

# **CHAPTER-II PERFORMANCE AUDIT**



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### **PERFORMANCE AUDIT**

#### **HEALTH DEPARTMENT**

#### ***2.1 Implementation of National Rural Health Mission (NRHM) in Bihar***

##### **Executive Summary**

###### ***Introduction***

NRHM aims to provide quality health care services to all sections of society, especially to those residing in rural areas and women and children by increasing the resources available for the public health system, optimising and synergising human resources, reducing regional imbalances in the health infrastructure, decentralisation and district level management of the health programmes and community participation.

***(Paragraph 2.1.1)***

###### ***Financial Management***

The financial statements of State Health Society, Bihar, an agency entrusted with the task of providing guidance to NRHM, were not reliable and they did not represent the true status of NRHM as the figures for opening balances, fund received and expenditure for the same components were different in various financial statements.

***(Paragraph 2.1.8)***

###### ***Deficiencies in health action plan***

The planning process of NRHM was not in accordance with the prescribed guidelines as bottom-up approach was not adopted and plans were prepared without constituting village to district level planning teams. Consequently, actual requirements of NRHM at the ground level were not ascertained resulting in cases of 'nil' expenditure despite budget allocations and expenditure without budget allocation under the scheme.

***(Paragraph 2.1.9)***

###### ***Reproductive and Child health programme***

Despite completion of first Mission period of NRHM (*i.e.* 2005-12), the gap between target and achievement of Maternal Mortality Rates in the State as on 2012-13 was more than 100 *per cent* and in respect of Infant Mortality Rates, the gap was 40 *per cent*. It was mainly attributed to inadequate ante-natal care and lower number of institutional deliveries in the State.

***(Paragraph 2.1.10)***

***Implementation of school health programme and Nayee Pidhi Swasthya Gurantee Karyakram***

Health check-ups for school children did not succeed in the State as only 25.17 lakh (13 per cent) out of 187.95 lakh school children in the State could be covered during 2010-11. Under Nayee Pidhi Swasthya Guarantee Karyakram, Health Cards of 1.16 crore out of 3.55 crore school children in the State were not distributed to them.

(Paragraph 2.1.10.5 & 2.1.10.6)

***Inadequacy of Health care units/health care infrastructure***

The number of Referral Hospitals in the State was only 70 compared to the requirement of 923 as per the population norms in the State. The shortage of HSCs/PHCs/APHCs in the State ranged from 39 to 47 per cent. The test checked health care units did not have the required number of beds and diagnostic facilities like x-ray, sonography and pathology services. The civil works for construction of buildings of health care units and Trauma centres were not completed despite availability of funds.

(Paragraph 2.1.11)

***Insufficient mainstreaming of AYUSH***

AYUSH set up was not provided in each RH/PHC and regular supply of AYUSH drugs was not ensured.

(Paragraph 2.1.12)

***Disease elimination programmes***

Kala-azar could not be eliminated from the State due to shortage of manpower and non-spraying of DDT periodically. National Programme for Control of Blindness suffered due to inadequate infrastructure and shortage of manpower. National Leprosy Eradication Programme missed the goal of leprosy elimination due to shortage of specialised medical staff.

(Paragraph 2.1.14.1, 2.1.14.2, 2.1.14.3 and 2.1.14.4)

***Inadequate manpower***

Fifty seven per cent posts of Medical/Specialist Medical Officers were lying vacant while the shortage of para-medical staff ranged from 29 to 72 per cent of the sanctioned strength.

(Paragraph 2.1.15)

***Monitoring and evaluation***

Monitoring and evaluation was not effective as Health Monitoring Committees/District level Vigilance and Monitoring Committees were not constituted and regular meetings of Governing Body/EC of health societies were not held.

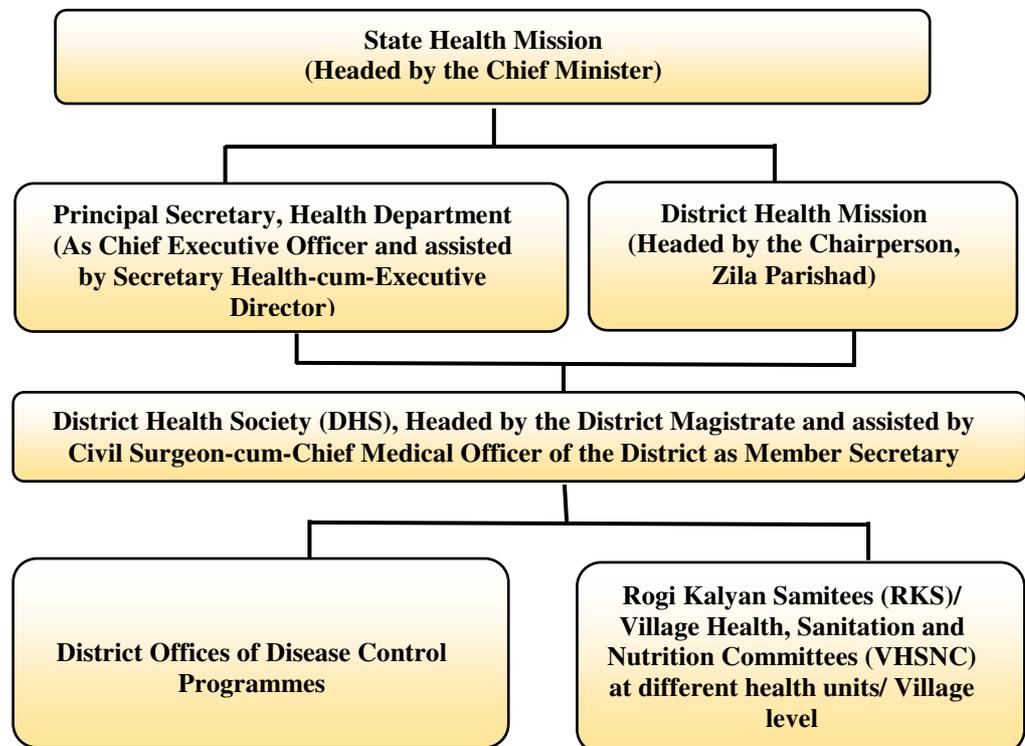
(Paragraph 2.1.16)

### 2.1.1 Introduction

The National Rural Health Mission (NRHM) is a comprehensive health programme launched by Government of India (GoI) in April 2005 to provide quality health care services to all sections of society, especially those residing in rural areas and women and children. The programmes under NRHM are divided into four broad components *i.e.* Part-A (Maternal Health, Child Health, Family Planning, Janani Suraksha Yojna etc.), Part-B (additionalities like creation of infrastructure facilities, ASHA etc.), Part-C (Immunisation and Pulse Polio activities) and Part-D (various National Disease Control Programmes). The goal of NRHM was to be ensured by increasing the resources available for the public health system, optimising and synergising human resources, reducing regional imbalances in the health infrastructure, decentralisation and district level management of the health programmes and community participation as well as ownership of the health initiatives by March 2012. Further, the mission period was extended (May 2013) for the period 2012-17 under the National Health Mission (NHM) encompassing the two sub-missions, the NRHM and the National Urban Health Mission (NUHM).

### 2.1.2 Organisational structure

At the State level, NRHM functions under the overall guidance of the State Health Mission (SHM) with the Chief Minister as Chairman. The activities of the SHM were carried out through the State Health Society, Bihar (SHSB) headed by the Principal Secretary, Health cum Chief Executive Officer (CEO). The organisational structure of the NRHM in the State is given below:



(Source: Information provided by SHSB)

### 2.1.3 Audit objectives

The performance audit was taken up to assess whether:

- Financial controls were in place to safeguard NRHM funds/assets, the accounts fairly present the financial status of the Societies under NRHM and assessment, release of fund and their utilisation were prompt and adequate;
- planning with adequate community participation at various levels facilitated the achievement of mission's objective;
- child and maternal mortality was reduced and universal access to public health care services was available with emphasis on services addressing women and child health;
- strengthening of physical infrastructure, procurement of drugs, equipment and human resources at different levels were achieved as planned and targeted;
- AYUSH wing was created in PHCs/CHCs to revitalise local/traditional health care practices;
- Disease control programmes were implemented effectively; and
- Monitoring mechanism and evaluation procedure were in place to ensure that the mission's objectives were achieved and community was involved.

### 2.1.4 Audit criteria

The criteria adopted to arrive at the audit conclusions were:-

- The GoI framework on implementation of NRHM;
- Financial/Operational Guidelines issued by GoI for various components of NRHM, health programmes and disease control programmes etc;
- Circulars, orders and instructions issued by GoI/GoB containing directions for activities; and
- Norms of Indian Public Health Standards (IPHS).

### 2.1.5 Audit coverage and methodology

The performance audit of NRHM was conducted during April to July 2015 for the period 2010-15. During this period, the records of Health Department, Government of Bihar (GoB), State Health Society, Bihar (SHSB) as well as District Health Societies (DHS), Referral Hospitals (RHs), Primary Health Centres (PHCs), Additional Primary health Centres (APHC) and Health Sub Centres (HSCs) of the selected 10 districts (Araria, East Champaran, Gaya, Katihar, Kishanganj, Madhubani, Muzaffarpur, Saran, Siwan and West Champaran) were test checked. In 10 test checked districts, 10 out of 18 RHs, 64 out of 177 PHCs, 108 out of 492 APHCs and 256 out of 3766 HSCs were test checked (*Appendix-2.1.1*). The districts were selected by using probability proportionate to size without replacement (PPSWoR) method

whereas PHCs and RHs were selected by using simple random sampling without replacement (SRSWoR) method.

The Audit Methodology included document analysis, response to audit queries, collection of information through questionnaires, proforma and joint physical verification. Audit observations were based on analysis of information and data collected from SHSB, DHSs and other health units. An entry conference was held (March 2015) with the Secretary, Health Department-cum-Executive Director, SHSB to explain the audit objectives, audit criteria and methodology. The Exit Conference was held (October 2015) with the Principal Secretary, Health Department, GoB. The replies and views expressed in the Exit Conference were incorporated at appropriate place for balanced reporting.

### 2.1.6 Audit findings of earlier performance audit

Performance audit on NRHM for the period 2005-09 was included in the Audit Report (Civil) of the Comptroller and Auditor General of India for the year ended 31 March 2009, Government of Bihar (Paragraph 1.1). Major audit findings featured in the Report were as follows:

- Neither household and facility surveys were done by the SHSB nor perspective plans and annual plans were prepared by it during 2005-09;
- Financial management was deficient and discrepancies in accounts records indicated that they were not based on accurate facts and figures;
- There was huge shortage of health centres (RH, PHC and HSC) ranging from 52 to 93 *per cent* and in case of manpower, shortfall ranged from 11 to 49 *per cent* against sanctioned medical and para medical staff;
- Drugs were procured at higher than approved rates resulting into extra payment; and
- Community monitoring and Planning Committees at different levels were not formed.

### 2.1.7 Present status of NRHM implementation in the State

In course of audit it was observed that the shortcomings indicated in previous performance audit were not rectified. The household and facility surveys were not being done and annual plans were being prepared without including village level plans. The deficiencies in financial management were not still rectified. Against the requirement of 18460 Health Sub Centres (HSC), 3077 Primary/Additional Primary Health Centres and 923 Referral Hospitals (RH), only 9729 (53 *per cent*), 1883 (61 *per cent*) and 70 (eight *per cent*) respectively were only available. The posts of medical and para medical staffs were yet to be filled up as only 5212 (43 *per cent*) Medical Officer/Specialist Medical Officers and 20917 (71 *per cent*) ANM/Staff Nurses were posted against the sanctioned strength of 12178 Medical Officer/Specialist Medical Officers and 29582 ANM/Staff Nurses respectively. During 2012-13 drugs were procured by BMSICL at higher rate than the contracted rate of SHSB. Community monitoring and Planning Committees were also not formed.

Besides, number of indoor patients has decreased from 44.32 lakh to 41.07 lakh whereas the number of outdoor patients decreased from 791.52 lakh to 738.78 lakh during 2013-14 to 2014-15.

### 2.1.8 Financial management

The SHSB was responsible for financial management of NRHM funds including preparation and submission of annual Project Implementation Plan (PIP) to the Government of India (GoI) showing physical targets and required funds under the different components. GoI released funds (in the ratio of 85:15 between GoI and GoB upto 2011-12 and 75:25 from 2012-13) to the states as per the approved PIP which was termed as Record of Proceedings (ROP).

**Principal Cash Book containing details of all components under NRHM was not maintained**

As per operational guidelines for financial management of NRHM, SHSB was to maintain different books of accounts, such as Principal Cash Book (a principal book for recording all receipts and payments), Advance Register, and Funds Received Register etc.

**Financial statements of SHSB did not represent the true status of NRHM funds**

Scrutiny of records revealed that SHSB had not maintained Principal Cash Book to record all the transactions under NRHM. Besides, Fund Received Register and Advance Register were also not maintained properly by the SHSB. It was also observed that the SHSB did not maintain component wise allocation of GoB share as required under approved plan. Due to improper maintenance of accounts, different figures of opening balances, fund received and expenditure with substantive difference were indicated for the same components in different books of accounts/statements like ROP, quarterly Statement of Fund Position (SFP), Chartered Accountant (CA) Reports Financial Management Report (FMR) and financial statements submitted by the SHSB. Resultantly, the SHSB was not in a position to provide the fund position of NRHM to audit. However, SHSB provided (August 2015) an incomplete financial statement which dealt with only three (Part –A, B and C) out of four components of the scheme and GoB share of NRHM. Analysis of the furnished statement disclosed discrepancies in respect of expenditure amount of GoI and GoB share during 2014-15. The statement was further amended (October 2015) by the SHSB as shown in **Table no. 2.1.1:**

**Table no. 2.1.1**

**Available funds and expenditure under NRHM Part A, B, C and GoB during 2010-15**  
(₹ in crore)

Year	Opening Balance		Fund Received		Expenditure		Closing balance	
	GoI	GoB	GoI	GoB	Central Share	State Share	GoI	GoB
1	2	3	4	5	6	7	8 (2+4-6)	9 (3+5-7)
2010-11	142.83	355.58	1152.88	295.28	994.72	195.34	300.99	455.52
2011-12	300.99	455.52	699.31	322.32	937.83	442.98	62.47	334.86
2012-13	62.47	334.86	1289.48	501.66	1238.76	419.42	113.19	417.10
2013-14	113.19	417.10	1300.81	368.23	1263.14	539.93	158.39	270.23
2014-15	158.39	270.24	1154.21	286.69	1273.27	356.67	48.83	215.13
<b>Total</b>			<b>5596.69</b>	<b>1774.18</b>	<b>5707.72</b>	<b>1954.34</b>		

(Source: Information provided by SHSB)

Further, scrutiny of the financial statement shown in above **Table no. 2.1.1** disclosed that fund received upto 2010-13 was inclusive of the amount of interests and other receipts. This indicated that the SHSB had not maintained separate accounts of GoI/GoB's proportionate share and amount of accrued interest during the period.

