further scrutiny revealed that in respect of 11 MPs (LS and RS) listed in **Appendix 3.5**, only Rs 28.81 crore was received by the respective Collectors during 2003-08 against their entitlement of Rs 88 crore, mainly due to non-recommendation of works/cancellation of works. Non-availing of the entitled funds due to non-recommendation of works by MPs had resulted in depriving the public from the benefits of the scheme.

During the exit conference, the Additional Chief Secretary stated (August 2008) that the recommendation of works was the prerogative of MPs. Moreover, bunching of recommendations at one time also created problems. Further, the audit of accounts and sending of audit certificates was newly introduced in November 2005.

➤ **MLA/MLC LADP**

The budget provisions and expenditure incurred on MLA/MLC LADP during the past five years were as follows:

(Rupees in crore)

Year	Provision	Expenditure	Excess (+)/Saving (-)	Percentage
2003-04	302.70	263.95	(-) 38.75	12.80
2004-05	329.42	317.40	(-) 12.02	3.65
2005-06	302.42	306.08	(+) 3.66	1.21
2006-07	287.05	283.09	(-) 3.96	1.38
2007-08	373.80	369.93*	(-)3.87	1.04
Total	1595.39	1540.45	(-) 54.94	3.44

*Note: As per provisional figures of Appropriation Accounts 2007-08

Seven District Planning Officers had drawn and disbursed Rs 24.71 crore at the fag end of the year to avoid lapse of budget provision

➤ The Government had only information on total funds released and did not have any information about district wise release of funds, works completed, works not started, etc. under MLA/MLC LADP.

➤ As per the provisions contained in the Maharashtra Treasury Rules, 1968 and orders issued by the Government of Maharashtra from time to time, the drawal of funds from the treasuries toward the end of the financial year to avoid lapse of budget grants was not allowed. It was however, noticed that in seven²⁴ out of nine test-checked districts, DPOs had drawn and disbursed funds amounting to Rs 24.71 crore to 37 implementing agencies during the years 2003-04 to 2007-08 at the end of the financial year to avoid lapse of grants.

The DPOs attributed such late drawal to late release of funds by the State Government (2005-06) and prevalence of the code of conduct due to holding of election during 2004-05.

²⁴ Aurangabad, Mumbai Suburban, Nagpur, Nandurbar, Nashik, Pune and Washim.

During the exit conference, the Additional Chief Secretary stated (August 2008) that release of Rs 24.71 crore at the end of financial year in five years was not significant as compared to the total funds released during that period. Government, however, did not give reasons for delay in release of funds to the districts.

The reply, was not tenable as comparison of total funds drawn at State level with the funds released at the end of financial year in seven test-checked districts was not correct. Moreover, as discussed above, the Government did not have any information on funds released to these districts.

3.2.6.1 Maintenance of accounts under the schemes

As per the MPLADS guidelines, the District Collectors and the implementing agencies were to maintain MP-wise accounts of MPLADS funds. Cash books and other books of accounts were also to be maintained as per the prescribed Government procedure. MPLAD funds received by the District Collectors and implementing agencies were to be kept only in savings bank accounts of nationalised banks. It was, however noticed that three²⁵ out of 48 test-checked implementing agencies kept MPLADS funds in co-operative banks instead of in nationalised bank.

Scrutiny revealed that two (Thane and Nandurbar) out of nine test-checked District Collectors and four out of 48 test-checked implementing agencies had maintained only a single account for all the MPs as shown in **Appendix 3.6**.

As per Guidelines, deposit of MPLADS funds by the District Collectors and implementing agencies into the treasuries was strictly prohibited. It was, however, noticed that six²⁶ out of 48 test-checked implementing agencies did not maintain any separate cash books during 2003-08 but deposited the funds into Government treasury. These agencies drew the amounts from the deposit head as and when expenditure was incurred.

Under the State scheme of MLA/MLC LADP since the funds were drawn from the treasuries, the transactions were to be routed through general cash books. In one (Amravati) out of nine test-checked District Collectors, the transactions relating to receipt and disbursement of MLA/MLC LADP funds were recorded in the bill register during 2003-08, instead of in their cash books. As a result, monthly balances could not be worked out.

During the exit conference, the Additional Chief Secretary stated (August 2008) that all district authorities were advised (August 2008) to follow the guidelines strictly.

Two District Collectors and 14 implementing agencies had not maintained the accounts of MPLADS funds properly

²⁵ Vastagulm Magas-Vargiya Shikshan, Krida and Sanskritik Mandal, Washim; Municipal Council, Washim and Zilla Parishad, Washim

²⁶ Public Works Division, Amravati; Special Project Division, Amravati; Public Works Division, Achalpur; Public Works Division, Aurangabad; Public Works Division (West), Aurangabad; Public Works Division, Washim.

3.2.6.2 Unspent balances under the scheme

As per the MPLADS guidelines, savings on completed works were required to be refunded by the implementing agencies to the District Collectors within 30 days from the date of their completion. Scrutiny revealed that two (EE, Special Project Division, PWD, Daryapur, Amravati and EE Rural Water Supply, Division ZP, Nandurbar) out of the 48 test-checked implementing agencies did not refund the unspent balances of Rs 7.16 lakh and Rs 1.96 lakh in respect of twenty six and seven works respectively as of March 2008 to the Collectors, though the works were already completed in June 2006. The EEs agreed (June 2008) to refund the unspent balances.

During the exit conference, the Additional Chief Secretary stated (August 2008) that necessary instructions were issued to the district authorities.

➤ As per the provisions of the MPLADS guidelines, unspent balances of funds left in the nodal district by the erstwhile Rajya Sabha Members of the State were to be equally distributed by the State Government amongst the subsequently elected Rajya Sabha Members. It was, however, noticed that in four²⁷ out of nine test-checked districts, unspent balances of 16 former Rajya Sabha Members amounting to Rs 6.04 crore were lying in bank accounts for periods ranging from three to fifteen months (June 2008). These funds had not been distributed amongst the sitting Rajya Sabha Members as of July 2008. Three²⁸ out of above four districts had not reported the balances to the Planning Department. Even in the case of Pune, where the balance (Rs 80.38 lakh) in respect of three Rajya Sabha Members was reported (June 2007), no action to redistribute the same was taken by Planning Department.

The DPOs stated that necessary action would be taken to report the unspent balances to the Planning Department by closing the savings bank accounts. The replies were not tenable as non-reporting of these balances resulted in these funds remaining idle for three to 15 months.

During the exit conference, the Additional Chief Secretary stated (August 2008) that instructions were issued to concerned Collectors to transfer the amounts and close the accounts of retired Rajya Sabha MPs.

3.2.6.3 Levy of centage charges on MPLADS works

As per the MPLADS guidelines, the District Collectors and implementing agencies were not to levy any administrative charges, centage charges, salaries, travel costs, etc., for their services in respect of preparatory works and implementation and supervision of project/works under MPLADS. Scrutiny, however, revealed that seven²⁹ out of 48 test-checked implementing agencies levied contingency/centage charges of Rs 17.08 lakh in respect of 107

²⁷ Mumbai Suburban, Pune, Amravati & Nashik.

²⁸ Mumbai Suburban, Amravati and Nashik

²⁹ PW Dn., Amravati, B&C (North) Dn., ZP, Pune & Municipal Council, Indapur, PW Dn, Nandurbar and Shada, NGO, Washim, PW Dn.(E), Pune

MPLADS funds of Rs 6.04 crore in respect of earlier Rajya Sabha Members were not distributed among newly elected members

MPLADS works (out of 125) sanctioned during the years 2003-04 to 2006-07, contrary to the guidelines. Thus, scheme funds were overcharged.

During the exit conference, the Additional Chief Secretary stated (August 2008) that the matter regarding levy of centage charges in respect of MPLAD works had been taken up (September 2004) with the GOI and their reply was awaited (August 2008).

3.2.7 Implementation of Schemes

Physical performance as per progress report (December 2007) of Planning Department under MPLAD was as follows:

Year	Works suggested	Works sanctioned	Works completed	Works in progress	Works yet to start
2003-04	7793	4965	4510	355	100
2004-05	6922	4078	3389	491	198
2005-06	6017	3888	2737	831	320
2006-07	5676	3506	1566	1291	649
2007-08 (December 2007)	2865	1468	228	523	717
Total	29273	17905	12430	3491	1984

It would thus be seen that 298 works sanctioned in 2003-05 were not started as of December 2007. An analysis of some of the works not started in the test-checked districts is given in paragraph 3.2.7.5.

3.2.7.1 Inadmissible works under the schemes

Six Collectors sanctioned inadmissible works under the schemes

Scrutiny revealed that six out of nine test-checked District Collectors sanctioned inadmissible works such as repairs and maintenance of road, installation of music system, construction of VIP suite, Officers' Club, office building etc under the schemes during 2003-08 as follows:

District	Details of inadmissible works	Reply of the department and comments thereon
(1)	(2)	(3)
Amravati and Thane	<p>Repair and maintenance works were not admissible under MPLADs. It was however noticed that asphaltting works of 13 existing roads costing Rs 42.65 lakh (Amravati) and of 7 existing roads costing Rs 32.17 lakh (Thane) were sanctioned by Collectors contrary to the above guidelines.</p> <p>Under MLA/MLC LADP the admissible list of works did not include installation of music systems in jogging parks. The work of providing a music system at the Bara Bangla Area Jogging Park at Thane costing Rs 10 lakh was sanctioned and executed in November 2006.</p>	<p>The DPOs stated (February & March 2008) that WBM roads were converted into asphalt roads. As such, they could not be considered as repair works. Replies were not tenable as it had been mentioned in the estimates for the works that asphaltting would be carried out over bituminous roads and as such were not new works.</p> <p>The DPO stated (February 2008) that providing a music system in the jogging park was part of beautification and hence sanctioned. Reply was not tenable as providing music system did not form a part of beautification and thus was not as per guidelines.</p>

