CHAPTER-I

SOCIAL, GENERAL AND ECONOMIC SECTORS (NON-PSUs)

1.1 Trend of Expenditure

The comparative position of expenditure incurred by the Government during the year 2014-15 and in the preceding two years is given in **Table 1.1** below:

Table 1.1: Comparative position of expenditure

(₹ in crore)

Disbursements	2012-13			2013-14			2014-15		
	Plan	Non - plan	Total	Plan	Non - plan	Total	Plan	Non - plan	Total
Revenue expenditure									
General services	13.23	1846.74	**1859.97**	29.08	2046.54	**2075.62**	33.56	2336.35	**2369.91**
Social services	737.10	788.57	**1525.67**	1000.59	862.90	**1863.49**	979.79	949.55	**1929.34**
Economic services	290.30	1622.61	**1912.91**	394.87	1528.27	**1923.14**	406.94	1684.52	**2091.46**
Grants-in-aid and contributions	209.73	553.06	**762.79**	287.01	654.02	**941.03**	281.16	738.38	**1019.54**
Total	**1250.36**	**4810.98**	**6061.34**	**1711.55**	**5091.73**	**6803.28**	**1701.45**	**5708.80**	**7410.25**
Capital Expenditure									
Capital outlay	940.88	1.39	**942.27**	998.14	10.08	**1008.22**	1235.60	-1.49	**1234.11**
Loans and advances disbursed	1.21	2.77	**3.98**	0.16	4.09	**4.25**	0.19	2.73	**2.92**
Repayment of public debts	-	339.06	**339.06**	-	385.06	**385.06**	-	365.86	**365.86**
Total	**942.09**	**343.22**	**1285.31**	**998.30**	**399.23**	**1397.53**	**1235.79**	**367.10**	**1602.89**
Grand total	**2192.45**	**5154.20**	**7346.65**	**2709.85**	**5490.96**	**8200.81**	**2937.24**	**6075.90**	**9013.14**

(Source: Finance Accounts of the State for the respective years)

The total expenditure of the State increased from ₹ 7,347 crore to ₹ 9,013 crore during 2012-13 to 2014-15, the revenue expenditure of the State Government increased by 22 *per cent* from ₹ 6,061 crore in 2012-13 to ₹ 7,410 crore in 2014-15. The revenue expenditure constituted 82 *per cent* of the total expenditure during the past three years (2012-13 to 2014-15) and capital expenditure was 18 *per cent*. During the period, Revenue expenditure increased at an annual average rate of 11 *per cent*.

1.2 Authority for Audit

The authority for audit by the Comptroller and Auditor General (C&AG) is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The C&AG conducts audit of expenditure of the Departments of Government of Goa under Section 13 of the C&AG's (DPC) Act. The C&AG is the sole auditor in respect of 12 Autonomous Bodies which are audited under the provisions of sections 19 and 20 of the C&AG's (DPC) Act. In addition the C&AG also conducts audit of bodies/authorities under section 14 of the C&AG's (DPC) Act, which are substantially funded by the Government. Principles and methodologies for various audits are prescribed in the Auditing Standards and the Regulations on Audit and Accounts, 2007 issued by the C&AG.

1.3 Planning and conduct of Audit

There are 59 Departments in the State at the Secretariat level headed by Chief Secretary/Principal Secretaries/Secretaries, who are assisted by Directors/Commissioners and subordinate officers under them and 12 autonomous bodies which are audited by the Office of the Accountant General, Goa.

Audit process starts with the assessment of risk faced by various Departments of Government based on expenditure incurred, criticality/complexity of activities, the levels of delegated financial powers, assessment of overall internal controls and concerns of stakeholders. Previous audit findings are also considered in this exercise. Based on this risk assessment, the frequency and extent of audit are decided.

After completion of audit of each unit, Inspection Reports (IRs) containing audit findings are issued to the head of the Departments. The Departments are requested to furnish replies to audit observations within one month of receipt of the Inspection Reports. Whenever replies are received, audit observations are either settled or further action for compliance is advised. The important audit observations arising out of these Inspection Reports are processed for inclusion in the Audit Reports which are submitted to the Governor of the State under Article 151 of the Constitution of India.

During 2014-15, in the Social and General Sector Audit Wings, 852 party-days were used to carry out audit of 137 units and one Performance audit. The Economic Sector-I Audit Wing conducted audit of 13 units utilising 331 party days and the General Sector-II Audit Wing audited 33 units utilising 284 party days. The audit plan covered those units/entities which were vulnerable to significant risk as per our assessment.

1.4 Lack of responsiveness of Government to Audit

1.4.1 Inspection reports outstanding

The Accountant General (AG) arranges to conduct periodical inspections of Government Departments to test-check their transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These are followed up with inspection reports (IRs) which are issued to the heads of the offices inspected with copies to the next higher authorities. Half yearly reports of pending IRs are sent to the Secretaries of the concerned departments to facilitate monitoring of action taken on the audit observations included in these IRs.

As of June 2015, 376 IRs (1,416 paragraphs) were outstanding for want of compliance. Year-wise details of IRs and paragraphs outstanding are detailed in ***Appendix 1.1.***

1.4.2 Response of Departments to the draft paragraphs

The draft paragraphs and performance audit reports were forwarded demi-officially to the Principal Secretaries/Secretaries of the concerned departments between May and November 2015 with the request to send their responses

within six weeks. Replies on the observations in respect of two draft paragraphs (paragraphs 1.7 and 1.8) have been received from the Government.

1.4.3 Follow up on Audit Reports

As per the provisions contained in the Internal Working Rules of the Public Accounts Committee of the Goa Legislative Assembly, Administrative Departments were required to furnish Explanatory Memoranda (EM) duly vetted by the Office of the Accountant General, Goa within three months from the date of tabling of Audit Reports to the State Legislature in respect of the paragraphs included in the Audit Reports.

Ten Administrative Departments as detailed in ***Appendix 1.2*** did not comply with these instructions and had not submitted EM for 24 paragraphs pertaining to Audit Reports for the period 2010-11 to 2013-14 even as of September 2015.

PUBLIC HEALTH DEPARTMENT

1.5 Performance Audit of functioning of Goa Medical College

Executive Summery

Goa Medical College is the only medical college in the State which provides tertiary level medical care to the public. A performance audit to assess utilisation of financial resources, procurement mechanism, utilisation of equipment procured and medicine inventory and academic activities during the period 2010-15 was conducted between April 2015 to July 2015. Some of the significant audit findings of the performance audit are as follows.

- **Test check of procurements of high value equipment showed that average time taken was more than one and a half years. The delay led to excess expenditure of ₹ 1.30 crore.**

(Paragraphs 1.5.7.1(i) and (ii))

- **The Central Sterile and Supply Development equipment installed in March 2011 at a cost of ₹ 4.35 crore had not been utilised till December 2015. New Mortuary cabinets installed at a cost of ₹ 2.59 crore and inaugurated in December 2013 had not been utilised till December 2015 due to failure of cooling system.**

(Paragraphs 1.5.7.3 (i) and (iv))

- **There is a need to streamline annual procurement of medicines as delay in finalisation of annual tenders (2011-12 and 2013-14) and non-tendering (2012-13 and 2014-15) have led to large local purchases at market rates entailing extra expenditure of ₹ 16.22 crore during 2010-15. There were shortage of orthopedic implants and patients had to supply the implants at their own cost during the period 2010-15.**

(Paragraph 1.5.7.5 and 1.5.7.6)

- **The balance in stock of 46 to 79 *per cent* of the medicines in the central pharmacy was nil at the end of each year during the period 2010-15. Non-maintenance of the reserved stock limit, delays in placing indents and supply orders together with delays by suppliers resulted in shortage of medicines in the central pharmacy. The Food and Drug Administration did not sample medicines to the required extent for testing and even in the reduced testing, upto 33 *per cent* of the medicines in the central pharmacy failed tests.**

(Paragraph 1.5.7.7)

- **There were shortages of teaching staff, resident doctors and technicians. The patient-nurse ratio in GMC was 5.6:1 against the Medical Council of India standard of 3:1.**

(Paragraph 1.5.9.2)

- **GMC could not reap the full benefit of computerisation (cost ₹ 2.34 crore) due to incomplete network and lack of maintenance support. The entire system is non-functional since October 2013.**

(Paragraph 1.5.7.4)

- **Ten thousand square metre land allotted to M/s Elbit hospital for establishing a Super Specialty Hospital has remained unutilised for last five years and no action for reversion has been taken.**

(Paragraph 1.5.8.5)

1.5.1 Introduction

Goa Medical College is the only medical college in the State which provides tertiary level medical care to the public. It was established by the Portuguese in the year 1842 and was upgraded to Goa Medical College (GMC) in 1963. GMC admits 150 students for MBBS course; 85 Post Graduate students (59 Degree students and 26 Diploma students) and there are two seats for super specialty course in neurosurgery. Apart from the 1,052 bedded GMC Hospital at Bambolim, there are three peripheral hospitals, *viz.,* the 190 bedded Institute of Psychiatry and Human Behaviour (IPHB), a 80 bedded TB and Chest Disease Hospital at St. Inez, a 20 bedded Primary Health Centre at Mandur and an Urban Health Centre at Santa Cruz attached to GMC. It also provides super specialty service through its cardio vascular and thoracic surgery department.

GMC also provides clinical services through its out-patient, indoor patient and emergency/trauma care departments and diagnostic services through its central laboratory; microbiology, pathology, biochemistry laboratories; radio diagnosis and blood bank. A chain of 17 operation theatres provide surgery facilities through various departments. GMC provided clinical and para-clinical services to a total of 2.91 lakh in-patients, 26.51 lakh out-patients and performed 0.72 lakh surgeries during 2010-15.

A super-specialty Cardio Vascular and Thoracic Surgery Unit (CVTS) was established (February 2014) at a capital cost of ₹ 13.26 crore. Specialists surgeons and physicians were appointed on contract basis and they had treated 2,319 patients and conducted 477 surgeries up to March 2015 at the cost of

treatment ₹ 8.97 crore[1] (excluding capital expenditure) incurred by GMC during the year 2014-15. As per the information made available by GMC, if these procedures were carried out at a private recognised hospital under Mediclaim scheme[2] the amount payable by the Government would have been ₹ 18.64 crore. We also observed that the yearly reimbursement claim under Mediclaim scheme for cardiac ailments came down to ₹ 1.62 crore in the year 2014-15 from the average of ₹ 9.70 crore during the previous years.

1.5.2 Organisation

Principal Secretary (Health) is the administrative head of the Health Department. The Dean heads the Goa Medical College and is supported by a Medical Superintendent, Director (Administration), Joint Director of Accounts and heads of various departments. The organisational chart of the Goa Medical College is given in ***Appendix 1.3.***

1.5.3 Scope and Audit Objectives

The objective of the performance audit was to assess the following

1. Mechanism for procurement and utilisation of equipments and medicines and inventory management;
2. Adequacy and management of infrastructure; and
3. Academic and research facilities.

In order to achieve the above objectives, the performance audit covered GMC and its hospital and related peripheral hospitals (IPHB, TB Hospital, St. Inez and Primary Health Centre, Mandur) and the records maintained in the Health Department. We analysed the position of infrastructure improvement, procurement and utilisation of equipment, procurement and issue of medicines, academics and new facilities provided during the period 2010-15.

1.5.4 Audit criteria

The criteria adopted for evaluation were derived from;

- Guidelines issued by Medical Council of India (MCI), Government of India (GoI) and guidelines and procedure set by State Government;
- Plan documents/procedures, various instructions issued by the State Government from time to time;
- Accepted best practices prevailing in the field of tertiary medical care and medical education; and
- Budget allotment/expenditure and General Financial Rules.