Thus, the incomplete financial statements of the NRHM funds did not represent the true status of NRHM funds received and spent in the State.

In reply, the Executive Director (ED), SHSB requested (October 2015) to treat the figure of CA report as final for SHS financial book keeping. The ED also stated that an internal team was constituted to re-verify the audited CA report with the bank statement and cash book of all the units to ascertain whether the audited CA report is genuine.

**Recommendation:** *SHSB should ensure maintenance of accounts in accordance with NRHM guidelines and reconcile the differences of financial statements.*

### 2.1.9 Deficiencies in health action plan

Framework and Operational guidelines for Financial Management of NRHM stipulated a bottom-up approach in formulation of the annual Programme Implementation Plan (PIP) in the State (State Plan). It should include details regarding human resource plan, capacity development plan, financing of health care, monitoring etc. An annual PIP based on resource availability and prioritisation was to be prepared at the village and block levels and consolidated at district level (District Plan). The District Plans were compiled and aggregated at the State level by SHSB for framing of the State Plan. Such a planning needed setting up of planning teams and committees at various levels such as Habitation/village and Gram panchayat level, PHC(cluster level), Community Health Centre (CHC)/Block level and District level.

Scrutiny of records revealed that such a bottom-up approach was not adopted during preparation of plan as planning teams and committees were not constituted at any level in any test checked districts. As a result, the villages in the test checked districts did not provide the annual draft plans to the blocks causing nearly half of the blocks to prepare their plan without any inputs from villages. The remaining blocks of test checked districts did not prepare the annual plans during 2010-15. Consequently, the District/State plans did not contain inputs of all the blocks of the State.

During exit conference, the Principal Secretary, Health Department stated that every district prepared only two Block Health Action Plans and 10 Village Health Action Plans as per fund allocated by GoI and assured that planning teams would be activated at all levels in future subject to fund availability.

#### 2.1.9.1 Non-conduct of household and facility surveys

Household surveys and facility surveys of HSCs, PHCs, RHs etc. were to be conducted at regular intervals. These surveys were essential for planning and monitoring so as to construct a baseline annual plan for each health facility to access financial and human resources and for clear commitments of service guarantees.

**Comprehensive bottom up approach for preparation of state/ district level plans was not adopted.**

Scrutiny of records of test checked districts revealed that no such surveys were conducted during 2010-15.

ED replied (October 2015) that SHSB issued instructions (May 2015) for house hold survey through ASHA and Anganwadi workers.

#### **2.1.9.2 Non-preparation of perspective plan**

Framework for implementation of NRHM (2005-12) prescribed that a Perspective Plan (PP) on the basis of Village Health Plan (VHP) outlining the year-wise resources and activity needs of the district should be prepared. GoI also instructed (October 2013) SHSB to prepare and submit the PP for the period 2014-17 by December 2013.

However, the PP for the period 2005-12 was not prepared by any of the test checked districts. Though, the PP for the period 2014-17 was submitted to GoI (May 2014) by the SHSB, the same was devoid of any village plans.

The ED accepted (October 2015) that PP was not prepared during 2005-12.

Thus, the planning process was deficient as neither the bottom-up approach was adopted nor community participation was ensured. As a result, the plans failed to address the needs of the villages and instances of 'nil' expenditure despite budget allocation was noticed in 168 sub-components and expenditure without budget allocation was noticed in 500 sub-components out of a total 1942 sub-components of NRHM.

***Recommendation: SHSB should ensure community participation in planning with constitution of planning teams and committees at Habitation/village to District level.***

#### **Programme implementation**

The shortcomings noticed in implementation of various components of NRHM i.e. Reproductive and Child Health Care programmes which included Maternal Health, Child Health, Family Planning, Janani Suraksha Yojna etc., additionalities like utilisation of Annual Maintenance Grants which included creation of infrastructure, procurement of drugs etc., Immunisation and Pulse Polio activities and various National Disease Control Programmes are discussed in the succeeding paragraphs.

#### **2.1.10 Reproductive and Child Health Programmes (Part-A)**

Reproductive and Child Health Programme (RCH-II) was launched in 2005 as the principal vehicle for reducing Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR). The objective of the Mission was to achieve an MMR ratio of 100:100000 and IMR ratio of 30:1000 by March 2012. However, as per the survey report (2012-13) of GoI, the MMR and IMR ratios of the State were 208:100000 and 42:1000 respectively.

Thus, despite completion of the first Mission period of NRHM (*i.e.* 2005-12), the State was lagging behind the set target of MMR by more than 100 *per cent* and the IMR by 40 *per cent*. The non-achievement of intended MMR and IMR was attributable to the shortcomings discussed in succeeding paragraphs:

**The MMR and IMR in the State was lagging behind the set target**

### 2.1.10.1 Antenatal care

The antenatal care prescribed by NRHM Framework for pregnant women specified that early registration of pregnancy, ideally within first trimester (*i.e.* before 12<sup>th</sup> week of pregnancy) should be ensured along with minimum three antenatal check-ups and supplementation of Iron and Folic Acid (IFA) tablets for at least 100 days.

Scrutiny of records in the test checked DHSs disclosed that these required measures for pregnant women were not taken as shown in **Table no. 2.1.2** below:

**Table no. 2.1.2**  
**Details of Antenatal care to pregnant women in the test checked districts**

Year	Registered pregnant women	Registered in first trimester ( <i>per cent</i> )	Three ANC check-up provided ( <i>per cent</i> )	pregnant women received 100 IFA tablets ( <i>per cent</i> )
2010-11	732047	357194 (49)	332311 (45)	710726 (97)
2011-12	889931	473866 (53)	485615 (55)	646365 (73)
2012-13	849244	366664 (43)	446867 (53)	518598 (61)
2013-14	955129	410325 (43)	561210 (59)	640650 (67)
2014-15	955663	459081 (48)	603523 (63)	538755 (56)
<b>Total</b>	<b>4382014</b>	<b>2067130 (47)</b>	<b>2429526 (55)</b>	<b>3055094 (70)</b>

(Source: Information provided by test checked districts)

From the **Table no. 2.1.2** it would be evident that during 2010-15, only 43 *per cent* to 53 *per cent* of the pregnant women were registered within first trimester of pregnancy due to shortage of manpower, lack of tracking by ASHAs etc. Three ANC check-ups were provided to only 45 *per cent* to 63 *per cent* of the registered pregnant women due to coverage of large areas, under the scheme, vast population unreached and unmotivated staff. IFA tablets for at least 100 days were provided only to 56 *per cent* to 97 *per cent* of the registered pregnant women due to failure of ASHAs to encourage pregnant women to have tablets and inability of ASHAs to remain in touch with rural population. Besides, 57,420 stillbirths were noticed against total institutional delivery of 23,19,252 during 2010-15 in the test checked districts due to inadequate health check-ups, mother's poor state of health etc.

During exit conference (October 2015), the Pr. Secretary, attributed the stillbirths to shortage of doctors, medical staff, early marriage and social economic conditions and stated that the non-achieving of targets of MMR and IMR was due to shortage of gynaecologist at Health centres. He also stated that MMR and IMR was continuously decreasing in the State.

### 2.1.10.2 Janani Suraksha Yojana

The Janani Suraksha Yojana (JSY) was launched (April 2005) under NRHM for reducing maternal and neo-natal mortality by promoting institutional delivery among pregnant women. Under the scheme, all pregnant women who deliver in health centres were eligible for a cash incentive of ₹1400

(in rural areas) and ₹1000 (in urban areas) to meet both direct and indirect expenses incurred towards delivery.

Audit scrutiny of implementation of JSY in the test checked districts revealed that the scheme was not succeeded in promoting the institutional deliveries as envisaged in the **Table no. 2.1.3** below:

**Table no. 2.1.3**  
**Details of Institutional and Home Deliveries**

Year	No. of registered pregnant women	No. of Deliveries		No. of Beneficiaries to whom payments were made	
		Institutional (per cent)	Home (per cent)	Institutional (per cent)	Home (per cent)
2010-11	732047	374728 (51)	69075 (9)	187552 (50)	8636 (13)
2011-12	889931	459533 (52)	157689 (18)	253597 (55)	9832 (6)
2012-13	849244	466032 (55)	189991 (22)	415186 (89)	16575 (9)
2013-14	955129	527636 (55)	200321 (21)	470062 (89)	18475 (9)
2014-15	955663	491323 (51)	229688 (24)	325448 (66)	22927 (10)
<b>Total</b>	<b>4382014</b>	<b>2319252 (53)</b>	<b>846764 (19)</b>	<b>1651845 (71)</b>	<b>76445 (9)</b>

(Source: Information provided by test checked districts)

As evident from the **Table no. 2.1.3** above, institutional delivery remained almost static during 2010-15 (*i.e.* 51 to 55 *per cent*) whereas home delivery increased from nine *per cent* in 2010-11 to 24 *per cent* in 2014-15 due to lack of infrastructure facility, shortage of Medical Officers and ANM etc. in health centres. Besides, 28 *per cent* of pregnancy cases remained unreported which may be due to opting of private health facilities.

Further, cash assistance was provided to only 50 *per cent* to 89 *per cent* of the institutional delivery cases and six *per cent* to 13 *per cent* of the home delivery cases during 2010-15 due to shortage of fund, absence of bank accounts for beneficiaries etc. It was also observed that payments to 6027 beneficiaries of JSY amounting to ₹82.35 lakh pertaining to 27 test checked RHs/PHCs was entered in cash book but the cheques remained undelivered to beneficiaries as on date of audit (June-July 2015). Besides, payments were made after delay ranging from one to 24 months in test checked 2855 cases of nine RHs/PHCs.

During exit conference (October 2015), the Pr. Secretary stated that efforts were being made to provide adequate doctors and well equipped labour rooms in health centres to improve the position. It was further stated that due to delay in opening of bank accounts by beneficiaries, cheques could not be collected by them and it would be sorted out in due course.

### **2.1.10.3 Operation of APHC and HSC as Level-1 Mother Child Health Centres**

For better institutional delivery facility within the community, CS-cum-CMO of all districts were directed by SHSB (July 2010 and September 2010) to develop two HSCs under each district and one APHC under each block as level -1 Mother Child Health (MCH) centre. Further, it was also decided (January 2013) by SHSB to develop each of the HSCs of the State as Level- 1 MCH centre in a phased manner during 2013-14. For proper functioning of

Level-1 MCH centre, SHSB instructed (December 2013) that it should have two Medical Officers (one MBBS and one AYUSH) and three trained staff nurses/ANMs.

**Level 1 MCH  
(24x7 basis) centre  
remained non  
functional**

Scrutiny of records in the test checked districts revealed that against the target of 177 APHCs and 354 HSCs, only 109 APHCs and 36 HSCs were functioning as Level-1 MCH centre and there were shortage of manpower in all the centres. Even 14 APHCs were functioning without any Medical Officer whereas another 14 APHCs and one HSC had no ANMs. Besides, three ANMs were not posted in any of the Level-1 MCH centres of the test checked districts (*Appendix-2.1.2*). However, the available ANMs had also to do immunisation works on two days in a week at Anganwadi centres and attend the weekly meetings at PHCs. Even during physical verification of 15 Level-1 centres, it was observed that five centres were found closed whereas in 10 centres, activities were not yet commenced (as on July 2015).

Thus, due to non-availability of required man power, no centre in test checked districts were functioning on 24x7 basis as Level-1 MCH centre.

In reply the ED, SHSB stated (October 2015) that SHSB was committed to fill the gaps of manpower for strengthening the L-1 MCH centres by the end of this year.

***Recommendation: Health care units should ensure antenatal care to each registered pregnant women and Mother Child Health centres should be made functional with doctors, para medical staff and equipment for institutional deliveries and to minimise the MMR and IMR.***

#### **2.1.10.4 Basic Life Support Ambulances under RCH**

The essential component of NRHM was to ensure free referral transport for the pregnant women and sick new born to public health institutions for service delivery. Accordingly, SHSB purchased (July 2011) 504 Basic Life Support Ambulances (BLSA) with prescribed medicines and equipment and agreements were executed (December 2011) by concerned DHSs with an agency under PPP mode. However, the SHSB decided (February 2014) not to renew the contracts after the expiry of agreements in January 2014 due to unsatisfactory performance and the District Magistrates were required to make arrangements for running the ambulance services till further orders.

Scrutiny of records of SHSB revealed that the agency did not return 90 ambulances to respective DHSs. In this context, it was pertinent to mention that the agency filed writ petition against SHSB in the Honourable High Court (February 2014) for payment of dues. The Court directed the Development Commissioner (DC), GoB to consider and dispose of the dispute. The DC directed (June 2015) SHSB to pay 25 *per cent* of the admitted dues to the agency and simultaneously the agency was also directed to return 90 ambulances after receipt of the same. However, as of August 2015 neither payment was made by the SHSB nor ambulances were returned by the agency.

**Basic Life Support  
Ambulances were  
running without  
required medicines  
and equipment**

Further scrutiny of records in 10 test-checked districts revealed that 55 out of 231 ambulances were non-functional whereas the remaining ambulances were running without required medicines and equipment as noticed in the joint physical verification (May/July 2015) with departmental officials.