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(1)	(2)	(3)
Nandurbar	<p>A Samajik Sabhagriha at the Government Rest House Campus, Nandurbar costing Rs 16.86 lakh was sanctioned under MPLADs (March 2005). Scrutiny of records and site visit (June 2008) revealed that the structure constructed, comprised of a meeting hall, a VIP suite with meeting hall, bed room, sitting room and waiting hall instead of a Samajik Sabhagriha. This was irregular.</p> <p>Construction of a concrete road and a protection wall at Dr. Babasaheb Ambedkar Nagar at Sarangkhedda, Taluka – Shahada costing Rs 5.38 lakh was sanctioned in March 2007. Scrutiny of the plans, estimates of the work and site visit (June 2008) revealed that the work carried out was construction of supporting structure including platform for statue and development of the surrounding space which was not as per the administrative approval.</p>	<p>The DPO stated (June 2008) that the comments of the implementing agency would be obtained. Reply was not tenable as the sanction was accorded after preparation of the estimates which contained the details.</p>
Washim	<p>Work of construction of an Officer’s Club at Washim costing Rs 32.22 lakh was sanctioned by splitting it into four parts during 2002-03 and 2005-06. The works were recommended by two MPs, one MLA and one MLC. Since the club was used exclusively by officers and was not open to the public, the same did not come under the purview of both the schemes.</p> <p>The work of construction of a public park at Mandwa Taluka – Karanja, District Washim was sanctioned (December 2006) under MPLADs for Rs 10 lakh. Scrutiny of the estimates on the basis of which administrative approval was given revealed that the same included construction of a park house costing Rs 7 lakh, which was not recommended by the MP.</p>	<p>The DPO stated (June 2008) that the club was meant for officers and members. Reply was not tenable as the club was not open to the public hence beyond the scope of the scheme. The Collectors should have rejected the work recommended by MP/MLA.</p> <p>The DPO stated (June 2008) that a revised recommendation would be obtained. The reply was not tenable as the work was not as per the recommendation of the MP.</p>
Nagpur	<p>Work of construction of a Samajik Sabhagriha at the Collector’s office compound, Nagpur was split into four parts and sanctioned between September 2000 and March 2003, on the recommendation of four MPs. The work was completed at a cost of Rs 34.53 lakh. As per the list of inadmissible works, construction of buildings relating to Central and State Governments was not permitted.</p>	<p>The DPO stated (April 2008) that a detailed report on the audit observations would be submitted in due course.</p>
Mumbai Suburban	<p>Under State Scheme works costing Rs 10 lakh and above were not to be split up into parts and taken up. Work of construction of school rooms at the Municipal School, Bazaar Road, Bandra (West), estimated to cost Rs 52 lakh was taken up by splitting it up into 10 parts on recommendation of an MLA during the years 2003-04 & 2005-06 instead of rejecting the inadmissible works.</p>	<p>The DPO stated (March 2008) that works recommended by the peoples’ representatives, were independent works and were eligible and hence were sanctioned. The reply was not tenable as splitting of works above Rs 10 lakh was not admissible under the guidelines.</p>

During the exit conference, the Additional Chief Secretary stated (August 2008) that instructions had been reiterated to the Collectors in respect of MPLAD works. As regards, the works under State scheme, Government concurred with the views of the DPOs' in case of splitting of works and sanction of music system.

The reply was not tenable as it was the Government's own orders (September 1998) that works costing above Rs 10 lakh should not be split up. Further, music system did not form part of admissible works in the list.

3.2.7.2 Approval of special cases under the State Scheme

Government sanctioned works costing Rs 2.58 crore under MLA/MLC LADP during 2006-08 as special cases, though not covered by the guidelines

According to the MLA/MLC LADP guidelines MLAs/MLCs were to suggest development works from these funds in their constituencies only for stipulated purposes and categories. No deviations from the guidelines were permissible. On scrutiny of the records in Mantralaya, it was noticed that on several occasions, the Government had sanctioned works suggested by MLAs/MLCs during 2006-2008 (up to March 2008) as special cases, amounting to Rs 2.58 crore (**Appendix 3.7**) though all the works were inadmissible and not covered by the guidelines. These special cases included construction of roads in the campus of private college, fencing for private school buildings, development of facilities outside constituencies, payment of public contributions, development of pilgrim centre, construction of conference hall in a Divisional Commissioner's office building and construction of a building for a non-Government organisation. In each of the cases, even though the Secretary, Planning Department had opined that the works were ineligible as per the guidelines, the Minister had approved the works as special cases without recording any justification.

When pointed out in audit, the Department stated (July 2008) that the guidelines were not inviolable and that sanctions were accorded at the request and persuasion of the MLAs/MLCs. The reply was not tenable as Government should revise the guidelines so as to cover such works.

➤ The list of admissible works under the State Scheme prohibited construction of any Sahakar Bhavans³⁰. It was, however, noticed in Amravati that an MLA had recommended (July 2002) 32 works of Sahakar Bhavans costing Rs 33.17 lakh. Instead of rejecting these works, the Collector, Amravati approved (December 2002/March 2003) the works by changing the nomenclature as 'Sanskritik Bhavans' (buildings used for cultural programmes). These works were completed (October 2005) at a cost of Rs 32.64 lakh. During joint physical verification (April 2008) in respect of three such works on which expenditure of Rs 3.10 lakh was incurred, it was noticed that one building (at Linga) was being used as a co-operative fair price shop and two others as Sahakar Bhavans (at Amdapur and Wandali). On pointing out the above, the DPO stated (April 2008) that the change in nomenclature had been approved by the MLA. The reply was not tenable as

³⁰ Centres where offices of Co-operative Societies function

the change of nomenclature of the work did not change the nature of work. Besides, the buildings were not being utilised for the intended purpose.

During the exit conference the Additional Chief Secretary agreed (August 2008) to ascertain from Collector, Amravati the actual use of 32 buildings.

3.2.7.3 Works for SC/ST

As per the MPLADS guidelines (November 2005), MPs were to recommend every year, works costing at least 15 *per cent* of MPLADS funds for areas with Scheduled Caste population and 7.5 *per cent* for areas with Scheduled Tribe population. In case a constituency did not have ST inhabited areas, such funds were to be utilised in SC inhabited areas and vice versa. Scrutiny of the progress reports submitted by the DPOs to the Planning Department showed that there was a shortfall in observance of the prescribed percentage ranging from 50 *per cent* to 100 *per cent* in six³¹ out of the nine test-checked districts. There was no shortfall in Nandurbar and Nashik districts and information was not furnished by Amravati district.

During the exit conference, the Additional Chief Secretary stated (August 2008) that this provision was introduced recently and that the Collectors had been advised to request the MPs to make recommendations in this regard.

➤ Under MLA/MLC LADS, 10 *per cent* of the funds were to be utilised for the benefit of the SC population. Scrutiny revealed that there was a shortfall in observance of the prescribed percentage ranging from 35 *per cent* to 100 *per cent* in five³² out of nine test-checked districts.

During the exit conference, the Additional Chief Secretary stated (August 2008) that Collectors had been suitably advised regarding implementation of this aspect of guidelines.

3.2.7.4 Idling of funds



Incomplete community hall building at VRC land at Nagpur

The Collector, Nagpur approved (December 2002) construction of a community hall on land belonging to the Vidharbha Relief Committee (VRC) on the recommendation of an MP. The work was allotted to the Nagpur Improvement Trust (NIT) and funds were released (July 2003). The agency submitted the completion and utilisation certificate to the Collector in June 2006 in spite of the work being incomplete. The estimate was modified as per request of VRC and cost was increased from Rs 25 lakh to Rs 1.06 crore. During site visit (April 2008) it was noticed

³¹ Aurangabad, Mumbai Suburban, Nagpur, Pune, Thane and Washim.

³² Aurangabad, Mumbai Suburban, Nagpur, Nandurbar and Nashik

that the work was incomplete. Scrutiny at NIT showed (April 2008) that after incurring expenditure of Rs 51.27 lakh, the work was abandoned since December 2005 after termination of the contract, resulting in idle investment of Rs 24.85 lakh of MPLAD funds incurred on the work.

During the exit conference, the Additional Chief Secretary stated (August 2008) that the Collector Nagpur had been asked to look into the matter.

➤ It was further noticed that works of construction of nine storage tanks of 5000 litre capacity at Dehu Road cantonment area, approved (May 2001) by the Collector, Pune at an estimated cost of Rs 5 lakh on a recommendation from an MLA were completed by the Executive Engineer, Rural Water Supply Division, Zilla Parishad, Pune in September 2002 after incurring an expenditure of Rs 4.72 lakh. The asset was not used and the user agency (Dehu Road Cantonment Board) had not taken over (July 2008) the asset. Thus, the expenditure incurred on it was idle for more than six years.

3.2.7.5 Cancellation/ not starting of sanctioned works

Audit noticed that works were not started even after their sanction as brought out below:

➤ Collector, Mumbai Suburban District sanctioned (November 2006) 24 works of construction of toilet blocks and drinking water stands at suburban railway stations costing Rs 62.40 lakh, on the recommendation of an MP. These works were cancelled in January 2008 on further communication from the MP. During the exit conference the Additional Chief Secretary stated (August 2008) that if the Collector had waited for railway clearance before sanctioning the works, it would have resulted in delay in sanction of the works.

The reply was not tenable as the district authority, before sanctioning the work, should have ensured that all necessary clearances for the works had been taken from the competent authority.

➤ The work of construction of two classrooms in Kasbegavhan recommended by an MP and sanctioned (June 2003) by the Collector, Amravati at an estimated cost of Rs 5.93 lakh was not started for want of land (March 2008) though a work order was issued (June 2003). Besides, funds released (Rs 5.93 lakh) remained unutilised with the agency i.e., Special Project PW Division, Daryapur for more than four to five years.

➤ Sixteen works of gymnasium, sanctioned by Collector, Nagpur for Rs 84.51 lakh during 2004-07 was not started even as of April 2008 by Nagpur Improvement Trust due to increase in cost. The DPO, Nagpur stated (April 2008) that revised administrative approval has been accorded and works would be started by the agency. However, funds released amounting to Rs 53.20 lakh were lying idle with the agency for one to two years.

➤ Two works (cultural halls in Pune City) estimated at Rs 14.28 lakh, sanctioned (December 2006) by the Collector, Pune on the recommendations of an MP during the year 2004-05 had not been started as of February 2008

due to non-availability of land. Funds released (Rs 6.78 lakh) was lying unutilised with the agency i.e. Pune Municipal Corporation for more than 18 months.

3.2.7.6 Incomplete works under MLA/MLC LADP

In six districts, 96 works sanctioned under MLA/MLC LADP during 1996-2000 were not completed, resulting in blockage of Rs 1.12 crore

As per Government circulars of September 1988 and July 1992, works sanctioned under the MLA/MLC LADP were to be completed in the same year or at the most within the next year i.e. within two working seasons. It was however, noticed that in six³³ out of the nine test-checked districts, 96 works sanctioned during the year 1996-97 to 2005-06 (expenditure Rs 1.12 crore) were not completed within the scheduled dates of completion. A list showing District-wise position of works lying incomplete for two to five years (2003-06) is at **Appendix 3.8**. Of these, two roads (expenditure Rs 2.98 lakh) pertained to EE (B&C), Division No. 1 Nashik were lying incomplete for more than 10 years due to increase in costs. Audit noticed that the main reasons for work lying incomplete were the retendering of works, non-availability of land and slow progress due to increase in cost.

3.2.7.7 Utilisation of funds transferred to other States

As per the MPLADS guidelines, work completion reports, utilisation certificates and audit certificates for works taken up in areas affected by calamities were to be provided by the District Collectors of the affected districts to the respective funding Collectorates. It was, however, noticed that six³⁴ out of nine test-checked District Collectors had sanctioned MPLADS funds amounting to Rs 1.75 crore for rehabilitation works in areas affected by the tsunami at Pondicherry, Gujarat earthquake, Orissa storm (**Appendix 3.9**) during the years 2004-07 and released the same to the Chief Secretaries of the States. The completion reports, utilisation certificates and audit certificates were however not submitted by the recipient district Collectors of the recipient State. As a result, it was not possible to verify whether the funds released were utilised for the purpose for which they were granted.

During the exit conference, the Additional Chief Secretary stated (August 2008) that the Collectors had been advised to follow up with the authorities in the concerned states and obtain the utilisation certificates.