1.5.5 Audit methodology

An entry conference was held with the Secretary (Health), Government of Goa and the Dean and Medical Superintendent, GMC on 08 April 2015. An exit

[1] ₹ 3.80 crore on salaries and ₹ 5.17 crore on consumables and other expenses

[2] A State Scheme under which the State Government reimburses medical expenses incurred by the people domiciled in Goa (excluding Government servants and employees of public sector undertaking) in recognised private hospitals within and outside the State

conference was held on (23 December 2015) with them to discuss the audit observations and recommendations. The response of the GMC to audit has been incorporated while finalising this report.

1.5.6 Finance and Budget

GMC and its peripheral hospitals are funded out of State budget. The budgetary grant and actual expenditure incurred during 2010-15 are given in ***Table 1.5.1.***

Table 1.5.1: Budgetary provision and actual expenditure

(₹in crore)

Year	Total grant			Expenditure incurred		
	Revenue	Capital	Total	Revenue	Capital	Total
2010-11	157.29	11.95	169.24	155.99	3.82	159.81
2011-12	180.55	24.21	204.76	166.72	16.30	183.02
2012-13	188.22	9.97	198.19	183.17	2.43	185.60
2013-14	184.56	11.32	195.88	190.09	8.37	198.46
2014-15	225.96	29.45	255.41	222.69	8.66	231.35
Total	**936.58**	**86.90**	**1023.48**	**918.66**	**39.58**	**958.24**

(Source: Finance and appropriation accounts of the State)

In addition, the State Government spent ₹ 70.52 crore through Goa State Infrastructure Development Corporation (GSIDC) for creation of infrastructure and maintenance and ₹ 11.24 crore from the centrally sponsored scheme of 'Upgradation and Strengthening of State Government Medical Colleges' during 2010-15.

Almost 95 *per cent* of the expenditure is revenue expenditure mainly on salaries and allowances, procurement of medicines and surgical items. The total capital expenditure on creation of infrastructure and procurement of equipment during the period 2010-15 was ₹ 121.34 crore[3].

In accordance with the audit objectives, the audit findings are discussed in the succeeding paragraphs:

1.5.7 Procurement mechanism of equipment and medicines; their utilisation and inventory management

To provide quality healthcare, a hospital requires in addition to skilled manpower, equipment and medicines. Equipment were procured according to targets fixed in the five year plan and annual plans. In addition, the procurement was also made from grants sanctioned directly to GMC by GoI under the scheme for Upgradation and Strengthening of State Government Medical Colleges (USSGMC). During the period 2010-15, the GMC procured equipment worth ₹ 31.84 crore[4] and medicines worth ₹ 130.55 crore. Our test check revealed the following:

[3] ₹ 39.58 crore + ₹ 70.52 crore + ₹ 11.24 crore = ₹121.34 crore.
[4] ₹ 14.60 crore through GMC budget + ₹ 8.23 crore through GSIDC+ ₹ 9.01 crore through central fund of USSGMC scheme

1.5.7.1 Delay in procurement of equipment

We observed that procurement was marred by the inordinate delays at GMC level and also at Government level. These delays not only resulted in delay in providing better diagnostic services to the public but also caused escalation in cost due to revision of equipment prices and exchange rate variations for imported equipment. Some instances noticed during the audit are discussed in the succeeding paragraphs.

(i) Delay in procurement of ventilators and multi-parameter monitors leading to excess expenditure

GMC floated (July 2010) tenders for procuring 12 ICU ventilators and multi-parameter monitors (monitors). In response, four tenders were received for ventilators and three for monitors. The technical bids for ventilators were opened (August 2010) and two tenderers[5] were short listed after seven months in March 2011. Three months later, the financial bids were opened (June 2011) and the offer of M/s Life Care Pvt. Ltd. for $ 23,185 per ventilator (Avea Standards) and $ 14,275 per ventilator (T Bird Vela) was the lowest[6].

Subsequently, on verbal directives of the Secretary, Health (July 2011), the Associate Professor (in charge of ICU) re-scrutinised the bids and furnished (July 2011) some discrepancies in the comparative chart prepared by the Head of Department (HoD) earlier. Hence, the Health Department instructed (March 2012) the GMC to retender by calling short tender notice and complete the work within two to three months.

Fresh tender for 13 ventilators was floated (April 2012) and six tenders were received (June 2012). Two tenders (M/s Life Care and M/s Goa Surgico and Medical Agency) were shortlisted after technical scrutiny. On opening financial bids (September 2012), the lowest offer for ventilators were from M/s Life Care for T Bird Vela model at $18,515. The Government accorded (January 2013) Administrative Approval and Expenditure Sanction (AA & ES) and issued (January 2013) the supply order for ₹ 2.50 crore.

We observed that in earlier tender (July 2010), M/s Life Care had quoted for two models of ventilators at $ 23,185 for Avea Standards and $ 14,275 for T-Bird Vela. Subsequently, on retendering M/s Life Care offered the same two models at the increased rates for the Avea Standards model by $ 2,640 and for T-Bird Vela by $ 4,240. In the first round, GMC considered only Avea Standards. In the second round, however, GMC considered and procured the T-Bird Vela model ventilator as being the lowest one meeting their requirements. Had the model been considered in the first round, the GMC could have saved a total of ₹ 53.69 lakh[7] due to lower price quote and prevailing lower exchange rate.

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[5] M/s Life Care and M/s Maquet

[6] M/s Lifecare quoted two models both meeting the tender specifications

[7] ₹ 44 per Dollar on the date of submission of first round bid and ₹ 56.23 per Dollar on the date of submission of second round bid. (First bid $14275 x 13 ventilator x ₹ 44 (exchange rate) = ₹ 81.65 lakh) - (second bid $ 18515 x 13 ventilator x ₹ 56.23 (exchange rate) = ₹ 135.34 lakh) = ₹ 53.69 lakh

In respect of tender for monitors which were called (July 2010) along with ventilators and opened in August 2010 the lowest offer[8] was ₹ 3,22,625 per monitor. GMC, however, did not issue work order but retendered monitors (April 2012) along with the ventilators. On retendering, four offers were received for 13 monitors. After technical scrutiny and demonstration, the financial bids were opened four months later in September 2012. The offer of M/s Nihon Kohdon at ₹ 6,42,251 per monitor was the lowest. The Government accorded AA & ES after one year (August 2013) and supply order was placed. The company supplied (January 2014) the equipment and installed in March 2014.

We observed that on first tendering the lowest offer received for monitors was ₹ 3,22,625 per monitor. In the second call the lowest offer received was ₹ 6,42,251 per monitor. Thus, there was increase in the rate per monitor by ₹ 3,19,626 in re-tender. This not only resulted in delay in installation but also in additional expenditure of ₹ 41.55 lakh for 13 monitors.

Besides, the ventilators were installed in May 2013 and the monitors needed were installed only in March 2014. Thus, due to delay of over one year in obtaining administrative approval for monitors, the ventilators installed at a cost of ₹ 1.88 crore remained under utilised for 11 months. GMC took nearly four years from July 2010 to March 2014 to procure and operationalise the equipment.

The GMC replied that the earlier tender was cancelled due to discrepancies observed in the comparison chart prepared by the then HoD. The delay in placing supply order for Monitors was due to time taken for obtaining relaxation for drawing AC bills as many other AC bills were pending settlement.

The reply was not convincing since the huge extra expenditure occurred on account of avoidable delays, specially as the ventilators purchased finally were the same as were on offer in the first round.

(ii) Delay in procurement of CT Scan machine leading to avoidable expenditure

The Radiology department GMC, proposed to procure a new CT Scan machine to replace the old machine to cater to increased load of patients. A sum of ₹ 4.17 crore was earmarked out of amount allocated under the scheme USSGMC.

GMC floated (June 2011) tenders for procurement of whole body Multislice CT Scanner. Three offers were received (August 2011) and the offer of M/s Siemens Ltd., Mumbai was the lowest at $ 6,69,000. At the prevailing rate of ₹ 45.75 per USD, the total cost worked out to ₹ 3.06 crore plus ₹ 15 lakh for site preparation (Turnkey). The Purchase Committee accepted the offer and submitted (November 2011) the proposal to Health Department for AA & ES. The Government accorded (May 2012) AA & ES for ₹ 4.17 crore and issued (June 2012) the work order. The Company supplied

[8] M/s Larson & Toubro

and installed (November 2012) the CT Scanner and the total payment made was ₹ 3.86 crore.

We observed that the process of tendering took almost 10 months between opening of bids and issue of purchase order. Though the amount sanctioned under the USSGMC scheme was available with the GMC, the Government took six months to accord the AA & ES after finalising the tenders. Consequently M/s Siemens requested (June 2012) for revision of rate due to variation in the exchange rate of dollar as on 06 June 2012 (1 USD= ₹ 55.45). Accordingly, GMC revised (August 2012) the supply order to ₹ 3.86 crore and paid in two instalments of ₹ 3.47 crore (September 2012) and ₹ 39 lakh (November 2012). The inordinate delay of six months in issuing AA & ES and two months for issue of work order resulted in an additional expenditure of ₹ 35 lakh (at the exchange rate prevailing in the month of November 2011[9] ₹ 50.29).

GMC replied that the delay in issue of work order was due to belated sanction of AA & ES by Government. In case of occurrence of downward revision of exchange rate the Department would have benefited. The reply was not acceptable in view of the facts that the undue delay had resulted in extra expenditure for GMC.

(iii) Delay in procurement of Colour Dopplers

The HoD, Radiology, GMC proposed (September 2013) purchase of four Colour Dopplers, against a buy-back offer for existing black and white ultra sound machines, with USSGMC fund. The GMC submitted (October 2013) the proposal to the Health Department for Administrative Approval which was accorded in November 2013. GMC floated the tender (December 2013) and three firms responded. All the firms were qualified and demonstration was held in February 2014. The financial bid was opened (June 2014) and the lowest offer was of M/s Siemens Ltd. for ₹ 50.40 lakh. The Dean, GMC submitted (November 2014) the proposal for obtaining AA & ES to Health Department which was accorded in January 2015. The supply order was issued (March 2015) and the equipments were supplied in September 2015. Thus, there was inordinate delay in procuring Colour Dopplers.

GMC replied (December 2015) that the delay was due to some doubt on whether to consider Annual Maintenance Contract or Comprehensive Annual Maintenance Contract for financial comparison. The reply was not convincing in view of the fact that the GMC took nine months after technical qualification and demonstration to open and process financial bids and the State Government took two months to accord AA & ES, after which the GMC took over a month to place supply orders. The patients were deprived of the latest superior technology for two years despite availability of financial resources with GMC under USSGMC.

[9] The month of submission of proposal for AA & ES

1.5.7.2 Irregular tendering process

Comprehensive maintenance contract of Bio Medical Waste Treatment plant

GMC invited (July 2010) tenders for supply and installation of bio-medical waste disposal system by non-burn technology. In response, three tenders were received and two agencies shortlisted on technical scrutiny. The financial bids were opened (August 2010) and the lowest offer of M/s Lifeline Pharma Ltd. for ₹ 4.99 crore was recommended (September 2010) to the Purchase Committee. The Purchase Committee accepted the recommendation and submitted the proposal to the Government. Government accorded (March 2011) AA & ES and issued work order. The machine was installed and commissioned in January 2013.

According to clause 5 B of the general conditions of the tender, the tenderer had to certify that they would undertake/enter into a five years comprehensive annual maintenance contract (CAMC) after expiry of the compulsory guarantee period of two years. The amount quoted for CAMC was to be considered for comparing the financial bid. We observed that the company had not quoted their rate for the CAMC while submitting the tender. GMC also did not consider this factor during technical scrutiny or financial comparison. The GMC proposed (August 2014) for entering into CAMC with the company on completion of the guarantee period and the Government approved the CAMC for three years from January 2015 to January 2018 at the rate of ₹ 1.36 crore offered by M/s Lifeline Pharma. Non-obtaining of rates of CAMC at the time of procuring the equipment had thus resulted in award of CAMC to the same company without ascertaining the competitiveness of the rates quoted.

GMC stated that both companies did not quote for CAMC but despite this the then Purchase Committee recommended the tender to Government and Government approval was obtained. The reply of the GMC thus indicated a lapse in observing the NIT provision which led to not obtaining competitive rates for CAMC.