Ambulances purchased under MCH were lying in the campus of the office of C.S. Motihari in defective condition from February 2014

Thus, the free referral transport services for pregnant women and sick new born babies remained inadequate and in absence of essential medicines and equipment in the ambulances, the services were restricted to transportation only.

In reply the SHSB stated (October 2015) that legal opinion was being obtained to return the vehicles by the agency and necessary directions had been given to all DHSs to maintain necessary medicines and equipment as per the mandate.

#### **2.1.10.5 Creation of Special New Born Care Unit (SNCU)/New Born Care Corner (NBCC)**

One of the objectives of the child health programme was to strengthen neonatal care services by setting up Special New Born Care Units (SNCU) in districts hospitals (DH) and New Born Care Corners (NBCC) in all PHCs. Accordingly, the work for construction of 34 SNCU buildings was awarded by SHSB to an agency and agreements worth ₹15.69 crore were executed in August 2010 and August 2011. However, only nine buildings were completed as of July 2015 after payment of ₹13.73 crore to the agency till April 2015.

As per GoB instruction (2011-12), four equipment (*i.e.* Radiant Warmer, Oxygen Concentrator, Basinet Trolley and Glucometer) and 14 essential drugs were to be kept in NBCCs. Physical verification of 23 PHCs disclosed that the NBCCs were not functioning properly due to defective equipment, unavailability of essential drugs, untrained ANMs etc.

On being asked, the SHSB replied (October 2015) that 13 SNCU units were completed till date and others were near completion stage. During exit conference (October 2015), Pr. Secretary, stated that more ANMs would be trained for proper functioning of NBCCs. However the reply was silent about shortage of equipment and essential drugs.

Thus, it was evident that the objective to strengthen neo natal care services in the PHCs/DHs was yet to be achieved.

#### **2.1.10.6 Implementation of School Health Programme**

Under School Health Programme, annual health check-up of every children enrolled in schools was to be conducted and deficiencies related to health and nutrition were to be identified and methods were to be suggested to overcome such deficiencies. According to financial instruction of SHSB, 100 children was to be included in a Health Check-up Camp and the programme was to be closed in March 2011.

It was observed from the records of SHSB that 1,87,946 camps were required for coverage of 1,87,94,644 children during the year 2010-11. However, 38,889 (21 per cent) camps only were organised in which 25,17,431 (13 per cent) children were covered resulting in inadequate implementation of School Health Programme.

During exit conference (October 2015), Pr. Secretary stated that coverage was less due to non-availability of vehicles/staff etc. and process was initiated to improve the situation.

#### **2.1.10.7 Implementation of Nayee Pidhi Swasthya Guarantee Karyakram**

Nayee Pidhi Swasthya Guarantee Karyakram (NPSGK) was launched (March 2011) by SHSB in which health cards were to be issued after health check up to children in the age group of 0-14 years and to adolescent girls upto 18 years of age.

Scrutiny of records of SHSB disclosed that target for coverage of children was fixed during 2013-14 and 2014-15 only. Besides, the number of children covered under the scheme was reduced in 2014-15 (20.98 lakh) from 2011-12 (1.52 crore). Further, out of 3.55 crore health cards issued by SHSB to different DHSs, only 2.39 crore cards were issued to children till September 2015 while remaining 1.16 crore cards valued ₹2.60 crore (at the rate of ₹2.24 per card) were retained with SHSB and DHSs though the scheme was closed with initiation of Rastriya Bal Suraksha Karyakram.

**Recommendation:** DHSs should take steps to cover each school going children under health check-up programmes and ensure handing over of Health Cards to the children.

#### **2.1.11 Additionalities under NRHM (Part-B)**

Any additional activities which were essential for health system improvement but cannot be funded from any other programme of NRHM was to be funded from the component ‘Additionalities under NRHM’. The component covered creation of infrastructure, procurement of drugs, ASHA, AYUSH etc.

##### **2.1.11.1 Inadequacy of health care units/health care infrastructure**

The component envisaged functional health facilities in the State through revitalisation of existing infrastructure and fresh construction or renovation. As per Census 2011, rural population in the State was 9.23 crore and the number of health units required and available in the State (as on March 2015) was shown in **Table no. 2.1.4:**

**Health cards valuing ₹ 2.60 crore remained unutilised**

**Table no. 2.1.4**  
**Required and available health care units in the State/ test checked districts**

Health care units	Population norm for one health unit	Required number of health units		Number of health units available		Shortage of health units (Percentage)	
		State	Test checked district	State	Test checked district	State	Test checked district
HSC	5000	18460	6884	9729	3766	8731 (47)	3118 (45)
PHCs/A PHCs	30000	3077	1147	1883	648	1194 (39)	499 (44)
RHs	100000	923	344	70	14	853 (92)	330 (96)

(Source: Information provided by SHSB and test checked DHSs)

**There was shortage of 39 to 92 per cent of health care units**

From the **Table no. 2.1.4**, it was evident that the State did not have the required number of Health Care Units and the shortage ranged from 39 to 92 per cent. The actual shortage in number of PHCs was much larger than the above shown figure as the number of PHCs was inclusive of APHCs which were not providing indoor facilities on 24X7 basis, as observed in the test checked districts.

Audit also revealed that in test checked districts, only 14 out of 18 RHs and 156 out of 177 PHCs were functional. Against 983 APHCs and 5906 HSCs sanctioned by the Health Department (out of which 591 APHCs and 2484 HSCs were sanctioned in December 2006, whereas remaining were sanctioned earlier), only 492 APHCs and 3766 HSCs were functional due to non-availability of buildings and lack of trained manpower, non-completion of civil work by implementing agencies etc.

In reply the SHSB stated (October 2015) that construction of sanctioned health care units would be undertaken in a phased manner upon availability of fund and land on priority basis.

#### **2.1.11.2 Adequacy of beds**

NRHM guidelines envisaged to provide 500 public hospital beds for a population of 10 lakhs.

It was observed that the test checked 64 PHCs and 10 RHs were covering rural population of 1.37 crore with only 507 beds against the required norm of 6850 beds.

#### **2.1.11.3 Radiological and pathological services**

SHSB executed (February 2009) an agreement with an agency to provide X-ray and sonography facilities in each of the RHs and PHCs of the State and directed (January 2014) the agency to provide X-ray facility in two APHCs of each district. Besides, Pathological services were also outsourced to different agencies in 28 districts of the State till December 2013 and in the remaining 10 districts, by June 2014 and SHSB decided to provide Semi Auto-Analyser

(SAA) to each RH and PHC (January 2014) and two APHCs in each district (June 2014) for pathological tests.

Scrutiny revealed that X-ray facility was available in only 37 RHs (53 per cent), 276 PHCs (52 per cent) and 22 APHCs (29 per cent) of the State. Sonography facility was available in only 10 RHs (14 per cent) and 47 PHCs (Nine per cent) of the State. Pathology/SAA was available in 38 RHs (54 per cent), 183 PHCs (34 per cent) and 46 APHCs (61 per cent) of the State. Thus, health care units in the State did not have the required diagnostic facilities.

During joint physical verification of 30 RHs/PHCs, along with DHS officials, SAA was not found operational in 25 health centres. Lack of centrifuging machine, incubator, fridge, reagent and laboratory technician were the reasons for non-operation of SAA as reported by the concerned health centres. Besides, SHSB failed to monitor the operation of radiological services by outsourced agency in the required health care units.

In reply the SHSB stated (October 2015) that these facilities would be increased and the respective equipment would be made operational.

***Recommendation: SHSB should ensure the establishment of required number of health care units according to the population and provide adequate radiological and pathological services along with trained manpower.***

#### **2.1.11.4 Operation of Mobile Medical Unit**

As per framework for implementation of NRHM, one Mobile Medical Unit (MMU) should be provided in each district for reaching health care to the door steps of the public in the rural areas. For operationalising MMUs in 38 districts, agreements were executed (March 2009 to November 2009) with three agencies. However, the agreement with one agency was terminated in February 2012 while agreement with the other two agencies were not extended beyond March 2014 due to their unsatisfactory performance. As a result, the MMUs were not operational in any of the districts of the State (July 2015).

In reply the SHSB stated (October 2015) that operationalisation of approved number of MMUs would be started after finalisation of tender process.

#### **2.1.11.5 Non-commencement of civil works by BMSICL**

GoB constituted (May 2010) Bihar Medical Services and Infrastructure Corporation Limited (BMSICL) for procurement of medicines, equipment, services and construction works including construction of buildings for APHCs/ HSCs and up-gradation of PHCs into 30 bedded hospitals in each of the Block .

SHSB released (April 2011 to February 2014) ₹ 446.17 crore to BMSICL for construction of 50 residential quarters for Medical Officers and Nurses, construction of building for 101 APHCs, 136 CHCs, 10 Sub Divisional Hospitals (SDHs) and one Sadar Hospital. However, out of total 298 construction works, only five works were completed upto March 2015 while 35 works remained incomplete and 258 works were not yet started. Out of this, Detailed Project Reports (DPRs) were yet to be prepared in nine works,

**Despite availability of funds, out of 298 health units, construction works of 258 units were not yet started.**

tender process was to be finalised in 141 works and execution of work was not yet started despite execution of agreement in 108 works (*Appendix- 2.1.3*). Thus, despite availability of funds, adequate health care infrastructure facilities could not be constructed by the SHSB. Besides, funds amounting to ₹ 383.40 crore remained blocked in the accounts of BMSICL for periods ranging from one to four years.

During exit conference, the Principal Secretary, Health Department assured that the matter would be examined.

#### **2.1.11.6 Non-completion of Trauma Centres**

To augment and upgrade the accidents and emergency services in selected government hospitals located in most accident prone areas of national highways, GoI signed (May 2009) an MoU with State government to operationalise nine trauma centres at a cost of ₹ 62.39 crore<sup>1</sup> and released ₹ 6.45 crore to the nine government hospitals during the year 2010-11.

However, the agency did not complete the work in time and the agreement was cancelled (December 2012) by SHSB after one year from the scheduled date of completion. As no payment was released to the agency, the amount of ₹ 7.38 crore (including interest) remained parked with SHSB and the objective of providing trauma care emergency facilities could not be achieved.

On being asked the SHSB stated (October 2015) that entire project was being reviewed due to slow work progress by the executing agency.

#### **2.1.11.7 Idle equipment**

SHSB executed an agreement (September 2009) with five agencies for purchase of equipment for 26 proposed Sick New born Care Units (SNCU) to be supplied to Districts Hospitals.

Audit scrutiny of records of three DHSs (East Champaran, Katihar, Madhubani) revealed that equipment worth ₹ 68.36 lakh was supplied (February 2010 to September 2011) to DHSs and ₹ 44.79 lakh was paid to suppliers without taking adequate action to get the SNCU buildings constructed in the district hospitals. As a result, the equipment remained unutilised with DHSs as on July 2015.

Other short comings such as non-availability of OPD rooms, outdoor/indoor facility, labour room and water supply etc. were also noticed in health care units of test checked districts (*Appendix-2.1.4*).

In reply the SHSB stated (October 2015) that the matter would be enquired and suitable action would be taken.

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<sup>1</sup> Rate of five trauma centres – building: ₹ 0.65 crore and equipment, manpower etc.: ₹ 4.125 crore and rate of four trauma centres – building: ₹ 0.80 crore and equipment, manpower etc.: ₹ 8.83 crore

### 2.1.11.8 Shortcomings in procurement of drugs

NRHM Framework emphasises access to good hospital care through assured availability of drugs at PHC/CHC level. GoB nominated SHSB as State Purchase Organisation for drugs in April 2007. The SHSB entered into agreements with different agencies for supply of drugs for different periods (upto October 2012). Thereafter, the rate contracts was being done by BMSICL which was nominated (May 2010) by Health Department, GoB as State Purchase Organisation for supplying drugs to all health institutions. The shortcomings noticed in procurement of drugs are discussed in the succeeding paragraphs:

#### *Extra cost borne on payment on procurement of medicines*

Scrutiny of records disclosed that SHSB finalised (October 2012) the rates of 126 drugs/surgical items which was valid till March 2014. In the meantime, BMSICL had also floated a tender (February 2013) for procurement of medicines and finalised (September 2013) the rates of 234 medicines. It was however observed that the rates of 60 medicines finalised by BMSICL was more than the contracted rates of SHSB. Further, BMSICL procured these 60 medicines worth ₹ 19.48 crore, whose corresponding value was ₹ 16.62 crore according to SHSB rates (*Appendix-2.1.5*).

During exit conference, the Principal Secretary, Health Department stated that the tender by BMSICL was done after three years of rate contract of SHSB, hence there were differences in rates.

The reply was not in conformity of facts as the rate contract of SHSB was valid during the rate contract period of BMSICL. Thus, extra cost amounting to ₹ 2.86 crore was incurred by BMSICL on procurement of medicines as of March 2014.

#### *Irregular advance to agencies for supply of medicines*

As per terms and conditions of rate contracts finalised by SHSB, payment was to be made on 'cash and carry' basis *i.e.* payment was to be made to the agency while taking delivery of all items/drugs.

Scrutiny of records in six test checked DHSs disclosed that in contravention of terms of contracts, advance payments were made (September 2010 to December 2013) to 24 agencies before taking delivery of drugs valuing ₹ 1.23 crore (*Appendix-2.1.6*). However, no records were made available to audit to ascertain that the drugs were received by the concerned DHSs (July 2015).

In reply the SHSB stated (October 2015) that recovery of advances would be ensured.

#### *Liquidated damages not charged from agencies for delayed supply of drugs*

As per terms and conditions of rate contract executed with agency for supply of drugs, the first supply of medicines was to be ensured within 30 days of the receipt of the first order. Liquidated damages (LD) should be levied at the rate of 0.5 *per cent* of the value of supply order for indented medicines per day subject to a maximum of 35 *per cent* of bill amount for any delayed supply.

Scrutiny of records revealed that 41 agencies delayed the supply of drugs valued ₹11.77 crore upto 418 days in test checked districts (*Appendix-2.1.7*). However, no action was initiated by the DHSs against suppliers for the delayed supplies.

