

CHAPTER III

PERFORMANCE REVIEWS

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This chapter presents two reviews and three long paragraphs. The Performance Audit includes review of functioning of Social Welfare and Women and Child Development Departments and a long paragraph on Performance of Colleges imparting Higher education. The Audit of regulatory function of the Government includes a review on Implementation of Drugs and Cosmetics Act, 1940 and two long paragraphs viz., Implementation of Pondicherry School Education Act, 1987 and Prevention and Control of Fire.

HEALTH DEPARTMENT

3.1 Implementation of Drugs and Cosmetics Act, 1940

Highlights

Inadequate manpower, lack of direction due to the absence of a Controlling Authority, insufficient infrastructure coupled with untrained Drug Analyst contributed to the poor performance under Drug Control in terms of inspection, sampling, testing and legal follow up. There was lack of co-ordination among the officials, non-availability of proper records and data and absence of monitoring. Thus, the implementation of the Act in Union Territory did not match up to the expectations envisaged in the Act, Rules and instructions issued by Government of India.

Significant points noticed during test-check were:

- Controlling Authority was not appointed to monitor and regulate the functions of Drug Inspectors. The manpower for enforcement was far below the norms suggested by Task Force. The Drug Testing Laboratory lacked adequate infrastructure and the Drug Analyst did not possess adequate experience required to be notified as Government Analyst under the Act.

(Paragraphs 3.1.4 to 3.1.8)

- Intelligence and legal machinery recommended by Task Force to combat spurious drugs was not set up.

(Paragraph 3.1.9)

- Licences were issued for manufacturing Ayurvedic and Siddha Medicines based on the report of Drug Inspector, who did not have the prescribed qualification/training.

(Paragraph 3.1.11)

- Licensing Authority had not monitored the issue/renewal of licences. There were delays in renewal of licences ranging from 6 months to 24 months. Additional fee for renewal of licences amounting to Rs 5.03 lakh was not collected.

(Paragraphs 3.1.16, 3.1.18 and 3.1.19)

- The shortfall in number of inspections ranged from 32 to 64 per cent when compared to the norms.

(Paragraph 3.1.25)

- The number of samples of drugs taken for testing was meagre and no cosmetic sample was taken. There was no follow up action in respect of drugs found to be sub-standard.

(Paragraphs 3.1.29 to 3.1.31)

Introduction

Government of India (GOI) promulgated the Drugs and Cosmetics Act, 1940 (the Act) and framed Drugs and Cosmetic Rules, 1945 (the Rules) to ensure manufacture, sale and distribution of drugs and cosmetics of prescribed standard and quality. The Act also applies to patent or proprietary medicines relating to Ayurvedic and other systems of medicine and to cosmetics. A list of some of the important allied Acts with their objectives is given in Appendix 11.

Scope of Statutory Functions

3.1.1 This is a Central Act and is applicable to the whole of India. The responsibility for enforcing the provisions of the Act is distributed between the Central and State Governments. The main functions entrusted to the State Government by the Act are (a) licensing of drug manufacturing and sales establishments (b) licensing of drug testing laboratories (c) approval of drug formulations for manufacture (d) monitoring of quality of drugs and cosmetics manufactured by respective state units and those marketed in the state (e) investigation and prosecution in respect of contravention of legal provisions (f) administrative actions to regulate the standards of imported drugs (g) pre- and post-licensing inspection and (h) recall of sub-standard drugs.

Scope of Audit

3.1.2 While parameters of control are devised by the Central Government, these are required to be actually implemented by the State Government. Audit examination of the implementation of the Drugs and Cosmetics Act, 1940 adopts the areas of possible dereliction as critical indicators for the level of implementation. The regulatory parameters where dereliction occurs, particularly in the areas of licensing, approval, monitoring, prosecution, inspection and recall of sub-standard/spurious drugs were reviewed in general covering the period 1998-2003 and the important points noticed are discussed in the succeeding paragraphs.

Implementation arrangement

3.1.3 The Drug Controller General (India) at New Delhi, with the assistance of zonal officers, co-ordinates the implementation of the Act. In the Union Territory of Pondicherry (UT), the Act is implemented by the Director of Health and Family Welfare Services (Director). He is assisted by an Assistant Commissioner and four Drug Inspectors (for enforcing the Act and Rules) and one Government Analyst and two Manufacturing Chemists (for testing the drug samples and reporting).

Deficiencies in implementation arrangements

The creation of infrastructure as provided in the Rules was examined and the points noticed were as follows:

Post of Controlling Authority not created

3.1.4 The Rules provided that the State Drug Control Organisation should be headed by a Controlling Authority and prescribed the qualification⁶ for the authority. The UT Government, however, had not created the post of Drug Controller (Controlling Authority), but allowed the Director to head the organisation, though he did not possess the required qualification. As the Drug Inspectors are to perform their duties under the instructions of Controlling Authority, non-appointment of Controlling Authority resulted in non-regulation of the functions of Drug Inspectors. Government stated (December 2003) that Controlling Authority would be appointed.

Inadequate work force

3.1.5 The Act and Rules stipulated that the manufacture and sale of drugs and cosmetics should be undertaken only on a valid licence. For this purpose, a Licensing Authority with the prescribed qualification and qualified Drug Inspectors are to be appointed. According to the recommendations of the Task Force (October 1982), there should be one Drug Inspector for every 25 manufacturing premises or 100 sale units in order to have an effective control over manufacture and sale of drugs. Accordingly, for controlling 226 licenced manufacturing units and 1190 selling units (as of October 2002), the UT requires 21 Drug Inspectors. However, the Government appointed only four Drug Inspectors. It was also

⁶ **A graduate in Pharmacy or Pharmaceutical Chemistry or in Medicine with specialisation in Clinical Pharmacology or Microbiology, with five years of experience in testing drugs or enforcement of the provisions of the Act**

noticed that one Drug Inspector was deputed to Pondicherry Aids Society from March 1997 to March 2001 and the Assistant Commissioner reported to the Director that another Drug Inspector allotted to Pondicherry region did not perform his duties from April 2000. Government replied that the Drug Inspector on deputation was repatriated and the proposal for creation of two posts of Drug Inspectors was under consideration. Government also assured to reassess the requirement of Drug Inspectors.

3.1.6 The Drug Inspector in charge of Karaikal, Mahe and Yanam regions did not have the requisite qualification/training for inspecting units manufacturing Indian System of Medicines (ISM). Further, although the Drug Controller General called for nomination for participation in the training programmes for updating the knowledge of Drug Inspectors, no one was nominated. Government noted the audit observation and stated that subsequently inspections were carried out by ISM trained Inspectors.

Government Analyst was not qualified to be a notified Analyst

3.1.7 The Act and Rules provide for testing the samples collected by the Drug Inspectors by a qualified Government Analyst notified for the purpose. In the absence of a qualified person, Government notified (October 1976) the Bio-chemist of the Drug Testing Laboratory, Bangalore as the Government Analyst for the UT. Government also created a post of Government Analyst in the Public Health (PH) Laboratory and promoted (March 1998) a manufacturing chemist to the post, but his appointment was not notified under the Act for want of prescribed experience. As such, no legal action could be taken based on the test reports of Government Analyst, Pondicherry. Government assured to depute one qualified Medical Officer for training after which he would be appointed as Government Analyst.

3.1.8 The PH Laboratory had only nine out of eighteen general equipment and eight out of twelve major equipment recommended by GOI for Drug Testing Laboratory. Besides, there were no testing facilities for drugs under ISM and Homoeopathy. Government informed that proposals for upgrading the PH Laboratory to Drug Testing Laboratory are under consideration.

Intelligence-cum-legal machinery was not created

3.1.9 The Task Force recommended the creation of a separate intelligence-cum-legal machinery to tackle the problem of spurious drugs manufactured mainly by unlicensed manufacturers. It also suggested earmarking separate courts for dealing with related cases for rendering speedier justice. GOI also advised the State Drug Controller to create these facilities (November 1999). But no action was taken in the UT. In September 2002, GOI reiterated the need for separate intelligence-cum-legal cell for combating the menace of spurious drugs and creating public awareness through consumer and non-governmental organisation. Government assured Audit that creation of two more posts of Drug Inspector would improve the mechanism.

Issue of Licences

The details of licence issued from January 1998 to October 2002 are given below:

Delay and defects in issue of licences

Year	Number of licences			Total
	Drug Manufacture	Sales and distribution of drugs	Cosmetic manufacture	
1998	41	215	16	272
1999	30	316	14	360
2000	25	211	4	240
2001	32	233	13	278
2002 (upto October)	33	215	18	266
Total	161	1190	65	1416

Records of the Licensing Authority disclosed the following:

3.1.10 The Rules did not specify any time limit within which the licences are to be issued. Test-check revealed that in one case, there was a delay of 14 months in the issue of licence. Government accepted the failure and stated that a time limit of 15 days has since been prescribed.

3.1.11 Six licences for manufacture/sale of Ayurvedic and Siddha medicines were issued based on the inspection report furnished by the Drug Inspector, Karaikal, who was not qualified as per the Rules. Government noted the observation and stated that subsequent inspections were carried out by inspectors trained in ISM.

3.1.12 Seven licences were issued for Ayurvedic products without expert opinion as required under the Rules and in two cases, the expert opinion obtained was not considered. Government stated that licences are now being issued after consulting experts.

3.1.13 In 12 cases, licences for restricted sale of drugs were issued without mentioning the name of the drug in the licence as required. This leaves scope for selling drugs, which were not covered under the licence. Government assured in reply to issue fresh licences specifying the list of drugs.

3.1.14 The licence to operate Blood Bank was issued to Pondicherry Institute of Medical Sciences without verifying the rectification of defects pointed out during joint inspection conducted in February 2002 with the Zonal Officers. Government assured that such lapses would not occur in future.

Renewal of Licences

As per Rules, licences issued were valid up to December of the succeeding year. From January 2002, licences issued were valid for five years except for Ayurvedic drugs. The procedure followed in renewal of licences revealed the following:

3.1.15 The details of licences issued by the Licensing Authority were not communicated to the Drug Inspectors. The Licensing Authority also had not maintained any record for watching the renewal of licences. Renewal was undertaken only on receipt of the application. Government stated that the details are now communicated to Drug Inspectors and the data are being computerised for better monitoring.

3.1.16 Though the Drug Controller General amended fee structure (August 2001) prescribing fixed fee for every 10 items manufactured by the licensee and additional fee for each additional item, the Licensing Authority had not collected Rs 5.03 lakh towards additional fee in respect of 20 cases while issuing/renewal of licences. Government stated that Rs 1.05 lakh has since been collected from 14 firms and the remaining amount would be collected.