3.2.7.8 Maintenance of Asset Register

Four district Collectors had not maintained any Asset Register during 2003-08

As per the MPLADS guidelines, the District Collectors were to maintain head-wise lists of works executed in Asset Registers for all the MPLADS works. It was, however, noticed that four³⁵ out of nine test-checked District Collectors had not maintained any Asset Register during the years 2003-08. The number of works completed in these districts was 1189 and expenditure incurred was

³³ Aurangabad , Mumbai Suburban, Nandurbar , Nashik, Pune and Washim

³⁴ Amravati (Rs 11 lakh- March 2007), Mumbai Suburban (Rs 75 lakh- 2004-05), Nagpur (Rs 10 lakh- 2004-05), Nandurbar (Rs 11 lakh - 2004-05), Nasik (Rs 15 lakh - 2004-05) and Pune (Rs 51 lakh - 2005-06)

³⁵ Nandurbar, Nashik, Pune and Washim

Rs 37.02 crore. The DPOs stated (March/June 2008) that they would maintain the asset registers in future.

During the exit conference, the Additional Chief Secretary stated (August 2008) that the Collectors had been advised to maintain a list of assets created under MPLADS.

3.2.8 Monitoring

3.2.8.1 Submission of monthly progress reports

Implementing agencies did not submit reports

As per the MPLADS guidelines, the implementing agencies were to furnish physical and financial progress of each work to the District Collectors who consolidate and send it to the Government. It was however, noticed that 10³⁶ out of 48 test-checked implementing agencies had not prepared and submitted such reports to the District Collectors and the Government during the years 2003-04 to 2007-08. This showed that the reports submitted by the District Collectors to the State Government and GOI were incomplete.

3.2.8.2 Review meetings at district level

As per the MPLADS guidelines, the District Collectors were to conduct meeting to review the implementation of works with the implementing agencies every month along with MPs concerned. It was however, noticed that, though District Collectors of Mumbai Suburban and Washim District had conducted one meeting (2003-04), no records/minutes of meetings were maintained. The Collectors of Aurangabad and Nandurbar had not conducted any review meetings during 2003-08. Collector, Nashik conducted only one meeting in each year during 2004-07 and two meetings in the year 2007-08. Collector, Pune had conducted three meetings in each year during 2003-08 and there was shortfall of 3-4 and 3-10 meetings in each year during 2003-08 in respect of Collector, Nagpur and Amravati respectively. Information from Collector, Thane was awaited (July 2008).

During the exit conference, the Additional Chief Secretary stated (August 2008) that instructions had been issued for conducting review meetings.

3.2.9 Action taken by Government

Government/Head of Department have to take necessary remedial action on the paragraphs mentioned in the reports of the Comptroller and Auditor General of India and subsequent Public Accounts Committee recommendations of them. Mention was made in Para 3.2 and Para 3.13 of the Comptroller and Auditor General of India for the year ended 31 March 1999 and 31 March 2000 regarding implementation of MP Local Area Development Scheme and Members of Legislative Assembly/Council respectively in the State. However, irregularities persist and their current status is as follows:

³⁶ KDMC, Thane; EE, MHADA (E); EE, MHADA (W); NMC, Nagpur, EE, ZP, Nagpur; EE, PW Dn, Nasik; EE B&C, ZP, Nandurbar, EE, RWS, ZP, Nandurbar; CO, Alandi, Pune and CO, Indapur.

Nature of Irregularity	Gist of the Para/PAC recommendation/action proposed by Government	Current status
(1)	(2)	(3)
Retention of huge unspent balances by the implementing agencies	Mention was made in Para 3.2.7.1 (MLA/MLC LADP) that Municipal Corporations and Zilla Parishads retained huge unspent balances of Rs 2.45 crore pertaining to the year 1995-98. In the Government memorandum it was stated that extensions were given and works were completed.	➤ The Government of Maharashtra permitted (August 2006) the implementing agencies to utilise the unspent balances of the works sanctioned during the years 1998-99 to 2005-06 by 30 June 2007. The unspent balances remaining on 30 June 2007 were to be refunded to the District Collectors. In eight ³⁷ out of 48 implementing agencies test-checked unspent balances of Rs 2.45 crore as on 30 June 2007 were not refunded to the District Collectors as of June 2008. The implementing agencies agreed (February and June 2008) to refund the unspent balances to the Government.
Delay in sanction of works	It was pointed out in Para 3.13.3 (a) 2 (MP LADS) that, in three test checked districts alone there were delays ranging from 45 to 365 days in 32 cases in according sanction to the works. In the Government memorandum it was stated that necessary instructions were issued to implementing agencies to adhere to the time schedule.	➤ In eight ³⁸ out of nine test checked districts, 522 out of 1997 recommended works were sanctioned with delays ranging upto 630 days, during the years 2003-04 to 2007-08. (Appendix 3.10). Audit noticed that majority of delays were in Thane (11 works upto one year), Nandurbar (16 works – upto one year; nine works- above one year) and Nagpur (11 works – upto one year; seven works- above one year). Delay in sanction of works resulted in postponement of benefit of schemes. Government stated (August 2008) that preparation of plans and estimates, ensuring availability of land, bunching of recommendation from MPs can at time lead to delay in sanctioning of works. However, district authorities were again advised to strictly observe the guidelines.

³⁷ B&C (North) ZP, Pune; B&C (South) ZP, Pune; RWS Dn ZP, Pune; RWS Dn ZP Nagpur; B&C Dn., ZP, Aurangabad; Nagpur Improvement Trust; RWS ZP, Nandurbar; B&C ZP, Nandurbar.

³⁸ Amravati, Aurangabad, Nagpur, Nandurbar, , Nashik, Pune, Thane, and Washim.

(1)	(2)	(3)
Delay in execution of works	Mention was made in Para 3.13.3 (a) 1 (MPLADS) that, during 1993-98 the works taken up were behind schedule by 24 months to 48 months. In the Government Memorandum it was stated that necessary instructions to complete the works as early as possible were issued to Implementing Agencies.	In six ³⁹ out of nine test-checked districts, 89 works sanctioned during 2002-03 to 2005-06 were not completed within the scheduled date of completion. Thus, expenditure to the tune of Rs 2.36 crore incurred on these works was blocked for periods ranging from 12 to 48 months. The works were delayed mainly due to retendering of works and land not being available. Government stated (August 2008) that making available land suitable for work free of cost is the responsibility of the local authority. In some cases works are likely to be delayed for want of land.
Monitoring	It was pointed out in Para 3.13.4 (MPLADS) that only one meeting of State level committee was conducted between 1997 and 2000. The prescribed inspections in districts were either not conducted by Collectors or there was shortfall. In the Government memorandum it was stated that instructions about monitoring and inspecting works had already been given to all District Collectors.	➤ As per MPLADS guidelines, a committee under the Chief Secretary/ Development Commissioner/Additional Chief Secretary was to review the progress of implementation of the scheme with the District Collectors and MPs at least once in a year. A committee consisting of six members set up (May 2001) to review the progress of MPLADS implementation had never met since its setting up. The Government stated (August 2008) that due to various other pressing items of works it had not been possible for the Chief Secretary to hold such meetings. However, Development Commissioner had held such review meetings during 2005-08. It was noticed that four District Collectors (Amravati, Nandurbar, Pune and Washim) had not carried out any inspections. Further, during 2003-08 there were shortfalls in inspections of works ranging from 60 to 100 <i>per cent</i> by three District Collectors viz. Mumbai Suburban (maximum 100 <i>per cent</i> in 2003-04 & 2004-05), Nagpur (maximum 67 <i>per cent</i> in 2007-08) and Thane (maximum 90 <i>per cent</i> in 2005-06). Government stated (August 2008) that instructions had been issued for inspection of works executed under the scheme.

³⁹ Amravati, Aurangabad, Nandurbar, Nashik, Pune and Washim.

3.2.10 Conclusion

MPLADS scheme suffered from self inflicted shortage of funds due to non-recommendation of works by the MPs and non-utilisation of the funds in time. Funds were drawn and disbursed toward the end of the year under the State Scheme contrary to the financial rules. Accounts of MPLADS funds were not maintained as per the guidelines. Unspent balances of MLA/MLC LADP funds were not refunded as required under MPLADS to the Collectors by the implementing agencies. Inadmissible works were sanctioned under both the schemes. There were delays in sanctioning works which ranged from six months to over one year. A large number of works were lying incomplete mainly due to retendering/land disputes. Asset registers were not maintained. The State level committee formed for monitoring the implementation of MPLADS had not conducted any meeting since its inception. Inspections of works were either not conducted by the District Collectors or there were shortfall in inspections. Review meetings with the implementing agencies to be held by the District Collectors were not conducted regularly.

3.2.11 Recommendations

Government should:

- ensure that accounts of MPLADS and MLA/MLCLADP funds are maintained by the District Collectors and implementing agencies according to the guidelines.
- issue instructions that only admissible works are sanctioned under MPLADS and MLA/MLCLADP.
- evolve a proper mechanism to avoid delays in sanctioning of works under MPLADS by the District Collectors as well as delays in execution by the implementing agencies.
- ensure that maintenance of asset registers of works at district level under MPLADS are maintained by the District Collectors.
- ensure that the implementing agencies and District Collectors submit monthly reports in respect of both the schemes and also in soft formats.
- ensure that the State level committee constituted for supervision of the implementation of MPLADS meets regularly.

The matter was referred to the Principal Secretary to the Government in July 2008. Reply had not been received (August 2008).

Home Department

3.3 Management of Prisons in Maharashtra

Highlights

Prisons in Maharashtra were established under the Prisons Act, 1894 with the purpose of confining offenders committing offences under the various laws. Apart from providing custodial care to offenders of laws and thus isolating them from the general community for a certain period of time with a view to ensuring security, peace and tranquility, the Home Department also undertook planned programmes aimed at reforming them as part of social reclamation. A performance audit of the Management of Prisons in the State revealed that there was short receipt of Central funds due to non-utilisation of funds by the State in time; provisions of financial codes were not adhered to in the maintenance of cash books; a large number of posts of security staff were lying vacant; modern security equipments were not installed in the prisons; there was overcrowding in prisons; a large number of works relating to improvement of prison infrastructure were not completed; inspections of the prisons was not carried out regularly by the IGP and the internal audit of 42 units was pending for periods ranging up to 35 years.

There was a shortfall in receipt of Central funds of Rs 4.78 crore under a scheme for up-gradation of prison administration, due to delay in utilisation of funds already released by GOI.

(Paragraph 3.3.6.2)

As against 3,782 sanctioned posts of security staff, 587 posts (16 per cent) were lying vacant as of 31 March 2008.

(Paragraph 3.3.7.1)

Modern security equipments like closed circuit televisions, hand and door metal detectors, walkie talkies, X-ray searching machines etc., were not installed in the prisons.

(Paragraph 3.3.7.3)

The problem of overcrowding in prisons was severe and the average occupancy in the prisons in the State was 147 per cent of their capacities. In twelve District Prisons, the average occupancy rates ranged from 157 to 402 per cent.

(Paragraph 3.3.8.1)

As of March 2008, 36 per cent of works taken up under a scheme for modernisation of prison administration was in progress while seven per cent had not been started at all.

(Paragraph 3.3.10.1)

Non-official members of Boards of Visitors had not been appointed in 32 prisons as of October 2007.

(Paragraph 3.3.11.1)

Internal audit of 42 units was pending for periods ranging up to 35 years. Further 2,913 internal audit paras pertaining to the period from 1971-72 to 2003-04 were outstanding as of July 2008.

(Paragraph 3.3.11.3)

Model Prison Manual, 2003 furnished by the Government of India to the State Government for adoption in December 2003, was not adopted as of August 2008.