During exit conference, the Principal Secretary, Health Department assured that action would be taken in this regard.

***Non-deduction of testing charges of drugs from supplier's bill***

As per agreement of rate contract for supply of drugs executed during August 2011 to December 2011 and October 2012 to March 2014, a sum of two *per cent* of total bill amount, exclusive of sales tax, was to be deducted from the bills of the supplies of the medicines towards testing charges of the drugs.

Scrutiny of records revealed that ₹ 14.51 crore was paid to suppliers in test checked districts for procurement of drugs without deducting testing charges amounting to ₹ 29.01 lakh (*Appendix- 2.1.8*).

In reply the SHSB agreed with observation and stated (October 2015) that some of the districts had mistakenly not deducted testing charges. It was further said that DHSs/Civil Surgeons were instructed to ensure the deduction of testing charges.

***Quality test of biological drugs not ensured***

As per terms and conditions of rate contract for supply of drugs, samples of drugs of each and every batch should be taken for test by the respective Drug Inspector from company's godown. As the State did not have the facilities to test the quality of biological drugs such as antibiotics, injectable and vaccines, the SHSB decided (December 2013) to conduct tests in three NABL accredited test laboratories at the rate contract approved by BMSICL, Patna.

Scrutiny of records in test checked districts revealed that no biological drugs were sent to these NABL accredited laboratories for quality testing, though the SHSB had collected ₹28.81 lakh from 10 DHSs (Begusarai, Darbhanga, East Champaran, Nalanda, Nawada, Patna, Samastipur, Shekhpura, Supaul and West Champaran.) as testing charges till March 2015. Thus, biological drugs were being used in the State without any testing.

During exit conference, the Principal Secretary, Health Department stated that the matter would be looked into.

***Recommendation: Care should be taken by the SHSB to ensure timely supply of drugs by agencies. SHSB should also arrange to conduct quality tests of medicines.***

**2.1.11.9 Selection and training of ASHAs**

Under NRHM, one female Accredited Social Health Activist (ASHA) was to be selected in every village with a population of 1000 to work as a link between the community and health facilities and was to be provided four phases of training. At the State level, there was 85239 ASHAs in the State against requirement of 87135. However, the required training was not imparted to them as only 55195 and 6836 ASHAs could get third and fourth phase of training by October 2015.

In reply the SHSB stated (October 2015) that selection process of new training agencies was in process.

#### **ASHA Drug Kit**

ASHAs were to have a drug kit with 15 medicines to provide primary health care services to the community and these medicines were to be replenished quarterly. To provide drug kits to ASHAs, SHSB executed an agreement with an agency to supply 87135 drug kits between November 2010 and January 2011 to 38 districts at the rate of ₹2082 per kit.

Scrutiny revealed that the SHSB procured 3731 kits worth ₹80.79 lakh in excess of available ASHAs in test-checked districts. As a result, 1942 ASHA drug kits were lying unutilised in stores of PHCs in test checked districts since the appointed ASHAs were less than the sanctioned posts. Besides, medicines of ASHA Kits were never replenished during 2011-15 in the test checked districts. A joint physical verification of three PHCs (Muraul-Muzaffarpur, Paharpur-East Champaran and Chanpatia-West Champaran) also revealed that medicines inside 51 ASHA drug kits had expired.

In reply the SHSB stated (October 2015) that replenishment of drugs through PHC was being thought of so as to avoid the delay.

#### **ASHA Neonatal Kit**

Under Home Based Newborn Care (HBNC) scheme, ASHAs were to be provided with Neo Natal kits during training to reduce neonatal mortality. SHSB executed an agreement with an agency to supply 87135 Neonatal kits to 38 districts at the rate of ₹1100 per kit. As per the agreement, if the kit did not match the sample, it should be replaced or else the performance security should be forfeited.

Scrutiny of records of SHSB revealed that Neonatal kits were not supplied in seven districts (Aurangabad, Bhagalpur, Jamui, Patna, Saharsa, Sheohar and Sitamarhi) as per sample. However, the kits were not replaced till March 2015 and the performance guarantee was lapsed in May 2014. Further, scrutiny of records in test checked districts revealed that though 27,609 ASHAs were only trained, 31,836 Neonatal kits were purchased resulting in excess procurement of 4227 kits amounting to ₹46.50 lakh.

In reply the SHSB stated (October 2015) that Neonatal kits were procured against target of ASHA and distribution of kits was under process.

Reply was not acceptable as the kits should have been procured as per number of trained ASHAs.

### **2.1.12 Insufficient mainstreaming of AYUSH**

One of the strategies of NRHM was to promote co-location of AYUSH (Ayurvedic, Yoga, Unani, Sidha and Homeopathy) services with other mainstream health facilities. As per NRHM framework, separate AYUSH set up would be provided by SHSB in each RH/PHC by appointing one contractual AYUSH doctor to strengthen outpatient services. Further, two AYUSH doctors were also to be included in the mobile health teams and two mobile health teams were to be constituted in each block to conduct screening

and follow up treatment of children under Rashtriya Bal Swasthya Karyakram (RBSK)<sup>2</sup>.

#### 2.1.12.1 Availability of AYUSH doctors

Due to shortage of AYUSH doctors, RBSK was yet to commence in the State

During scrutiny of records of SHSB, it was observed that only 1264 AYUSH doctors were posted (March 2015) against the sanctioned strength of 1724 in the PHCs/APHCs of the State. Further, no post of AYUSH doctor was sanctioned by GoB for the RHs. It was also observed that 1068 mobile teams (for all the 534 Blocks in the State) could not be constituted due to non-appointment of 2136 AYUSH doctors as on March 2015. Therefore, RBSK which was to be started in 2012-13, failed to commence in the State as on March 2015.

#### 2.1.12.2 Availability of AYUSH drugs

Scrutiny of records of SHSB disclosed that AYUSH medicines were procured in June 2010 for 271 APHCs. During August 2010, the SHSB also appointed 1384 AYUSH doctors including 428 Homeopath doctors in the said APHCs. However, AYUSH medicines excluding Homeopathic medicines were procured in June 2011 only while Homeopathic medicines were purchased in April 2013. As a result, all the AYUSH medicines were not available in the APHCs upto April 2013 and as per the records of SHSB, the AYUSH doctors prescribed Allopathic medicines to the patients of APHCs thereby failing to achieve the mainstreaming of AYUSH in the State.

During exit conference, the Principal Secretary, Health Department stated that recruitment of AYUSH for RBSK was done in July 2015 while tendering process for purchase of AYUSH drugs was under progress.

***Recommendation: AYUSH set up need to be provided in each RH/PHC and regular supply of AYUSH drugs should be ensured for mainstreaming of AYUSH.***

#### 2.1.13 Routine Immunisation and Pulse Polio Immunisation Programme (Part-C)

The programme for immunisation of children against preventable fatal diseases such as tuberculosis, diphtheria, pertussis, tetanus, polio, measles, Hepatitis-B etc was implemented through routine immunization (RI) Programme.

The achievement under RI in the State was appreciable and as per Annual Health Survey report (2011-12) published by GoI, the figure of complete immunisation in Bihar was 65.6 per cent which was more than the national figure of 61 per cent. The percentage of complete immunization in the State further increased to 72 per cent in 2013-14 as per World Health Organisation (WHO) report.

Achievement under RI/PPI was appreciable in the state.

<sup>2</sup> RBSK was a new initiative in February 2013 aiming at screening of children from the 0-18 years age group in school for 4 Ds-Defects at birth, diseases, deficiencies and development delays including disabilities.

Similarly, performance of the State under Pulse polio immunization (PPI) programme was also noteworthy and the targets of PPI was almost achieved during 2010-15 and no new polio case was detected after 2011-12.

During exit conference, the Principal Secretary, Health Department stated that RI was now 78 per cent in the State as per data (June 2015) of WHO.

#### 2.1.14 National Disease Control Programmes (Part-D)

##### 2.1.14.1 Kala-azar Elimination Programme

Kala-azar is a parasite disease and prevalent in 54 districts in the country of which 33 districts belong to Bihar. The National Health Policy-2002 set the goal of Kala-azar elimination in India by the year 2010 (later revised to 2015). The preventive measure for this endemic disease was Indoor Residual Spray (IRS) of Dichloro Diphenyl Trichloroethane (DDT) in the affected areas. The details regarding cases of Kala-azar, its treatment and death due to Kala-azar in the State as well in the test checked districts were as under:

**Table no. 2.1.5**

**Total cases of Kala-azar, its treatment and reported death cases during 2010-15**

Cases detected		Medical treatment provided		Death cases reported	
State	Test checked Districts	State	Test checked Districts	State	Test checked Districts
82568	33971	82144	33953	224	115

(Source: SPO, Malaria/Kala-azar and test checked DHSs)

Thus, it was evident from the **Table no. 2.1.5** that Kala-azar could not be eliminated from the State upto March 2015. On the contrary, the disease spread from 31 districts in 2010 to 33 districts in 2015.

##### 2.1.14.2 Spray of DDT beyond the prescribed period

The population of vector of kala-azar was built up in March and transmitted in June to October. However, GoI guidelines envisaged that DDT was to be sprayed twice a year (February/March and June/July) as a preventive measure to control the population of vector. In nine test-checked districts, it was observed that several rounds of DDT were sprayed during non-breeding season of kala-azar parasite. This made the preventive measure for which an expenditure of ₹7.36 crore was incurred, ineffective.

It was also noticed that against the sanctioned strength of 3556, only 600 persons (12 per cent) were working in the State Kala-azar/Malaria office where as in the test checked districts, only 131 staff ( 15 per cent) were posted against the strength of 892 which adversely affected the implementation of the programme.

In reply the SHSB accepted (October 2015) that delay in DDT spray was due to non-availability of DDT and delayed release of fund by GoI.

##### 2.1.14.3 National Programme for Control of Blindness

With a view to reduce the prevalence of blindness among the population from 1.4 per cent to 0.3 per cent by the year 2020, GoI had launched the National Programme for Control of Blindness (NPCB) in 1976.

Scrutiny of records of State Programme Officer (SPO) responsible for implementation of NPCB in the State disclosed that against 400 vision centers to be established, only 105 were established in 27 districts. Further, only one specialist and 19 ophthalmic assistants were available under the programme against sanctioned strength of 10 specialists and 220 ophthalmic assistants. It was further observed that SPO had neither maintained the data regarding prevalence of blindness during 2010-15 nor had the financial details of the programme.

In reply the SHSB accepted (October 2015) the facts.

#### **2.1.14.4 National Leprosy Eradication Programme (NLEP)**

National Leprosy Eradication Programme (NLEP) was incepted in the year 1983 and the country achieved the goal of leprosy elimination *i.e.* prevalence rate (PR) of less than one case per 10,000 population at National level by December 2005, as set by National Health Policy 2002.

Scrutiny revealed that during the audit period, the prevalence rate in the State was more than the prescribed limit of one case (1.12 cases in 2010-11 and 1.20 cases in 2012-13). Further, in the year 2014-15, the prevalence rate was more than the prescribed limit of one case in three test checked districts (Araria, Gaya and Saran) due to shortage of manpower such as District Leprosy Officer, non- medical officer etc.

On being asked in audit, the SHSB stated that GoB had taken the matter seriously and was initiating remedial steps.

***Recommendation: To achieve the target of kala-azar elimination, SHSB should ensure timely spray of DDT and adequate manpower. The SHSB should also ensure adequate number of vision centres for control of blindness in the State.***

#### **2.1.15 Inadequate manpower**

The Mission seeks to provide minimum two ANMs at each HSC and three Staff Nurses at each PHCs to ensure round the clock health facilities in every PHC. The framework for implementation of NRHM also stipulated seven specialists doctors and nine staff nurses in every RH. However, GoB sanctioned (September 2006) four posts of specialist doctors (Surgeon, Paediatrics, Gynaecology and Anaesthetist) for each RH/CHC as well as PHC. In RH, one additional post of medicine was also sanctioned.

The availability of medical and para medical staff in the State as well as in test checked units as on 31 March 2015 were as shown in **Table no. 2.1.6:**

**Table no. 2.1.6**  
**Status of Man power in the State as well as in the test checked units**

Sl No	Post	Sanctioned		Men in Position			
		State	Test checked health care units	State (per cent)		Test checked health care units (per cent)	
				No. of posts	per cent of shortage	No. of posts	per cent of shortage
1	Medical Officer/ Specialist Medical Officer	12178	714	5212	57	295	59
2	ANM/ Grade A/ Staff Nurse	29582	1068	20917	29	487	54
3	Lady Health Visitor	1201	172	342	72	13	92
4	Pharmacist	NA	182	NA		49	73
5	Lab Technician	NA	182	NA		42	77
6	Male Health Worker	NA	256	NA		11	96

(Source: Data furnished by SHSB and test checked districts)

**Fifty seven per cent post of medical/ specialist medical officers were lying vacant in the State.**

From the **Table no. 2.1.6**, 57 per cent of posts of Medical/Specialist Medical Officers were lying vacant in the State while there was shortage of 29 to 72 per cent in the sanctioned strength of para-medical staff.

Scrutiny of records of health care units in the test checked districts disclosed that against requirement of 798 specialist doctors in RHs and PHCs, only 49 (6 per cent) specialist doctors were available. Five test checked RHs were running without any specialist doctors whereas two Gynaecologists were posted at RH Sakra. It was also observed that seven PHCs and 29 APHCs did not have any doctors and 11 PHCs were functioning with only one doctor in the test checked districts. Further, no ANM was posted in nine HSCs and 54 APHCs (**Appendix- 2.1.9**).

Thus, despite completion of almost 10 years of NRHM, the health centres of the State did not have the required strength of medical/para-medical staff.

In reply the SHSB stated (October 2015) that the Department was taking necessary steps to overcome the shortage of manpower for more effective implementation of the programme.