3.1.17 Late fee was to be collected for application received within six months after expiry of licence. Test-check revealed that the licensee remitted the fee through challan within due date, but submitted the application belatedly and the Licensing Authority failed to collect the late fee. The short collection of late fee from January 1998 to December 2002 from 784 licensees, worked out to Rs 2.62 lakh. Government stated that late fee of Rs 0.32 lakh for all the cases for the year 2002 has since been collected and assured to take action for the remaining years.

Basic records not maintained

3.1.18 The Licensing Authority maintained a record of all applications received for fresh and renewal of licence; but all applications disposed of were not recorded in the respective column. A review of this register indicated that 2290 renewal applications were received during January 1998 to December 2002, of which, 631 applications were pending disposal as of December 2002. When actual pendency of applications was called for, the Licensing Authority reported that 190 applications for renewal were pending with them as of October 2002. Thus, the Licensing Authority failed to monitor the disposal of applications and the pendency at any point of time was not available. Government stated that the data are being computerised and time limit of 15 days has since been prescribed.

Belated renewal resulted in the misuse of deemed provision

3.1.19 Rules prescribed that the licences were deemed to be in force if the applications for renewal were submitted within the stipulated time, but did not specify any time limit for renewal of licences. A review of the application register further revealed that 249 applications received during

January 1998 to December 2001 were disposed of after a delay of 6 to 24 months as shown below:

Year of application	Disposal of application after			
	6 months	12 months	18 months	24 months
1998	16	5	9	2
1999	50	47	25	Nil
2000	52	23	2	Nil
2001	18	Nil	Nil	Nil
Total	136	75	36	2

The Licensing Authority attributed the delay to non-compliance of licence requirements by the applicants which in turn delayed the verification. This indicates that the Drug Inspectors allowed them to continue their business with the deficiencies till licence was renewed. In one case, though the Drug Inspector completed the inspection in October 2002 for renewing the licence which expired in December 2001 and recommended the renewal, the licence was not renewed even by February 2003, for want of details of renewal for the earlier period from January 2000 to December 2001. This was not verified by the Drug Inspector at the time of inspection.

Thus, the procedure followed had the effect of permitting the continuance of business without licence. Government stated that delays were not due to technical reasons or deficiencies but due to documentation deficiencies.

3.1.20 The licence of M/s Caplin Point Laboratories Limited, Pondicherry was renewed in January 2002 for manufacture of fixed dose combination of Vitamin B₁, B₆ and B₁₂ of various strengths, which were banned from January 2001. Government stated that the renewal endorsement was cancelled in August 2003.

3.1.21 During the joint inspection conducted (March 2001) for issuing a certificate of Good Manufacturing Practice to a licensee for marketing his product outside the UT, the Licensing Authority identified a number of deficiencies for rectification before issue of certificate. However, based on the assurance of compliance by the licensee, the Licensing Authority issued the licence in March 2001. During inspection in September 2002, the Drug Inspector found that some of the deficiencies were not rectified. Thus, the action of the Licensing Authority defeated the objective of issuing certificate under Good Manufacturing Practice. Government stated that the certificate lapsed in December 2002 and the observation had been taken note of.

Renewal of licence of eight Blood Banks kept pending

3.1.22 Out of 11 Blood Banks functioning in the UT, licences for eight units expired during December 1997 to December 2002 and their application for renewal were kept pending for rectification of deficiencies, non-remittance of additional fees, non-completion of joint inspection, etc. The Blood Banks were allowed to function under the provision of deemed

licences. Government stated that licences for three Blood Banks are now pending for conducting joint inspection.

Inspection

Periodical inspections not conducted

Drug Inspectors are to conduct inspection of the premises of the licensees twice a year (once a year from September 2001 except in case of Ayurvedic licensees) to verify whether the licensees fulfilled the conditions of licence and also to take samples of any drug or cosmetic for ascertaining the standard. The following observations are made:

3.1.23 The Assistant Commissioner had not informed the details of licence issued to enable the Drug Inspectors in Pondicherry to carryout the statutory inspections. Government stated that the details are being communicated now.

3.1.24 None of the Drug Inspectors prepared inspection reports as required under the Rules. In the absence of any record of inspections, Audit could not ascertain if the prescribed inspections had been carried out. Government stated that the inspection reports are being submitted from March 2003.

3.1.25 Statutory inspections conducted, samples drawn, complaints attended, legal cases initiated, etc., were to be furnished by the Drug Inspectors every month to the Director. The monthly reports, though prepared, were not sent to the Director by any of the Drug Inspectors. In March 2001, the Director prescribed a return regarding performance of Drug Inspectors to be given by the Assistant Commissioner every month, which included the inspections conducted by them. Apart from this, the Assistant Commissioner also furnished (April 2002) the details of yearly inspection conducted, for replying to an Assembly question.

The details of inspections to be conducted as per the Rules and that found in various returns were as under:

Year	Number of inspections to be conducted	Number of inspections conducted			
		As per monthly report	As per monthly report of Assistant Commissioner	As per report to Director for Assembly question	Shortfall with reference to highest achievement reported (percentage)
1998	544	865	--	229	Nil
1999	1264	561	--	219	703 (56)
2000	1744	696	--	192	1048 (60)
2001	1193	808	773	291	385 (32)
2002 (upto October)	1473	535	280	--	938(64)

The differing figures indicate that the correct details are not available with the Assistant Commissioner and in the absence of basic records, the accuracy of the reports was not verifiable. Even with reference to the

highest performance furnished, there were 56, 60, 32 and 64 *per cent* shortfall during 1999 to 2002 respectively. The Assistant Commissioner attributed the shortfall to inadequate manpower. Government stated that data are being computerised and such discrepancies would not occur in future.

3.1.26 Based on the complaint from National Community Welfare and Consumer Protection Cell, surprise inspections were conducted, which revealed deficiencies like non-availability of Pharmacist at the time of inspection, non-preparation of cash memo as per licensing conditions, prices charged in excess of Maximum Retail Price in 14 medical shops. However, the Assistant Commissioner reported to Director and Government that no specific complaint regarding employment of unqualified persons in medical shops were received. This report is erroneous as non-availability of pharmacist was noticed in surprise inspection. The Assistant Commissioner had also not taken any follow up action to ensure that the conditions of licences were adhered to by the medical shops. Government stated that the Inspectors were instructed to conduct surprise inspection.

3.1.27 The Drug Inspector, Karaikal reported (September 2001 and February 2002) that seven medical shops in Yanam contravened the provisions of licence but the Assistant Commissioner had not taken any follow up action. In reply to Audit, the Assistant Commissioner stated that no action was taken as he was not appointed as Controlling Authority. The reply is not tenable; as Licensing Authority, he is responsible for taking action for violation of licensing conditions. Government stated that the Inspectors have since been directed to take action against the medical shops.

3.1.28 Though Government banned (February 2000) the manufacture, sale and distribution of drugs having fixed dose combination of Vitamin B₁, B₆ and B₁₂ for human use with effect from January 2001, such drug was sold by one pharmacy in March 2001 to Government General Hospital, Pondicherry. Besides, Employees' State Insurance Hospital and Government Hospital for chest diseases, Pondicherry issued this drug (4070 tablets and 1700 injections) to patients upto October 2001. These incidents substantiate the fact that the Drug Inspectors failed to have effective control to prevent the sale of banned drugs. Government stated that the Assistant Commissioner is now communicating the banned drugs to hospitals and Pondicherry Chemists and Druggists Association.

Sampling, Testing and Prosecution

Quantum of samples to be taken not prescribed

Though Drug Inspectors were to take samples of drugs and cosmetics for testing, no guidelines were issued to Drug Inspectors regarding the quantum of samples to be taken during inspection. As the Government Analyst at Pondicherry was not notified, the Drug Inspectors drew the samples without adhering to the prescribed method and tested them at PH Laboratory. If the drug was found sub-standard, samples were drawn following the prescribed method and got tested at Drug Testing Laboratory, Bangalore. The following observations are made:

3.1.29 The details of samples drawn as per the performance report prepared by the Drug Inspectors and that reported by the Assistant Commissioner to the Director in his monthly reports and in the report for answering Assembly question are as under:

Year	Number of samples drawn from				Samples drawn as per report of Assistant Commissioner	
	Drug Manu- facturers	Sellers and dispensers	Cosmetic manu- facturers	Total	Monthly report	Assembly question
1998	Nil	60	Nil	60	--	88
1999	Nil	68	Nil	68	--	85
2000	8	43	Nil	51	--	81
2001	13	89	Nil	102	157	202
2002 (upto October)	34	127	Nil	161	147	--

Audit could not verify the correctness of the reports in the absence of any basic records. Compared to the number of licences issued and inspections carried out, the number of samples taken was found to be meagre. Further, no sample of cosmetic was drawn for verification.

The Assistant Commissioner attributed less sampling to shortage of Drug Inspectors and non-notification of Government Analyst of PH Laboratory.

Follow up action was not taken on drugs tested

3.1.30 The details collected from the Drug Inspectors revealed that out of 538 samples referred to PH Laboratory, 23 were found to be sub-standard/ mis-branded/ adulterated, etc. Test-check revealed that there was delay of five to fifteen months in testing samples. The test results of three samples drawn by Drug Inspectors in June 1998, June 2000 and September 2001 were reported to Assistant Commissioner only in April 1999, June 2001 and December 2001 respectively. Though these samples did not conform to the standards claimed by the manufacturers, no further action was possible as the stocks were sold out. In another case, the sample of Corex cough syrup, lifted by Drug Inspector, Karaikal in July 2001 was sent to Laboratory at Bangalore in January 2002. The report was received in April 2002, just a few days before its expiry date. Incidentally, the report of Drug Controller, Maharashtra that this syrup was sub-standard, though received in February 2002, was communicated to Drug Inspectors by the Assistant Commissioner only in April 2002. Government replied that the Senior Public Analyst and Assistant Commissioner were instructed to avoid such delays in future.

3.1.31 As per the instructions of Drug Controller General, New Delhi, three samples of paediatric paracetamol liquid was sent (June 1998) to Central Indian Pharmacopoeia Laboratory, Ghaziabad to detect the presence of ethylene glycol. The Laboratory reported (February to June 1999) to the Assistant Commissioner that all the samples were sub-standard. As the samples drawn were not legal ones and no fresh legal samples could be drawn due to non-availability of stock, no further action could be taken.