1.5.7.3 Under-utilisation of equipment

The State Government has procured costly medical equipment for the benefit of the patients and it is the duty of the GMC to utilise these equipment optimally. Idling and under utilisation of equipment would result in poor service delivery to the patients despite having the means. We observed that equipment worth ₹ 9.82 crore were either idle or only partially utilised as indicated in the succeeding paragraphs.

(i) Non-utilisation of Central Sterile and Supply Development equipment

The Central Sterile and Supply Development **(**CSSD) equipment procured/delivered in 2010 at a cost of ₹ 4.35 crore has not been utilised so far (December 2015). Installation of the machine was delayed as GMC could not provide a suitable place for opening container boxes carrying the machine parts. The installation process started in October 2010 was completed by January 2011. All required connections were completed by PWD in March 2011 and trials were taken in May 2011. Even though a steriliser was inoperative due to damage during transportation, it was declared functional

from April 2011. We observed that the machine could not be utilised due to pending repairs for rectifying damage in transportation, wiring damage caused by rats and damaged electrical couplers. The representative of the manufacturer visited the hospital only in November 2013 (after warranty period) and suggested general maintenance, calibration and repairs. The company distributer submitted (December 2013) a quotation of ₹ 18.44 lakh for repair which was, approved by the Government only in January 2015. The repair work was still pending (December 2015) for want of spare parts to be imported from abroad.

GMC stated (January 2016) that the CSSD was presently used partly. The equipment was expected to be fully functional within next two months. The facts however remained that the CSSD equipment worth ₹ 4.35 crore procured in April 2010 were unutilised for the last five years.

(ii) Non-utilisation of cold storage

A new cold storage for blood was purchased (August 2011) for the blood bank through PWD at a cost of ₹ 6.96 lakh. This walk-in cold storage room has not been made functional so far (December 2015) due to non-fixing of shelf/racks for storing blood. The thermograph required to measure the temperature in the cold room was also not installed. As the old cold room has outlived its utility and apprehending its breakdown any moment the HoD of blood bank has been repeatedly requesting (from May 2012 onwards) the GMC to make arrangement for fixing the racks and thermograph but the work has not been carried out till date (December 2015). When the matter was reported (October 2013) to the PWD, they stated that the maintenance activities had been handed over to the Goa State Infrastructure Development Corporation (GSIDC) and requested GMC to take up the matter with GSIDC. Though GSIDC inspected the site in October 2013 it did not take up the work. Finally GMC issued supply order in November 2015 for racks but these were yet to be installed (December 2015).

GMC stated that the thermograph unit was fixed in July 2015 and partial use of new cold room had been initiated without racks from September 2015. The reply was not convincing in view of the facts that, the cold storage could not be fitted properly and made functional over a span of four years. As the GMC is the mother blood bank for district hospitals in the State, such delays need to be prevented.

(iii) Under utilisation of Arthroscopy unit

GMC procured (June 2012) an Arthroscopy unit (unit) at a cost of ₹ 46.69 lakh and it was installed (October 2012) in the Orthopedic department. Within first three months of installation, the unit's camera got burnt due to lack of earthing facility in operation theatre and had to be replaced. Again from July 2013 onwards, the camera of unit developed problems. On inspection (August 2013), it was found that the camera head was broken due to dropping/misuse and therefore, was not covered by warranty. After pursuit over 12 months by GMC, as a gesture of goodwill, the supplier replaced (August 2014) the damaged camera head. Subsequently, two days later (August 2014) the light source of the unit stopped working. This was repaired (October 2014) at a cost of ₹ 0.73 lakh. The camera further stopped working (February 2015) and on inspection (February 2015) it was reported that the

camera head needed replacement as it had some scratches and damage to internal parts due to either dropping or an accidental hit. In the mean time the warranty ended (October 2014) and GMC is yet to finalise the replacement of the camera and the AMC for the machine (December 2015).

GMC stated that the Arthroscopy unit was now being utilised with respective surgeons bringing their own camera head from personal sources. Thus, in the past 33 months since installation, the equipment could not be utilised for almost 24 months due to damage on account of repeated mishandling. To use the equipment, GMC is forced to utilise services of only those surgeons who are in a position to bring the camera in a private capacity.

(iv) Inability to utilise new Mortuary Cabinets

The GMC proposed (February 2007) establishing a new morgue with capacity of 90 bodies, having a conference display hall to provide good research facilities for post graduate/super speciality courses and for medico-legal cases. The Government approved (March 2008) the proposal and awarded work to GSIDC. GSIDC estimated the cost at ₹ 14.93 crore for setting up a new mortuary building with 108 mortuary cabinets covering a total built up area of 4,146 square metre. GSIDC executed the work as 12 sub-works through 12 different contractors at a total cost of ₹ 17.71 crore and the new Forensic block and Mortuary was inaugurated in December 2013.

During the inaugural function itself, the mortuary cabinets (cost ₹ 2.59 crore) began showing error. The Forensic department started using the mortuary cabinets, but owing to failure of cabinets leading to decomposition of dead bodies, use of new mortuary cabinets was stopped (February 2014). GSIDC repaired the new cabinets but the GMC could not start using it due to non-finalisation of the technical maintenance contract by GSIDC. GSIDC awarded (January 2015) the maintenance contract for 21 months to a firm and the technical glitches detected by the firm were under review by GSIDC (December 2015).

GMC stated that GSIDC had commissioned Morgue C with 36 cabinets and 11 cabinets in Morgue A and B in September 2015. The remaining cabinets needed repairs and would be handed over by GSIDC at the earliest. The facts, however, remained that 108 new mortuary cabinets costing ₹ 2.59 crore had remained unutilised since December 2013 without achieving the intended purpose.

1.5.7.4 Idle investment on computerisation of Goa Medical College

As a part of the XIth State Five Year Plan, the Government commenced introduction of a computer based Hospital Management System (HMS) in GMC. This was to facilitate smooth functioning of patient administration; bed management; better pharmacy management by providing real time stock position and its expiry; laboratory services; maintenance of records; medical research *etc*. thereby improving the overall efficiency in service delivery. The total cost including hardware, software and networking was ₹ 2.87 crore of which the GMC paid a total of ₹ 2.34 crore during the period from April 2006 to March 2011. Actually, the implementation was hampered due to

several infrastructural changes[10] in GMC and the networking remained incomplete. As of June 2011, 13[11] modules were functional and live and the other 11[12] modules were not live due to lack of networking, damaged networking, renovation works, shifting to NIC software *etc*.

The suppliers of HMS continued to provide maintenance support till September 2012, thereafter the subsequent renewal of AMC was put on hold by Government due to the objections such as non-calling tenders for the earlier AMC and non-functioning of the computerisation to a satisfactory level. As a result the agency withdrew support (October 2013) and the entire HMS system became non-functional. The GMC had to revert to the manual operations as existed in the year 2006. This led to negation of ₹ 2.34 crore expenditure besides losing the opportunity for enhancing overall efficiency of service delivery.

GMC stated that 13 modules of HMS were used hence could not be considered as negation of ₹ 2.34 crore. The reply was not convincing as the GMC could never benefit from a fully functional HMS and over a period even the partly functioning system fell into disuse due to lack of maintenance.

There is a need to re-establish computerisation for hospital management and to extend it to all departments and activities for the benefit of patients, doctors and overall improvement in GMC's hospital management.

1.5.7.5 Delay in finalisation of tenders for procurement of medicines and surgicals

The GMC, in consonance with Government policy, provides free medicines, surgicals and chemicals required for all in-house patients. The medicines are procured through annual tendering and distributed to wards by its central pharmacy. The annual requirements assessed by the central pharmacy are ratified by a purchase committee and after obtaining approval from the Government, tenders are called and finalised by the purchase committee. After working out the final cost of procurement, GMC obtains AA & ES from the Government. On receipt of AA & ES purchase orders are issued by GMC. The details of medicines, chemicals and surgical items procured by GMC during 2010-15 are given in ***Table 1.5.2*** below.

[10] Microbiology department which was networked shifted from the Dean's office block to the old medicine ward, OPD 13 (Laboratory block) which was networked and live underwent renovation and cables were damaged, the casualty and operation theatres were under renovation, the department of medicine and allied departments shifted to the new block, the private wards and the new mortuary were under construction

[11] OPD registration; material management; pharmacy management; blood bank; security and access controls for users; inpatient registration; radiology; admission, discharge and transfer, patient relationship; PACS; library; medical records and OPD billing modules

[12] Ward management, linen/laundry management, diet management, obstetrics & gynecology, OT scheduling, laboratory reporting, inpatient billing, mortuary, ambulance management, payroll, finance, birth and death registry modules

Table 1.5.2: Expenditure on purchase of medicine during 2010-15

(₹ in crore)

Year	Payments against tender quantity items	Payments for additional purchase orders	Payments against local purchases	Payments against emergency purchases	Total expenditure
2010-11	1.03	16.42	2.56	0.94	20.95
2011-12	0.01	11.56	3.49	2.64	17.70
2012-13	31.18	11.20	4.78	2.49	49.65
2013-14	0	3.43	3.15	0.89	7.47
2014-15	0	27.75	6.09	0.94	34.78
Total	**32.22**	**70.36**	**20.07**	**7.90**	**130.55**

(Source: furnished by GMC)

It could be seen that out of the total procurement of medicines of ₹ 130.55 crore, only 25 *per cent* (₹ 32.22 crore) of the medicines were procured through tendering process against the assessed requirement. Almost 54 *per cent* (₹ 70.36 crore) of the medicines were procured in excess of the quantity tendered and another 21 *per cent* (₹ 27.97 crore) of the expenditure was incurred through local and emergency purchases.

The delays/deficiencies noticed in the procurement of medicines and other ancillary items are discussed below:

(i) We observed that GMC initiated (January 2011) tender process for the year 2011-12 with the preparation of a list of medicines and other items at an estimated cost of ₹ 26 crore and submitted (February 2011) the proposal to Government. The approval of Government for floating tenders was received in June 2011. Tenders were floated in July 2011; technical bids/financial bids were opened in August 2011/February 2012. The Pharmacology department GMC, prepared (March 2012) a comparative chart and GMC submitted (June 2012) request for AA & ES to Government. The Government accorded (September 2012) AA & ES for ₹ 32.81 crore. In respect of those items for which no quotations were received or no agencies were shortlisted in the tender, separate tenders were floated in March 2012. Technical bids were opened in May 2012 and financial bids in July 2012. The request for AA & ES was submitted to Government in August 2012 and AA & ES was accorded by the Government in April 2013.

Thus, the process of tendering for the procurement of medicines for the year 2011-12 started in January 2011 was completed after two years in April 2013 with considerable delay on the part of GMC and Government. Due to this delay, the requirements for the years 2012-13 were not assessed and tendered.

(ii) For the year 2013-14 the Government constituted (November 2012) a Common Drugs Purchase Committee[13] (CDPC) for common purchase of drugs, medical and surgical items required for GMC, hospitals under Directorate of Health Services, Institute of Psychiatry and Human Behaviour

[13] Director of Food and Drugs Administration (Chairman), Dean of GMC, Dean of Goa Dental College, Director/Dean of Institute of Psychiatry and Human Behaviour, Director of Health Services, Additional/Joint Secretary (Health), Additional/Joint Secretary (Finance), Joint Directors of Accounts of GMC and DHS, Assistant Accounts Officers of Goa Dental College and IPHB, Dr Chandrakant Shetye (Director of Vision Multispeciality Hospital, Duler, Mapusa) and Dr. Ian Pereira (Lecturer in Pharmacology, GMC) the Member Secretary Duler, Mapusa) and Dr. Ian Pereira (Lecturer in Pharmacology, GMC) the Member Secretary

(IPHB) and Goa Dental College and Hospital. The Government instructed (July 2013) to procure and supply only medicines listed in the National List of Essential Medicines (NLEM) of India 2011. As the NLEM medicines were not sufficient to provide tertiary level treatment in GMC, the CDPC prepared lists of NLEM and non-NLEM separately and the proposal for tendering NLEM medicines costing ₹ 24.16 crore was submitted (November 2013) to Government.