**Recommendation: SHSB should ensure the appointment of required number of doctors and para-medical staff at each health care unit.**

### **2.1.16 Monitoring and Evaluation**

NRHM frame works stipulates formation of Health Monitoring and Planning Committees (HMPC) at PHC, Block, District and State levels to ensure regular monitoring of activities at respective levels. Besides, according to MoUs (May 2005 and March 2013) between GoI and GoB, Governing Body (GB) and Executive Committee (EC) of SHS/DHS should meet at prescribed intervals to review the progress in implementation of Annual Action Plan, issues related to inter-sectoral co-ordination and status of follow up action on earlier taken decisions.

Though no information was provided by SHSB regarding constitution of State level HMPC, it was observed in the test check that HMPCs were not

constituted at district, block and PHC levels. Besides, meeting of GB/EC was also not regular at State level as only 10 meetings of EC was held during 2010-15 against required 30 meetings. In the test checked districts, against required 100 GBs during 2010-15, only 23 (23 per cent) meetings were held. Besides, *Jan Sambad/Jan Sunwai* was also not organised in any test checked districts for improving the transparency and accountability of health care system.

In reply, SHSB stated that the meeting of EC/GB was held as per required agenda. However, no reply was furnished about the constitution of HMPC and the regularity of EC/GB meetings.

***Recommendation: SHSB should ensure formation of Health Monitoring and Planning Committees at each level (from block to State). Besides, monitoring of NRHM should be ensured through periodical meetings of Monitoring Committees.***

### 2.1.17 Conclusion

- The financial statements of State Health Society, Bihar did not represent the true status of NRHM in the State as different figures were indicated in different financial statements as opening balances, funds received and expenditure for the same components.
- Action plans were not decentralised with a bottom-up approach resulting in scant community participation in the Mission.
- Despite completion of Mission period of 2005-12, nearly half of the pregnant women in the State failed to register in the first trimester of pregnancy. This resulted in inadequate antenatal care which along with deliveries at home in nearly half of the cases due to insufficient healthcare facilities caused the Mission to miss the targeted Maternal and Infant mortality rates.
- Despite shortage of physical infrastructure and availability of funds, construction of buildings for health care units and trauma centres were not completed.
- Procurement system of drugs was not efficient as liquidated damages and undue advances were not recovered from agencies. Quality of biological drugs were not ensured in the State;
- AYUSH set up was not provided in each RH/PHC and regular supply of AYUSH drugs were not ensured.
- The Kala-azar Elimination Programme was marred with shortage of manpower and delayed spray of DDT etc. and missed the target date;
- National Programme for Control of Blindness Suffered due to inadequate infrastructure and shortage of manpower. National Leprosy Eradication Programme missed the goal of leprosy elimination due to shortage of specialised medical staff.
- Fifty seven per cent posts of Medical/Specialist Medical Officers was lying vacant while there was shortage of 29 to 72 per cent of para-medical staff in the State.
- Monitoring and evaluation was deficient due to non- constitution of Health Monitoring Committees at various levels.

## BUILDING CONSTRUCTION DEPARTMENT

### 2.2 Working of Building Construction Department

#### Executive Summary

##### *Introduction*

Building Construction Department (BCD) came into existence in the year 1982. The basic objective of the BCD is construction, renovation and maintenance of residential and non-residential Government buildings of various departments except Irrigation and Forest Departments and buildings under Bihar Police Buildings Construction Corporation.

*(Paragraph 2.2.1)*

##### *Performance of works*

Against targeted construction of 2966 buildings, BCD had taken up construction of 2708 works only during 2010-15. Out of this, BCD could complete 1582 works only and the construction of the remaining 1126 works were not completed (October 2015) due to delay in according TS, delayed finalisation of tendering process and land disputes.

*(Paragraph 2.2.6)*

##### *Planning of works*

BCD prepared annual plan of works without obtaining proposals of the Chief Engineers (CEs) and without ascertaining the financial requirements of works in violation of the prescribed norms of BPWD code. The scheduled timeline for according Technical Sanction and finalisation of tendering process was not adhered to by the construction Divisions. Though most of the districts of Bihar falls under seismic zones, the BCD did not constitute Hazard Safety Cells to impart training to engineers, architects, masons etc.

*(Paragraph 2.2.7)*

##### *Financial Management*

Savings against provision of funds during 2010-15 ranged from 25 to 61 *per cent* under Plan head and 21 to 35 *per cent* under Non-plan head. The persistent savings and further allocation of funds under supplementary provisions indicated deficiencies in budgeting process. Inadequate funds were released to certain works while funds were released in excess to certain other works by the BCD. As a result, certain works remained incomplete while some divisions surrendered surplus funds.

*(Paragraph 2.2.8)*

##### *Implementation of works*

The preparation of SoRs was faulty, BoQs were prepared by inflating the rates of SoR and enhanced rates of CPWD were taken into BoQs of the works in place of existing lower rates of the SoRs of BCD. There was cost overrun of ₹158.12 crore due to delay in according TS by CE (Design) in 11 test checked works. As the R&M works were not planned properly, works of certain buildings were carried out repeatedly while certain other buildings were left out. The Standard Measurement Book was not being maintained for repair and maintenance works and cases of deviation from approved priority list were

noticed. The gardening works were not satisfactory as gardening works were done in only 22 to 307 out of 781 notified buildings.

(Paragraph 2.2.9)

### Manpower Management

BCD did not have adequate technical manpower for implementation of construction works and at field level, more than 50 per cent posts of Superintending Engineers (SEs) and Junior Engineers (JEs) were vacant.

(Paragraph 2.2.10)

### Monitoring

The CEs and SEs did not conduct inspections of the subordinate offices during 2010-15 as prescribed in BPWD Code.

(Paragraph 2.2.11)

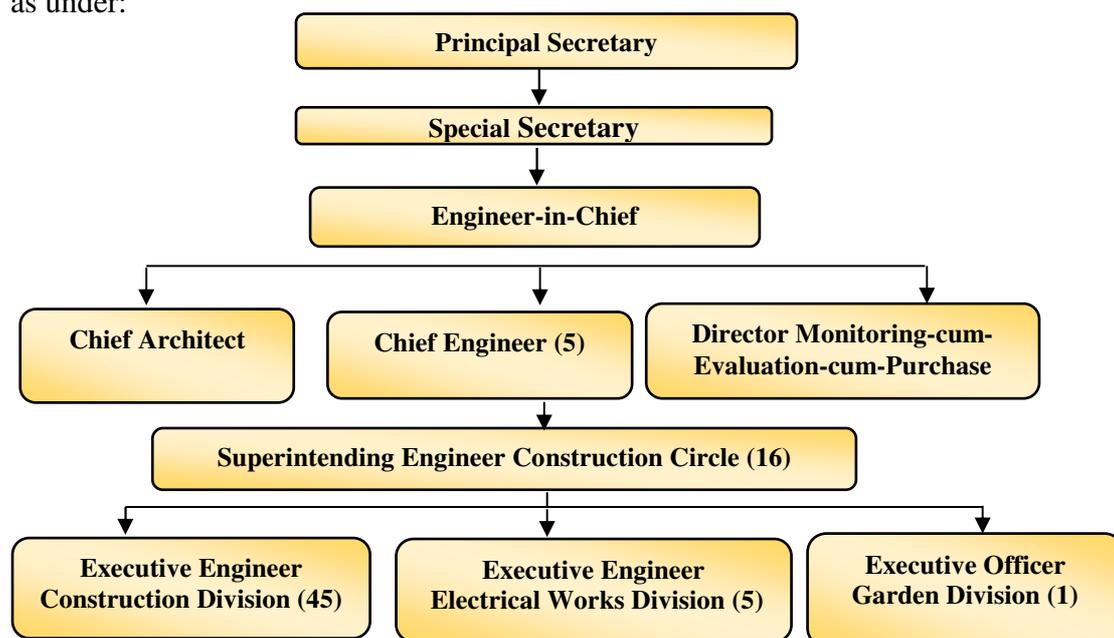
## 2.2.1 Introduction

Building Construction Department (BCD) came into existence in the year 1982. Prior to this, the BCD was under the control of Public Works Department (PWD) along with Road Construction Department and Rural Engineering Organisation. The objective of the BCD is construction, renovation and maintenance of residential and non-residential buildings of all Government Departments except the buildings of Irrigation and Forest Departments and Bihar Police Building Construction Corporation.

However, the budgets for construction of buildings, other than for the BCD are operated by concerned administrative departments and the BCD plays the role of executing agency for construction of these buildings.

## 2.2.2 Organisational set-up

BCD is headed by Principal Secretary and assisted by Special Secretary, Engineer-in-Chief, Chief Architect and Director, Monitoring-cum-Evaluation-cum-Purchase at Headquarters level. The organisational set up of the BCD is as under:



(Source: As provided by BCD)

### 2.2.3 Audit Objectives

The performance audit of ‘Working of Building Construction Department’ was taken up with a view to assess whether:

- Planning process for construction, renovation and maintenance of residential and non-residential government buildings was efficient and effective;
- Available funds were adequate and according to the plan of the BCD;
- Implementation of projects was efficient, effective and economical;
- Human resource management in the BCD was efficient; and
- An effective and adequate Review and Monitoring Mechanism was in existence.

### 2.2.4 Audit Criteria

The criteria to be adopted to arrive at the audit conclusions are:

- Bihar Public Works Department (BPWD) and Bihar Public Works Accounts (BPWA) Codes;
- Bihar Budget Manual;
- Bihar Financial Rules;
- Bihar Treasury Code; and
- Relevant Circulars, instructions, notifications etc. issued from time to time by the BCD.

### 2.2.5 Scope and methodology

Performance audit for the period 2010-15 was conducted during April to July 2015. During audit, records maintained by the BCD, offices of Engineer-in-Chief (EIC) and Chief Architect, Director, Monitoring-cum-Evaluation-cum-Purchase were test-checked at headquarter level. Records relating to two CEs out of five, four SEs out of 16 and 11 EEs out of 45 were also test-checked. Records of Garden Division and one out of five Electrical Divisions were also test checked. The Divisions were selected by using Probability Proportional to Size with Replacement (PPSWR) method of random sampling. Details are enclosed in *Appendix-2.2.1*.

Audit methodology included examination of records, issuance of questionnaire, consideration of replies of the Department to the audit memos issued and physical verification of construction sites with Department’s officials etc. In order to explain the objectives, methodology, scope and coverage of the performance audit and to elicit the departmental views, an entry conference was held with the Principal Secretary of the BCD in March 2015. The exit conference was held with the Principal Secretary, BCD in October 2015. The reply/views of the BCD had been suitably incorporated at appropriate places.

## 2.2.6 Performances of works

The BCD executed the construction of buildings of 21 Departments during 2010-15 (*Appendix 2.2.2.*). Target of works, works actually taken up and works completed by the BCD during the period 2010-15 are indicated in **Table no 2.2.1:**

**Table no. 2.2.1**  
**Physical and financial performance of works in the State during 2010-15**  
(₹ in crore)

Year	Target of works		No. of works actually taken up		No. of works completed		No. of incomplete works	
	Number	Value of work	Number	Value of work	Number	Value of work	Number	Value of work
2010-11	72	261.58	67	253.47	54	108.75	13	122.55
2011-12	264	983.75	237	969.27	189	364.45	48	579.67
2012-13	602	633.41	553	497.00	457	220.42	96	301.16
2013-14	1878	1841.53	1714	633.29	864	49.57	850	750.70
2014-15	150	1070.44	137	371.34	18	8.73	119	269.03
<b>Total</b>	<b>2966</b>	<b>4790.71</b>	<b>2708</b>	<b>2724.37</b>	<b>1582</b>	<b>751.92</b>	<b>1126</b>	<b>2023.11</b>

(Source: Information furnished by the BCD)

It can be seen from **Table no. 2.2.1** that during 2010-15, 258 works were not commenced by BCD against 2966 approved works and 1126 works were incomplete (October 2015). Scrutiny of records disclosed that non-commencement of works was due to non-availability of land.

Further scrutiny of records disclosed that out of 258 works not taken up for execution, 234 works were related to the department of Minority Welfare (56), Prison (54), Revenue and Land Reforms (45), Food and Consumer Protection (27), Rural Development (26) and Animal and Fisheries Resources (26) (*Appendix-2.2.2*). These works mainly related to construction of Minority Hostels for Boys and Girls (Minority Welfare Department), Data centre-cum-record room (Revenue and Land Reforms Department), development of prisons and prison wards (Prison Department) and Block Development Offices and Circle Offices (Rural Development Department). As the works of construction buildings for these departments were not taken up, the intended objectives for providing residential facilities to minority boys and girls, infrastructure for computerisation of land records, accommodation for prisoners and office buildings could not be achieved.

Besides, during 2010-15, 11 test-checked construction divisions executed 2009 agreements worth ₹1762.92 crore for construction works out of which 78 agreements at a cost of ₹1268.95 crore were scrutinised in audit (*Appendix-2.2.3*). Of them, 23 works (30 per cent) were completed and due dates of completion of eight works (10 per cent) were not yet over. Remaining 47 works (60 per cent) remained incomplete after incurring an expenditure of ₹202.16 crore, though due dates of completion of these works had lapsed by a fortnight to over three years. The works remained incomplete due to land issues (19 works), lack of fund from the BCD (13 works) and reluctance of contractors to complete the works (15 works).

In exit conference, the Pr. Secretary stated (October 2015) that works were not started or remained incomplete due to land issues. However, availability of land would be ensured before taking up of work.

**Against target for construction of 2966 works, only 1582 could be completed and 258 works were not taken up in the State**

## 2.2.7 Planning of works

Considering the entrusted responsibilities, the BCD should have robust planning process for maintaining economy and timeliness in construction, renovation and maintenance of residential and non-residential government buildings. However, scrutiny of records of the BCD and field Divisions revealed the following shortcomings in planning process:

### 2.2.7.1 Preparation of annual plans

As per BPWD Code, the CE should prepare annual plans for the portion of works under his control as soon as possible after the close of each year and prepare a report of the progress made during that period.