Government assured that such cases would be followed up expeditiously in future.

3.1.32 Of 30 legal samples referred to approved Government Analyst at Bangalore, 20 samples were returned. Of this, eight were of standard quality, four had improper label claim and six samples could not be tested for want of necessary infrastructure in the Laboratory at Bangalore and two samples were confirmed as sub-standard. The results of ten samples had not been received from the Laboratory as of November 2003.

3.1.33 Even though two samples were found to be sub-standard, no action was initiated except reporting to the Drug Controller of the State where the drugs were manufactured. The Assistant Commissioner stated that he could not take further action as Government had not appointed the Controlling Authority. An instant case is discussed below:

Based on the oral complaints received that the Dexamethasone Sodium Phosphate injection administered in Government General Hospital, Pondicherry had adverse effect on the patients, the Drug Inspector got samples tested at the Laboratory at Bangalore which confirmed (May 2001) that the drug was not of standard quality. However, Assistant Commissioner was informed only in August 2001 and the Drug Controller of Maharashtra in September 2001. The date of expiry of the drug was December 2001. It was further seen that out of 12,000 vials purchased by Government General Hospital from a supplier at Hyderabad in September 2000, 6990 were dispensed by August 2001.

Monitoring

3.1.34 With a view to regulate Drug Control Mechanism, the Assistant Commissioner proposed to Government to computerise the Drug Control Unit in January 2000. The Department, however, purchased the computer only in April 2002 and the requisite software was procured in May 2003 and no trained computer personnel were posted. Government stated that the existing staff are trained to operate the system and the licensing procedure would become on line shortly. The monthly reports prepared by the Drug Inspectors were not furnished to any higher authority and the records maintained monthly by the Assistant Commissioner were incomplete. No Controlling Authority was nominated to monitor the implementation of the Act. Government replied that the system has since been streamlined.

Conclusion

3.1.35 The implementation of the Act suffers due to non-appointment of Controlling Authority and the absence of notified Drug Analyst in the UT. Intelligence and legal machinery to combat spurious drugs was not set up. The drug samples taken for testing and the number of inspections conducted

by Drug Inspectors were inadequate. The computerisation of basic data is yet to be taken up.

Recommendations

- Controlling Authority and adequate number of Drug Inspectors are to be appointed.
- Government Analyst post should be filled in by deputation, if necessary and the laboratory requires to be upgraded.
- System of licensing, inspection and sampling should be improved and time limit should be prescribed for all activities.
- Prosecution for violations of the Act should be taken up.
- Basic records need to be computerised.

SOCIAL WELFARE AND WOMEN AND CHILD DEVELOPMENT DEPARTMENTS

3.2 Review of the functioning of Social Welfare and Women and Child Development departments

Highlights

The basic objective of welfare activities to uplift the weaker sections of society was not given adequate importance while formulating schemes. Even the schemes for the disabled and women, which aimed at providing means of employment through training and education, were ineffective. Only Social Security Schemes were given priority. The schemes implemented did not aim at long-term benefits in terms of uplifting the weaker sections.

Significant points noticed during test-check were:

- There was an extra expenditure of Rs 27.55 lakh due to procurement of rice at higher rates.

(Paragraph 3.2.5)

- Supply of rice free of cost to regions not declared as drought prone resulted in wasteful expenditure of Rs 43.78 lakh.

(Paragraph 3.2.6)

- Selection of higher tender without justification in purchase of clothes for free distribution resulted in extra cost of Rs 1.34 crore.

(Paragraph 3.2.9)

- Instead of closing Balwadi Centres and redeploying the excess staff in regular posts, fresh recruitments were made, resulting in avoidable expenditure of Rs 3.34 crore.

(Paragraph 3.2.11)

- There was no facility for vocational training to Juveniles from VI standard onwards.

(Paragraph 3.2.26)

- Distribution of rice and clothing by various departments to ineligible beneficiaries led to wasteful expenditure of Rs 6.08 crore.

(Paragraphs 3.2.28 and 3.2.30)

Introduction

With a view to promoting the educational and economic interest of the weaker sections of the society like backward classes, women, children, handicapped persons, the aged and the poor people, the Social Welfare Department implemented various welfare and Social Security Schemes. To provide special focus to issues relating to women and children, the Department was bifurcated into Social Welfare (SW) Department and Women and Child Development (WCD) Department in August 1996. Besides, the Pondicherry Corporation for Development of Women and Handicapped Persons Limited (WH Corporation), formed in March 1993, also implements schemes to raise the economic status of women and physically handicapped persons. The Pondicherry Backward Classes and Minorities Development Corporation Limited (BC Corporation) takes care of welfare schemes for backward classes.

Organisational set up

3.2.1 Each of the two departments is under the administrative control of a Secretary. The Director, Social Welfare is assisted by one Joint Director and three Assistant Directors in implementing the schemes. One Research Officer in SW Department evaluates the implementation of the schemes. The Director, Women and Child Development is assisted by two Deputy Directors, one Programme Officer and five Child Development Project Officers (CDPO). At field level, various welfare programmes are being implemented by Social Welfare Organisers, Anganwadi Workers and Helpers, Balasevikas and Conductress. While the WH Corporation reports to both the departments, the BC Corporation reports to SW Department.

Audit coverage

3.2.2 The extent of benefits accrued to various beneficiaries in Pondicherry and Karaikal regions through welfare schemes, the manpower employed and resource utilisation were reviewed in the Secretariat, two Directorates, four CDPOs, WH Corporation, seven Government-run homes, 13 homes run by Non-Government Organisations (NGOs), for the period 2000-03. The points noticed are discussed in the succeeding paragraphs.

Resource utilisation

The two departments spent Rs 111.64 crore during 2000-03. The year-wise and component-wise details and the reasons for abnormal fluctuation in expenditure are given in Appendix 12. The budgetary and financial deficiencies noticed are discussed below:

WCD Department

3.2.3 Rupees 43.89 lakh were provided under nutrition component of Integrated Child Development Services Scheme (ICDS) under

supplementary grant in March 2001, but reduced by re-appropriation in the same month due to non-receipt of bill for supply of diet articles. This indicates that the requirement was not assessed correctly even at the end of the year.

3.2.4 Out of Rs 2.38 crore released as share capital assistance to WH Corporation during 1993-2003 for purchasing land and construction of office, hostel, etc., Rs 95.26 lakh were released during 2000-03. The Corporation acquired the land only and as of March 2003, kept Rs 1.31 crore in fixed deposits. Government stated (November 2003) that the Corporation could not utilise the funds due to delay in obtaining reasonableness certificate for the estimates to get central assistance. Thus, funds were released even before the estimates were approved.

Extra expenditure due to injudicious procurement

3.2.5 Though Government of India (GOI) released rice at Below Poverty Line (BPL) rate for preparing energy food for supplementary nutrition, the Department purchased rice from Development of Women and Children in Rural Areas (DWCRA) units at higher rates during 2001-03 resulting in an extra expenditure of Rs 27.55 lakh. Further, the wheat required for preparing weaning food was not supplied by the Department to the supplier, availing the concessional rate of GOI. As the Department purchases weaning food prepared by Pondicherry Agro Products, Food and Civil Supplies Corporation Limited (PAPSCO) through direct purchase, the extra expenditure incurred could not be ascertained by audit. Government stated that rice was purchased from DWCRA units to ensure quality and purchase would be made from GOI in future.

Unnecessary expenditure

3.2.6 The scheme for supply of rice during rainy seasons/natural calamities provided for supply of 10 kilogram (kg) of rice to BPL cardholders. Though the Pondicherry region was not declared as drought hit area, the Department distributed 10 kg of rice to 68,941 BPL families in this region during February 2003 on the ground of drought. This resulted in wasteful expenditure of Rs 43.78 lakh.

SW Department

Withdrawal of funds due to unnecessary provision

3.2.7 Contrary to the instructions of the Finance Department, funds were provided in the original budget itself for vacant posts and re-appropriated to other heads later.

3.2.8 Though the Service Home for destitute women in Pondicherry was closed down in May 2001 and the staff redeployed, the expenditure on the staff was continued to be booked under the scheme during 2001-03.

WCD and SW departments

Extra cost due to selection of higher tender without justification

3.2.9 Both the SW and WCD departments purchased clothes for supply free of cost to physically handicapped persons and to poor families respectively. During 2000-01, WCD Department purchased women's

clothing (saree and blouse) from Anglo French Textiles (AFT), a Government company, whereas the SW Department purchased them at a lower rate from Pondicherry State Weavers' Co-operative Society Limited (PONTEX), a Co-operative Federation. During 2001-03, both the departments purchased from AFT, though the rates were higher than the other offers in the tenders. Further, the National Textiles Corporation Limited (ENTYCE), a GOI company, requested payment within 30 days of delivery whereas PONTEX and AFT were paid 100 *per cent* advance. The extra cost involved with reference to lowest tender worked out to Rs 1.34 crore (Appendix 13) without considering the interest on advance payment. Government stated that purchase preference was given to AFT. As all the tenderers quoted for the same specifications, the Government should have negotiated for a price equal to the lowest tendered rate before extending purchase preference to AFT.

Manpower utilisation

WCD Department

3.2.10 One hundred and sixty nine Anganwadi Workers and 169 Helpers who were in receipt of honorarium only, were absorbed (January 2003) in WH Corporation as Women Development Multipurpose Co-ordinators and Helpers respectively, in regular scale of pay. The workers were to assist the Corporation in the implementation of its schemes and in recovering loans. They were also required to work in Anganwadi Centres and carry out all functions assigned to the Centres by SW and WCD departments. Besides they were also employed as village level workers by SW Department for implementing a centrally sponsored scheme for disabled persons. As the Corporation had adequate staff to implement various schemes, the absorption of Anganwadi workers/helpers in the Corporation would only increase the financial liability of the Government. It was contended that these persons were absorbed as per the decision of Government and their services would be profitably utilised by the Corporation. However, the fact is that these workers/helpers had full time work assigned to them by the SW and WCD departments.