The Government conveyed approval (December 2013) for tendering of NLEM medicines and CDPC floated (February 2014) the tenders. Owing to representation from Chemists and Druggists Association, inclusion of medicines required for more departments *etc.*, the date of opening of tenders was postponed 13 times. In the final corrigendum, the year of purchase was modified from 2013-14 to 2014-15 thereby halting the tender process for the year 2013-14. The technical bids and financial bids were opened together in July 2014 and Government conveyed (March 2015) the AA & ES of ₹ 32.66 crore (GMC ₹ 24.98 crore) for procurement of medicines for the year 2014-15. Thus, entire process for the second tender consumed one and three quarters of a year to complete.

The CDPC finalised (January 2014) the list of non-NLEM medicines costing ₹ 47.50 crore (GMC portion ₹ 28 crore) and administrative approval of Government was received in April 2014. However, due to revision in list for inclusion of requirements for newly set up cardiothoracic surgery unit, issues relating to change in CDPC and issuing separate tenders for GMC, the non-NLEM for the year 2014-15 was yet to be tendered (December 2015)**.**

(iii) Pending finalisation of tenders, GMC procured medicines and surgical items costing ₹ 70.36 crore by issuing additional orders to the previous tenderers during 2010-15. As the tenderers were reluctant to supply additional quantity at the same rates and also to fulfill the requirement for new medicines, GMC purchased medicines worth ₹ 20.07 crore directly from the two medical stores at MRP[14] rates during 2010-15. They also purchased medicines worth ₹ 7.90 crore by calling local quotations for the stock of the central pharmacy during the period 2010-15. Thus, GMC procured medicines worth ₹ 27.97 crore (₹ 20.07 crore + ₹ 7.90 crore) without calling tenders during the period 2010-15.

We test checked 119 tendered items which were locally purchased at MRP rate in the year 2012-13 and found that on an average the MRP was higher by 58 *per cent* over tender rates leading to approximate excess expenditure of ₹ 16.22 crore (₹ 27.97 crore x 58/100).

GMC accepted that the delay in finalisation of tender for 2010-11 had resulted in non-tendering for subsequent years. It further stated that most of the items purchased at MRP were the items not in the tendered list hence, argument of 58 *per cent* excess over the tendered rate was not correct.

The reply is not acceptable as we had worked out the difference in tendered rate and MRP only on items which were tendered but purchased at MRP from

[14] Maximum retail price

local market. During 2010-15, against the requirement of medicines and surgicals, the actual quantities were tendered only for 2011-12 and 2013-14. Thus, there was need to review of annual tendering process and to adopt a time bound approach for procurement of medicine.

1.5.7.6 Delay in finalisation of tenders for procurement of Orthopedic implants

Orthopedic implants are important consumable items required in orthopedic operations. The Government policy requires GMC to supply implants free of cost to in-patients and in all trauma cases. Accordingly, the Government directed (August 2008) GMC to float open tender for purchase of orthopedic implants. The tenders were floated (September 2008) and the total cost as per the lowest offers was ₹ 2.63 crore. GMC procured implants worth ₹ two crore during 2009-10. During the period 2010-15, it carried out 13,304 major and 18,272 minor operations and procured orthopedic implants worth ₹ 3.26 crore.

In 2010-11, GMC floated (December 2010) tender for the year with an estimated cost of ₹ 2.25 crore. The bids were opened (January 2011) and the purchase committee accepted (March 2011) the lowest tenders worth ₹ 2.25 crore. The request for AA & ES was not submitted to Government till July 2012 due to time taken to resolve a complaint received from a party whose tender was disqualified on technical scrutiny.

The Government, instead of according AA & ES, ordered (October 2012) the GMC to procure only 25 *per cent* of the quantity estimated to ₹ 0.56 crore at the quoted lowest rates. The balance 75 *per cent* (₹ 1.68 crore) was to be procured through e-tender which was issued (June 2013) and opened in July 2013. After demonstration by the tenderers, the financial bids were opened in March 2014. The total of the lowest offers received were ₹ 81 lakh against the estimated cost of ₹ 1.68 crore and the supply order was issued in August 2014.

During 2010-15, the average annual procurement of implants was ₹ 65 lakh against ₹ two crore purchased for year 2009-10. We observed that during the period 2010-15, 40 Hip and 52 Knee replacement surgeries and 472 other surgeries were conducted for which the patients were constrained to procure the implants as the same were not available with GMC.

The GMC stated that less expenditure during 2010-15 was due to procedural delays for tendering. As all the implants procured were exhausted, the patients were asked to buy implants for conducting emergency operations.

The reply corroborates the fact that there is a need to streamline the procurement process to provide free supply of implants in accordance with the Government policy. Thus, non-availability of implants violated the Government policy and caused financial burden for the patients.

1.5.7.7 Management of medicines and surgicals in central pharmacy

The central pharmacy of GMC receives stores and issues medicines, chemicals and surgicals to all departments/wards/ICUs/OTs of GMC and its attached hospitals[15]. The central pharmacy maintains stock registers for recording medicines, chemicals and surgical items received from various agencies through annual tendering. Local purchases made by wards were not entered in the stock register as these materials are directly issued to the wards, a separate register was maintained for recording local purchases.

We analysed the stock position of various items with stock ledgers at the end of every year during the period 2010-15 and observed that 46 *per cent* to 79 *per cent* of the ledgers showed 'Nil' balance at the end of March every year as detailed in ***Appendix 1.4.***

The GMC had fixed (October 2002) a reserved stock limit (RSL) of two months requirement. The tenderers are required to supply medicines within a period of 45 days from the date of receipt of supply order. After considering supply time and a maximum of 15 days time lag between placing indents and issue of supply orders by GMC and the reserved stock limit, the pharmacy has to place its requirements four months before the expected date of stock becoming nil. We test checked a sample of five *per cent* of the items in stock register with a view to analyse the turnover of the medicines. The results are as under:

(i) Of the 172 ledgers test checked, the materials were not available in the store for 8 days to 365 days in respect of 103 cases as given in ***Table 1.5.3.***

Table 1.5.3: Details of medicines not available in Central Pharmacy

Year	Total number of items in the stock register	Number of items checked	Number of medicines not available in store	Non-availability of medicines in number of days	
				8 days to 100 days	101 days to 365 days
2010-11	535	27	20	15	5
2011-12	729	36	22	13	9
2012-13	758	38	29	11	18
2013-14	546	27	18	12	6
2014-15	870	44	14	4	10
Total	**3438**	**172**	**103**	**55**	**48**

(Source: Stock register and sample study result)

a. In respect of 66 items, the central pharmacy did not place indents for supply of materials even after the balance became nil.

b. In respect of 49 items, the indents were placed after delay ranging from 15 days to 300 days after reaching the RSL of two months' requirements.

c. In cases where indents are placed, the suppliers did not supply medicines in 15 instances and whenever supplied against indents (34 instances) the suppliers took 10 days to 190 days after placing indents.

[15] Urban Health Centre, Santa Cruz; Rural Health Centre, Mandur and TB & Chest Disease Hospital, St. Inez

The sample check indicated that the pharmacy authorities did not report the shortage of medicines well in advance before reaching the RSL which consequently resulted in delay in placing of supply orders/additional supply orders by the GMC. We also observed that the purchase section was not placing supply orders against all the indents/requests made by the pharmacy. As a result, most of the medicines were not available in the central pharmacy and required medicines for the wards were procured locally at MRP rates.

GMC stated that for new super specialty departments, which were medicine consuming departments, no previous data was available and the purchase section took more than six months to place additional orders. Further, many slow moving items were not purchased as they were not being prescribed by GMC doctors. In respect of items, where there was a delay in placing indents, some were available in the sub-store/ward stock or supply against the earlier orders was pending or were not available with the manufacturing company, hence not supplied. Besides delay in supply by agencies, the other reasons for non-availability of stock in the pharmacy were non-payment of bills, non-supply by GAPL[16] pharmacy where there was no second lowest tenderer, no quotations for some items and the delay in approval of tenders for NLEM medicines by Government.

The reply of the GMC corroborates the fact that the assessment of quantity of medicines for annual tendering needs a relook and long delays in placing supply orders needs to be checked.

(ii) Failure of GMC pharmacy medicines during FDA testing

The Food and Drug Administration (FDA) is responsible for periodic testing of drugs and chemicals kept in GMC pharmacy. According to the tender conditions, the FDA is to analyse samples of each batch of items supplied. We observed that the FDA carried out sample analysis only occasionally and not regularly. The GMC pharmacy also did not send samples or intimate the FDA to take samples as and when new batch materials arrived for checking the quality specifications of medicines supplied during 2010-15. The year wise break-up of number of times the FDA authorities inspected the central pharmacy and took samples for testing are given in ***Table 1.5.4.***

Table 1.5.4: Details of inspection by FDA

Year	Number of medicines under supply	Number of times samples taken	Number of items taken	Number of items where the medicines have been reported as sub-standard	Percentage of sub-standard medicines
2010-11	535	5	25	1	4
2011-12	729	7	21	1	5
2012-13	758	7	27	1	4
2013-14	546	1	3	1	33
2014-15	870	4	23	4	17

(Source: Audit scrutiny of test results)

Against mandatory requirement of testing all batches of medicines of 535 to 870 items in stock, the FDA sample test covered only three to 27 items. Lack of testing to the prescribed extent by FDA, failure of samples even within this diminished testing was a concern requiring attention.

[16] The medicines that can be supplied by GAPL factory at Tuem were not tendered but directly purchased from them

We also observed that the FDA took 22 days to 176 days to submit the test reports to the pharmacy, by then most of the medicines had already been issued to the patients. If the medicines were completely issued to the patients, there was no scope for punitive action to be taken against the companies for supplying below standard medicines. In cases, where the balance of stock existed, the pharmacy froze the stock and the cost of un-issued medicines was recovered from the companies. The details of 10 such cases including two cases of the period 2009-10 are given in ***Appendix 1.5.*** The issue of sub-standard quality medicines to patients would not only result in ineffective treatment but also hazardous to patients. Reduced testing, delayed reporting of test results and release of payment without testing results could also create a perverse incentive for the suppliers.

Similar inadequate monitoring of quality of medicines was observed in the central pharmacy of IPHB as well. The percentage of sub-standard medicines detected in the sample selected by the FDA were four *per cent*, 67 *per cent* and 50 *per cent* during the years 2011-12, 2012-13 and 2014-15 respectively. During the years 2010-11 and 2013-14, no sample test was conducted by FDA. It was further observed that the FDA took 35 days to 169 days to submit the test reports to the central pharmacy by that time most of the sub-standard medicines had already been issued to the patients as detailed in ***Appendix 1.6***.

The GMC replied that the FDA had taken 20 samples on an average in a year out of 800 to 900 items available in stock of which only one sample had been found of sub-standard. It was also replied that in most of times the stock had been consumed by the time the analytical report was received from FDA. The IPHB also replied (July 2015) that the percentage of sub-standard medicines against the total medicines received in the pharmacy was only one to four *per cent*.

The replies were not convincing since the FDA did not test check medicines to extent required. Even under this reduced testing, results showed that up to 33 *per cent* of the medicines test checked in central pharmacy of GMC and up to 67 *per cent* of medicines test-checked in the central pharmacy of IPHB failed quality tests during the last five years. In the absence of adherence to the prescribed extent of testing, the GMC could not derive the assurance that it had supplied proper quality medicines to the patients.