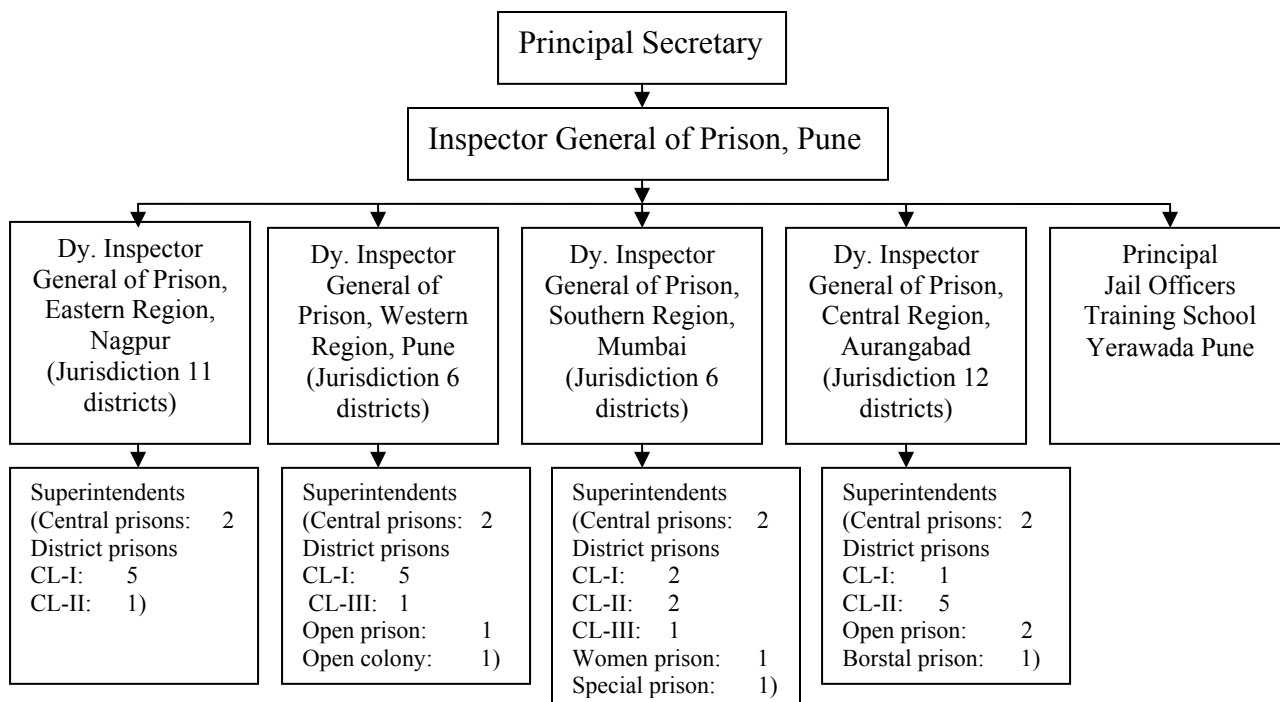
(Paragraph 3.3.12)

3.3.1 Introduction

Prisons in Maharashtra were established under the Prisons Act, 1894. The prisons in the State were being managed under the provisions of the Maharashtra Prison Manual, 1979. The main purpose of establishing prisons was to confine offenders committing offences under the various laws enacted from time to time. Apart from providing custodial care to offenders of laws and thus isolating them from the general community for a certain period of time with a view to ensuring safety and security, the Department also undertook planned programmes aimed at reforming them as part of social reclamation.

3.3.2 Organisational set up

The Principal Secretary, Home Department was responsible for the overall administration of prisons in the State. The organisational chart depicting the hierarchy of administration of prisons in the State is as follows:



The Superintendents are assisted by Jailors, security staff and other ministerial

staff as well as medical and vocational training personnel. Besides, there were 172 sub-jails, managed by revenue authorities under the overall control and supervision of the Home Department.

3.3.3 Audit objectives

The objectives of the performance audit were to assess whether:

- fund management in respect of the prisons were adequate and proper;
- custody and detention of prisoners were being done in a safe and secure manner;
- facilities and privileges of the prisoners as envisaged in the rules were being provided for and being managed in an economic and efficient manner;
- activities for employment and rehabilitation were consistent with Government policies and the desired objectives were being achieved;
- schemes and projects related to improvements in the administration of prisons were properly and effectively implemented and
- monitoring mechanism including internal audit was effective.

3.3.4 Audit criteria

The main criteria used in the performance audit were as under:

- Prisons Act, 1894 and Rules made thereunder;
- Maharashtra Prison Manual, 1979 and
- Government orders issued from time to time.

3.3.5 Audit scope and methodology

A performance audit of the Management of Prisons in Maharashtra covering the period 2003-08 was conducted (February to June 2008) by test-check of records in the Home Department, office of the Inspector General of Prisons, Pune (IGP), four regional Deputy Inspector General of Prisons (DIGPs) and eleven⁴⁰ out of 38 prisons. While six⁴¹ prisons were selected on the basis of the stratified random sampling method, five⁴² prisons were selected due to their uniqueness and the high risks involved in their management. Besides, the records of the Jail Officers' Training School, Yeravada, and four⁴³ works divisions entrusted with the civil works of prisons were also test-checked. The

⁴⁰ Central prisons at Mumbai, Nagpur, Nashik and Yeravada; District Prisons at Solapur and Wardha; Mumbai District Women Prison; Swatantrapur Open Colony, Aatpadi; Paithan Open Prison; J.J. Hospital Prison, Mumbai and Borstal School, Nashik,

⁴¹ Central prisons at Nagpur, Nashik and Yeravada; District Prisons at Solapur and Wardha and Open Prison at Paithan.

⁴² Borstal School, Nashik; JJ Hospital Prison, Mumbai; Mumbai Central Prison; Mumbai District Women Prison and Swatantrapur Open Colony, Aatpadi.

⁴³ Maharashtra Jeevan Pradhikaran Works Division-II, Nagpur; PWD (West) Division, Aurangabad; PWD, Road Development Division No III, Panvel and PWD Works Division Wardha

audit objectives were discussed with the Principal Secretary, Home Department and IGP in an entry conference held on 30 April 2008 for the purpose. The audit findings have been discussed with the Principal Secretary and IGP in an exit conference held on 7 August 2008 and their views have been incorporated wherever applicable.

Audit Findings

3.3.6 Financial management

3.3.6.1 Budget provision and actual expenditure

The budget allocations and expenditure of the Department during the period 2003-08 were as under:

(Rupees in crore)

Year	Non Plan			Plan		
	Allocation	Expenditure	Saving (-) Excess(+)	Allocation	Expenditure	Saving (-) Excess.(+)
2003-04	111.20	86.40	(-)24.80	0.19	Nil	(-) 0.19
2004-05	92.68	97.02	(+) 4.34	Nil	Nil	Nil
2005-06	96.91	98.83	(+) 1.92	0.26	0.26	Nil
2006-07	92.67	92.96	(+) 0.29	0.50	0.50	Nil
2007-08	110.15	111.04	(+)0.89	0.70	0.70	Nil
Total	503.61	486.25	(-) 17.36	1.65	1.46	(-) 0.19

Savings of Rs 24.99 crore during 2003-04 were not surrendered

It may be seen from the above that there were savings of Rs 24.80 crore under Non-Plan allocations and Rs 0.19 crore under Plan allocations during the year 2003-04. The IGP stated (June 2008) that the savings under Non-Plan allocation during 2003-04 were due to non-sanction of the scheme of Modernisation of Prison Administration by GOI and return of some bills by the Pune Treasury with remarks. The savings under the Plan allocation were due to non-receipt of administrative approval for expenditure from the Government till 31 March 2004.

The reply was not tenable because the scheme of Modernisation of Prison Administration was approved by GOI in November 2002 and funds were released in March 2004. Further, Government should have accorded the administrative approval in time. The objection of the treasury should have been complied with and the bills got cleared expeditiously.

3.3.6.2 Utilisation of funds provided by the Eleventh Finance Commission

Central funds of Rs 4.78 crore were not received due to delayed utilisation of funds already received

Government of India, on the recommendation of the Eleventh Finance Commission (EFC), allocated Rs 8 crore for upgradation of Prison Administration in the State during 2000-05. The scheme consisted of upgradation of vocational training, medical facilities, internal development of prison kitchens and security arrangements in prisons. As per the conditions governing the grants, any grant remaining unutilised as on 31 March 2005

would lapse. Also, the release of further grants was subject to utilisation of the grants released earlier and submission of utilisation certificates thereof.

Scrutiny of records revealed that Rs 3.22 crore was released by GOI upto June 2003, of which only Rs 3.03 crore⁴⁴ was utilised by September 2005 and the balance by July 2008. Delay in utilisation was because the funds pertaining to the year 2003-04 were released at the end of the financial year i.e., in February 2004.

Due to failure of the Government to utilise EFC grant within the stipulated period, Government of India did not release the balance grant (Rs 4.78 crore), which adversely affected the upgradation of the prison administration as mentioned in paragraph 3.3.7.3.

3.3.6.3 Drawal of funds not required for immediate payment

As per Rule 282 (2) of the Maharashtra Treasury Rules, 1968, no money was to be drawn from the treasury unless it was required for immediate disbursement. Money also should not be drawn with the aim of preventing lapse of budget grants. It was, however, noticed that Rs 9.20 crore was drawn and deposited in personal ledger accounts (PLAs) during 2006-08 and was lying therein for periods ranging from 11 to 19 months as detailed below:

Rupees 5 crore was drawn during February 2007 (Rs 3 crore by the Superintendent, Yerawada Central Prison) and November 2007 (Rs 2 crore by the Superintendent, Thane Central Prison) for construction of a new prison at Palghar under the scheme for Modernisation of Prison Administration. The amounts were deposited in the PLA in the name of the Superintendent, Thane Central Prison between July and November 2007 as the plans and estimates of the work were not prepared by the Executing Agency.

Similarly, Rs 4.20 crore drawn between August 2006 and October 2007 for construction of a new prison at Gondia was deposited between February and October 2007 in the PLA of the Superintendent, District Prison Bhandara, as the land for the work had not been acquired.

3.3.6.4 Shortcomings in maintenance of cash book

As per Rule 98 of the Maharashtra Treasury Rules (MTR), 1968, all monetary transactions were to be entered in a cash book as soon as they occurred and were to be attested by the head of office in token of check. The cash book was to be closed regularly and completely checked. At the end of each month, the head of the office was to verify the cash balance and record a signed and dated certificate to that effect.

It was, however, noticed that these instructions were not followed by four out of 16 offices (excluding the Home Department) test-checked in audit as detailed in the following table.

⁴⁴ Vocational training: Rs 128.44 lakh; Development of kitchen: Rs 87.39 lakh and Medical facilities for inmates:Rs 86.99 lakh

Rs 9.20 crore was drawn contrary to the codal provisions to prevent the lapse of grants

Sr. No.	Name of the office	Irregularity noticed
1	Inspector General of Prisons, Pune	Certificates of verification of cash balances were not recorded since April 2005. Monthly abstracts of closing balances were not drawn
2	Yerawada Central Prison, Yerawada	Closing balances had not been worked out since November 2007. Entries of items of expenditure viz. salaries etc were not made since July 2006.
3	Deputy Inspector General of Prison, Western Region	Closing balances had not been worked out since March 2007.
4	Jail Officers Training School, Yerawada	Cash book had not been maintained since September 2007. Physical verification of cash balance had not been conducted since July 2006.