**Annual plans for works of BCD were not based on actual requirement**

Scrutiny of records of the 11 test-checked divisions, revealed that EEs of the divisions did not maintain Register of Works and failed to prepare completion reports of works, though prescribed in BPWA Code. In absence of these basic records, the divisional offices were not in a position to analyse the cost of works in a particular year. Further, CEs were also not in a position to compile division wise requirement of funds for preparation of annual plan. As a result, the CEs did not send the annual plans for the portion of work under their control. However, BCD prepared the annual plan without the inputs from the concerned CEs. Thus, the annual plans for works of the BCD were not based on the requirement of funds for execution of works. Consequently, wrong allocation of funds made to the divisions and certain works remained incomplete due to inadequacy of funds as noticed in five out of 11 test-checked divisions which is discussed in Paragraph 2.2.8.3 and funds were also released in excess to certain other works by the BCD which led to surrender of funds as discussed in Paragraph 2.2.8.

During exit conference (October 2015) the Principal Secretary, BCD stated that the suggestions of audit would be followed.

### 2.2.7.2 Delay in planning of works

As per the time frame fixed (November 2013) by BCD for speedy execution of works, Technical Sanction (TS) was to be accorded by the CE (Design) after six days of Administrative Approval (AA) from the concerned Departments. Besides, six days time from TS was allowed to the concerned CE for approval of the Bill of Quantities (BOQs) and publishing the Notice Inviting Tender (NIT) by concerned EE of the Divisions. After publishing NIT, 30 days were allowed for finalisation of the tender by the competent authority. However, the BCD did not frame any timeline for execution of works prior to November 2013.

**The delay in according TS from one and half months to over five years whereas the delay in finalisation of tender ranged between three and 231 days**

Records relating to adherence of time schedule in according TS and finalisation of tender were scrutinised in 68 works in 11 test-checked Divisions (*Appendix-2.2.4*). Scrutiny revealed that the prescribed time frame was not adhered to by the competent authority in all these works. The overall delay in according TS by competent authority was ranged from one and half months to over five years in 65 works. Further, in 38 out of 68 works, delay in finalization of tender ranged between three and 231 days.

The delay in according TS caused cost overrun of ₹158.12 crore in 11 test-checked works (five divisions) due to revision of schedule of rates (SoR) as

indicated in paragraph 2.2.9.5. Further, the delay in finalisation of tender resulted in delayed commencement/completion of 38 works in 11 divisions.

During exit conference (October 2015), the Principal Secretary, BCD agreed with the audit observations and stated that the Department would initiate action to avoid delay in planning.

### 2.2.7.3 Construction in seismic zones

The construction of buildings in seismic zones was to be planned and executed according to the Code of the Bureau of Indian Standards (BIS Code) and Hazard Safety Cells should be constituted to impart training to engineers, architects, masons etc. for implementation of the BIS Code. Further, surveys of lifeline buildings like hospitals, schools, cinema halls, multi-storied buildings etc. were also to be carried out for necessary retrofitting.

Though BIS Code was followed by the BCD for construction since 34 out of 38 districts of Bihar comes under seismic zones (IV and V), Hazard Safety Cells were not constituted so far. Further, surveys for retrofitting and conservation work in the old and heritage buildings were not being carried out (May 2015).

During exit conference (October 2015), the Pr. Secretary stated that the Department was in the process of constitution of Hazard Safety Cells and position would be improved in future.

**Recommendation:** BCD should prepare annual plans after taking inputs from CEs to assess the actual requirement of funds and should adhere to the time frame fixed by the Government for grant of approvals relating to works.

### 2.2.8 Financial Management

BCD executed building construction and R&M works under Plan and Non-plan heads respectively. The budget provisions and expenditure during 2010-15 are given in the Table no. 2.2.2 below.

**Table no. 2.2.2**  
**Budget provision and expenditure of the BCD**

(₹ in crore)

Year	Plan Head			Non-Plan Head		
	Budget Provision	Expenditure incurred	Funds surrendered (per cent)	Budget Provision	Expenditure incurred	Funds surrendered (per cent)
2010-11	159.81	119.20	40.61(25)	155.64	121.40	34.24(22)
2011-12	478.27	209.56	268.71(56)	174.59	122.73	51.86(30)
2012-13	823.94	322.14	501.80(61)	195.92	147.87	48.05(25)
2013-14	1280.38	891.68	388.70(30)	355.31	246.93	108.38(31)
2014-15	2269.61	1061.36	1208.25(53)	385.00	305.73	79.27(21)
<b>Total:</b>	<b>5012.01</b>	<b>2603.94</b>	<b>2408.07(48)</b>	<b>1266.46</b>	<b>944.66</b>	<b>321.80(25)</b>

(Source: Information provided by the BCD)

Table no. 2.2.2 showed that there was persistent savings under Plan as well as Non-plan heads during 2010-15. The savings during 2010-15 ranged from 25 to 61 per cent under Plan head and 21 to 31 per cent under Non-plan head. Despite such savings, the BCD made supplementary provisions for ₹529.77 crore during 2011-13 and 2014-15 as mentioned in succeeding paragraph. During 2012-15, it was also noticed that funds were surrendered by the BCD

Hazard safety cells were not constituted and survey for retrofitting was not carried out

Savings during 2010-15 ranged from 25 to 61 per cent under Plan head and 21 to 31 per cent under Non-plan head.

on the last day of the financial year. As a result, the surrendered funds could not be re-appropriated.

Scrutiny of records relating to release of funds to the 13 test checked Divisions attributed the savings to delayed and unnecessary release of funds by the BCD. It was also noticed that despite persistent surrender of funds by the BCD during 2010-15, 13 test-checked works remained incomplete due to inadequacy of fund in five out of 11 test-checked divisions as discussed in paragraph 2.2.8.3.

During exit conference (October 2015), the Pr. Secretary stated that surrender of funds would be minimised in future.

Further, other important shortcomings noticed were as under:

### 2.2.8.1 Unnecessary supplementary provisions

Bihar Budget Manual stipulates that supplementary provisions should be sought for meeting additional requirement of funds for expenditure for which original provisions are insufficient.

Scrutiny of records revealed that despite significant savings in the original provision during 2011-13 and 2014-15, BCD made unnecessary supplementary provisions under plan head as indicated in **Table no. 2.2.3** below:

**Table no. 2.2.3**  
**Unnecessary supplementary provision**

Year	Original Provision	Suppl. Provision (per cent)	Total	(₹ in crore)	
				Expenditure (per cent)	Savings
2011-12	340.08	138.19 (41)	478.27	209.56 (62)	268.71
2012-13	626.00	197.94 (32)	823.94	322.14 (51)	501.80
2014-15	2075.97	193.64 (9)	2269.61	1061.36 (51)	1208.25
<b>Total:</b>	<b>3042.05</b>	<b>529.77</b>	<b>3571.82</b>	<b>1593.06</b>	<b>1978.76</b>

(Source: Information provided by the BCD)

Despite significant savings in the original provision, supplementary provision were made

It can be seen from **Table no. 2.2.3** that during 2011-13 and 2014-15, BCD made supplementary provisions ranging from 9 to 41 per cent of the original provisions, though the expenditure during the said period ranged from 51 to 62 per cent of the original provisions only.

In reply, the BCD stated (October 2015) that delayed approval of new schemes caused supplementary provision and it would be minimised.

### 2.2.8.2 Delayed release of fund

According to Bihar Financial Rules read with orders (January 2007) of Finance Department, GoB, all heads of Departments should ensure release of sanction of funds and allotment thereof by the month of January of each financial year.

An amount of ₹ 105.85 crore were released in the last week of the financial year

Scrutiny of records disclosed that BCD made allotments for ₹4434.61 crore (Plan: ₹3273.15 crore and Non-Plan: ₹1161.46 crore) during 2010-15. Out of this, allotments for ₹624.82 crore were released to the concerned Divisions between February and March only which included ₹105.85 crore released in the last week of March. This resulted into surrender of funds.

On being asked, the BCD assured (October 2015) that funds would be released timely in future.

### 2.2.8.3 Inadequacy of funds

Thirteen scheduled works could not be completed for want of fund.

In five out of 11 test-checked Divisions, it was noticed that the concerned EEs of the Divisions did not receive funds from the BCD for their 13 scheduled works. As a result, 13 works costing ₹30.32 crore pertaining to the period 2010-14 could not be completed despite a lapse of 15 to 1065 days of scheduled time of completion and incurring an expenditure of ₹20.68 crore as indicated in *Appendix-2.2.3*.

During exit conference (October 2015), the Pr. Secretary agreed with the audit observations and stated that CEs would be instructed to provide the requirement of funds.

### 2.2.8.4 Non-receipt of Utilisation Certificates

UCs for ₹ 101.49 crore were not received from Electrical Division.

Scrutiny of records in 11 test-checked construction divisions disclosed that ₹101.49 crore were transferred to concerned Electrical Works Divisions for executing electrical works in buildings during 2010-15 (*Appendix-2.2.5*). Even though, Utilisation Certificates (UCs) for the same were not received from the concerned electrical divisions, the construction divisions booked the amount as expenditure.

During exit conference (October 2015), the Pr. Secretary assured that UCs would be obtained from the respective divisions.

***Recommendation: BCD should avoid unnecessary supplementary budget provisions and funds to the divisions should not be delayed.***

### 2.2.9 Implementation of works

In course of performance audit, records such as schedule of rates (SoR), estimate/ BoQ, tender process, execution of agreements etc. relating to 78 works were test-checked. Scrutiny of records disclosed various deficiencies in implementation of works such as faulty preparation of SoR and BoQ, undue favour in consultancy works, delay in execution of agreements, inflated rate of items in agreements, cost overrun due to delay in TS, unauthorised and unfruitful expenditure etc. Shortcomings were also noticed in R&M and gardening works of the BCD. The details of shortcomings noticed during audit are discussed in succeeding paragraphs:

#### 2.2.9.1 Inflated rate of items in the Schedule of Rates

According to BPWD Code, to facilitate the preparation of estimates, a SoR for each kind of work commonly executed should be prepared by the State Level Committee for SoR of works departments at least once a year and by January of each calendar year, so that it could be effective from next financial year.

The SoR of the BCD had been revised four times (June 2011, July 2012, August 2013 and September 2014) during 2010-15. In the SoR, the revised rate of items such as brick, stone aggregate, stone dust, cement, bitumen emulsion, moorum, sand, steel and iron were taken as per rate approved by the State Level Committee for SoR. The rate of remaining materials in the SoR

was derived on the basis of difference in wholesale price index (WSPI) published by Government of India (GoI).

**Overlapping of months led to inflated rate of items in the SoR**

In SoR 2011, the BCD had taken difference of WSPI between February 2011 and October 2009 for deriving the multiplying factor in order to get the increase in cost of materials. In SoR 2012, cost of materials had been derived by taking the difference of WSPI between April 2012 and February 2011. Thus, it was clear that in SoR 2012, there was no overlapping of months as price index of last month (February 2011) of previous year SoR (2011) had been taken in the SoR of 2012. However, audit observed that while preparing two subsequent SoRs, (SoRs for 2013 and 2014), the period for rate calculation were taken as WSPI for March 2012 to April 2013 and WSPI for March 2013 to June 2014 instead of April 2012 to August 2013 and April 2013 to June 2014 as indicated in **Appendix-2.2.6**. Thus, it was clear that due to overlapping of months (i.e. March 2012 in SoR 2013 and March 2013 in SoR 2014), the rates of items derived on the basis of WSPI were inflated by 1.629 per cent (August 2013) and 0.751 per cent (September 2014) in these two SoRs. Consequently, the cost of materials which were derived on the basis of WSPI in all the estimates prepared by the BCD on SoR 2013 and SoR 2014 were inflated by 1.629 and 0.751 per cent respectively. As a result, 139 works valuing ₹1061.55 crore sanctioned by the BCD during 2013-15 on these two SoRs were affected.

In reply, the BCD stated (October 2015) that after 2007, materials taken in SoR 2012 was not indexed and taken as same as in DSR 2012. Similarly, rate published in 2013 was based on WSPI of March 2012 as taken in DSR 2012 and in 2014, rates were based on WSPI of March 2013 as taken in DSR 2013. It was also stated that there was no overlapping and the rates had already been approved by State Level Scheduled Rate Committee. The contention of BCD was not correct as rates of SoR 2012 were taken from DSR 2012. However, in SoR 2013 and 2014, rates were derived on the basis of multiplying difference of WSPI in the rates of previous year rates and there was overlapping of months.

### **2.2.9.2 Inflated rate of items in agreement**

According to BPWD Code, Estimates/ BoQs for each kind of work should be prepared on the basis of current SoR. The rates of any non-scheduled items required in a work could be adopted from DGSD rates also. In case of non-availability of DGSD rates, the relevant SoR of CPWD applicable to the concerned zones may be adopted. The BCD also directed (June 2011) all the EEs and SEs to include the existing rate of material and labour component while preparing and approving BoQ of a work.

**The adoption of incorrect rates and inclusion of higher rates of material and labour in BoQ resulted in inflated provision of ₹ 22.30 crore in civil works**

Scrutiny of BoQs for scheduled items of civil works prepared by consultants relating to five out of 78 agreements in three test-checked Divisions revealed that the rate of items quoted in the agreements were higher in comparison to rates indicated in the respective SoRs on the basis of which BoQs were prepared. Consequently, the item rate were inflated by an amount of ₹5.34 crore, out of which ₹1.13 crore was paid so far to the contractors (July 2015) as indicated in **Appendix-2.2.7**.

Similarly, in six agreements of four out of 11 test-checked Divisions, rate for various scheduled items of civil works had been taken from SoR of CPWD (Delhi) which was based on the rates for materials and labours prevalent in Delhi, though the rates for labour and materials were already existed in Bihar SoR at lower rate. The application of higher rate of Delhi SoR resulted in inflated rates of materials and labour in BoQs amounting to ₹16.96 crore, out of which ₹7.19 crore was paid so far to the contractors (July 2015) as indicated in **Appendix-2.2.8**.

The adoption of incorrect rates and inclusion of higher rates of material and labour in BoQs resulted in inflated provision of ₹22.30 crore in the civil works and consequent excess payment of ₹8.32 crore to the contractors so far (July 2015).

In reply, the Principal Secretary, BCD agreed (October 2015) to scrutinise matter and assured that the recommendation of audit would be taken care of.