Non-closure of Balwadi Centres

3.2.11 The sanctioned strength of the Department included 275 Balasevikas and 279 Conductress for implementing the centrally sponsored 'Balwadi Nutrition Scheme'. When the GOI discontinued the scheme, it ordered (March 1997) to close the Balwadi Centres and transfer the children to the nearby Anganwadi Centres. The Department, however, continued the Balwadi Centres in addition to Anganwadi Centres till the proposal to transfer the staff to Education Department was accepted by Government. It was further seen that the Government had recruited 248 Clerks during 1999-2000 in various departments. Had the Government closed the Balwadi Centres transferring the staff to surplus pool for absorption in various departments, it could have avoided recruitment of clerks. Failure to close down Balwadies and redeploy the 214 Balasevikas to the regular posts from

April 2000 resulted in an avoidable expenditure of Rs 3.34 crore (approximately) being the salary paid to newly recruited clerks during 2000-03. Government stated that the Balwadi Scheme along with staff have been transferred to Education Department in October 2003.

Programme Implementation

The major schemes implemented by the two departments and their objectives are given in Appendix 14. The following observations are made:

WCD Department

Welfare of women

Schemes not implemented

3.2.12 The Department had not implemented the schemes like (a) 'Women's Welfare Commission' and (b) 'Formation of Family Counselling' due to non-approval of draft rules (c) 'Rehabilitation of Prostitutes and AIDS victims'. Government replied to Audit that the Department would implement the schemes (b) and (c).

3.2.13 Government released grants to WH Corporation for meeting its administrative expenses and expenditure on implementing various schemes. The Corporation had not taken follow up action to verify whether the women trained had been benefited by it. Against 4598 women recommended by the Corporation for sanction of loan under 'Bank Loan Scheme', the banks sanctioned loan to 806 women only. The Corporation had neither pursued with the banks to get the loan released to the remaining women, nor obtained refund of the subsidy released to the banks. Out of Rs 10.43 lakh pending, the Corporation recovered Rs 6.46 lakh from the banks as of March 2003.

Welfare programmes for children

GOI released funds under ICDS for meeting the administrative expenditure on running Anganwadi Centres, to deliver early childhood services and services for expectant and nursing mothers. The expenditure on 'Supplementary Nutrition' was met by the Union Territory Government. There were 677 Anganwadi Centres in five Project areas and 10,671 mothers and 34,574 children were benefited. The implementation of the Programme disclosed the following:

3.2.14 As against the norm of one centre for 1000 population, the coverage was 200 to 400 in 21 centres, 401 to 600 in 65 centres, 601 to 800 in 112 centres and 801 to 1000 in 111 centres. Resultantly, 85 centres had less than 50 beneficiaries as against the norm of 100. The existence of 178 Balwadies contributed to the low enrolment. Government stated that compared to the total population, the requirement of Anganwadi Centres was within the norms and the coverage by individual centres would be

corrected by shifting the centres to proper locations. Government transferred the Balwadies to Education Department in October 2003.

**Poor infrastructure
in Anganwadi
Centres**

3.2.15 Four hundred and seventy one centres were working in rented buildings and 187 in thatched sheds. Two hundred and eighty eight centres were dilapidated and not fit for accommodating children. While separate kitchen was not available in 432 centres, water, electricity, toilet were not available in 339, 367, and 510 centres respectively. Government assured to improve the infrastructure in the centres.

**Non-supply of
Supplementary
Nutrition**

3.2.16 Against the GOI norm of providing Supplementary Nutrition for 300 days in a year, four centres supplied food for 271 to 279 days during 2000-01, 288 to 290 days during 2001-02 and 269 to 271 days during 2002-03. The shortfall was attributed to strike by workers and public holidays. Government stated that the minimum coverage period of 252 days was maintained by the Department.

3.2.17 The Director ordered supply of eggs to the beneficiaries once a fortnight (once a week from July 2001). The centres, however, had not supplied eggs during April to July in 2000-01 and April - May in 2001-03. It was stated that the centres stocked diet articles for April to June anticipating delay in obtaining Government sanction and as eggs are perishable, they were not stored for issue during this period. Thus, failure to obtain sanction in advance resulted in non-supply of eggs. Government assured to avoid delay.

3.2.18 The Director purchased weaning food from PAPSCO, a Government company by placing indents at regular intervals. Though the Department knows the quantity required for every month, consolidated indents specifying the period of supply in each month were not made. The Director had no mechanism to test the quality of the food and the Company had not mentioned the date of expiry of the preparation. It was seen that weevils were found in the food supplied to Karaikal region during April 2000 (706 kgs) due to long storage. Further, the samples of weaning food in Pondicherry region tested by GOI in Food and Nutrition Board, Chennai (April 2002) revealed that it was sub-standard. As the indents were not based on requirement and the Company also supplied the food without any reference to the requirement, the centres did not supply weaning food for 100 days in a year, as per norms. The shortfall ranged between 22 and 38 days during 2000-03. Government stated that the case mentioned was a solitary one and Food and Nutrition Board conducts periodical tests. Government attributed the shortfall to limited supply by PAPSCO. The fact remains that there was short supply and the quality requires improvement.

SW Department

Welfare of the Backward Classes

Poor planning resulted in avoidable expenditure

3.2.19 The SW Department introduced (January 2002) a new scheme ‘Supply of Bicycles to backward students’ studying in ninth standard in Government schools and belonging to BPL families. The Department issued 10,938 cycles during 2001-03 covering 69 schools. Test-check of 14 schools revealed that cycles were issued to 315 students who did not belong to the BPL families as verified from their ration cards. Government contended that the cycles were distributed based on income certificates issued by the Revenue Department as provided in the scheme. Failure to exercise proper check on the BPL status resulted in avoidable expenditure of Rs 4.36 lakh in 14 schools.

Welfare schemes for the disabled

According to the census conducted by the Government in November 1998, there were 9518 disabled persons in the Union Territory. The category, educational status and degree of disability of these disabled persons are given in Appendix 15. The Government implemented 24 schemes during 1998-2003 and three Centrally Sponsored Schemes to provide support to the disabled persons in the form of financial assistance, aids and appliances, job opportunities, running of Homes, etc. The following points are noticed:

No facility for vocational training beyond V standard

3.2.20 Three *per cent* of seats in technical and professional courses were reserved for handicapped students. The Director failed to monitor the reservation by the authorities concerned. No non-formal education was imparted, though 62 *per cent* of disabled persons had studied only upto V standard. No efforts were made to design and develop new assistive devices, teaching aids, special teaching materials, etc., so as to give the disabled child equal opportunity in education. The handicapped children could not cope up with the syllabus and none of the hearing-impaired studying in the special school at Pondicherry were successful in the final examinations conducted during 1998-2002.

3.2.21 There are five Homes for children run by Government, two of which have special schools. Rupees 4.67 crore were spent on Government Homes with an inmate strength of 318 children; most of the expenditure was on Administration (Rs 2.68 crore). Thirteen out of 22 sanctioned posts of teachers were kept vacant in the special schools and the vocational training centre in printing and other trades did not function due to non-availability of trained teachers. As the children were discharged from the Homes without vocational training, they were not able to become independent. Government stated that action is being taken to fill up vacancies of teachers and to provide vocational training to handicapped students.

Non-provision of training and employment to disabled persons

3.2.22 The census conducted in November 1998 indicated that only 331 out of 5955 disabled persons, aged between 18 and 59, were employed. The Enforcement Cell did not have the details of employment of physically handicapped persons in the identified posts reserved for them. There were 2231 persons registered in the Special Employment Exchange, of which, 776 were waiting for employment for more than two years. Though 34 and 2025 disabled persons were sponsored for four and 136 vacancies reported for reserved and unreserved categories respectively, no disabled person got employment except one part-time sanitary helper. The Department paid unemployment allowance to 214 persons in 1998-99, which had risen to 346 in 2002-03. During the census, 3263 out of 9518 disabled persons (34 *per cent*) sought loan assistance for setting up petty shops and trades and employment. Though Rs 11.94 lakh was released to WH Corporation for the scheme for self-employment, the Corporation spent only Rs 5.53 lakh to assist 361 persons and stated that the balance amount could not be spent for want of eligible applicants. Evidently, applications were not obtained from the large number of disabled persons who wanted loan assistance as seen from the census. Thus, the Department failed to provide employment to educated disabled persons and training to improve the skills of the uneducated disabled persons for taking up self-employment. Government gave no specific remarks on this observation.

3.2.23 The Director and the special schools purchased hearing-aids in bulk without any specific prescription by a medical officer.

Non-creation of District and State Level Resource Centres

3.2.24 GOI released Rs 1.47 crore during May 2000 to February 2002 under the 'National Programme for Rehabilitation of Persons with Disabilities' which was to be implemented at Village, Block, District and State level. Government ordered (September 2001) to utilise the services of the Anganwadi Workers and Helpers as village level workers for conducting survey, identifying the disabled and creating awareness. The Director had neither employed the rehabilitation workers for Block level nor created the District and State Level Resource Centres as of March 2003. He spent Rs 66.79 lakh during October 2001 to March 2003 mainly towards payment of honorarium and training to village level workers. Of this, Rs 11.08 lakh related to items, which were not contemplated in the scheme. However, no other infrastructure contemplated in the scheme was created and the activities of village level workers were not monitored. Government failed to give specific reply to this observation.

3.2.25 GOI implemented the scheme of 'Grameen Purnarvas Yojana' in Pondicherry region to identify persons with disabilities, and provide for upkeep of the assistive devices, promote education, provide vocational training and placement to the disabled people in rural areas. During 2001-03, 2926 disabled persons were issued medical certificates and two assessment camps were conducted. However, no other activity was undertaken and machinery and material received for fabrication/repair works were not put to use; the five technical staff were continued without

any work. Thus, the scheme had not achieved its objective. Government failed to give specific remarks on this observation.

Welfare programme for children

No facility for vocational training for Juvenile beyond V standard

3.2.26 The Department runs an Observation Home for housing 15 remand or under-trial children, a Juvenile Home for 120 neglected, destitute, orphans, and uncontrollable children and a Special Home for 25 Juvenile delinquents, so that they could be educated, trained and rehabilitated. The Homes have attached schools providing education up to V standard with vocational training. Hence, the inmates studying from VI standard in other schools could not be given vocational training. This defeated the purpose of admitting them in the Homes. Besides, as the Child Welfare Committee contemplated in the Juvenile Justice (Care and Protection of Children) Act, enacted in December 2000, was not constituted, fresh admission of children could not be made from March 2003 and 48 children were waiting for admission (July 2003). There were 30 licensed Homes run by NGOs, of which, 19 were receiving grant from SW Department. Though the children in these homes were also required to be screened by the Committee as per the Act, this was not done. Test-check of seven of these institutions revealed that most of the inmates were sent to their homes during vacation (April-May) but the grants, which were based on inmate strength, were released in full during this period.