Scrutiny of the cash books in the office of the IGP also revealed that in the event of non-availability of sufficient grants, expenditure on petrol, diesel and other contingencies was being made out of the balances in the cash chest without making any entries in the general cash book, termed as 'out money expenses' which were recouped when the grants were available. Verification (10 June 2008) of the closing balance in the cash book and actual cash balance in the chest carried out in the presence of Audit, revealed a difference of Rs 15,46,951. Even considering the 'out money expenses' of Rs 15,28,293 utilised pending recoupment, there was a difference of Rs 18,658 which needed to be reconciled and rectified.

3.3.6.5 Pending detailed contingent bills

Submission of DC bills for Rs 69.49 crore drawn on 1,213 AC bills was pending

As per Rule 303 of MTR 1968, read with the Finance Department's orders of July 2000, detailed contingent (DC) bills in respect of amounts drawn on abstract contingent (AC) bills were to be submitted within one month of the dates of drawal of AC bills.

Scrutiny at IGP's office revealed that as of June 2008 submission of 1,213 DC bills for Rs 69.49 crore for the period April 1993 to January 2008 were pending. The IGP stated (August 2008) that DC bills for Rs 35.47 crore were pending for want of details from PWD to whom the amounts were given for construction works. Reasons for the pendency of balance amount were not furnished.

During the exit conference, the IGP stated (August 2008) that all the DIGs were instructed to submit the bills within one month.

3.3.7 Custody of Prisoners in safe and secure manner

The Prisons Act, 1894 and the Maharashtra Prisons (Safe Custody of Prisoners) Rules, 1970 are provided for custody of prisoners in a safe and secure manner. Scrutiny revealed the following shortcomings:

3.3.7.1 Shortage of security staff

Out of 3,782 sanctioned posts of security staff for all the prisons, 587 posts were vacant

Rule 2(i) of the Maharashtra Prisons (Safe Custody of Prisoners) Rules, 1970 required IGP to determine from time to time, the strength of jail guards for each prison for the safe custody of the prisoners. It was noticed that out of 3,782 sanctioned posts (during 1960 to 2008) of security staff for all the

prisons, 587 posts (16 *per cent*) were vacant as on 31 March 2008, for periods ranging from 12 to 18 months.

Detailed scrutiny of the staff position in the 11 test-checked prisons revealed that:

- the post of Superintendent was vacant in four⁴⁵ prisons.
- the six posts of Additional Superintendent were vacant in three⁴⁶ prisons.
- out of 116 sanctioned posts of Jailors, 25 posts were vacant in seven⁴⁷ prisons.
- out of 1,035 sanctioned posts of security guards, 90 posts were vacant in 10 prisons (except Open Colony, Atpadi).

The reasons for the posts lying vacant were not furnished by the IGP. The shortage of security personnel adversely affected the functioning of the prison.

During the exit conference, IGP stated (August 2008) that the review of manpower and establishment was being taken at all levels. He further stated that all necessary preparations are complete and the recruitment would be completed after the monsoon season is over.

3.3.7.2 Refresher training to the security staff

As per the provisions contained in the Maharashtra Prison Manual, 1979, a refresher course of two months, in every three years, for Superintendents and Jailors and a refresher course of one month in every four years for the other guarding staff were to be arranged. Scrutiny of records of IGP revealed that only 231 guards had undergone refresher training during the period 2003-08 against 3195 security staff of various cadres working in the department as of March 2008.

During the exit conference, IGP stated (August 2008) that as the limited training facilities/resources, available with the department were utilised to train regular recruits, the refresher training could not be conducted.

3.3.7.3 Modern security equipment in the prisons

Modern security equipments such as closed circuit televisions (CCTV), walkie talkies, X-ray searching devices, explosive detection devices, hand metal detectors, door metal detectors etc., were very important in maintaining the security of the prisons. The Model Prison Manual, 2003, which was yet to be adopted by the Government, also provides for supply of such equipment.

➤ Installation of closed circuit television

Scrutiny of the records of IGP revealed that the revised action plan for work to be undertaken out of the grants receivable as per the recommendations of EFC

⁴⁵ Nagpur Central Prison and Solapur District Prison, and Mumbai District Women Prison and Open Colony, Atpadi

⁴⁶ Mumbai, Nagpur and Yerawada Central Prisons.

⁴⁷ Mumbai, Nagpur, Nashik and Yerawada Central Prisons and Borstal School Nashik, Open Prison, Paithan and J.J. Hospital Prison, Mumbai.

Modern security equipment like closed circuit televisions, walkie talkies, X-ray screening devices etc., were not installed in the prisons

was submitted to the GOI in September 2003. This action plan included installation of CCTVs with camera and other relevant instruments in Mumbai and Thane Central Prisons and Byculla District Prison. However, the proposal of installation of CCTVs in all the Central Prisons was submitted by IGP to the Government only in November 2004 for approval. The scheme could not materialise due to non-receipt of Central funds as mentioned in paragraph 3.3.6.2.

Subsequently, Government decided to install CCTVs in Mumbai and Thane Central Prisons, on experimental basis. Accordingly, CCTVs were installed in Mumbai Central Prison in July 2008. In the meantime, Nashik Central Prison also installed CCTVs on the initiative of the Superintendent. In all other prisons the same were yet to be installed. Thus, though initiated in September 2003, the installation of CCTVs was not yet completed as of July, 2008. This resulted in depriving the prisons of modern security equipment.

During the exit conference, the IGP stated (August 2008) that the matter was under process and under consideration of the Government.

➤ **Installation of hand and door metal detectors, walkie talkies, X-ray screening machines**

Scrutiny of records of IGP revealed that most of the prisons in the State were not provided with hand and door metal detectors, walkie talkies and x-ray screening machines etc.

The IGP stated (January 2008) that the demands of such equipment would be obtained from the various prisons and consolidated and proposal would be submitted to the Government.

3.3.7.4 Recovery of prohibited items

Rules 17 and 18 of the Maharashtra Prison (Discipline) Rules, 1963 listed the articles which were prohibited inside the prison. These included bhang, ganja, opium and other intoxicants, cash, any implement capable of assisting escape of prisoners, firearms, weapons etc. Further, as per Rules 49 and 51 of the Maharashtra Prisons (Staff Functions) Rules, 1965 the gate keepers of the prisons were to search all persons entering in and going out of the prisons for preventing entry of any such articles into the prisons. Scrutiny of records at IGP's office revealed that there were 125 cases of recovery of prohibited items in 26 prisons during 2004-07. Of these, 46 cases pertained to narcotics, liquor, mobile phones and their spare parts and cash. It was further noticed that there was recurrence of such cases in Mumbai (8 occasions), Thane (6 occasions) and Yerawada (10 occasions) Central Prisons and Kalyan District Prison (6 occasions) which indicated laxity in the prison security system and the resultant security threat to the prisons and the prisoners.

The IGP stated (March 2008) that departmental action against the staff, responsible for such omissions, was already in progress.

There were 127 cases of recovery of prohibited items in 26 prisons during 2004-08

3.3.7.5 High rise buildings in the vicinity of prisons

As per the provisions of the Model Prison Manual, 2003, which was yet to be adopted by the Government, no building was to be constructed within 150, 100 and 50 metres of the prison walls of Central Prisons, District Prisons and Sub-prisons respectively. High rise buildings in the vicinity of prisons could cause security threats to the prisoners and the staff, making them prone to attacks from outside and could also facilitate easy interaction between the prisoners and outsiders. It was, however, noticed that a high rise residential building was being constructed by a private builder under the Slum Rehabilitation Scheme in the vicinity of the Mumbai Central Prison.



Highrise residential building under construction near Mumbai Central Prison

The Superintendent, Mumbai Central Prisons had requested (October 2007) the Brihanmumbai Municipal Corporation, the authority which grants permission for construction of building in Mumbai, to stop the work. The work is yet to be stopped.

During exit conference, the IGP stated (August 2008) that a committee had been formed on 26 July 2008 to look into the matter relating to high rise buildings in the vicinity of prisons.

3.3.7.6 Pending reports relating to custodial death

The Maharashtra Prison (Death of Prisoners) Rule, 1967 as amended in February 2000 laid down the procedure to be followed in respect of custodial deaths.

Such deaths were to be reported to the National Human Rights Commission (NHRC) and the Government within 24 hours of occurrence. Inquest reports were to be prepared and post-mortems were to be carried out to determine the causes of death and video-graphed in case of doubt. These reports were to be submitted to NHRC. District Magistrates were to enquire upon these cases and submit the reports to NHRC.

It was, however, seen from the records that a large number of such reports was pending as of February 2008 as follows:

Year (1)	Number of custodial deaths (2)	Number of reports pending			
		Inquest Report (3)	Post mortem Report (4)	Detailed Report (5)	Magisterial enquiry Report (6)
2003	139	1	15	3	130
2004	154	9	15	16	128
2005	116	22	51	25	107
2006	116	16	35	12	91
2007	121	24	50	48	119
Total	646	72	166	104	575

The IGP stated (March 2008) that the preparation of these reports depended on receipt of information from various other authorities. Since the information had been received late from these authorities, there were delays in submission of the reports. Delays in submission of the reports could hamper the enquiries into the violation of human rights, if any, by the NHRC.

During the exit conference, IGP stated (August 2008) that the IG Office was dependant on authorities such as District Magistrates, forensic laboratory, civil surgeons for obtaining the information relating to the death and cause of death. The matter was being pursued with these departments.

3.3.7.7 Custody and maintenance of armoury

The Maharashtra Prison Manual, 1979 provided for deployment of armed guards to protect stores and Government properties in order to resist attempts made to break into any parts of the prisons and to aid the authorities in suppressing violence or opposition of any kind.

The types of arms provided to the guards, their dates of acquisition and their present status were as follows:

Sr. No.	Name of weapon	Number of weapons provided	Year of procurement	Number of weapons in working condition	Number of weapons repairable	Number of weapons not working
1	.410 musket rifle	1078	October 1957	856	143	79
2	9mm pistol	139	Between June 1966 and September 1998	139	--	--
3	.38 revolver	35	Between May 1999 and June 2007	33	--	2
4	.455 revolver	18	Between June 1993 to June 1996	5	13	--

It may be seen from the above table that the armoury of the prisons consisted of 1078 antiquated 0.410 musket rifles purchased in 1957. Further, 143 musket

The armoury of the Department consisted of 1,078 outdated 0.410 musket rifles purchased in 1957

rifles and 13 revolvers required repairs. A total of 79 musket rifles were not in working condition. It was also noticed that the spare parts needed for repairs of the above-mentioned arms had not been provided for the last nine years. Also, though demands for ammunitions were submitted to the Director General of Police, Mumbai regularly, the same had not been supplied since 2005. The Principal, Jail Officers' Training School, Pune, the authority which was responsible for procurement and supply of the same, stated that a proposal for acquisition of new weapons had been submitted to the Government in January 2008; but sanction was awaited (June 2008).

Non-supply of modern weapons to security staff could seriously hamper the work of protection of the prisons.

During the exit conference, IGP stated (August 2008) that the manufacturing of 0.410 muskets and its ammunition was discontinued. It was further stated that a new weapon policy was being formulated.