### 2.2.9.3 Execution of works through unregistered contractors

According to Bihar Enlistment of Contractors Rules, 2007 (revised in 2011) contractors registered with the BCD were only eligible to execute the works.

In one (Construction No.-1, Patna) out of 11 test-checked divisions (four works), it was seen that contractors were neither registered with the BCD nor the BCD ensured them to be registered as enlisted contractors. Details are as indicated in **Table no. 2.2.4**.

**Table no. 2.2.4**  
**Works executed through unregistered contractors**

(₹ in lakh)				
Sl. No.	Name of work	Name of contractor	Agreement No.	Agreement value
1	Accoustical treatment in JTI	M/s DNV Industrial Systems (P) Ltd., Noida UP	8F2/13-14	47.40
2	Statues of Lady of Justice & Dr. Rajendra Prasad	M/s Works for Artists foundry, Jaipur	8F2/14-15	12.15
3	Accoustical treatment in Sinchai Bhawan	M/s Rajeev Kumar	Quotation basis	63.93
4	Supply of auditorium chair	M/s Bharat Commercial Agency, Patna	9F2/14-15	29.74
<b>Total:</b>				<b>153.22</b>

(Source: Records of the Division)

**Four works worth ₹ 1.53 crore were executed through unregistered contractors**

From **Table no. 2.2.4** it was evident that works valuing ₹1.53 crore were irregularly executed through unregistered contractors.

On being asked, the BCD stated (October 2015) that all these works were executed by inviting quotations from experienced people or firms who may be a registered contractor or not. The reply was not in consonance with codal provision as the works were to be executed through registered contractors only.

#### 2.2.9.4 Delayed execution of agreement

As per timelines fixed by the BCD (2013), the EEs of the Divisions should execute agreements with the concerned contractors within seven days of finalisation of tender by the competent authority.

**Delay in executing 58 agreements ranged between four to 316 days led to delayed commencement and completion of works**

Records relating to finalisation of tender and agreement register of 11 test-checked construction Divisions revealed that there were inordinate delays in executing 58 agreements by the concerned EEs which ranged from four to 316 days (*Appendix-2.2.4*). As a result, dates of commencement as well as due dates of completion of all these works were consequently delayed.

In reply, the BCD stated (October 2015) that all concerned CEs, SEs and EEs were being instructed to issue work order and execute agreement on the basis of time frame laid down by the Department.

#### 2.2.9.5 Cost overrun

As per time frame fixed by the BCD (November 2013), TS of a work was to be accorded within six days after receipt of AA and tendering process was to be finalised within 36 days of according TS. However, prior to November 2013, no time frame was fixed by BCD for according TS and finalisation of tendering process.

**Delay in according TS by CE (Design) caused cost overrun of ₹ 158.12 crore**

During audit, it was noticed in five out of 11 divisions (11 test-checked works) there was cost overrun of ₹ 158.12 crore due to delay in according TS by CE (Design) which ranged between 160 and 1732 days. The reasons for delayed accordance of TS were due to delayed submission of estimates by the division, non-publication of NIT by the EEs on previously approved TS, injudicious cancellation of tender followed by retendering the work on revised SoR and award of work to the same bidder whose technical bid was not considered in earlier bids (*Appendix-2.2.9*).

In reply, the BCD stated (October 2015) that all the concerned officers were directed to do the technical sanction and tender process in prescribed time length.

In addition, Building Construction Division, Biharshariff (other than the selected division) did not invoke the risk and cost clause in a work of construction of the Government Polytechnic building (Main and Institutional) including Boys and Girls Hostels, Class rooms and guest houses etc as mentioned in clause 14 of the Standard Bidding Document of the tender. As a result, the cost of work left incomplete by the contractor amounting to ₹ 2.91 crore became an additional burden on the State exchequer.

On this being pointed out (September 2015), the EE of the Division stated that proposal for initiating recovery was submitted to the higher authorities in July/August 2015 and orders were awaited.

The matter has been reported to the Government (April 2015), despite reminder (May 2015), the reply is still awaited.

#### 2.2.9.6 Unauthorised payments for excess quantity of works

As per BPWA code read with the Technical Examiner Cell, Cabinet (Vigilance) Department direction (December 1983), the EE, SE and CE are respectively empowered to sanction 10, 15 and 25 *per cent* of excess quantity

of items as provided in the agreement. However, excess quantities beyond the power of the CEs were to be approved by the concerned administrative Department.

Payment of excess quantity of works without sanction of competent authority led to unauthorised payment of ₹ 7.28 crore

Scrutiny of 14 works in six out of 11 test-checked Divisions revealed that the EEs paid ₹7.28 crore (*Appendix-2.2.10*) for items executed beyond 10 per cent of the quantities provided in the agreements for which sanctions of the competent authorities were not obtained. Since EEs were not empowered to sanction excess quantities beyond 10 per cent, the payment of ₹7.28 crore was unauthorised.

On being asked, the BCD stated (October 2015) that the concerned officers were being directed to take necessary approval from the competent authority before making the payment.

### 2.2.9.7 Unfruitful expenditure due to incomplete works

Fore-closure and abandonment of works midway rendered expenditure of ₹3.84 crore unfruitful.

In four out of 11 test checked Divisions, it was noticed that seven test-checked works with an agreement value of ₹4.29 crore were stopped and left abandoned after incurring an expenditure of ₹3.84 crore as on July 2015 as indicated in *Appendix-2.2.11*. It was noticed that the concerned EEs of the divisions closed the four works (sl. no. 1, 2, 3 and 6 of Appendix) after lapse of two to three years from the due date of completion of works, which indicated that EEs did not take proper action to get the works completed. Scrutiny of records also disclosed that three works (sl. no. 4, 6 and 7 of Appendix) could not be completed as the BCD failed to take revised AA from the concerned administrative department and consequently these works remained abandoned/ closed due to lack of funds. Besides, EE Jehanabad incurred expenditure on execution of one work (sl. no. 5 of Appendix) without ensuring appropriate land for it and work was abandoned due to land issues.



Abandoned work of Civil Surgeon office and office-cum-residence (38F2/07-08 of Darbhanga Division)



Abandoned 3rd grade staff quarter at PMCH, Patna (9F2/07-08 of Construction Division No.-1, Patna)

Thus, failure of the EEs and BCD led to fore-closure/ abandonment of works midway rendering the entire expenditure of ₹3.84 crore, unfruitful.

In reply, the BCD stated (October 2015) that administrative Department of these works were different and the problem would be sorted out in inter departmental monthly meeting.

### 2.2.9.8 Inadequacy in Repair and Maintenance works

As per BPWA Code, Government buildings (residential and non-residential) were to be maintained by executing Repair and Maintenance (R&M) works which included white washing, repair of broken plaster and sewerage, glass etc. of the buildings. According to BPWD Code, each EE should keep a register of all buildings within the Division. Funds were to be made available by the BCD to the concerned Divisions on the basis of existing plinth area of buildings under the Division.

During audit, it was noticed that the EEs of Jehanabad and Patna Divisions had not maintained Register of Buildings. As a result, the actual plinth area and number of buildings under these Divisions could not be ascertained in audit. Further, records relating to works approved and executed under R&M during 2010-12 were not available in two Divisions (Bhagalpur and Jehanabad). The year-wise status of government buildings under the jurisdiction of divisions, priority list finalised and works under R&M carried out during 2012-15 in seven test-checked Divisions are indicated in **Table no. 2.2.5** below:

**Table no. 2.2.5**

#### Total number of Government buildings, works approved and executed

Year	Number of buildings	R&M Works approved	R&M Works executed	Number of Buildings where R&M works not executed ( <i>per-cent</i> )
		Number	Number	
2012-13	5844	2745	2385	3459 (59)
2013-14	5844	4033	3651	2193 (38)
2014-15	5844	4146	3990	1854 (32)

(Source: Furnished by the test-checked Divisions)

**There was inadequate planning for R&M works as well as shortfall in its execution**

From **Table no. 2.2.5**, it was seen that the number of buildings in each year remained static at 5844 during 2012-15, although 17 building works (Araria-1, Bhagalpur-6, Jamui-4 and Kishanganj-6) were noticed as completed during the period in four of the seven test-checked Divisions. This indicated that the Building Register was not updated in the four Divisions. Besides, the test-checked Divisions did not plan for maintenance of all buildings under their jurisdiction and the shortfall in execution of R&M works ranged between 32 and 59 *per cent*. Scrutiny of records in the test-checked Divisions also disclosed that there were no prescribed criteria for selection of buildings for R&M works. As a result, all the buildings were not maintained annually. R&M works of the buildings of the Departments like Education, Agriculture, Animal Husbandry etc. were not carried out at all, while maintenance of the same buildings under General Administration and Judiciary Departments were repeatedly carried out during 2010-15.

In reply, the BCD stated (October 2015) that Building Register of Patna division had been updated in July 2015 and EE, Jehanabad was being directed to maintain the Building Register. However, position would be improved in future.

### ***Execution of R&M works beyond priority list***

As per Government directions (October 1998) works of R&M was to be carried out on the basis of approved priority list by the committee under the chairmanship of District Magistrate (DM) and District-cum-Session Judge (DJ) for non-judicial and judicial buildings respectively.

**R&M works valuing ₹3.11 crore were executed, though not included in the priority list**

It was noticed in three out of 11 test-checked Divisions that 161 R&M works valuing ₹3.11 crore were executed which was not in priority list approved by the competent authority (*Appendix-2.2.12*).

In reply, the BCD stated (October 2015) that EEs were being directed to not carry out any R&M works beyond priority list.

### ***Non-maintenance of Complaint Register***

As per State Government decision (February 1987) annexed with BPWA Code, a Complaint Cell for maintenance of buildings, sanitary installations etc. was to be established under the control of respective EEs. All the allottees were required to enter complaints regarding the buildings (residential and non-residential) in the Complaint Register prescribed for this purpose.

**Complaint registers were not maintained in test-checked divisions**

During audit, it was noticed that Complaint Registers were not maintained in any of the test-checked divisions during 2010-15. Hence, divisional offices were unaware about necessity of R &M works of a particular building, though priority list for executing R&M works had been prepared by EE of the concerned divisions. Thus, priority lists prepared by the EEs during 2010-15 were not based on complaints recorded in the Division.

The BCD stated (October 2015) that the issue was noted for future implementation.

### ***Non-maintenance of Standard Measurement Book***

As per BPWD Code, to facilitate the preparation of estimates for periodical repairs, a Standard Measurement Book (SMB) should be kept in the office of each EE showing the detailed measurements of each kind of work in the Division.

**Standard Measurement Books were not maintained in test-checked divisions**

During audit, it was noticed that the SMB was not maintained in any of the test-checked divisions. In absence of this basic record, the actual item of work done in the previous year in the particular building could not be ascertained and watched by the divisional office.

The BCD stated (October 2015) that the issue was noted for future implementation.

### ***Non-certification of quality of works***

As per BPWA Code, the work of maintenance should be finished before the month of June every year and the entries of the work should be entered in MB and the certificate about quality of work should be given by the SE. The work of maintenance which was not completed till June should invariably be stopped.

**Quality of works were not certified by SEs**

Scrutiny revealed that certificates about quality of work were not given by the SEs in any of the R&M works executed though such works were executed throughout the years in all the test-checked divisions.

The BCD stated (October 2015) that SEs were being instructed to do the needful as per the BPWA code.

**2.2.9.9 Gardening works**

The Garden Division was established (1983) to develop and maintain garden in the premises of all eligible government residential and non-residential buildings situated in Patna and the BCD provided funds on the basis of approved annual priority list. The shortcomings noticed in execution of gardening works are discussed in the succeeding paragraphs:

***Inadequate planning*****Inadequate planning and coverage of gardening works**

Scrutiny of records disclosed that the Division could execute gardening works in only three to 39 *per cent* of the eligible buildings during 2010-15 as shown in the **Table no. 2.2.6** below:

**Table no. 2.2.6**  
**Status of gardening work**

Year	No. of buildings eligible for gardening	No. of works planned for gardening ( <i>per cent</i> )	No. of Buildings where work was executed	Execution percentage
2010-11	781	79 (10)	79	10
2011-12	781	83 (11)	83	11
2012-13	781	329 (42)	307	39
2013-14	781	0	22	3
2014-15	781	271 (35)	271	35

(Source: Furnished by Garden Division, Patna)

It was however observed that the Division had prepared plans to cover only 10 to 42 *per cent* of eligible buildings. Further, scrutiny revealed that during 2013-14, no plan was prepared by the division. However, 22 works of gardening were executed.

During exit conference (October 2015), the Pr. Secretary stated that the planning and execution of gardening works would be improved in future.

***Deficiencies in gardening works***

Bihar Financial Rules, 2005 stipulate that the terms of contract must be precise, definite and without any ambiguities. Besides, as per BPWD Code, the MB must be looked upon as the most important record since it was the basis for accounts of quantities, whether of work done by the daily labour, or by the piece or by contract, or of materials received which had to be counted or measured. Final payment may, however, in no case be made without any detailed measurement.

**Gardening works of more than one residential gardens were combined in a single agreement**

Scrutiny of estimates/BoQs pertaining to the period 2014-15 disclosed that gardening works of more than one residential gardens were combined in a single agreement which did not provide the information regarding supply of flower plants, earthen pots, garden implement set and quantity of chemical fertilisers etc. Neither the estimates nor the agreements provided details of actual quantities of material for a particular residence. Further, scrutiny of respective MBs pertaining to the agreement disclosed that the MBs did not disclose the detailed supplies made by the contractor (residence wise) and expenditure on gardening works were booked during 2014-15 without mentioning detailed measurements.

The BCD stated (October 2015) that deficiencies in gardening works would be sorted out in near future by taking proper steps.

**Recommendations:**

- (i) *The BCD should avoid inordinate delays in according TS and executing agreements so that time and cost overrun of the projects could be avoided and all the codal provisions should be followed to minimise cases of unfruitful, avoidable and excess expenditure;*
- (ii) *R&M and gardening works should be executed periodically in respect of all government buildings.*

**2.2.10 Manpower management**

The overall performance of the BCD depends upon efficient implementation of its schemes which needed availability of adequate and trained manpower. The manpower of the BCD is indicated in **Table no. 2.2.7**.