1.5.8 Availability, adequacy and management of infrastructure

1.5.8.1 Inadequate beds in some departments

For providing in-patient services, GMC has a total of 1,152 beds spread in 40 wards under various departments. Between 2010 and 2015, 73 beds were added due to opening of six new departments[17]. The year wise position of number of in-patients and average bed occupancy rate in various departments of the GMC is given in ***Table 1.5.5.***

[17] Neurosurgery, plastic surgery, pediatric surgery, CVTS, cardiology and private ward

Table 1.5.5: Number of in-patients and average bed occupancy of various departments for the period 2010-15

Sl. No.	Department/ Service	Number of in-patients (2010-15)	Bed occupancy rate in percentages					Number of months where bed occupancy exceeded 100 *per cent*
			2010	2011	2012	2013	2014	
1	Neurology	2526	29	31	50	110	101	17
2	Neurosurgery	10605	124	132	103	109	106	53
3	Ortho surgery	20938	95	92	93	86	81	6
4	Obstetrics & Gynaecology	41776	91	92	83	77	82	4
5	Surgery	40331	92	84	93	79	77	1
6	Ophthalmology	13774	69	80	83	90	83	8
7	Medicine	62676	77	67	74	88	92	1
8	CVTS (from June 2014)	1005	-	-	-	-	87	1
9	Paed. Surg. (from Jan 2013)	890	-	-	-	63	73	0
10	Urology	13996	64	72	63	67	67	0
11	Paediatrics	18650	69	75	71	61	61	0
12	ENT	6201	70	68	66	65	62	0
13	Plastic Surgery (from Jan 2013)	390	-	-	-	41	74	1
14	Cardiology (from June 2014)	431	-	-	-	-	57	0
15	Skin & VD	2142	66	57	51	41	46	0
16	OMFS (from Jan 2012)	2036	-	-	29	51	44	0

It could be seen from the above that;

- The average bed occupancy of neurosurgery department was above 100 *per cent* throughout the last five years. In neurology department it was above 100 *per cent* during the last two years. The bed occupancy in ophthalmology, ortho-surgery and obstetrics and gynecology also exceeded 100 *per cent* for a few months.
- We further observed that bed occupancy of neurosurgery department exceeded 100 *per cent* in 53 of the 60 months during 2010-15 and recorded average bed occupancy in the range of 103 to 132 *per cent* during this period.

The neurosurgery department stated that due to shortage of beds they had to accommodate up to 10 patients in floor beds/folding beds and sometimes the patients were shifted to other surgery wards. Thus, there was shortage of beds in these departments of GMC.

GMC stated that patients of neurosurgery needed close monitoring and had to be kept in close proximity of neurosurgery ward hence, could not use beds of other departments. The problem would be solved after commencement of the proposed super specialty block.

The reply and the above described position shows that there is an urgent need to augment the bed capacity in the departments where the average occupancy has been crossing the 100 *per cent* limit in the last few years.

1.5.8.2 Shortage of bed strength in IPHB

The IPHB has a bed strength of 190 divided into four closed wards for male patients and three closed wards for female patients. An open ward each for male and female patients also exists. The bed strength and average occupancy rate during the period 2010-15 are given in ***Table 1.5.6.***

Table 1.5.6: Details of bed strength and bed occupancy at IPHB

Year	Bed strength	Bed occupancy rate (in percentage)
2010	190	84
2011	190	87
2012	190	96
2013	190	101
2014	190	108
2015 (upto June)	190	115

We observed that the bed occupancy crossed the 100 *per cent* mark since 2013. Due to unavailability of separate wards, child patients were also accommodated along with adults.

IPHB had proposed (November 2006) to construct a 100 bedded hospital by availing financial assistance (₹ 30 crore) from GoI under National Mental Health Programme (NMHP) during the X plan period. This did not materialise despite extending the benefit during the XI plan period as well. Only an expenditure of ₹ 0.85 lakh was incurred by PWD for clearing the site for construction of a 100 bedded hospital. As no proposal was submitted during the XIth plan period, no benefit under the NMHP scheme could be availed.

The IPHB attributed the delay to the delay in finalisation of plans and drawings by the PWD. The work of construction of 100 bedded hospital was initially awarded to PWD in year 2003 with detailed requirement. The PWD submitted the requirements to an architect to prepare sketch designs of plan in the year 2006. After going through the sketch design further requirements were added to the plan and provided to PWD in year 2008. In year 2012, it was decided to add a children's ward also and the PWD was yet to furnish drawings (December 2015).

GMC stated that the Government had approved (September 2015) the project and 100 bedded hospital would be constructed through GSIDC.

1.5.8.3 Inadequate infrastructure for storage of medicines

During our joint visit to godown of the pharmacy along with the pharmacy officials, we observed that the glass window of the store room where the cancer drugs were kept was broken. Wild bushes around the pharmacy were not cleared to prevent insects, rodents and snakes from entering the pharmacy. The central pharmacy doors remained open resulting in rise in room temperatures and resultant extra energy consumption for air conditioning. The Intra-Venous fluids (IV fluids) and medicine cartons were kept in the corridors and even outside the door of the pharmacy. The cold room in the pharmacy was without racks and vaccines and other drugs were stacked in 9 to 10 layers in the cold room which could result in damage to drugs kept in the lower layer. Flammable materials such as Spirit, Isofluvene, Servofluvane and Turpentine were stored along with old records and the fire extinguisher was outdated. Some of the photographs taken by audit during the visit at pharmacy are shown below.

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(1) Waste dumped behind the pharmacy (2) Broken window glass in the storage room of cancer drugs (3) Vaccines and other medicines stacked one above others in layers in the cold room (4) Medicines kept outside the pharmacy door in the corridor (5) Old records kept in the room of flammable chemicals (6) Fire extinguishers kept in a corner without date of refill.

We further observed that the pharmacology department had been reporting (May 2008/August 2009/December 2013) about the shortage of storage space. It was also reported that the hospital required around 1,000 boxes of IV fluids every fortnight and these IV fluids were kept in the corridors of the pharmacy blocking the passage. In the case of an untoward incident, the blocked passages would cause problems in evacuation of employees working inside.

The Pharmacology department stated (August 2015) that the proposal to fix wooden windows in place of glass windows and requirements for additional store rooms were submitted to Dean in December 2013. However, no action had been taken by the concerned authorities till date. The GMC replied that the corrective steps on all the lacunae reported would be taken.

1.5.8.4 Land management

GMC has land admeasuring 12.94 lakh square metre (m^2) spread over five villages[18]. Out of this, the area utilised so far for the construction of buildings for GMC was 1,14,690.36 m^2 consisting of Medical college (22,601.01 m^2), Hospital (81,314.75 m^2), Mandur Rural Health Centre (1,145 m^2), Santa Cruz Urban Health Centre (624 m^2) and Santa Cruz TB Hospital (9,005.50 m^2). GMC has not constructed a compound wall around all the land belonging to it. Several areas were not fenced and in several parts fencing had been breached. About 12 illegal constructions in GMC property were noticed (March 2015) during the inspection by Director (Admn). Similar encroachments were also noticed during the Chief Minister's visit (May 2015) and the District Collector directed (May 2015) GMC to get the land demarcated, which was yet to be done (December 2015).

GMC transferred (April 2011) possession of land admeasuring 6,500 m^2 for construction of approach road towards the land belonging to education department for construction of integrated school complex at Cujira village, Bambolim. GMC transferred 24,050 m^2 of land to Sports Authority of Goa for construction of an athletic stadium for Lusofonia Games in September 2012. An area of 1,414 m^2 was utilised by PWD for widening of the road from GMC, Bambolim to Dona Paula. GMC also gave possession of 10,000 m^2 land to M/s Elbit Hospitals for establishment of a super specialty hospital. Thus during the last five year period GMC surrendered possession of land measuring 41,964m^2. GMC did not have any master plan for utilisation of its land *vis-a-vis* the future upgradation of facilities, increase in student intake capacity *etc*. Incidentally GMC could not identify the suitable land for a period of four years for construction of RMO hostel.

GMC assured that the work of demarcation of land would be completed and action to construct a pucca boundary wall would be initiated. However, the assurance was silent on preparation of a master plan for future requirements.

1.5.8.5 Allotment of 10,000 m^2 land to M/s Elbit Hospitals

The Government planned (November 2006) a super specialty hospital on PPP basis within the GMC premises. The proposal of M/s Elbit hospitals was accepted (October 2009) by the Government. Accordingly the Government and M/s Elbit India Hospitals Ltd. entered (December 2009) into a project development and implementation agreement for a 150-200 bedded super specialty hospital. As per the draft agreement, the Government would hold 15 *per cent* of shareholding in the Joint Venture Company (JVC) and in consideration of transfer of 15 *per cent* share the Government would lease the possession of the project site for a period of 30 years. The JVC was also liable to pay annual lease rent of ₹ 0.51 crore to ₹ 1.21 crore for a period of 30 years commencing from year 2010.

The Government directed (January 2010) the GMC to hand over the possession of land admeasuring 10,000 m^2 to M/s Elbit India Hospital Ltd. Accordingly, GMC issued (March 2010) no objection certificate to Government and the land was demarcated in August 2010.

[18] Bambolim, Cujira, Calapur, Mandur and St Inez

We observed that the company had neither commenced any work for establishing the super specialty hospital on the land allotted nor paid the lease rent payable (up to 31 March 2015) amounting to ₹ 2.68 crore. Despite this, GMC did not initiate action for repossessing the allotted land.

1.5.9 Academic and Research facilities

1.5.9.1 Medical Education

GMC admits 150 students for MBBS, 59 for post graduate courses and 26 for diploma courses and two students for super specialty course every year. Considering the intake capacity, about 770[19] students are pursuing their courses every year in various disciplines**.** The admissions are made through a test conducted by the Director of Technical Education, Government of Goa**.** GMC has hostel facilities for 277 boys and 178 girls, against this number of students on the rolls of hostels are 141 and 206 respectively.

1.5.9.2 Shortage of teaching doctors and nurses

The sanctioned strength (SS) and men in position (MIP) of doctors (teaching and non-teaching) nurses, technicians and attendants during the period 2010-15 in the GMC are as detailed in ***Table 1.5.7.***

Table 1.5.7: Manpower position of Doctors, Nurses, Technicians and Attendants

(Figures in numbers)

Types	2010-11		2011-12		2012-13		2013-14		2014-15	
	SS	MIP	SS	MIP	SS	MIP	SS	MIP	SS	MIP
Doctors (Teaching)	271	210	288	202	281	208	281	214	281	215
Resident Doctors	217	187	223	187	259	234	264	247	258	223
Technician	202	173	245	163	251	163	251	164	251	165
Nurses	730	619	730	665	729	645	730	624	730	620
Attendants/Group-D staff	924	843	967	856	967	818	1158	818	1227	852
Total	**2344**	**2032**	**2453**	**2073**	**2487**	**2068**	**2684**	**2067**	**2747**	**2075**

At the end of the year 2014-15, there was shortage of 23 *per cent* of teaching staff (doctors) against the sanctioned strength, 13 *per cent* and 15 *per cent* shortages were in respect of resident doctors and nurses respectively throughout the period 2010-15. The shortage in technicians' cadre was 34 *per cent* in 2014-15. Despite 20 *per cent* increase in the number of in-patients, there was no increase in the sanctioned strength of nurses' cadre. Considering 1,152 bed capacity and availability of 206 nurses (total nurses 620/3 shifts =206) the patient nurses ratio in GMC was 5.6:1 against the standards of 3:1 prescribed by the MCI.

GMC stated that as far as MCI requirements were concerned, there was no shortage of teaching doctors as of date. The nurses' vacancies would be filled in by their recruitment on contract basis. The reply was not borne out of facts as MCI in its inspection reports regularly pointed out shortages in teaching staff over the period.

[19] MBBS 150 seats for four years = 600, PG 59 seats for two years = 118, Diploma 26 seats for two years = 52

1.5.9.3 Non-availing the benefit of centrally sponsored scheme for increase in MBBS seats

The GoI introduced (October 2014) a centrally sponsored scheme for strengthening/upgradation of existing State Government/Central Government Medical Colleges to increase MBBS seats. Under the scheme, grants-in-aid were to be released to the State/UT Governments for infrastructure development and equipment required for desired and viable increase in intake capacity, which would be shared between the Central and State/UT Governments. The upper ceiling of the cost for creation of an MBBS seat was pegged at ₹ 1.20 crore, to be shared between Central and State Governments in the ratio of 70:30.