3.3.8 Facilities and privileges for prisoners

3.3.8.1 Overcrowding in the prisons

As per provisions contained in the Maharashtra Prisons (Prisons Buildings and Sanitary Arrangements) Rules, 1964 the minimum space to be provided to the prisoners was as follows:

Particulars of space	Sleeping barracks	Cells	Hospital barracks
Ground space in square metres	3.71	8.92	5.58
Air space in cubic metres	15.83	33.98	23.75
Lateral ventilation in square metres	1.12	2.23	Not applicable

The capacity of each prison was fixed on the basis of the above norms.

As per information furnished by the IGP, the position of the capacity of the prisons, actual occupancy of prisoners and the percentage of occupancy rate during the period from 2003-07 in respect of all the prisons in the State was as under:

Year	Total capacities in all prisons	Actual average inmates population	Percentage of occupancy rate
2003-04	16216	23551	145.23
2004-05	16216	25019	154.28
2005-06	17931	25845	144.14
2006-07	17767	25765	145.02

The average occupancy in prisons during 2003-07 was 147 per cent of the capacities

The prison-wise details of occupancy during 2003-07 in respect of all the prisons in the State are given in **Appendix 3.11**.

It may be seen from the above table that the problem of overcrowding was very severe, the average occupancy rate being 147 per cent of the capacities during 2003-07. Detailed analysis of the prison-wise position of occupancy rates of the prisoners revealed that the position was very severe in 12 prisons⁴⁸, where the occupancy rates ranged from 157 to 402 per cent of the capacities. It was further noticed that during the same period, the average occupancy rates in the District Prisons at Akola, Sawantwadi and Visapur, Special Jail, Ratnagiri, J.J Hospital Prison, Mumbai and Borstal School Nashik ranged between 10 per cent and 64 per cent.



Undertrial prisoners sleeping in the corridor of Mumbai Central Prison

Overcrowding in prisons resulted in denial of the required ground, air and lateral ventilation spaces to the prisoners, which could affect their mental and physical health. It also put pressure on utilities such as water supply and sewerage systems. The work load of the security staff also increased, hampering their ability to control crime and violence in the prisons.

During exit conference, the IGP stated (August 2008) that the main reason for over crowding was large number of under trials who were to be kept in the district where they committed the crime. It was also stated that with the help of construction of new prisons and enhancing capacity of existing prisons, proper distribution of prisoners in all prisons and pressing the courts for speedy trials in pending cases so that the problem would be solved. The fact, however, remained that a large number of undertrials were languishing in prisons for considerable periods, which worsened the situation.

3.3.8.2 Delays in review of sentences

Rule 25 of the Maharashtra Prisons (Review of Sentences) Rules, 1972 provided for review of sentences of convicted prisoners, with life imprisonment or imprisonment for more than 14 years to explore the possibility of their premature release after undergoing a minimum sentence of 14 years.

Scrutiny of the records at the office of the IGP revealed that out of the 1,105 proposals of remission of sentences received during 2003-07, 148 proposals were pending as follows:

⁴⁸Mumbai and Thane Central Prisons and Chandrapur, Nanded, Wardha, Sholapur, Kalyan, Byculla, Alibag, Buldhana, Parbhani and Ahmednagar District Prisons

Year	Proposals received from prisons	Proposals pending at IGP's office	Proposals pending at Government level
2003	148	Nil	Nil
2004	155	Nil	Nil
2005	368	1	2
2006	207	8	7
2007	227	90	40
Total	1105	99	49

As per the procedure laid down in the Prison Manual, 1979 and subsequent Government circular of August 2004, the proposal for premature release of prisoners should be initiated after completion of 12 years of imprisonment and all the formalities should be completed and proposal submitted to the Government 12 to 14 months prior to the completion of 14 years of imprisonment.

Detailed scrutiny of cases pending in IGP's office revealed that in 54 cases, the prisoners had already completed 14 years as of May 2008. These cases were pending in the IGP's office for periods ranging from less than one month to 28 months. It was further noticed that 16 proposals were received in IGP's office only after completion of 14 years of imprisonment by the prisoners.

The reasons for such delays though called for, was furnished only in respect of five cases. In four out of five cases the prisoners were absconding and in one case the prisoner had been awarded another sentence of three years. In other 49 cases no reasons have been given.

3.3.8.3 Non-provision of Open Prisons and Borstal School for women

As per the Maharashtra Open Prisons Rules, 1971, Open Prisons were set up with the object of saving those prisoners undergoing life imprisonment and long term imprisonment from the ill-effects of imprisonment and continuous exposure to the criminals.

There were three Open Prisons at Aurangabad, Paithan and Yerawada for male prisoners. However, no such Open Prison had been provided for female prisoners in the State. Further, there was one Borstal School for young male offenders aged 16 to 23 years. But no such school was provided for young female offenders. Women prisoners were thus denied the benefits of Open Prisons and Borstal School.

During the exit conference, IGP stated (August 2008) that proposal for starting an Open Prison at Yerawada for female prisoners was submitted to the Government and was under consideration.

3.3.9 Rehabilitation of prisoners

The ultimate objective of the prison administration was reformation and rehabilitation of offenders, shifting the emphasis from the custody and control of prisoners to their training and treatment. This was also stressed in the Model Prison Manual, 2003. Prisons needed to be equipped with facilities which enabled the prisoners to "Learn and Earn". With this end in view, 11

Open Prisons, Open Colonies and Borstal School were not established for women

small-scale industries were set up in the prisons of the State. An appraisal of the performance of the prison industry revealed the following:

3.3.9.1 Provision of small-scale industries in District Prisons

Industries were not established in 26 prisons

The prison industries were being run in seven Central Prisons (Mumbai Central Prison handled only undertrials) and four (out of 30) prisons viz., Paithan and Yerawada Open Prisons and Akola and Dhule District Prisons. There was no scope for providing industries in four⁴⁹ prisons. As such, 3026 prisoners at the remaining 22 prisons were not provided with the opportunities to train in gainful industrial activities, defeating the very objectives envisaged by the Prison Department.

During exit conference, the IGP stated (August 2008) that review of prison industry was being taken and this aspect would be considered.

3.3.9.2 Manufactured cloth lying undelivered

It was observed that 31,504 metres of grey cloth valued at Rs 30.24 lakh, and 65,623 metres of khaki polyester cloth valued at Rs 63 lakh manufactured against supply orders (August 2002) of the Police Department were lying with the prisons since May 2005 and April 2006 respectively, as the Police Department had subsequently changed its requirements to fibre dyed khaki polyester viscose cloth, resulting in blockage of Government funds of Rs 93.24 lakh.

3.3.9.3 Outstanding recoveries on account of sales by prison industries

The various products such as office furniture, wooden and iron doors and windows, office articles, curtain cloths, bed-sheets etc., produced at the prisons were sold to various Government, non-Government and private agencies. Scrutiny of records of IGP revealed that as of March 2008 an amount of Rs 7.63 crore was due for recovery from various Government departments (Rs 7.39 crore), non-Government organisations (Rs 13.49 lakh), private persons and institutions (Rs 2.52 lakhs) and staff (Rs 8.43 lakh). The year-wise break up of the outstanding dues is as follows:

(Rupees in lakh)

Upto 2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Total
348.51	46.61	46.36	55.83	72.63	193.08	763.03

During the exit conference, IGP stated (August 2008) that the matter was being looked into on priority basis.

3.3.10 Modernisation of prison administration

3.3.10.1 Incomplete works under the scheme of modernisation of prisons

In recognition of the need to improve the condition of prisons, GOI introduced (November 2002) the Modernisation of Prison Administration scheme and sanctioned Rs 129.16 crore (Central share Rs 96.87 crore and State share Rs 32.29 crore) during 2002-07 which was extended upto March 2009. The

⁴⁹ Borstal school, Nashik; J.J. Hospital Prison, Mumbai; Aurangabad Open Prison; Open colony, Atpadi.

funds were to be utilised for construction of new prisons, repairs and renovation of existing prisons, construction of staff quarters and improvement in water supply and sanitation. As per the guidelines of the scheme, the State Government was required to submit a five year perspective plan (FYPP) for the period 2002-07 and annual action plan (AAP) each year to GOI for approval. Central funds were to be released as per the approved AAP proportionate to the utilisation of funds released in previous years by the State. Position of the works undertaken under the scheme as on 31 March 2008 was as under:

Sr. No.	Description of works	Number of works proposed	Number of works completed	Number of works in progress	Number of works not yet started
1	Construction of new prisons	09	01	06	02
2	Repairs and renovation of existing prisons	42	33	07	02
3	Construction of staff quarters	14	02	11	01
4	Improvement in sanitation and water supply	05	04	01	-
	Total	70	40	25	05

Out of 70 works taken up under the Modernisation of Prison Administration Scheme, 25 works were in progress and five works were not started

It may be seen from the above that even after the expiry of one year of the extended period of two years, only 40 works (57 per cent) were completed. While 25 works (36 per cent) were under progress, five works (seven per cent) had not even been started. Reasons for delay in completion of the works were not furnished by the IGP. It was, however, noticed that there were delayed release of funds by 4 to 12 months and frequent revision of FYPP and the AAPs by the Government which resulted in delays in commencement and completion of the work.

3.3.10.2 Delay in construction of Taloja Central Prison

Construction of a Central Prison at Taloja, Navi Mumbai to deal with the problem of increasing crime in Mumbai and overcrowding of prisoners in the nearby Thane Central Prison and the Kalyan District Prison was entrusted to the Public Works Department (PWD) in July 1995. The project was initially taken up through State funds but was later brought under the Centrally sponsored scheme of Modernisation of Prison Administration since 2003-04 and Central funds of Rs 27.10 crore were released for the project. Initially the work was very slow as the site was situated in remote locality without proper approaches, water supply arrangements etc.

The stipulated date of completion of the work was extended upto March 2006. The work was reported as completed by PWD in March 2008 at a cost of

Rs 51.29 crore. The prison authorities, however, did not take the formal possession of the new prison on the ground that various minor civil works and electrical works were incomplete, various defects in civil and electrical works were to be rectified and regular pipelines for carrying sewage to the main sewer line and waste water from kitchen and bathrooms to main drainage were not provided.

Pending the rectification works and some ancillary works, the prison was started in March 2008 on experimental basis transferring 70 prisoners there. As of June 2008, 302 prisoners were lodged there, as against the capacity of 2,124 prisoners.

Thus, the prison which was to be completed by March 2006 had not been made operational fully as of June 2008, after incurring an expenditure of Rs 60.06 crore (including land cost of Rs 8.77 crore).

During the exit conference, IGP confirming the facts attributed (August 2008) the non-utilisation of the facilities to unsatisfactory construction by PWD.

3.3.10.3 Computerisation of prison administration

Computerisation of the Department was envisaged by the Government as far back as 1999 for prompt management of information, data collection and meaningful interaction with the other limbs of criminal justice system. The Department initially approached NIIT in 1999, NCRB in 2000 and C-DAC in 2003 for the process of computerisation but due to some reason or the other there was no progress. The Mumbai High Court in its judgment of 2004 directed the State Government to complete the computerisation of all the prisons by 31 March 2006. The Government approached the National Informatics Centre (NIC), Pune in 2005 and signed a Memorandum of Understanding (MOU) on 29 August 2005 to complete the project within six months. Further, while software was to be developed by NIC free of cost, expenses for traveling, training and documentation was to be paid to it as operational cost. The Home Department sanctioned (January 2006) Rs 26.70 lakh towards computerisation of the Yerawada Central Prison as a pilot project. Out of this, Rs 22.60 lakh worth of hardware was received by the prison authorities in November 2006. The balance (Rs 4.10 lakh) was paid to NIC towards travel expenses, documentation etc.