Government stated that orders were issued (August 2003) to upgrade the primary school into middle school and the Child Welfare Committee has been constituted in September 2003. Government contended that only a limited number of inmates were sent home during short vacations, which is not factually correct.

Social Security Schemes

WCD and SW departments

The SW Department implemented Social Security Schemes like Old age and widow pension, Financial assistance and unemployment allowance to persons with disabilities, free supply of rice and clothes to disabled persons, free supply of blankets and chappals to the aged. The WCD Department also implemented Social Security Schemes like free supply of rice and clothes to the poor. Many of the schemes were implemented with the assistance of Anganwadi Centres and Fair Price Shops by both the departments. However, they had failed to create a sound system to identify the eligible beneficiaries. Consequently, the benefits were extended to ineligible persons as discussed below:

WCD Department

3.2.27 The Department incurred Rs 33.54 crore during 2000-03 for payment of pension to the aged and widows. Huge amount was handed over

to Anganwadi Workers for making payment in cash to the beneficiaries though they were not competent to handle cash. There was no supervision to verify whether the money was distributed to the correct beneficiary. Government contended that there was no alternative agency to implement the welfare schemes and Social Welfare Organisers monitor the duties of Anganwadi Workers. The Department checked the disbursement through acquittances and random checks were carried out during disbursements. The contention is not acceptable as cash is handled by persons not competent to handle it and random check would be inadequate.

3.2.28 Civil Supplies Department supplies rice only to red card holders. The WCD Department distributes 10 kg of rice during rainy season once a year to yellow and green card holders who were not BPL families. Similarly, fishermen and SC and ST beneficiaries who were extended free supply of rice and clothes by Fisheries and Adi-dravidar Welfare departments were not deleted by WCD Department to avoid duplication. Test-check revealed the following:

The number of red card holders, the number of persons given cloth/ rice by the Fisheries Department and Adi-dravidar Welfare Department and the number of remaining red card holders are compared with the number of persons who were given cloth/rice by the WCD Department (Appendix 16). It is seen that there was duplication and the benefits were given more than once to the same persons. The wasteful expenditure on account of duplication worked out to Rs 5.98 crore (approximately). Government replied that a proposal for implementing all free supply schemes by a single department is under consideration.

During 2000-02, the WCD Department distributed cloth to Anganwadi Workers and Helpers, who were not eligible beneficiaries under the scheme, resulting in excess expenditure of Rs 6.07 lakh. Government justified the supply as no extra remuneration was allowed to them for distribution of clothes. The fact remains that they are not eligible under the scheme.

SW Department

3.2.29 The Department implemented (April 1993) a scheme for providing financial assistance to persons with disability of more than 75 *per cent*, irrespective of age. The scheme was modified to include persons with disability of 40 to 75 *per cent* from April 2002. It was seen that the number of beneficiaries which was 299 in April 1998 increased to 1306 in April 1999 and 6255 in April 2002, 10,411 in March 2003 and 12,545 thereafter. Thus, nearly all the disabled persons obtained financial assistance from Government, defeating the objective of other schemes to make the disabled self-reliant.

3.2.30 The disabled persons, who received clothes as Head of the family from WCD Department, were also supplied cloth by SW Department under the scheme meant for handicapped persons. Besides, single member card-holders were issued with lungi/towel as well as saree/blouse. Test-check revealed such duplications in respect of 2144 male and 855 female disabled persons. This resulted in excess expenditure of Rs 4.48 lakh. Government contended that the handicapped persons received the supply by virtue of their disability. This did not justify the additional supply.

3.2.31 The Department decided to supply rice at 10 kg per disabled person every month and paid advance to PAPSCO for supply of rice to Anganwadi Centres for distribution to disabled persons during November 2002 to March 2003. PAPSCO supplied rice in 10 kg bags only during April to July 2003 and the entire five months rice were distributed in bulk to the beneficiaries. The Department had not made any attempt to supply rice from April 2003 onwards. Had the Department distributed the rice through Fair Price Shops as was done in other schemes, the rice would have been issued in time and packing charges would have been saved. Government replied that it has since been decided to make the supply through Co-operatives.

3.2.32 Though the Department purchased sarees/blouses and towels/lungies in sets, the closing stock of these items were not in sets, indicating single pieces were issued to certain beneficiaries. Government stated that the difference was due to transfer of stock by Adi-draavidar Department and supply of clothes to fire victims based on gender. This contention is not tenable as all the schemes envisaged supply only in sets.

Monitoring

WCD Department

3.2.33 No evaluation cell was formed in this Department. The Government stated that the cell was retained by the SW Department at the time of bifurcation; evaluation could not be taken up due to dearth of staff and assured to create separate cell for WCD Department.

SW Department

3.2.34 The cell functioning in the Department was entrusted with the job of formulating new schemes, production of annual reports, conduct periodical evaluation studies, monitor the impact and efficiency of Social Welfare Programmes by conducting survey. The cell had not served these objectives except preparing evaluation report of two minor schemes relating to children and backward classes. The Government contended that the studies are taken up one after the other.

Thus, no evaluation was made to ascertain whether the objectives of the departments are being served by the schemes implemented.

Conclusion

3.2.35 Though the objective of the departments was to promote the educational and economic interest of the weaker sections of society, the departments had not evolved schemes in furtherance of these objectives and concentrated mainly on Social Security Schemes. Though, most of the schemes aimed at providing essentials to various sections free of cost, identification of beneficiaries and avoidance of duplication were not paid adequate attention. Instead of providing employment and other facilities for self-sustenance to the disabled, the SW Department gave priority to cash subsidies and free supplies. As none of the schemes provided necessary assistance to make the weaker sections economically independent, they became more and more dependent on Government aid. The schemes need to be examined *de novo*, in order to make the target people achieve self-sustenance.

Recommendations

- The allocation of work and manpower between the two departments should be streamlined defining clearly their responsibility to avoid duplication of schemes.
- Schemes to enable the weaker sections to become self-reliant are to be evolved.
- System of identification of beneficiaries for various Social Security Schemes should be based on common source of information.
- Different field level agencies for distribution of benefits under various Social Security Schemes should be avoided to prevent duplication. A single social security card to each beneficiary, listing out the benefits under all schemes would help in avoiding duplication.

EDUCATION DEPARTMENT

3.3 Implementation of Pondicherry School Education Act, 1987

Introduction

The Pondicherry School Education Act (Act) enacted in October 1987 and the Pondicherry School Education Rules (Rules) framed in September 1996 stipulated the conditions of recognition and release of grants to recognised private schools and contained detailed instructions on the management of these schools. There were 222 recognised private schools, of which, 34 were provided with grants-in-aid by Government as of March 2003. Audit examined the implementation of the various provisions of the Act and Rules by the Director of Education (Director) during 1998-2003; the important findings are indicated in the following paragraphs.

Recognition

Provision of Act and Rules was not followed in granting recognition to schools

3.3.1 The Director had not issued certificate of recognition to the schools receiving aid at the time of the commencement of the Act though required. Government stated (October 2003) that Inspecting Officers had now been asked to verify whether recognition has been granted and if so, whether it was in accordance with the Act and Rules.

3.3.2 In order to ensure the financial stability of the schools seeking recognition, the Act provides for creation of endowment fund and reserve fund by the management. Ninety-two schools had not created the endowment fund at all and 51 schools created the fund, which fell short of the prescribed amount by Rs 29.76 lakh. None of the schools created the reserve fund as required in the Act. When pointed out, the Government stated that the management of minority institutions had requested exemption from creation of these funds and the matter was under examination.

3.3.3 Twenty-six out of 34 schools did not have separate management committees and were run by societies. Government stated that necessary instructions have been issued to the private institutions to form the management committee. Some of the minority institutions, however, had contended that this provision infringed upon their independence and was *ultra vires* the provision of the Constitution of India. The matter was under examination.

Grants-in-aid

During 1998-2003 Government released Rs 35.44 crore as grants to 34 aided schools. The points noticed are discussed below:

No ceiling was prescribed for eligible expenditure and excess grants released in advance have to be adjusted against future grant

3.3.4 Government releases maintenance grant at 95 *per cent* of the difference between approved expenditure and eligible income. However, the scrutiny of the records revealed that the amounts were released monthly as advance based on the salary expenditure, without considering the income and other eligible expenditure. Consequently, the grants released in advance for the period from 1997-2000 were in excess of the amount⁷ due by Rs 11.64 lakh in respect of 15 schools and fell short of the eligible amount by Rs 6.53 lakh in respect of eight schools. Since no ceiling was fixed on other eligible expenditure such as rent, office expenses, postage etc., the regulation of the amount could not be verified by audit. Government, in reply, stated that the claims of the schools were thoroughly scrutinised and that all ineligible expenditure was disallowed. The Government reply is not tenable as Rules provide for fixing ceiling for eligible expenditure and in the absence of any ceiling, the correctness of the regulation cannot be verified. Regarding the manner of release of grants, Government stated that only 95 *per cent* of the eligible amount is released every month (not as advance) and the balance is met by the schools. The reply is not tenable as Rules provide for deduction of eligible income, which was not done.

3.3.5 It was seen that six schools had not collected fees to the extent of Rs 24.31 lakh during 1998-2003 at specified rate as required under the Rules. Government stated that the students in these schools were too poor and action will be taken to obtain waiver of fees. It was, however, seen that the Rules stipulate collection of fees and deduction of the same from the grant.

3.3.6 While arriving at the final grant for 1997-2000, the Director failed to consider the special fees of Rs 16.46 lakh collected by 17 schools as eligible income.

3.3.7 Though rent-free quarters were provided to 74 teachers in 26 schools within the premises, both house rent allowance and transport allowance amounting to Rs 18.34 lakh were paid to them and allowed as approved expenditure. As a result, Rs 17.42 lakh was paid in excess. Government contended that as entire salary were remitted by these teachers to the respective societies, the accommodation provided to them cannot be treated as rent-free and the payment of transport allowance was also correct for the same reasons. However, it was stated that the payment of these allowances is withheld for the present till a final decision is taken.