The State Government sought (October 2014) the comments of GMC on an increase in MBBS seats from 150 to 200 under this scheme. The GMC stated that current 150 seats of MBBS were not permanent until minimum standards laid down by the MCI were fulfilled. Further, it was also mentioned that MCI had pointed out several deficiencies in fulfilling the requirements of existing 150 MBBS seats and increased PG Degree seats. Therefore, the proposal for further increase in MBBS seats to 200 per year may be withheld at least for the next three years.

We observed that the MCI had approved (June 2012) the increase in MBBS seats from 100 to 150 seats. This approval was subject to renewal on annual basis on creation of additional infrastructure (additional lecture halls, auditorium, hostel facilities for girls and resident medical officers) and recruitment of sufficient teaching staff, equipments *etc*. Further the Government also gave assurance (May 2012) that it would provide the additional facilities required for 150 MBBS seats. However, the additional infrastructure and faculty requirements for the additional seats were yet to be created[20].

Thus, delay in providing required facilities, as promised by the Government, resulted in loss of opportunity to avail the benefits under the centrally sponsored scheme for further increase in MBBS seats.

1.5.9.4 Additional 70 PG seats under USSGMC

Under the Centrally Sponsored Scheme of USSGMC, GoI sanctioned (March 2011) a total grant of ₹ 22.14 crore to GMC for starting/increasing PG seats from existing 59 to 124 in 22 disciplines. The funds were to be specifically utilised for development of infrastructure, purchase of equipment and recruiting faculty without diversion. The medical colleges were to ensure increase in postgraduate seats after receiving permission from MCI. In case there was non-creation of stipulated number of PG seats, the State Government/Institute was required to return the unutilised funds along with interest.

[20] The girls hostel, lecture hall and auditorium which were stipulated to be complete by September 2014, March 2015 and March 2015 respectively but these works were yet to be completed and handed over (December 2015). The work of RMO hostel was yet to commence (December 2015) being delayed on account of non-availability of land. The commencement (February 2014) of work on auditorium was delayed due to delay in finalisation of site/location plan

During 2011-13, GMC received a total amount of ₹ 20.12 crore from Central and State Governments and spent ₹ 11.24 crore during the period from February 2012 to March 2015. As of March 2015, an unspent balance of ₹ 10.26 crore was lying with GMC. The major expenditure incurred being procurement of CT Scan (₹ 3.86 crore), Cath lab (₹ 3.25 crore), Colour Doppler (₹ 0.70 crore), CR System (₹ 0.47 crore) and Arthroscope (₹ 0.47 crore). We observed that the procurement process for various equipment were not finalised due to equipment cost exceeding allocation of funds to individual departments, no response to tenders, pending Government approval, pending new proposal and awaited Government permission for opening financial bid.

As against proposed 70 additional PG seats from academic year 2015-16 under the scheme, MCI approved (February 2015) only 21 additional seats.

The MCI did not approve other 49 PG seats due to various shortages[21]. Thus, GMC could not succeed in getting 49 additional PG seats proposed for year 2015-16 under the centrally sponsored scheme.

1.5.10 Conclusion and recommendations

- ***There is a need for the GMC to streamline procurement of equipments as time taken for procurement in selected cases was between one and a half to four years. Substantial time has been taken up by procedural delays, decision making and therefore the GMC should consider steps to reduce delays at different stages.***
- ***The GMC should consider steps to improve equipment utilisation. Several assets like the CSSD, mortuary cabinets and cold storage have not been operationalised in time and to the fullest. Repeated damage to arthroscopy equipment is not expected in an environment with highly skilled specialists.***
- ***The medicine procurement and testing also need to be streamlined to ensure maximum procurement through tendering to attain best possible economies. A drug testing schedule should be drawn up and enforced so that the GMC could derive proper assurance that the patients always receive appropriate quality medicines.***
- ***All needed steps should be taken on priority for creating the infrastructure and recruiting the manpower required for meeting the MCI requirements for protecting the interest of the students enrolled in the medical college.***

The matter has been reported (September 2015) to Government and their reply is awaited (January 2016).

[21] Non availability of faculty, non-availability of Journals beyond year 2012, non-obtaining approval of Atomic Energy Regulatory Board for Radiology, non-conduct of clinic pathological conferences, inadequate academic parameters, improper bed capacity ratio, shortage of departmental publications, non-availability of Thoracoscope, incorrect statistical reporting, same professor for two departments and non-availability of Gastroenterology speciality clinic

DEPARTMENT OF TOURISM

1.6 Follow up audit of 'Performance Audit of Promotion of Tourism in Goa'

1.6.1 Introduction

The Department of Tourism (Department), Government of Goa is responsible for promoting and regulating tourism in Goa. The Goa Tourism Development Corporation Limited (GTDC), a State Government commercial undertaking, provides facilities and organises events for promotion of tourism in the State.

1.6.2 Scope and objective

We conducted a follow up study of the Performance Audit (PA) Report on 'Promotion of Tourism in Goa' during the period from May 2015 to June 2015. This PA Report appeared in the Audit Report of the Comptroller and Auditor General of India for the year ended 31 March 2012, Government of Goa. The Report was tabled (October 2013) in the Legislative Assembly.

The objective of follow up study was to review the steps taken by the State Government for implementing the recommendations given in the performance audit and action taken on other major audit findings. During our scrutiny, the records of the Department, GTDC, Goa Coastal Zone Management Authority (GCZMA), Police Department and Water Resources Department were scrutinised. The audit commenced with a meeting (May 2015) with the Director, Tourism Department and the Managing Director, GTDC and the observations were communicated (September 2015) to the Government. The replies of the Government were awaited (January 2016).

1.6.3 Recommendations of the Performance Audit for the Audit Report 2011-12

The performance audit had made six recommendations which are discussed in succeeding paragraphs with the status of action taken thereon.

1.6.4 Status of implementation of recommendations

1.6.4.1 Formulation of a tourism policy demarcating roles of agencies and Departments for effective convergence

Promotion of tourism requires convergence of several services ranging from civic amenities to transport to maintenance of law and order. In this context we had recommended that a contemporary tourism policy should be formulated which clearly outlines the roles of different Departments and agencies for promotion of tourism. Responding to the recommendations, the State Government informed (March 2013) that the formulation of a comprehensive tourism policy and tourism master plan was in progress and was expected to be completed by April 2015.

We observed that the Department entrusted (July 2014) the work of formulating the new policy and the master plan to a consultant (M/s KPMG) but they commenced the work only in July 2015 due to delay in finalisation of

contract clauses. This was because the Law Department had initially (December 2012) instructed the Department to insert clauses regarding performance guarantee and liquidated damages which were missing in the draft tender conditions. The Department however inadvertently uploaded the tender on website without incorporating these clauses and also did not incorporate the same during the pre-bid meeting held in May 2013. The tender evaluation committee recommended (October 2013) the successful bidder which was accorded (February 2014) administrative approval by Government and the work order was issued (July 2014). When the draft agreement was submitted for vetting, the Law Department observed (December 2014) that their earlier suggestions to incorporate clauses relating to performance guarantee and liquidated damages was still not incorporated in the agreement. Subsequently, the Department had to request (February 2015) the consultant to make necessary changes in the general conditions and the agreement was finalised only in June 2015.

The Department admitted (September 2015) delayed commencement of the work due to differences with the Law Department.

1.6.4.2 Improving selection of advertising agencies and the process of awarding contracts for promotional events

We had observed that in 2010 three advertising agencies had been empanelled for handling international events and road shows without fulfilling all criteria. While awarding contracts, requests for proposals were not issued to all empanelled agencies and the deliverables were not quantified and documented in the work orders. Hence, we had recommended ensuring transparency in selection of advertising agencies and award of contracts for various tourism promotional events.

In February 2013, the GTDC was designated as a Special Purpose Vehicle (SPV) by the Government for undertaking comprehensive marketing and promotional activities for tourism in Goa. The Government also constituted (May 2013) a State Level Marketing and Promotion Committee (SLMPC) with a mandate to finalise the calendar of events, allocate marketing budget for promotions, view presentations, empanelment of agencies and setting of procedures and standards for expenditure. The contracts for participation in international travel marts, organisation of events and road shows were to be awarded on the recommendation of SLMPC. Thus, the GTDC had initiated as per recommendation.

The Department stated that the organisation had complied with the recommendations and deliverables of the agencies were quantified and presentations viewed before award of contract (September 2015).

1.6.4.3 Integrating Environment Impact Assessment (EIA) at feasibility stage of tourism projects

The Tourism Master Plan recommends integration of environment impact analysis in all stages of the project life cycle. This was especially relevant as large parts of Goa lie in eco-sensitive zones. There were ten projects undertaken with the Central Financial Assistance (CFA) and EIA was not conducted in any of these projects. We had observed that four projects

(i) Integrated Development of Infrastructure for Heritage and Hinterland Tourism in Goa (IDIHHT), (ii) State Institute of Hotel Management (iii) Development of Baga Circuit and (iv) Development of Colva Coastal Circuit have already taken up with CFA without EIA. Implementation of other six projects had not commenced (November 2015).

The GTDC apprised (June 2015) that the EIA was not required in usual government projects. The reply was not acceptable on the ground of inordinate delays in execution of CFA projects owing to public agitations (Hotel Management Project), coastal zone management issues (IDIHHT, Coastal Circuits) and dropping of two projects (Goa Haat and Convention Centre).

1.6.4.4 Ensuring early commencement of projects held up for want of approvals

At the time of performance audit ten tourism infrastructure projects had been approved for execution with CFA. Of these one was under execution, three were yet to be approved and the remaining six were held up for want of approvals/permissions. Thus, it was recommended that the projects held up for want of approvals should be commenced soon.

We observed that at present, of these ten projects, four had commenced, two were dropped and four were under consideration for implementation. The details of the total outlay, CFA component and CFA utilisation are given in ***Appendix 1.7***. The progress of four projects under implementation was as under:

- ***Integrated Development of Infrastructure for Heritage and Hinterland Tourism (IDIHHT) in Goa***: Out of four components of the project, two components such as Panaji Hub and Development of Churches were completed up to 90 *per cent* but no expenditure was incurred on two other components namely Mandovi and Zuari Circuits (January 2016).
- ***State Institute of Hotel Management and Catering Technology***: Work commenced in February 2014 and was completed up to an extent of 36 *per cent* (January 2016).
- ***Tourism Infrastructure Development for Colva Coastal Circuit***: The work order was issued in February 2014 and was expected to be completed in six months but commencement of work was delayed due to a court case (January 2016).
- ***Baga Beach Tourism Destination Development*****:** Work of the project commenced in April 2013 and was expected to be completed in six months. But the work was completed only up to 70 *per cent* (January 2016). The GTDC attributed the delay to encroachments on land, high water table and other onsite difficulties.

Therefore, the progress of the projects under execution continued to be slow. The four projects (i) Colvale Circuit (ii) Miramar Tourism Circuit (iii) Green Belt project and (iv) Heli Tourism were stated to be under consideration and yet to receive approval of the regulators. The project of Convention Centre was dropped due to inability of the Department to identify suitable land and the project of Goa Haat was dropped as suggested by High Level Task Force.

Out of ₹ 73.58 crore received as CFA for seven projects, the amount utilised so far was ₹ 29.52 crore (three projects). The Department continued to retain ₹ 8.00 crore of CFA received on dropped projects. Work on other two projects was yet to start (CFA ₹ 36.06 crore).

1.6.4.5 Promoting Monsoon Tourism with special packages

As the growth rate of tourist arrivals during the monsoon period in Goa was much lower when compared to the growth rate of tourist arrivals during monsoons in Kerala, we had recommended promotion of Monsoon Tourism through special packages.