Although software prepared by NIC was tested at Yeravada Prison, no acceptance certificate was issued to NIC since the project was not fully operational at Yeravada Prison itself. Hence, the Department informed (December 2007) NIC that the project could not be completed as per contractual period and they had difficulties in operating important modules. The matter was not followed up. Hence, the entire expenditure of Rs 26.70 lakh incurred on the programme was rendered unfruitful. Besides, the desired objectives of the computerisation programme were not achieved.

During the exit conference, the IGP stated (August 2008) that the matter was under consideration of the Government.

3.3.11 Monitoring and internal audit

3.3.11.1 Appointments of non-official members and representatives of the National Human Right Commission on the Board of Visitors

Non-official members of Board of Visitors were not appointed in 32 prisons

The Maharashtra Visitors of Prisons Rules, 1962 provided for constitution of a Board of Visitors for each prison consisting of ex-officio and non-official members. Further, as per Government orders of February 2003, a representative of the National Human Rights Commission was also to be nominated as a member of the Board of Visitors. The Board was to conduct prison inspections to hear and attend to all representations and petitions made by the prisoners.

It was noticed that non-official members were not appointed (October 2007) in 32 prisons. Similarly, representatives of the National Human Rights Commission were appointed only in 18 out of 38 prisons as of October 2007.

During the exit conference, the IGP stated (August 2008) that the matter was under consideration of the Government.

3.3.11.2 Inspection of prisons by the Inspector General of Prisons

IGP had not carried out inspections of four Central prisons and all the 13 District Prisons Class-I during 2003-08

As per para 9(i) of the Maharashtra Prisons (Staff Functions) Rules, 1965 the IGP was to inspect every Central Prison, Special Prison and District Prison Class I, at least once in three years to ensure the proper functioning of prisons and treatment of prisoners. Scrutiny of records of IGP revealed that four (Amravati, Aurangabad, Nashik and Thane) out of eight Central Prisons and all the 13 District Prisons Class-I were not inspected by the IGP during 2003-08. This resulted in inadequate monitoring of the proper functioning of the prisons.

During the exit conference, the IGP stated (August 2008) that this was neglected in the past and would be taken up on priority basis and completed in a scheduled time frame.

3.3.11.3 Internal audit

Internal audit of 42 units was pending for periods ranging upto 35 years

An Internal audit wing was constituted in 1996 in the office of the IGP. It was however, seen from the records that as on 31 March 2008, internal audit of 42 various prisons and allied offices were pending for periods ranging up to 35 years. It was further noticed that 2,913 internal audit paras pertaining to the period from 1971-72 to 2003-04 relating to 37 offices were outstanding as of July 2008.

The large number of units pending for inspection and internal audit paras outstanding for such long periods indicated that the internal audit in the department was inadequate.

During the exit conference, IGP stated (August 2008) that two teams had been formed to conduct the internal audit and the same would be completed in a scheduled time frame.

3.3.12 Model Prison Manual

The Model Prison Manual 2003 was forwarded by the Home Department of the Government of India to the State Government in December 2003 for

adoption. Accordingly, a committee consisting of a DIGP, one Superintendent of Central Prison, one Superintendent of District Prison and a Research Officer was constituted for study of the same. The Committee submitted the report to the Government in April 2005. However, Government approval to the same was awaited (August 2008).

During the exit conference, the Principal Secretary stated (August 2008) that the Manual has been divided into parts and given to the Deputy IGPs for detailed study and comments.

3.3.13 Conclusion

The management of prisons in the State was found to be deficient. The State was denied of Central funds due to non utilisation of funds already received within the stipulated time. Provisions of financial codes were not adhered to in the maintenance of the cash books. Many posts of security staff were lying vacant. Modern security equipments like close circuit televisions, walkie talkies, X-ray screening machines etc., were not provided in the prisons. Many prisons were overcrowded and the average occupancy was 147 *per cent*. There were delays in reviewing the sentences of prisoners. Open Prisons and Borstal school for women were not provided. Many works under the Centrally sponsored scheme of Modernisation of Prison Administration were incomplete. Appointments of non-official members and representatives of the National Human Rights Commission on the Board of Visitors constituted for conducting inspection of the prisons and hearing and attending the complaints of the prisoners was pending. Inspection of prisons was not carried out regularly by the IGP. The internal audit of various units, was pending for long periods. The Model Prison Manual formulated by the Government of India was not adopted even after four years of its receipt.

3.3.14 Recommendations

Government should:

- ensure expeditious utilisation of Central funds.
- strengthen security arrangements of prisons by procuring modern security equipments.
- solve the problem of overcrowding of prisons by early completion of new prisons and also by transferring prisoners to prisons which are underutilised.
- expedite the appointment of non-official members and representatives of the National Human Right Commission on the Board of visitors.
- ensure that the IGP carries out the inspections of the prisons regularly and the internal audit of all the units are carried out in a time-bound manner.
- consider adoption of the Model Prison Manual, 2003 without further delay.

The matter was referred to the Principal Secretary to the Government in July 2008. Reply had not been received (August 2008).

Housing Department

3.4 Information Technology Audit of Lottery and Flat Allotment System in the Maharashtra Housing and Area Development Authority

Highlights

Application form as well as application systems lacked essential information about applicants.

(Paragraph 3.4.8.1)

Duplicate applications for tenements under the same category had been considered in respect of 34 and 112 cases for the lottery held in the years 2006 and 2005 respectively.

(Paragraph 3.4.9.2)

Same applicants had applied for tenements under more than one income group in respect of 680 and 348 cases considered for lottery drawn in the years 2006 and 2005 respectively.

(Paragraph 3.4.9.3)

Tenements were allotted to applicants even when they were tenement holders with MHADB through the lotteries held in 2005 and 2006. In the lottery held in 2005, two tenements were allotted to the same applicant.

(Paragraph 3.4.9.4)

Sixty two out of 160 tenements having a total sale price of Rs 2 crore, located at Mankhurd and meant for the 'Low Income Group' in respect of the lottery held in July 2006 were yet to be allotted.

(Paragraph 3.4.10.2)

3.4.1 Introduction

The Maharashtra Housing and Area Development Authority (MHADA) was established on 5 December 1977 by the Maharashtra Housing and Area Development Act, 1976. The Authority has nine regional boards. The Mumbai Housing and Area Development Board (MHADB), is one of the executive arms of MHADA. The activities of this Board include construction of residential buildings under different schemes for different sections of the society within the jurisdiction of Mumbai city and the Mumbai Suburban District.

The sale of tenements was governed by the Maharashtra Housing and Area Development (Estate Management, Sale, Transfer and Exchange of Tenements) Regulations, 1981 (Regulations). During the years 2005 and 2006,

the number of tenements advertised for sale by MHADB was 3184, costing Rs 403 crore and 1871, costing Rs 234 crore respectively.

Computerisation of the various functions of MHADB was initiated in December 1995. Application software being used by MHADB for their activities relating to the processing of applications for tenements, picking of lotteries and allotment of tenements were 'Application Form', 'Lottery Management System' and 'Marketing Cell' respectively. The salient features of these applications which were operational in MHADB as of April 2008 were as under:

3.4.1.1 'Application Form' application

The 'Application Form' application in use since January 2005 was developed by the National Informatics Centre (NIC), Pune using MS Access as RDBMS and Visual Basic as the front end tool on a Windows operating system. The software was supplied to various bank branches assigned for collecting applications on behalf of MHADB. The preliminary data captured by the bank was thereafter scrutinised by the Marketing Cell of MHADB before transfer to the 'Lottery Management System' for drawing the lotteries.

3.4.1.2 'Lottery Management System' application

The 'Lottery Management System' application was developed in June 2006 by M/s Vigigraphics using Sybase as RDBMS and Power Builder as the front end tool on the Windows operating system. For the drawal of lotteries, information such as various schemes, categories and number of applicants to be drawn for winner lists/wait lists were entered in the system. Thereafter, the system internally generated random numbers and picked the applicants on a random basis to generate the lists of winners and waitlisted applicants. This application was in use since July 2006.

3.4.1.3 'Marketing Cell' application

The 'Marketing Cell' application for processing post lottery activities of the Marketing Cell was developed by NIC using SQL Server as RDBMS and Visual Basic 6 as the front end tool on a Windows operating system. The application was designed for recording allotment of tenements, issuing offer letters and allotment letters to the winners of lotteries and for capturing payments made by the allottees. It was in use since June 2005. The data pertaining to lottery winners and wait-listed applicants is imported into the application from text files generated from the 'Lottery Management System' application. Data relating to lotteries held in 2005 and 2006 were available in this application system.

3.4.2 Organisational set-up

MHADB is headed by a Chief Officer and its Marketing Cell is headed by a Director. The computer operations are managed by the Computer Wing of MHADB which is headed by a Chief Engineer who is assisted by a Deputy Chief Engineer.

3.4.3 Scope of audit

Information Technology (IT) Audit of the Lottery and Tenements Allotment system of MHADB was conducted during April 2008, covering data in respect of applications for tenements and allotment of tenements in respect of two lotteries held on 14 June 2005 and 11 July 2006 by MHADB.

3.4.4 Audit objectives

The audit objectives were to evaluate:

- the effectiveness of the application in respect of lotteries and tenement allotments.
- the methodology for development/ modification of the application
- the incorporation of business rules in the application.
- the adequacy of audit trails available in the system.
- the adequacy of security controls to ensure the integrity of data.

3.4.5 Audit methodology

The audit commenced with an entry conference held on 9 April 2008 with the officials concerned of MHADA and MHADB. The data from the auditee was analysed using Computer Assisted Audit Techniques (CAATs). The application and data were examined with reference to the Maharashtra Housing and Area Development (Estate Management, Sale, Transfer and Exchange of Tenements) Regulations, 1981. The audit findings were discussed with the officials of the MHADB in an exit conference held on 9 September 2008.

3.4.6 Audit Findings

As the applications viz., 'Application Form', 'Lottery Management System' and 'Marketing Cell' were related to important activities of MHADB, it was imperative that the software being used incorporated all the user requirements completely, mapped all the business rules, maintained data integrity and generated all the information required from such systems to ensure transparency, accountability and service to the citizen. Deficiencies in this regard are discussed in the following paragraphs.

3.4.7 System development

An application software is required to go through all the stages of system development such as identification of user requirements, system requirements, testing and implementation to ensure that all lacunae are identified and rectified at the time of systems development and all business rules are incorporated in the software.

The 'Application Form' and 'Marketing Cell' applications developed by NIC and the new lottery management system (LMS) with enhanced functionalities and security features developed in June 2006 by M/s Vigigraphics did not have any documentation relating to the various stages of system development.

The 'application form' and 'marketing cell' applications did not have any documentation of various stages of system development

In reply, the Deputy Chief Engineer, Computer Cell, MHADB stated (April 2008) that the documents in respect of ‘Application Form’ and ‘Marketing Cell’ applications had not been prepared by NIC and the size and complexity of the LMS software was very small and hence the System Development Life Cycle (SDLC) was not felt necessary.