⁷ as worked out by the Department

Payment of pension

**Payment of pension
not in accordance
with rules**

3.3.8 The Director stipulated in 1997 that service in a post on or the period for which no grants-in-aid is admissible should not qualify for pension and 50 *per cent* of the period of service on consolidated or daily-rated basis on whole time employment should qualify. It was seen from the Pondicherry State Grants-in-aid Code for Educational Institutions, introduced in May 1966, which was followed till August 1996, that expenditure on non-teaching staff was not treated as approved expenditure for payment of grant. Besides, the expenditure on consolidated pay for teaching staff if met from contingencies, was not considered for aid. The Director allowed pension for four non-teaching staff although the qualifying service of these staff after September 1996 was less than ten years and so they were not eligible for pension. Besides, the service rendered by 17 teachers on consolidated pay was also counted for payment of retirement benefits, which was irregular. On test-check it was seen that the total excess payment of gratuity and commutation of pension in respect of ten such teachers and four non-teaching staff worked out to Rs 15.14 lakh.

Government stated that no school can function without non-teaching staff and hence the pension paid was in order. Further, the service of the staff on consolidated pay was included as they were subsequently confirmed in the post and it was not possible to ascertain whether grants were released in respect of these staff at that time. The reply is not tenable as no grant was paid for salary of these staff.

3.3.9 Though the Rules provide for payment of grant only up to 95 *per cent* of pension and other retirement benefits, the Director, while prescribing the procedure, provided for payment of pension directly to the retired staff of aided schools from Government account. It was also seen that the Director obtained Government sanction only for payment of grant for salary of staff every year, but paid grant on pension and other retirement benefits by quoting this sanction, which did not refer to pension at all.

Government stated that the procedure was followed to avoid hardship to the pensioners and five *per cent* of the expenditure is deducted from the Grants payable. Further, proposals have been sent for specific sanction of Government. The staff after retirement do not come under the institution and hence pension is paid directly to them. The reply is not tenable as the procedure contravenes the Rules and the Director had not collected five *per cent* of pension from the schools. As the retired staff of aided schools were not Government servants, pension should be released only by creating a Pension Fund with contribution from the schools and Government.

GPF accounts were not maintained properly

Management of aided schools

3.3.10 In October 1998, the Director prescribed the detailed procedure for maintenance and operation of General Provident Fund scheme (GPF) to the employees of aided schools. The procedure envisages that the Bank would keep one account for each school and maintain shadow account for each subscriber. The interest earned on such accumulations is to be credited to the account of the school and distributed to the subscribers in the shadow account. The subscribers have to be issued an account slip every year by the Bank. It was seen that the Bank allowed the subscriptions from December 1998 to September 1999 and from March 2001 onwards to remain idle without investing them periodically in fixed deposits to earn higher interest. The interest loss due to non-compliance of this, worked out to Rs 30.60 lakh. Also, the subscribers were not provided with account slips for any year as of February 2003.

Government stated that investment was not made since funds were needed to release advances to the staff and that the Department issued account slip to the individuals. It is also stated that Bank authorities have now agreed to maintain shadow account crediting interest into that account and to issue account slips. The contention of the Government is not valid; the amount available for investment after withdrawal was considered by audit in arriving at the interest loss. Further, the Department issued account slips without adding interest.

3.3.11 Though provided in the Rules, the Director had not conducted the inspection of the accounts of the recognised private schools. Government stated that audited statements are verified every year and internal audit wing would be entrusted with the work of inspecting the accounts.

Conclusion

3.3.12 Recognition of schools and release of grants-in-aid were not made in consonance with the provisions of the Act and Rules. Pension was paid directly by the Department instead of by the schools. General Provident Fund accumulations were not invested to the advantage of the subscribers.

Recommendations

- Recognition granted to schools should be verified scrupulously with reference to provisions of Act and Rules.
- Ceiling should be fixed for eligible expenditure for arriving at the grants-in-aid.
- Mode of payment of pension should be revised in accordance with the Act and Rules.

- Government should clearly frame rules regarding eligibility for pension and qualifying service for pension of teaching staff so that ambiguity is avoided.
- GPF Accounts should be maintained properly and interest should be allowed to the subscribers.

3.4 Performance of colleges imparting higher education

Introduction

The Government provides higher education facilities through eight Government run colleges and three aided colleges. The colleges, which are affiliated to the Pondicherry Central University (University) conduct Under Graduate (UG)/ Post Graduate (PG) and Research degree courses in the fields of Arts, Science, Educational Administration, Engineering and Technology. Union Territory (UT) domiciled students were offered tuition fee-free education in Arts and Science courses in all Government run colleges. In July 2003, a separate Directorate under the Additional Director of Education (Technical) was formed for effective management of technical and higher education in the UT.

The performance of 10⁸ colleges in Pondicherry, Karaikal and Mahe regions for the period from 1998-2003 was reviewed in audit with reference to manpower, infrastructure and resource utilisation and the points noticed are discussed in the succeeding paragraphs:

Dearth of Manpower

3.4.1 There were only 492 sanctioned posts of lecturers as of November 2001 but 629 sanctioned posts were shown in the amended Recruitment Rules (RR). Government stated (November 2003) that Group 'C' posts sanctioned prior to 1983 were included in the amended RR. This is not correct as lecturer posts were Group 'A' posts and were sanctioned by Government of India (GOI). Incidentally, it was noticed that the actual number of lecturer posts required as per the norms fixed by University Grants Commission (UGC) was only 557.

Sanctioning of more post of lecturers than the norms warranted

⁸ **Pondicherry:** (1) Perunthalaivar Kamaraj Government Arts and Science College, Madagadipet, (2) Indira Gandhi College of Arts and Sciences (Aided), (3) Tagore Government Arts College, (4) Kanchi Mamunivar Centre for PG Studies, (5) Bharatidasan Government College for Women and (6) Pondicherry Engineering College (Aided)
Karaikal: (1) Arignar Anna Government Arts College, (2) Perunthalaivar Kamaraj College of Education (Aided) and (3) Avvaiyar Government College for Women
Mahe: (1) Mahatma Gandhi Government Arts College

**Appointment of
ad hoc, casual and
hourly paid lecturers**

3.4.2 The colleges functioned with 366 regular lecturers and proposals of Government to fill up the vacancies (July 2001 to February 2002) by regularising the eligible lecturers who worked on *ad hoc* and consolidated pay basis from 1988 onwards was not agreed to by Union Public Service Commission (UPSC). Government's request (April 2002) for filling 98 vacancies was pending with UPSC (March 2003). Consequently, the Department continued to employ 31 *ad hoc* lecturers who were treated on par with regular lecturers except for promotion, 103 casual lecturers with consolidated pay and 154 hourly paid lecturers. This was against UGC/GOI instructions, which discouraged *ad hoc* appointments so as to facilitate performance appraisal and accountability. Government stated that filling up of Group 'A' posts was time consuming and alternative measures were made only to cope with the workload. However, due to such temporary arrangement, the colleges had to obtain provisional affiliation for the new courses after paying affiliation fee and inspection committee fee every year for each course instead of obtaining permanent affiliation. Besides the quality of education was also affected.

**UGC norms
regarding working
hours not followed**

3.4.3 UGC prescribed 40 working hours a week inclusive of 16 teaching hours for college lecturers. It was seen that all the Government colleges worked for 30 hours a week only and the teaching work was restricted to 15 hours only. However, the faculty members were allowed the scale of pay prescribed by UGC and benefits like enhanced increment in Selection Grade Lecturer scale, timebound Career Advancement Scheme, etc. Government stated that the colleges followed the working hours prescribed by the University. However, as the scale of pay and other benefits prescribed by UGC were extended to the colleges, they have to follow its guidelines only. Besides, reduction of time allotted for preparation, correction, tutorial, practical, etc., would affect the quality of education imparted.

**Non-appointment of
regular Principals**

3.4.4 Only the Women's college at Pondicherry and Government college at Yanam were functioning with regular Principals and a senior lecturer of the college was acting as Principal in the remaining six colleges. This, in turn, eroded the academic responsibility of the lecturer concerned. It was noticed that after one of the two Mathematics lecturers at Government College at Mahe was put in charge as Principal, the pass results of Mathematics degree course students declined from 33 *per cent* in 2000-01 to seven *per cent* in 2001-02. Government stated that the RR for the post of Principal is under revision and the vacancy at Mahe has since been filled up.

**College functioning
without regular
teaching staff**

3.4.5 The Government Arts and Science College, Madagadipet, started in 1997-98 with three year degree courses in two disciplines, was functioning without any regular teaching staff, including Principal. The proposal of Government to create 28 posts for this college was not yet cleared by GOI. The Principal in-charge and teaching staff were on service placement from other colleges in Pondicherry for every semester and hourly paid lecturers were also engaged. The method of deployment was against UGC standards. Moreover, results were poor in the Mathematics course. Government stated

that as the proposals for creation of posts were pending with GOI from August 1997, it has been decided to convert the college into a Society.

Lack of infrastructure

Objective of starting the rural college not achieved

3.4.6 The Government Arts and Science College, Madagadipet started in 1997-98 was accommodated in a portion of a Government Higher Secondary School. Though land was acquired in October 2000, the construction work started only in October 2002. For want of suitable accommodation, the college could not start more courses than the two initially started, thereby defeating the objective for which the rural college was started. Government stated that the delay was only procedural and one block would be ready by next academic year.

Computer science course conducted without a suitable computer room

3.4.7 Arignar Anna Government Arts College, Karaikal was running Computer Science course without a suitable computer room. The construction of a separate civil structure, started in February 2002 was completed in January 2003 but the building was not put to use for want of electrification (June 2003). Government did not give any reason for the delay.

Purpose of purchasing one more bus not achieved

3.4.8 Bharathidasan Government College for Women purchased one more bus in September 2002 (cost Rs 9.26 lakh) and operated the two buses on alternate days for want of driver. Government stated that action is being taken to employ daily-rated driver for the second bus. The delay defeated the purpose of purchasing one more bus, which was to enable students to attend the college in time.

Poor utilisation of infrastructure

Due to policy decision of the Government, infrastructure was under-utilised

3.4.9 It was seen that the seven Government colleges (except Kanchi Mamunivar Centre for PG studies) offered 82 courses at UG/PG levels with a sanctioned strength of 2932 and an operative strength of 2473. In Yanam and Mahe colleges, the vacancy in student strength was 43 and 30 *per cent* during 2002-03. The Government spent Rs 2.65 crore annually on running these colleges. The poor utilisation of infrastructure was due to the policy decision of Government to admit UT resident students only against 90 *per cent* of the sanctioned seats. Government assured to re-orient the courses to ensure optimum utilisation of facilities.