We observed that the figures of the domestic and the foreign tourists' arrivals in Goa during the three months period of monsoon, from 2011 to 2014 showed increasing trend. Arrivals of domestic tourists increased by 70 *per cent* and foreign tourists by 103 *per cent* (2014) compared to position four years ago. The Department and the GTDC made efforts to attract tourists with new schemes like commencement of river rafting and promotion of Sao Jao festival.

The GTDC stated that a number of measures were advertised in the social media and on the website by offering overall attractive choices as well as specific choice in monsoon like traditional festivals.

1.6.4.6 Establishing a solid waste management programme for the coastal belt

We recommended that a solid waste management programme for the coastal belt be established, as the solid waste generated at the tourist beaches exceeded the waste generated in the large towns of Goa.

A High Level Task Force (HLTF) has been in existence since November 2012 to decide on all administrative as well as financial matters related to solid waste management. It was decided (August 2013) to construct three solid waste management facilities of 100 tons per day capacity at Calangute/Saligao, Cacora and Bainguinim for North Goa, South Goa and Central Goa respectively. Of these three plants, land was acquired for two plants of Calangute/Saligao and Cacora and transferred (February 2014 and June 2014) to Goa State Infrastructure Development Corporation (GSIDC) for construction of plants. Work orders in respect of both the plants were issued in March 2014 for a project cost of ₹ 145.95 crore each. The expenditure incurred on construction of solid waste management plant at Calangute/Saligao was ₹ 118.00 crore and the work progressed up to 70 *per cent* (September 2015). In respect of other two plants the works were yet to commence. The construction of sewerage networks in northern coastal belt commenced in March 2013 and was completed to an extent of 57 *per cent* by October 2015.

1.6.5 Other major audit findings of the performance audit

1.6.5.1 Availability of amenities for tourists at beaches and cleanliness of beaches

We had reported inadequate amenities for tourists like parking, toilets, changing rooms and access roads on major beaches and that the monitoring of the work of beach cleaning contractors in North Goa was inadequate.

During follow up audit we verified the provision of tourist amenities in the same set of beaches which were scrutinised in the performance audit. Except for construction of a parking lot at Baga and toilets and changing rooms in Calangute, there were no changes in the infrastructure facilities like parking, toilets, changing rooms, access roads *etc*. as compared to the status earlier reported. Seven beaches out of thirteen verified by the audit team along with department personnel did not have identified parking lots, eight did not have toilets and 12 were without changing rooms. The tender for development of these facilities on Public Private Partnership mode floated in December 2013 could not be finalised due to poor response from the bidders.

Contracts for beach cleaning were awarded (September 2014) to two beach cleaning contractors for two sectors *i.e.* North Goa and South Goa. The Department constituted two Committees[22] for inspections and monitoring of the beach cleaning works, beach safety and shacks. We observed that the beach cleaning works by the contractors was unsatisfactory due to non-deployment of adequate manpower, non-placing of adequate dust bins and non-removal of garbage. The mechanical cleaning envisaged in the contract was yet to commence (December 2015). It was also seen that the Department had not initiated any measures to penalise persons who litter at tourist places.

1.6.5.2 Adequacy of measures to ensure safety of the tourists

We had observed that the Tourists Security Force (TSF) formed in September 2011 suffered from shortage of staff. The Principal Secretary had informed (March 2013) that 500 policemen would be deployed for the purpose after creating posts. We observed that, at present TSF continued to be understaffed with effective strength of only 14 wardens. Only five vehicles out of twelve available were being utilised for the patrolling. Further, only 92 policemen of India Reserve Battalion were deployed on tourist places and no action was initiated to create the additional 500 posts.

1.6.6 Effectiveness of tourism promotional measures

We had reported that Department's planning for electronic and print media was poor, website of the Department was lacklustre, private participation in the promotional activities was lacking and there were no tie-ups with other State Tourism Development Corporations.

During follow up audit we noticed that promotion of the tourism was vested with GTDC and SLMPC since May 2013. Observations noticed in the test check of six events of participation in ITMs are as follows.

[22] Monitoring Committee headed by Tourism Minister formed in September 2014 and two Departmental committees under respective Deputy Directors for North Goa and South Goa formed in October 2014

- ***Participation of private stakeholders in promotions:*** SLMPC deliberated upon the issue of participation of private stakeholders in the road shows and travel marts and approved the guidelines in May 2014. The GTDC apprised that the private participation in road shows and travel marts were now ensured.
- ***Planning for website:*** We observed that the contents of the Department's website were updated using the services of the Public Relations Agency appointed in April 2013 with an expenditure of ₹ 1.83 crore during the period from April 2013 to March 2015.
- ***Campaign in electronic media:*** Three promotional campaigns on 16 channels of Zee Television network (₹ 1.71 crore), associated campaign with a Hindi Movie (₹ 1.75 crore) and BBC International Television (₹ 1.60 crore) were conducted during 2013-15 through empanelled agencies.

We observed that the Department has not framed any plan, policy or guidelines for the electronic and print media campaigns, advertisements and promotional activities. Further, GTDC's effort to enable mutual marketing of hotel accommodation in cooperation with other State Tourism Development Corporations (STDC) have been scaled down as five out of eight Memorandum of Understandings (MoU) made in 2010-13, were not renewed.

The GTDC stated (September 2015) that the SLMPC was formed with an objective to expedite the award of contracts while ensuring the best designs and strategies. In respect of MoUs with other STDCs, it was informed that the MoUs were not renewed due to lack of response.

1.6.7 New tourism products

As regards the observations on inadequate promotion of other tourism products such as festival tourism, health tourism and cruise activities and regulation of water sports operators, the follow up audit showed that:

(i) The Goa Registration of Tourist Trade Act was not amended so far to facilitate the registrations of the health units with the Tourism Department.

(ii) The Government continued to sponsor festivals like Shigmotsava and Carnival with full funding (₹ 20.37 core during 2013-15), with additional locations and also added more festivals (coco-cashew festival and kite festival) at an expenditure of ₹ 1.92 core during 2014-15.

(iii) The River Navigation Department completed the dredging of Sal river in February 2015 but cruise tourism activities were yet to start (January 2016). Thus, the Department continued to concentrate State's cruise tourism activities on Mandovi River.

(iv) The policy for the regulation of water sports notified (2012) by the Department envisage appointment of an agency for management of Water Sports Operators (WSOs). We observed that the agency was yet to be appointed (January 2016). The policy also provided for

appointment of competent agency or National Institute of Water Sports (NIWS) to specify the safety norms and create separate fund for insurance of passengers. However, the Department has neither identified the agency nor entrusted the work to NIWS so far (January 2016).

There were 1,000 registered WSOs with the Department in 2014-15 as against 1,148 registered with the Captain of Ports. Further, the Department sent notices to 37 unregistered operators in 2014-15 and initiated action on 15 operators after reports from marine police and levied penalty of ₹ 0.60 lakh from them.

1.6.8 Sustainable tourism and environmental impact

Corrective measures taken in areas concerning sustainable tourism and environmental impact of tourism was assessed during the follow up audit.

We observed that;

(i) Water Resource Department (WRD) has started registering (April 2013) the ground water wells and billing commercial usage of water including in those areas where tourist reside in commercial establishments. The policy for ground water utilisation was also adopted by the Government in March 2015.

(ii) Out of 645 complaints on violations of the Coastal Regulation Zone (CRZ) reported during the period January 2012 to May 2015, the Goa Coastal Zone Management Authority investigated 593 cases. It finalised action in 41cases (including demolition of 11 structures), 66 cases were pending in courts and the authority was yet to finalise its course of action on the balance 486 cases.

(iii) Ship stranded for 12 years at Sinquerim beach has been removed in October 2014, the Department is ascertaining whether the removal is completed with the help of IIT, Mumbai, National Institute of Hydrology, Vasco and Goa Biodiversity Board.

1.6.9 Conclusion

The Follow up audit of promotion of tourism in Goa shows some action has been initiated by the Department for implementing recommendations relating to (i) selection of advertising agencies and award of contracts for various promotional events (ii) construction of sewerage and solid waste management projects and (iii) commencement of tourism projects. However, the Department is yet to implement recommendations regarding introduction of a new tourism policy. The cleanliness and amenities for tourists are still lacking.

The matter has been reported (September 2015) to Government and their reply is awaited (January 2016).

PUBLIC WORKS DEPARTMENT

1.7 Unfruitful expenditure on incomplete bridge work

The Public Works Department spent ₹ 3.16 crore on construction of Benaulim-Sinquetim Bridge across river Sal, which had to be abandoned due to lack of environmental clearance and stiff opposition from the local people.

The Public Works Department (PWD) awarded (August 2009) the work of construction of Benaulim-Sinquetim Bridge across river Sal in Navelim Constituency to a contractor at a tendered cost of ₹ 9.55 crore. A mobilisation advance of ₹ 0.96 crore recoverable with interest[23] was released in September 2009. The scope of construction of bridge consisted of a 30 metre main span (river span) and 15 metre land span each on either side. The contractor completed the work of main span and was paid ₹ 2.89 crore for the work done up to February 2012 and the consultant was paid ₹ 0.28 crore. The PWD had recovered ₹ 0.35 crore against the mobilisation advance (including interest of ₹ 0.23 crore) up to February 2012. The work was stopped in February 2012 due to stiff opposition from the local people.

We observed that the local public of nearby villages opposed the construction of bridge from the very beginning and subsequently filed (October 2010) a petition before the High Court on the grounds that environmental clearance was not taken before commencement of the project. It was also contended that the bridge was not required as there were alternative bridges existing in nearby areas. The High Court directed (October 2010) the PWD to keep the work on hold until the Coastal Regulation Zone (CRZ) clearance was obtained. The CRZ clearance was received (August 2011) from Goa Coastal Zone Management Authority (GCZMA). The permission granted was again challenged by local public in the High Court and the High Court referred (October 2013) the matter to National Green Tribunal (NGT), Pune. The NGT nullified the CRZ permission granted by GCZMA and instructed (September 2014) the PWD to prepare the Environmental Responsibility Policy Framework (ERPFW) in the next six months to avoid such environmental non-compliances. The PWD intimated (August 2015) that the ERPFW had been prepared and the compliance report was kept pending for completion of study report on survival rate of mangroves.

Meanwhile, in order to settle the dispute with local people as suggested (January 2013) by the MLA of the constituency, the consultant proposed (September 2014) to convert the motorable bridge as a foot over-bridge by providing staircase on either side. PWD accepted (September 2014) the proposal but the work on staircase had not yet been commenced pending disposal of NGT case (January 2016). The present position of the incomplete bridge is given in the photograph below:

[23] At the rate of 10 *per cent* per annum

Thus, executing the construction of a bridge without obtaining necessary clearances in advance and even objected by the local people resulted in unfruitful expenditure of ₹ 3.16 crore on a full-fledged bridge. Further, the mobilisation advance with interest amounting to ₹ 1.16 crore[24] was also not recovered (January 2016).

The Government accepted the facts. However, the work is stand still pending approval of NGT and the Department is yet to recover the mobilisation advance (January 2016).

1.8 Idle investment of ₹ 0.63 crore on construction of foot-bridge

The Public Works Department constructed a foot-bridge over Velus river at a cost of ₹ 0.63 crore without having any access/approaches, rendering the bridge unapproachable by the public.

The Government accorded (February 2008) Administrative Approval and Expenditure Sanction (AA & ES) of ₹ 0.39 crore for construction of a foot-bridge over Velus river. Technical sanction was accorded for ₹ 0.37 crore. The work was tendered (March 2008) and awarded (October 2008) to a contractor for ₹ 0.48 crore (40.50 *per cent* above the estimated cost) with stipulated date of commencement and completion as October 2008 and October 2009 respectively.

A revised AA & ES was accorded (June 2011) by the PWD for ₹ 0.70 crore to make provision for laying of two 450 mm pipe line through the foot-bridge, the estimate was revised based on the contractor's quoted rate.

The contractor was granted extension upto February 2012 due to change in scope of work. The contractor completed the work in May 2012 and was paid the bill amounting to ₹ 0.63 crore. However, the final bill was not drawn and settled till January 2016.