The fact remains that by not following a systematic system development adequately supported by proper documentation, all business rules were not mapped into the system. The application developed had deficiencies and insights into the functioning of the application was not available that could also ensure business continuity in case of any emergent situation.

3.4.8 Input information

In a database, where the data entry is manual, the data is entered through the input source documents. It is important that the input source documents are structured, capture all the necessary information and correspond to the input form of the application system. The input source document should be appropriately authenticated and authorised. This ensures that the data fed into the application system is correct, complete and uniform.

3.4.8.1 Insufficient applicant data

The application form (input source document) for the tenements which was used as an input form for data entry by MHADB as well as the application system were deficient in respect of the following:

- A column for date of birth was not prescribed in the application form. Instead, the years completed by an applicant was required to be filled. Further, whereas the brochure for the tenements mentioned that the applicant should be more than 18 years of age on the date of submission of application, the application form indicated that an applicant below 18 years of age on the date of advertisement would not be eligible to apply.
- There was no column in the application form for writing the applicant’s gender.
- There was no provision in the application system to capture an applicant’s monthly family income though the application form had a column prescribed for this purpose.
- To uniquely identify an applicant, a PAN or Voter ID number was required. It was noticed that there was no provision in the application system to capture the PAN though the application form had a column prescribed in this regard.
- The application form was not in a structured format which would have aided in better capture of data and subsequent analysis once it was transferred to the computerised system.
- The application system did not have a provision to capture an applicant’s photograph.

The application form (input source document) had many deficiencies

The deficiencies in the data captured was a constraint in detecting the invalid applications viz., applicants applying more than once under the same scheme and category, applicants applying across multiple income groups and underage applicants. Such invalid applications were identified in audit using parameters such as name, age and address of applicants.

3.4.8.2 Deficient input records in ‘Marketing Cell’ application

The Board did not have any laid down procedure for feeding data into the application system

A study of the data entry procedure in respect of the Marketing Cell application revealed that MHADB did not have a laid down procedure and prescribed document for feeding data into the application system. Further, it was noticed that the details were also being maintained manually in a register.

A comparison of both data and the details in the register of the lottery held in June 2005 in respect of Scheme No. 195 for ‘General Public’ (GP) and ‘Scheduled Caste’ (SC) categories revealed the following:

- The details relating to the application number, lottery priority number, payment details, allotment date and possession dates were not entered in the manual register and it was not being reviewed regularly by the higher authorities. Entries relating to 188 out of 253 in the case of GP and 39 out of 54 in the case of the SC category have not been authorised by the Director, Marketing.
- There were differences in the allotment figures shown in the manual register and the application system as shown below:

Category	Number of tenements available	Number of Allotments	
		As per the computer application	As per the register
GP	253	234	253
SC	55	53	55

In addition to this, the application did not also have provision for authorisation of data input.

The Director Marketing, MHADB stated (July 2008) that due to heavy workload, some details were not recorded and the differences were due to the data loss.

This proved that the data in the application system was incomplete and unreliable.

3.4.9 Mapping of business rules

Business rules and regulations were not mapped into the application system allowing undue benefits to the applicants

Inadequate system development methodology followed by MHADA led to inadequate mapping of business rules and relevant controls. Mapping of business rules, regulations etc. in the application systems ensure that such rules are followed while processing the data captured in the system. It was observed during audit that many such rules were not mapped into the application system thus allowing undue benefit to applicants as discussed in the following paragraphs:

3.4.9.1 Non-detection of applicants below 18 years of age by application software

The application system failed to detect applicants below 18 years of age

As per the regulations in force, persons below the age of 18 years would not be eligible to apply for any tenements. Scrutiny of data revealed that in the lottery held in June 2005, four applicants below 18 years were considered out of which one person was among the declared winners and one person was selected as a waiting list candidate. In the lottery held in July 2006, 318 such applicants were considered, out of which 26 were winners and 28 were selected as waiting list candidates.

The Director Marketing, MHADB stated (July 2008) that allotment of tenements was made only after scrutiny of the applicants' forms and it was found that the applicants were all above 18 years.

This shows the absence of validation of the data in the system before using the same in lotteries.

3.4.9.2 Non-detection of duplicate applications

The application software could not detect duplicate applications

As per the terms and conditions, only one application could be submitted by an applicant for any particular category, failing which all the applications of that applicant under that category would be rejected. Analysis of the database of applicants revealed that:

- 112 cases of duplicate applications were found in the data used for the lottery in 2005. Fifteen applicants from these cases were selected in the confirmed list and four were selected in the waiting list.
- 34 cases of duplicate applications were found in the data used for the lottery in 2006. Out of these, two applicants were selected in the waiting list.

Absence of input controls to disallow duplicates has resulted in undue benefit to such applicants. The Director Marketing, MHADB accepted (July 2008) the absence of such provision in the application and stated that the issues would be examined in detail.

3.4.9.3 Non-detection of applicants applying under different income groups

MHADB provided housing to various income groups⁵⁰ at different rates. The applicants under each income group were eligible for applying for the relevant tenements for those income groups only. Data analysis revealed that:

- 172 applicants who had applied under more than one income group were considered for the lottery held in 2005. Out of these, 134 applicants got selected in the lottery.

⁵⁰ Lower Income Group (LIG), Middle Income Group (MIG) and Higher Income Group (HIG)

- Three hundred and thirty eight applicants who had applied under more than one income group were considered for the lottery held in 2006. Out of these, 85 applicants got selected in the lottery.

The Director Marketing, MHADB accepted (July 2008) the facts and stated that there was no provision in the application software to detect such duplication.

3.4.9.4 Non-detection of applicants owning more than one tenement

Regulations stipulated that a person already in possession of any tenement either from MHADB or in the municipal area under jurisdiction of Mumbai would not be eligible to apply for any tenement. Data analysis revealed that:

- Two tenements were allotted to one applicant in the lottery held in 2005 (**Appendix 3.12**).
- Two tenements were allotted to two applicants in 2005 as well as 2006 (**Appendix 3.13**).
- Four applicants already owning tenements prior to 2005 were again allotted tenements in 2005 and 2006 (**Appendix 3.14**).

The Director Marketing, MHADB accepted (July 2008) the facts and stated that necessary action would be taken.

3.4.9.5 Floor-wise allotments of tenements not according to the priority of lottery numbers

As per the regulations in force the allotment of tenements have to be done floor-wise using priority numbers, commencing from the first floor upwards and the ground floor would be allotted after all the upper floor tenements was completed.

Test-check of allotment details of 400 tenements under scheme code 197 under the GP category revealed that 24 tenements (**Appendix 3.15**) were not allotted according to the priority numbers.

The Director Marketing, MHADB replied (July 2008) that change of tenement on applicant's request was considered on payment of Rs 5000, provided vacant tenement was available. The reply of MHADB was not acceptable as sufficient number of successful as well as waitlisted applicants were available for this category and the facts could not be verified as well since the records to that effect were not furnished.

3.4.10 Other points of interest

3.4.10.1 Allotments to waitlisted applicants not in serial order

Allotment of tenements was to be carried out according to their priority numbers. However, an analysis of the post-lottery database for the lotteries held in 2005 and 2006 revealed that such allotments had not been carried out in the order of priority in respect of fifteen cases (**Appendix 3.16**).

The application software failed to detect duplicate applicants who were already owning more than one tenement

In fifteen cases (2005 & 2006) the allotment of tenements was not made as per priority

MHADB did not provide the records pertaining to wait-listed applicants not considered and the Director Marketing, MHADB stated (July 2008) that an explanation would be given after detailed examination of the matter.

3.4.10.2 Delay in allotment of tenements

As per rules in force payments for allotments should be made within 90 days from the issue of provisional offer and could be further extended by 45 days.

In the lottery held in July 2006, out of the 969 applicants for 160 tenements under scheme code 138 (GP), 160 applications were selected as confirmed and another 160 as waiting list. It was noticed that only 98 tenements had been allotted within 20 months from the month of lottery and 62 tenements with a total sale price of Rs 2 crore were still to be allotted as on March 2008. It was also noticed that no Management Information System (MIS) reports had been designed in the 'Marketing Cell' application to monitor the timely allotment of tenements.

The Director Marketing, MHADB stated (July 2008) that the files in respect of the 62 tenements were under process. Audit holds that such delays would result in blocking of funds and in the absence of MIS reports the computerised system could not be fruitfully utilised to monitor the allotment process.

3.4.11 Security

Every organisation should stipulate an IT security policy, clearly stating the organisation's priorities. By enunciating an IT security policy, the organisation would demonstrate its ability to reasonably protect all critical business information.

3.4.11.1 Lack of IT Security policy

It was noticed that no security policy had been formulated to ensure the security of the data by adopting a password policy, incorporating logical access controls, segregation of duties and roles of the users, monitoring and follow up of security violations, if any, promoting user awareness through training, etc.

The Deputy Chief Engineer, Computer Cell, MHADB stated (May 2008) that an IT security policy would be formulated.

3.4.11.2 Lack of audit trails

Access to all the modules of the 'Marketing Cell' application was through a single user name and password. Thus, the application lacked audit trails, which were required to identify the users responsible for entering, modifying and deleting data regarding applicants.

The Deputy Chief Engineer, Computer Cell, MHADB stated (April 2008) that the deficiencies pointed out, would be considered during future development of software.

The Marketing cell application did not have any MIS feature so as to monitor the timely allotment of tenements

MHADB did not have any IT security policy

The Marketing cell application lacked audit trails

Data lost during a hard disk crash in October 2006 could not be retrieved

3.4.11.3 Inadequate backup initiatives

It was noticed that due to lack of regular backup, the data lost during a hard disk crash in October 2006 could not be retrieved. Though back-ups were taken after the incident, the backups were kept in the server room itself and no records were kept regarding the frequency of backups taken, the media used for backups and the persons assigned for taking backups.

The Deputy Chief Engineer, Computer Cell, MHADB stated (May 2008) that a Disaster Recovery plan would be formulated.

3.4.12 Conclusion

MHADB could not utilise IT for ensuring the credibility of its activities relating to allotment of tenements even 12 years after the initiation of the computerisation project. The deficiencies brought out in the report above, point to an adhoc approach towards the utilisation of computerised systems which delivered an unreliable system, with deficient data that could not invoke all the business rules of the MHADB and its schemes. The reliance on scrutiny by its officials and maintenance of manual records in addition to that in the computerised system, further made the recourse to computerisation questionable. Inappropriate utilisation of IT applications thus led to genuine applicants being denied a fair chance through the lottery.

3.4.13 Recommendations

MHADB should:

- follow a documented systems development methodology in respect of development of application software;
- modify the system by incorporating controls for ensuring correct mapping of all business rules like age restriction on applicants, disqualification of applicants in case of duplicate application for tenements, applications under different income groups, applicants owning more than one tenement etc.;
- use appropriate and structured input source documents to facilitate complete and correct data inputs;
- take regular backups of data and store the same off site;
- formulate and implement IT security policy and disaster recovery plan;
- design appropriate MIS to make an effective use of the computerised system.

The matter was referred to the Secretary to the Government in July 2008. Reply had not been received (August 2008). However, during the exit conference, the Chief Officer, MHADB while accepting the audit observations stated that the existing system was old and the points would be taken care of in the on-going computerisation project.