Poor performance

Pass percentage showed a declining trend or was less than 50 *per cent*

3.4.10 It was noticed that while the percentage of pass showed a declining trend in 17 courses in seven colleges, the percentage of pass was less than 50 in 16 courses in seven colleges. The declining trend was more pronounced in English, Tamil, Chemistry and Computer Science courses. The pass percentage was less than 50 *per cent* predominantly in Mathematics, Tamil, English, Economics, Commerce and Chemistry courses. It was also noticed that in Arignar Anna Government Arts College,

Karaikal and Tagore Arts College, Pondicherry, the pass percentage was less than 50 *per cent* in seven and six courses respectively. Government attributed the poor performance to admission of students with low standard. Audit, however, noticed that only eligible students were admitted to these courses.

Deficiency in faculty position

3.4.11 Out of 24 teaching posts created in Indira Gandhi College of Arts and Science, Pondicherry, only 14 posts were filled up during 2001-03 and 10 posts were managed by engaging hourly paid lecturers. The three vacancies that occurred in Commerce, Economics and French during February to December 2002 due to resignations were not filled up as of March 2003. Government assured to fill up the vacant posts.

3.4.12 The faculty position in engineering subjects vis-à-vis sanctioned strength as of February 2003 in Pondicherry Engineering College (PEC) indicated that vacancy in the post of Professors, Assistant Professors and Lecturers was 14,14 and 6 respectively. Government stated that the vacancies could not be filled up due to court case and for want of qualified candidates.

Resource utilisation

During 1998-2003, the Government spent Rs 79.04 crore for running Government colleges and providing grants to aided colleges. An analysis of the expenditure disclosed the following avoidable and wasteful expenditure.

Payment of vacation salary to part-time lecturers

3.4.13 Government ordered (August 1996) that part-time lecturers continuously engaged on hourly basis should be engaged on casual basis with consolidated pay at the minimum of the scale and admissible allowances. Government also issued an addendum (July 1997) that these casual employees are to be paid for the vacation period also. In seven Government Arts and Science Colleges (except the college at Madagadipet), 103 casual consolidated pay lecturers were engaged every year and they were paid vacation salary also for two months. This resulted in an avoidable expenditure of Rs 82.40 lakh on basic pay alone during 1998-2003. Government stated that vacation salary was extended to them based on their representation and their services were being utilised during vacation for invigilation and admission related works. There is no justification for payment of vacation salary as there was no proof of their attendance.

Ad hoc lecturers were engaged continuously

3.4.14 In view of vacancies in the cadre of lecturers in Government colleges, the Department recruited persons on *ad hoc* basis through a committee constituted for the purpose. These *ad hoc* lecturers did not possess the prescribed qualifications as per RR for lecturers. Hence, their services should have been used only for brief periods and terminated before commencement of vacation.

Career advancement extended retrospectively

3.4.15 GOI revised the terms and conditions of college teachers wherein the years of service required for career advancement of teachers were reduced. The GOI also issued specific clarification that the benefits were to be allowed from the date of issue of notification (27 July 1998). The Government, however, promoted 53 lecturers in Government colleges to Senior Scale and Selection Grade Scale retrospectively, resulting in overpayment of Rs 6.17 lakh (approximately). Government contended that the benefit was extended to those who were eligible. However, the extension of the benefit retrospectively was incorrect.

UGC norms not followed in crediting earned leave

3.4.16 The UGC stipulated that wherever a college enjoyed 10 weeks vacation period in a year, no earned leave would accrue to the teaching staff, except when asked to work during vacation. As all colleges followed 10 weeks vacation period every year, the teaching staff are not eligible for earned leave. However, their leave accounts were credited with earned leave at five days for every half-year period of a calendar year in addition to earned leave earned for working during vacation period. They were also allowed to avail the earned leave so derived with pay and encash the unavailed leave at the time of retirement. Test-check revealed that 57 teachers in five colleges⁹ in Pondicherry were paid leave salary for spells of earned leave without eligibility. The excess leave salary worked out to Rs 7.66 lakh. Besides, 36 retired teachers were paid encashment of unavailed leave so credited, resulting in an overpayment of Rs 12.81 lakh. Government contended that these benefits were available to them under Central Civil Service Leave Rules, which were being followed by the colleges. However, as UGC pay scale was extended to the faculty, only the leave rules prescribed by UGC are applicable to them.

3.4.17 While sanctioning grants to aided colleges, the Director failed to consider the revenue realised by the colleges and the unspent balances available with them. There was excess release of grant in the following cases:

Indiscriminate release of funds

It was seen that the Indira Gandhi College of Arts and Science, Pondicherry had a balance of Rs 67.02 lakh out of the grant of Rs 1 crore released during 2001-02, but the Director released Rs 1.25 crore during 2002-03, of which, there was a balance of Rs 1.16 crore including own receipts as of March 2003. Further, the Principal kept the tuition fees of Rs 19.58 lakh realised during 2000-03 in a savings bank account and made the refunds of caution deposits to students from Government grants. Government contended that Rs 45.18 lakh was released during 2002-03 for setting up a laboratory for commencing a new course on 'Micro-Biology' during 2003-04 and the college's receipts were not considered, as grant given was always less than the requirement. The

⁹ Tagore Arts College, Arignar Anna Government Arts College, Government College, Yanam and Bharathidasan Government College for Women, Pondicherry, Kanchi Mamunivar Centre for PG Studies

contention is not tenable in view of the huge unutilised grant. Further, the Principal of the college contended that new courses could not be started due to space constraint.

Funds released even before completion of preliminary works

Based on the request of Perunthalaivar Kamaraj College of Education, Karaikal, the Director released (March 2002) Rs 1 crore to the college for construction of building. The department transferred the land for the building, free of cost only in May 2002 and the design was prepared in April 2003. The college, however, gave utilisation certificate in September 2002, while the money was kept in savings bank account. Government attributed the delay to administrative reasons and assured to take up the work through Public Works Department early. The release of funds even before completion of preliminary works was not in order.

Non-revision of fee structure

Government directed (July 2000) that the dependence on aid by Government Aided Institutions should be reduced to 50 *per cent* of the expenditure by 2002-03 and no additional funds would be allocated over and above the provision available in the budget. However, it was seen that the PEC was paid 91 *per cent* of the revenue expenditure as grant during 2002-03 and Government released an aid of Rs 9.03 crore as against budgeted allocation of Rs 6.73 crore during 2002-03. Further, there was an unspent balance of Rs 1.22 crore as of March 2003. It was seen that the tuition fee of Rs 4000 to Rs 6000, fixed by the Governing body in 2001-02, was much less than Rs 9800 fixed by Government for a free seat in a self-financing Engineering college. Similarly, though All India Council for Technical Education (AICTE) prescribed staffing pattern for Engineering colleges in 1995, the staff requirement of the college was not reviewed. Thus, there were 34 excess administrative staff under the categories of Deputy and Assistant Registrars, Medical Officer, Senior Accounts Officer and other office supporting staff. Government stated that the Governing Body approved (June 2003) the revised fee structure and adequate fund was provided to the college in view of poor revenue generation by the college. Government also stated that the staff requirement of the college would be placed in the next Governing Body meeting. However, non-revision of fee structure to improve revenue generation was against the directions of Government.

Distribution of part of revenue derived from consultancy/testing services among the staff against AICTE guidelines

The PEC provided consultancy/testing service facilities by using their technical facilities/infrastructure created out of their resources by levying charges at appropriate rates and realised Rs 61.87 lakh during 1998-2003. AICTE, while communicating workload norms of Engineering College Teaching Staff (October 1998), stipulated that consultancy services, research and development formed part of their curricular services. As such, the revenue derived from consultancy/testing services formed part of revenue of the college. It

was, however, seen that the college distributed Rs 25.95 lakh among the staff and kept the balance amount of Rs 35.92 lakh in a separate bank account. This resulted in excess release of grant to the college. Government contended that the distribution of revenue derived from consultancy services, as followed by Engineering Colleges of other States, were followed. In view of AICTE guidelines and dependence of PEC on budgetary allocation of Government, such distribution of college funds, particularly to administrative staff is irregular.

Other points

Ineligible allowance of IT rebate

3.4.18 Of the 477 existing staff of PEC (March 2002), 419 opted for General Provident Fund-cum-Pension Fund Scheme (GPF) and 58 for Contributory Provident Fund-cum-Gratuity Scheme (CPF). While GPF was applicable to Government servants only, the Contributory Provident Fund operated by the college was neither established under Provident Fund Act, 1925 nor recognised by the Chief Commissioner of Income Tax. Consequently, no savings rebate was available to subscribe to these funds under Section 88 of the Income Tax (IT) Act. However, the IT assessed employees availed of such rebate on savings while furnishing IT returns. The IT rebate amount so availed worked out to Rs 41.27 lakh being 20 per cent of the subscriptions (Rs 2.06 crore) made to the funds operated by PEC during 1998-2002. Further the interest accrued on subscriptions to these funds by the individuals during 1998-2002 amounting to Rs 86.21 lakh was not eligible for exemption from assessment of income under IT Act. Government stated that the IT Department had not objected to the rebate claim. This statement is not correct as the Drawing Officer is responsible for assessment of IT for salaried persons.

3.4.19 Finance Department advised (1994) to introduce CPF for all employees by amending the bye-laws, as GPF rules could not be made applicable to employees of PEC. But the college Governing Body resolved to continue the scheme of GPF-cum-pension ignoring Government advice, the grantor to the institution, which is irregular.

3.4.20 The GPF/CPF contributions were maintained by PEC by operating bank deposits. Though the interest earned on bank deposits was quite sufficient to meet interest liabilities to the subscribers, the college had transferred Rs 17.75 lakh and Rs 14.62 lakh during 1998-2002 from their resources to the GPF/CPF to meet the interest liability. Government contended that the transfer was made in view of declining bank interest rate. The contention was not tenable as the interest earned by the deposits did cover the interest liability.

3.4.21 The statutory auditor repeatedly pointed out every year that the GPF and CPF fund balances between individual accounts, ledger balance and bank account were not tallying. The accumulated balance as available in bank account and individual account ledger differed as shown below:

			(Rupees in lakh)
	As per ledger	As per Bank account	Difference
GPF	157.61	175.66	18.05
CPF	76.74	134.88	58.14
Total			76.19

The college had made no effort to reconcile and rectify the difference. Government agreed to reconcile the difference.

Conclusion

3.4.22 Dearth of regular qualified lecturers, lack of infrastructure and poor utilisation of infrastructure affected the performance of colleges. Casual lecturers were paid salary for vacation period. Aided colleges were paid grants without considering their revenue and the unspent grant. Contrary to Government advice, PEC continued the GPF-cum-pension scheme for its employees.