[24] Unrecovered mobilisation advance ₹ 83.58 lakh. Interest from March 2012 to January 2016 (47 Months) = 83.58 lakh x 10% x 47/12 = ₹ 32.73 lakh. ₹ 83.58 lakh + ₹ 32.73 lakh = ₹ 1.16 crore

We observed (June 2015) that the bridge had been constructed in the middle of a private property and approach road to the bridge was not considered in the estimate. Thus public use of the bridge remained subject to goodwill of private parties. Further, the bridge at present was not connected to land on both sides of the river and hence not useable.

The failure of the Department to link both sides of the bridge to land and provide access/approach road for the bridge thus, had resulted in idle investment of ₹ 0.63 crore and deprived the local people the intended benefits of shorter approach to Valpoi town.

The PWD stated (July 2015) that no vehicular traffic could be allowed as the design was only for a foot bridge and hence no approach road was considered in the sanctioned estimate and pedestrians were using this bridge to cross the river. The Government stated (October 2015) that earthen ramps on one side could not be completed due to objections from the land owners and it had proposed to construct steps on priority.

The Government accepted the facts. However, the work of construction of steps was yet to be commenced (January 2016).

TRANSPORT DEPARTMENT

1.9 Idle investment of ₹ 8.10 crore

Construction of bus stands without assessing the suitability of the location resulted in idle investment of ₹ 8.10 crore

Transport Department (Department), Goa requested (May 2006) GSIDC to take up construction of bus stands on priority at Shiroda and Honda. Accordingly, GSIDC took up the work of construction of bus stands at the above mentioned places as shown in ***Table 1.9.1*** below:

Table 1.9.1: Details of bus stands at Shiroda and Honda

Name of the bus stand	Area of land in square metre	Expenditure incurred *(₹in crore)*	Date of Completion	No. of shops/ canteen	Date of inaugu-ration
Shiroda bus stand	6383	3.14	July 2008	12/1	August 2008
Honda bus stand	15500	4.96	May 2009	21/1	October 2009
Total		**8.10**			

The bus stands at Shiroda and Honda were handed over to Kadamba Transport Corporation Limited (KTCL) for operation in January/December 2009**.** Our scrutiny revealed that the bus stands and facilities within, were under-utilised during the past six years.

In respect of Honda bus stand, 72 buses were running in the route with 240 trips but were not reporting to the bus stand as it was situated away from the market place and passengers avoided going to bus stand. Out of 21 shops and one canteen in the bus stand complex, only two shops were functioning due to low volume of business.

Similarly, the facilities in the Shiroda bus stand were also under-utilised. The shops and canteen were not functioning as passengers avoided entering the bus stand. Due to under-utilisation for a long period the bus stand was in a bad condition and filled with wild bushes. Out of 12 shops and a canteen, six shops were vacant and in respect of remaining six shops, the allottees were not paying rent due to their inability to get business because of non-utilisation of bus stand by passengers.

The photographs of both bus stands are given below:

Honda Bus Stand

Shiroda Bus Stand

The Department stated (June 2015) that only 38 of 72 buses were utilising the Honda bus stand and non-utilisation was due to its situation away from the market place. Efforts to shift the road side market to new place next to bus stand had not materialised so far. With regard to Shiroda bus stand, the private bus operators were reluctant to use the same due to a bus stop with better market proximity just 100 metre away.

A further verification on the buses entered in these bus stands between 01 October 2015 and 09 October 2015 revealed that the present percentage utilisation of Honda and Shiroda bus stands were only 22 *per cent* and five *per cent* respectively. There was a need to construct a culvert to enter the Shiroda bus stand so as to make it convenient to the public. Thus, the construction of bus stands at non-viable locations and inability of the Department to enforce utilisation of bus stands resulted in expenditure of ₹ 8.10 crore remaining idle besides deterioration of facilities created and thereby reducing their effective life.

The matter was referred to Government in July 2015; their reply was awaited (January 2016).

LABOUR AND EMPLOYMENT DEPARTMENT

1.10 Non-utilisation of workers Welfare Fund of ₹ 57.43 crore

Non-utilisation of workers Welfare fund of ₹ 57.43 crore and loss of interest of ₹ 1.13 crore due to poor financial management

The Government of India (GoI) enacted the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act (Act), 1996 to regulate the employment and conditions of service of the workers engaged in the building and other construction activities and to provide safety, health and welfare measures and other matters connected therewith or incidental thereto. Under the Act, the State Government constituted (December 2004) Goa Building and Other Construction Workers Welfare Board (Board). The Board was reconstituted in July 2008.

GoI for the purpose of augmenting the resources of the Board, enacted the Building and Other Construction Workers Welfare Cess Act, 1996 which provided for levy and collection of a cess not exceeding two *per cent* but not less than one *per cent* of the cost of construction incurred by an employer. Accordingly, the State Government issued (December 2008) orders for compliance by all Government departments, local bodies, public undertakings and other Government bodies for levy and collection of one *per cent* cess on the cost of construction while executing construction works through contractors. The cess so collected was required to be remitted to the Board within 30 days, after appropriating not more than one *per cent* of the amount so collected towards cost of collection.

We observed that the Board had received remittances of cess amounting to ₹ 38.66 crore during the period 2009-14. As against this, the expenditure incurred was only ₹ 0.47 crore on administrative expenses and none for welfare of the workers as envisaged in the Act. The balance had been idling without serving the purpose for which the fund was intended.

The Board stated (August 2014) that the pre-condition of minimum employment of 90 days, for registration was the main hurdle in the process of enrollment of beneficiaries. This was further compounded by mobility of workers.

Rule 295 of the Goa Building and Other Construction workers (Regulation of Employment and Conditions of Service, Rules 2008 stipulates that all money belonging to the fund should be invested in nationalised banks or schedule banks or in securities referred under Indian Trust Act, 1882. Further, State Government had also instructed (March 2008) that investment decision should be based on sound judgment. The fund availability should be worked out based on cash flow estimates considering working capital requirements and other foreseeable demands.

We observed that out of the accumulated fund of ₹ 38.66 crore, the Board had invested ₹ 25 crore in fixed deposits (FDs) in nationalised banks on four

occasions[25] up to the year 2013-14. The balance amount of ₹ 13.40 crore was retained in the Savings Bank (SB) account as on 31 March 2014. Considering the trend of annual expenditure over the past five years, after retaining a balance of ₹ 10 lakh for immediate disbursement, the Board could have transferred the remaining funds to FDs and it would have earned ₹ 1.96 crore as interest as against ₹ 0.83 crore actually received from the saving bank account as worked out up to December 2015.

The Government replied (October 2015) that the Board had collected cess totaling ₹ 57.43 crore as on March 2015. The Board has also invested ₹ 56.80 crore on a total ten occasions as on May 2015. The reply is not tenable as despite these investments, the Board continued to retain huge cash balances between ₹ 35 lakh to ₹ 5.14 crore during the year 2015 and had not made any arrangement with the bank to transfer the balances in excess of the monthly requirement to FD. Thus, poor financial management resulted in loss of interest of ₹ 1.13 crore to the Board.

Despite the fact that the Board had collected funds to the extent of ₹ 57.43 crore, as of March 2015, it could not utilise the funds for the purpose of the welfare of construction workers under the Act. The Board must take adequate action to create awareness among the workers by ensuring registration through the employers so that the funds could be utilised for the welfare of the workers.

The matter was referred to the Government in May 2015 and their reply was awaited (January 2016).

EDUCATION DEPARTMENT

1.11 Faulty tendering under Laptop e-scheme

The tender conditions were such that the rates quoted by only five agencies were considered despite participation of 10 technically qualified tenders for procurement of laptops. The procurement rates were higher than the market rates assessed, resulting in extra expenditure of ₹ 9.66 crore.

The Government of Goa implemented LAPTOP e–scheme 2011-12, under which, the students of 11/12th classes were to be provided with a laptop. The scheme recommended that laptops equipped with at least 14" or 15" monitors with dual core processor, 2 GB DDR3 RAM, 320 GB HDD and standard ports with pre-loaded windows-7 starter specifications.

The Education Department invited (October 2011) tenders classifying the tenderers under three categories with certain pre-conditions.

Category I- Open category from whom up to 45 *per cent* of the total requirement would be procured provided that the tenderer/bidder/partner had executed at least one single Government order of not less than 1,000 computer

[25] ₹ 3 crore in June 2011, ₹ 2 crore in November 2011, ₹ 10 crore in November 2012 and ₹ 10 crore in August 2013

systems in the last financial year ending March 2011 or in the current financial year as on the date of issue of NIT;

Category II - Successful suppliers of cyberage student scheme of the previous two years (2009-10 and 2010-11) from whom the next 45 *per cent* of the total requirement would be procured and;

Category III - Suppliers of Goa origin from whom the balance 10 *per cent* of the total requirement would be procured respectively.

The tender condition also specified that out of the category I (Open category) to whom 45 *per cent* of the total requirement was to be awarded, only 17 *per cent* would be awarded to L1 tenderer and the balance 28 *per cent* equally among L2 to L5 provided they match the price of L1 tenderer. Category II was reserved exclusively for the successful tenderers of the previous year among whom the entire 45 *per cent* would be distributed in equal shares to all provided they could match the offer of L1 in Category I.

As per clause 6(c) of the General Conditions, commercial bids in respect of those tenders who fulfill the eligibility criteria under Category I only shall be opened for price comparison. The tender allowed manufacturers to quote through one or more agents and the bidders could submit quotes on behalf of more than one manufacturer.

A total of 12 firms submitted their bids. All the bidders quoted for multiple brands *(*Acer, Lenovo, HCL, Dell, HP, Wipro, Toshiba, Samsung and Sony). Of these bidders, five firms applied in category I, II and III; four bidders quoted only in Category II and III and three quoted only in category III. The technical bids were opened (November 2011) and out of 12 bidders, five firms who quoted in all three categories; qualified in all three categories, three firms who quoted in category II and III qualified and two who quoted only in category III also qualified.

The commercial bid in respect of Category - I, was opened (November 2011) and M/s ACES was selected as the lowest (L1) with their quoted rate of ₹ 21,990. Orders were placed on all ten participants and the Department procured (November 2011) 17,286 laptops at the rate of ₹ 21,990. Another lot of 14,580 laptops at ₹ 20,990 was also added to this order later.

We observed that the tender conditions were such that every bidder who qualified technically was assured of an order provided they were willing to supply at the rate of L1 of Category I. As the bidders were dealers (not manufacturers) quoting for multiple brands therefore, matching L1 simply means adjusting their margins to meet the L1 price. As every technically qualified bidder was assured of an order there was little incentive among the participants to compete and reduce prices.

We further observed that Department did not consider the price bids of bidders who submitted bids in Category II and III only. As price bids of five of the ten qualified bidders were considered it could not be construed that lowest price had been discovered. Thus, prices were set according to quotes of the five dealers who applied under Category I.

The lack of incentive to compete was corroborated from the fact that Joint Secretary, Finance Department had reported (July 2011) that market inquiry had revealed that laptops with the specifications required would cost about ₹ 18,500 and considering the bulk requirement, this rate would definitely be less than ₹ 16,000. Considering the bulk purchase and if the window 7 starter was preloaded by the original manufacturer themselves, the laptops would roughly cost ₹ 18,000 per unit. However, the price offered by L1 bidder was ₹ 21,990.

Thus, by floating a tender with conditions that did not provide incentive for the participants to compete, the Education Department accepted higher rates for supply of laptops for distribution to school children. The market survey by the Joint Secretary (Finance) indicated that the expenditure could have been lower by ₹ 9.66[26] crore approximately.

The matter was referred to the Government (August 2015).Their reply was awaited (January 2016).

[26] {(17,286 x ₹ 21,990) + (14,580 x ₹ 20,990)} - {31,866 x ₹ 18,500} = ₹ 68,61,53,340 - ₹ 58,95,21,000 = ₹ 9,66,32,340