Recommendations

- The staff requirement as per UGC norms has to be worked out and regular staff has to be appointed in colleges.
- Release of grants is to be regulated considering unspent balance and receipts of the colleges.
- Management of finances by PEC requires improvement to make it less dependent on Government.
- PEC has to follow Government instruction and operate only CPF for its employees.

FIRE SERVICE DEPARTMENT

3.5 Prevention and control of fire

Introduction

The Fire Service Department (FSD) functioned with the objective of preventing and extinguishing fires. The Department was headed by the Divisional Fire Officer (DFO) under the control of Secretary, Home Department. He was assisted by one Assistant Divisional Fire Officer (ADFO), in charge of control and prevention of fire and the Station Officers and the staff attached to the Fire Stations. There are 10 Fire Stations in the Union Territory (UT) and they attended to 3825 fire calls during 1998-2002;

the value of property damaged in fire amounted to Rs 19.38 crore. The records of the office of the DFO, eight Fire Stations, two Municipalities, three Commune Panchayats, Office of the Inspector of Factories and Boilers and Pondicherry Planning Authority were scrutinised to examine the effectiveness of prevention and control of fire in the UT. The points noticed on fire force and infrastructure and prevention and control of fire are discussed in the succeeding paragraphs:

Fire force and infrastructure

Fire Force Act not enacted

3.5.1 Though Government of India (GOI) furnished a draft Fire Force Bill in 1958 for enactment, the Pondicherry Fire Force Act has not been enacted so far and the draft Fire Force Bill forwarded to Government for vetting is pending with Law Department since February 1993. In the absence of Act and Rules, the Department followed the recommendations of Standing Fire Advisory Committee (SFAC) of GOI and the Tamil Nadu Fire Service Manual for its functions. However, the organisation structure of FSD was not in conformity with the recommendations of SFAC.

3.5.2 The UT was not classified into regions and divisions as recommended by SFAC and the post of Director of Fire Service (DFS) was not created. There was no higher official even in the outlying regions of Karaikal, Mahe and Yanam for overall supervision of the functioning of Fire Stations. Government stated (October 2003) that action would be taken to create necessary posts required for monitoring the functioning of the Department.

Inadequate Fire Stations

3.5.3 The standard jurisdiction of a Fire Station recommended by SFAC was 10 Square Kilometre (sq.km) in urban areas and 50 sq.km in rural areas. As against the requirement of 12 Stations in urban areas and seven Stations in rural areas, there were six Fire Stations in urban areas and four in rural areas. The shortfall was in Pondicherry (3), Karaikal (4) and Yanam (2) regions. Government stated that the Fire Stations were commissioned according to population and risk and as against the requirement of 16 Fire units based on the yardstick of one unit for population of 50,000, there are 25 units in the UT. This contention was not tenable as SFAC prescribed the norm for Fire Stations based on area only and the population norm was for infrastructure to be created in such Stations.

Delay in commissioning Fire Stations

3.5.4 The DFO proposed (May 1999) the commissioning of three additional Fire Stations, two in Pondicherry region and one in Karaikal region. The civil works of Fire Stations in Pondicherry were completed in April 2003 and the electrical works were under progress (July 2003). Though the land was identified in July 2000 for construction of Fire Station in Karaikal, action for acquiring the land was initiated only in March 2003. Government replied that funds were provided to construct the Station in Karaikal during 2003-04 and action has been taken to create posts and infrastructure for the three Stations.

	<p>3.5.5 The Fire Stations did not have specific jurisdiction and the Station receiving the message of fire attended the call. Government contended that the Station receiving the message rushed to the fire spot to minimise the loss and as it was planned to commission Fire Stations in all Commune Panchayats in a phased manner, separate jurisdiction for each Fire Station was not considered essential at this stage.</p>
<p>Provision of equipment not according to norms</p>	<p>3.5.6 SFAC recommended two water tenders each carrying 3000 litre, one extra heavy water tender carrying 9000 litre of water and one ambulance for each Fire Station. It was noticed that except in Pondicherry and Karaikal Fire Stations, all other stations had only one water tender. Extra heavy water tender was not provided to four¹⁰ Fire Stations. Ambulance was not provided for any Station except for the one at Pondicherry. Thus, the Fire Stations were not fully equipped as per norms suggested by SFAC. Government replied that there are plans to equip all the Fire Stations with additional feeder units in a phased manner.</p>
<p>Fire hydrants were not useful</p>	<p>3.5.7 There were 103 fire hydrants, 82 in Pondicherry and 21 at Karaikal, but none of them were provided with water tanks. As water was available only when water mains are charged, the fire hydrants were not useful to the fire units, and they depend on the feeder units for supply of water. Government accepted that hydrants were not useful for fire fighting due to paucity of water supply in the main line, but failed to give reasons for not providing water tanks to the hydrants.</p>
<p>Inadequate training</p>	<p>3.5.8 There was no training centre in the UT. Directly recruited Station Officers are trained at National Fire Service College, Nagpur and firemen are trained by these officers. However, seven Station Officers and 29 Leading Firemen promoted in January 2003 were not given any training. Government stated that training centre would be opened once the required staff were sanctioned.</p>
<p>Proficiency not tested</p>	<p>3.5.9 None of the operational staff were tested for technical proficiency to improve the quality of service rendered by them. Government stated that the norms and mode of assessment of proficiency are being ascertained from Tamil Nadu and Delhi.</p>

Prevention of Fire

Fire prevention is ensured by insisting on built-in fire protection measures to be adopted at the planning stage itself in construction of buildings. The increase of fire incidents from 565 in 1998 to 819 in 2002 indicates the low priority given for prevention of fire by the Department and the licensing authority. The deficiencies noticed are discussed below:

<p>Inadequate staff</p>	<p>3.5.10 According to SFAC recommendations, there should be a Fire Prevention Bureau with separate divisions for carrying out inspections,</p>
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¹⁰ Thirukkanur, Bahour, Villianur and Kalapet

issuing certificates and licences, attending complaints and prosecution. However, in the UT, there is only a Fire Prevention Wing in the Divisional Fire Office with one Station Officer, two Leading Firemen and two Firemen. The DFO stated (July 2003) that as Government sanctioned only a meagre staff, prevention measures were enforced only to the extent possible.

3.5.11 The Factories Act, 1948, Pondicherry Municipalities Act and Commune Panchayat Act and SFAC stipulated provision of fire protection arrangements and fire detecting system, training of personnel in fire fighting and issue of a 'No Objection Certificate' (NOC) by the FSD before granting licences for construction of factories, multi-storeyed buildings and trades involving high risk. Test-check by Audit revealed the following:

During 1998-2002, 454 fresh licences and 729 renewals were issued by various Licensing Authorities after obtaining NOC from the FSD. The NOC issued for storage of petroleum, gas, etc., revealed that in 12 cases, NOC had been issued subject to fulfilment of certain conditions like improvement of approach road, shifting of Low Tension lines, provision of barbed wire fencing etc. But the compliance of these instructions was not verified.

Building plan approved without fire protection devices

The Member, Pondicherry Planning Authority had not obtained NOC for 173 out of 278 cases before issuing permits for construction of multi-storeyed buildings.

No Objection Certificate from Fire Service Department was not insisted before granting licences for Industries

The Chief Inspector of Factories had issued 231 fresh licences and 5515 renewal of licences for factories during 2000-03 without obtaining NOC from FSD. The Chief Inspector stated that there was no provision in the Factories Act for refusing licences for non-compliance of the provision relating to fire preventive measures. This is incorrect as the Factories Act provided for issue of licence only after obtaining NOC from FSD.

The Director, Local Administration Department (LAD), issued instructions (March 1998) dispensing with the practice of obtaining NOC from FSD before issue of licence/permission for trades involving risk. It was seen that two Municipalities and three Commune Panchayats issued 1645 and 5228 licences for Industries and Trades respectively during 1998-2003 without obtaining NOC from FSD. Such instructions of the Director, LAD contravenes the provision of the Act.

3.5.12 A perusal of fire reports revealed deficiencies like lack of approach road, inadequate/poor maintenance of fire protection mechanism such as water hydrant, fire escape, etc., which hampered the progress of fire fighting force. When pointed out, Government assured (October 2003) to take necessary action.

Fire Control

High response time

SFAC has recommended that the Fire Stations should be so located that a maximum of three minutes response time would be achieved in all high hazard and closely built-up areas and the response time should not exceed five minutes in other areas. Similarly the norms of 10 and 50 sq.km for stations in urban and rural areas were provided only to minimise the response time. The occurrence of fire and the response time in attending the fire calls revealed the following:

3.5.13 Of the 3825 fire calls attended during 1998 to 2002, the response time exceeded five minutes in respect of 2556 calls.

3.5.14 Test-check of 325 fire reports during the period January 1998 and May 2003 revealed the following:

Cases where the time taken to travel to the place of fire exceeded 20 minutes, the time taken to extinguish the fire and the damages incurred in fire are furnished in Appendix 17. It was seen that the time taken in reaching the place of fire was more than the time taken to extinguish the fire in 10 cases.

In places like Karaikal, Mahe and Yanam, there is only one Fire Station in each area and the entire distance had to be covered by them. In Pondicherry region, Rs 29.70 lakh and a life were lost in fire as the response time ranged between 12 and 40 minutes due to calls attended by stations other than the nearest.

In respect of 89 out of 159 calls in urban areas and 116 out of 166 calls in rural areas, the distance travelled exceeded two and four kilometre respectively. This indicates inadequacy or poor location of Fire Stations.

Number of fires occurred was more in commercial/industrial sites in rural compared to urban areas.

Causes of fire not identified

Investigation of fires by the Department revealed that generally fire occurred due to careless use of naked lamp and stove, setting fire to wastes, use of crackers and short circuit of High Tension lines. In 69 cases, the cause of fire had not been identified.

Government stated (October 2003) that Fire Stations would be created in all Commune Panchayats so that the response time could be reduced.

Conclusion

3.5.15 Inadequate fire force was the primary cause for the inability to minimise loss of property due to fire. In the absence of a Fire Force Act and Rules, preventive measures were not given importance. As a result, the safety standards and the efficiency in control of fire envisaged in the recommendations of the SFAC were not achieved.

Recommendations

- The Pondicherry Fire Force Act should be enacted without further delay and the required Rules and Regulations formulated.
- Fire Stations should be properly located so as to reduce response time.
- Adequate fire force and infrastructure should be created.
- Fire protection arrangements should be insisted upon in multi-storeyed buildings, factories, etc., before issuing licences for construction.