**Table no. 2.2.7**

**Sanctioned strength and men-in-position in the BCD**

Sl. No.	Name of post	Sanctioned strength	Men-in-position	Vacancy (per cent)
<b>Technical</b>				
1	Engineer-in-Chief	01	01	Nil
2	Chief Engineer	05	01	04 (80)
3	Superintending Engineer	24	11	13 (54)
4	Executive Engineer	86	67	19 (22)
5	Assistant Engineer	320	246	74 (23)
6	Junior Engineer	496	170	326 (66)
7	<b>Non-technical</b>	173	99	74 (43)

(Source: Furnished by the BCD)

**Large number of posts were vacant in the BCD**

The **Table no. 2.2.7** indicated that vacancy position in the technical cadre post was ranged between 22 and 80 per cent whereas it was 43 per cent in non-technical posts. At field level, more than 50 per cent posts of SEs and JEs were vacant affecting the execution of works undertaken by BCD.

In reply, the BCD agreed (October 2015) with audit observations and stated that Department was preparing its recruitment policies for filling the vacancies of different posts.

**Recommendations: The BCD should take urgent measures to fill up the vacancies.**

### 2.2.11 Monitoring

According to the BPWD Code, the CE was required to inspect each Circle Office under his charge once in every two years and each divisional office once in every three years and submit a report to the Government. It was further stipulated that whenever inspections, could not be conducted, a report stating the reasons thereof should be submitted to the Government by the 7th January of the year following the year in which the inspection was due. Further, it was the duty of the SE to inspect the state of various works within the circle and to satisfy himself that the system of management prevailing was efficient and economical. Moreover, whenever inspections, could not be conducted, a report stating the reasons thereof should be submitted to the CE by the 25th December of the year following the year in which the inspection was due.

**CEs and SEs did not inspect the offices under their control.**

In test-checked Divisions, it was noticed that the concerned CEs and SEs failed to inspect the subordinate offices during 2010-15. Cases of inordinate delay in planning of work, large number of incomplete works, unfruitful expenditure on abandoned/incomplete works, unauthorised payments etc. as mentioned in the previous paragraphs could be minimised by carrying out periodic inspection/monitoring.

In reply, the BCD stated (October 2015) that all CEs, SEs were instructed (February and March 2015) to inspect the works on regular basis so that, progress of quality of works may be ensured.

***Recommendations: The CEs and SEs should adhere to the norms prescribed in BPWD code for inspection in subordinate offices.***

### 2.2.12 Conclusion

- BCD prepared the annual plan of works without obtaining the proposals of CEs and without ascertaining their actual fund requirements resulting in surplus funds in certain works while certain other works suffered due to inadequacy of funds;
- Persistent savings and further supplementary provisions indicated deficiencies in budgeting process. Delayed and excess release of funds to the divisions showed deficient financial management of the BCD which needed to be strengthened;
- The preparation of SoRs was faulty, BoQs were prepared by inflating the rates of SoR and enhanced rates of CPWD were considered for BOQs of works in place of existing lower rates of the SoRs of BCD. There was cost overrun in 11 test checked districts due to delay in according TS;
- The Standard Measurement Book was not being maintained for repair and maintenance works and cases of deviation from approved priority list were noticed. Gardening works were done in only 22 to 307 building out of the 781 notified buildings during 2010-15;
- Vacancy position in technical cadre posts ranged between 22 and 80 per cent which affected the implementation of works;
- Though prescribed, CEs and SEs had not inspected subordinate offices during 2010-15.

## WATER RESOURCES DEPARTMENT

### 2.3 Accelerated Irrigation Benefits Programme

#### Executive Summary

##### *Introduction*

Accelerated Irrigation Benefits Programme (AIBP) was launched in 1996-97 by the Government of India (GoI) to provide central assistance (CA) in the form of grants to Major and Medium irrigation projects having investment clearance of Planning Commission and are in advanced stage of construction and can be completed in the next four financial years. In Bihar, 10 Major/Medium Irrigation Projects were included under AIBP during 1996-97 to 2008-09 and thereafter no other project was included.

*(Paragraph 2.3.1)*

##### *Financial Management*

As against the budgetary provision of ₹1429 crore, ₹1378.83 crore was allotted by Government of Bihar for selected projects during the year 2010-15. Against the admissible CA of ₹1019.24 crore, only ₹68.52 crore was released by GoI during 2010-15 for selected projects due to delay/non-submission/non-approval of proposals by GoI.

*(Paragraph 2.3.6)*

##### *Planning*

Failure to address issues involving acquisition of land, forest clearance and rehabilitation and resettlement in Durgawati Reservoir, Punpun Barrage, Western Kosi and Eastern Kosi Canal projects resulted in non-completion of the projects. Though funds were allotted to Special Land Acquisition Officers, only 88 per cent land acquired against requirement and only 51 per cent of the funds were utilised due to non-settlement of issues with land owners.

*(Paragraph 2.3.7)*

##### *Irrigation Potential*

In selected projects, against the target for creation/restoration of 956820 hectare, Irrigation Potential, the achievement was only 832580 hectare as of March 2015. In Punpun Barrage Project, no IP was created as of March 2015 due to non-completion of head works as well as main/branch canal, distributaries and minors. The shortfall in creation of IP was mainly due to non-acquisition of land, delay in forest clearance and rehabilitation work.

*(Paragraph 2.3.8)*

##### *Project implementation*

Four out of five selected projects could not be completed even after six to 14 years from the investment clearance by GoI though it was to be completed in four financial years. The non-adherence of provisions of guidelines to complete the pre project activities before initiation of the projects led to cost overrun of ₹515 crore and ₹881 crore in Durgawati Reservoir project and Western Kosi Canal project respectively. The non-inclusion of important safety measures in the revised estimate and execution of agreements without availability of land affected the progress of the projects. Payments without sanction, loss to Government due to incorrect method of calculation of work

value and short realisation of royalty were also noticed in test checked projects.

*(Paragraph 2.3.9.1 to 2.3.9.4)*

### **Quality control and Evaluation**

Quality was not ensured before making the payment for the work done. The concurrent evaluation by an independent agency was not carried out for ongoing projects though it was mandatory under the guidelines.

*(Paragraph 2.3.10 & 2.3.11)*

## **2.3.1 Introduction**

Accelerated Irrigation Benefits Programme (AIBP) was launched in 1996-97 by the Government of India (GoI) to provide central assistance (CA) in the form of grants to major and medium irrigation projects having investment clearance of Planning Commission and are in an advanced stage of construction and can be completed in the next four financial years.

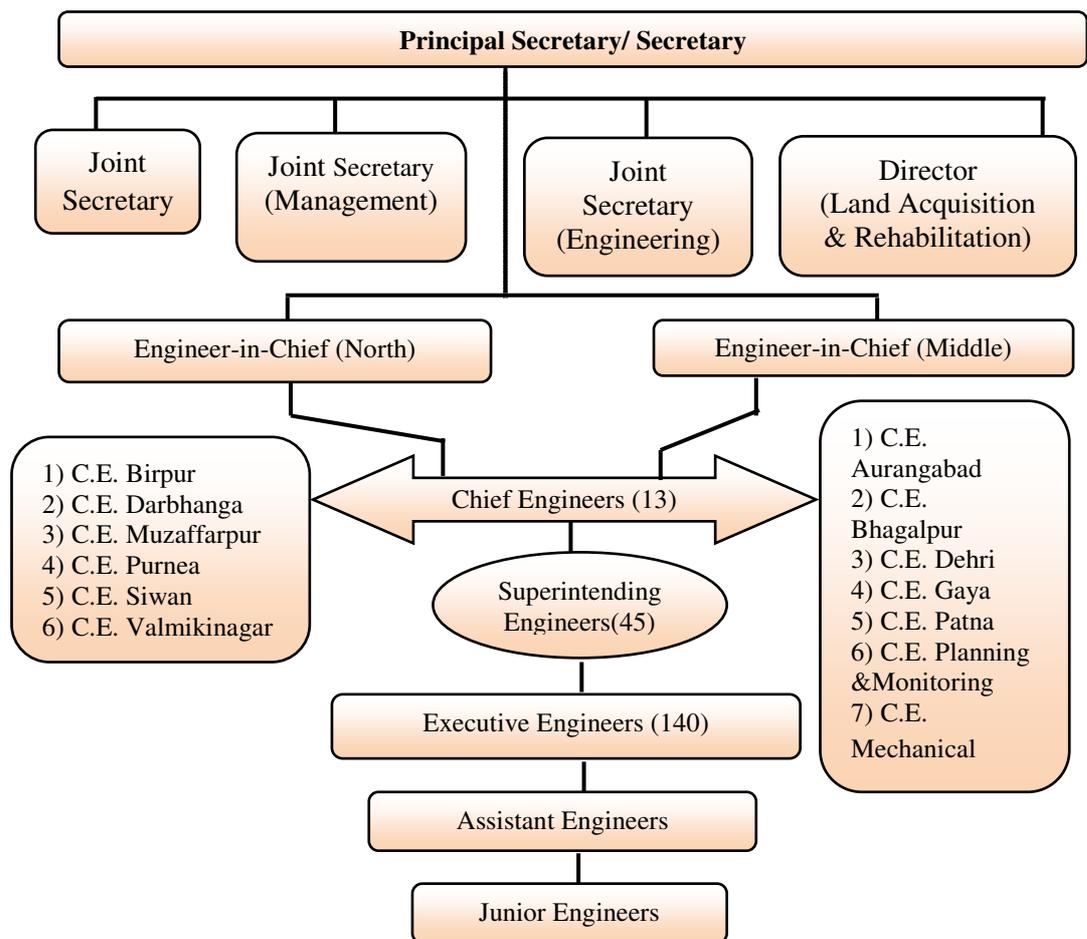
In Bihar, ten Major/Medium projects *viz.* Bansagar Reservoir Project, Durgawati Reservoir Project, Upper Kiul Reservoir Project, Western Kosi Canal Project, Orni Reservoir Project, Bilasi Reservoir Project, Sone Canal Modernisation Project, Batane Reservoir Project, Punpun Barrage Scheme and Restoration of Kosi Barrage and its appurtenants Project were included during 1996-97 to 2008-09 and thereafter no other project was included under AIBP. Out of this, Upper Kiul, Orni, Bilasi and Sone Canal Modernisation projects were completed before 2010 while the Restoration of Kosi Barrage project was completed during the period 2010-11.

Further, Water Resources Department (Department), Government of Bihar (GoB) proposed three new projects *viz.* Bateshwarsthan Ganga Pump Canal Project, Extension, renovation and modernisation of Eastern Kosi Canal (ERM) Project and Nepal Benefit (Gandak Project) Scheme for inclusion under AIBP and decided (July 2013) to exclude Batane Reservoir Project, Bansagar Dam Project and Western Kosi Canal Project from AIBP due to delays in land acquisition and inter-state issues. However, GoI did not accept the proposal of inclusion of new projects as of August 2015. Besides, seven<sup>1</sup> command area development programmes were also included under the AIBP during 2010-15. The target for creation/restoration of Irrigation Potential (IP) under AIBP was 9,56,820 hectare (ha) in the State, while, the achievement of IP was 8,32,580 ha as of March 2015.

## **2.3.2 Organisational set-up**

The Secretary, Water Resources Department (WRD) is responsible for implementation of AIBP in the State. He is assisted by two Engineers-in-Chief and one Chief Engineer (CE) at headquarter level. 12 CEs and 45 Superintending Engineers (SE) supervise the execution of work of 140 Executive Engineers (EE) at Division level shown in following chart:

<sup>1</sup> *Sone, North Koyal, Gandak, Kosi, Kiul, Badua and Chandan Command Area Development Programmes*



### 2.3.3 Audit Objectives

The performance audit was conducted to assess whether:

- adequate funds as well as central assistance were released in time and the same were utilised properly ;
- project planning and execution of work of ongoing projects was done in a systematic manner ;
- the programme achieved its objective of creating targeted irrigation potential and its utilisation ;
- projects were executed in an economic, efficient and effective manner; and
- the monitoring and evaluation mechanism and other instruments of governance were adequate and effective.

### 2.3.4 Audit Criteria

Audit criteria adopted for the Performance audit were:

- Guidelines of AIBP issued by Ministry of Water Resources (MoWR), GoI;
- Guidelines issued by Central Water Commission (CWC) for preparation of Detailed Project Report;

- Provisions of Bihar Public Works Account Code, Bihar Public Works Departmental Code, Bihar Financial Rules and Bihar Treasury Code; and
- Other circulars, instructions issued by MoWR, GoI and Government of Bihar (GoB);

### 2.3.5 Scope of Performance Audit

Performance audit of AIBP for the period 2010-15 was carried out during April to July 2015. During the performance audit, four irrigation projects (Punpun Barrage Scheme, Durgawati Reservoir Project, Western Kosi Canal Project and Restoration of Kosi Barrage) out of 10 major/Medium Irrigation projects were test checked. Apart from this, Extension, Renovation and Modernisation of Eastern Kosi Canal project (newly proposed irrigation project) and Gandak Command Area Development programme out of seven such programmes were also selected for audit (*Appendix-2.3.1*). The sample selection for audit was done through Probability Proportional to Size without Replacement method. The scrutiny of records at headquarters level, six Zonal Chief Engineers level relating to the selected projects and 11 out of 43 divisions involved in these projects were carried out (*Appendix-2.3.2*). The entry conference with the Secretary, WRD, GoB was held (March 2015) to discuss the audit objectives and scope of audit. The suggestions of the Department were duly considered while selecting the projects. The exit conference was held (October 2015) in the presence of Secretary, WRD and other officials of the Department. The audit findings were discussed and the replies furnished by the Department were suitably incorporated at appropriate places.

### 2.3.6 Financial management

Under AIBP, central grant equivalent to 25 per cent (in case of non-special category States) and 75 per cent (in case of special areas such as drought prone, desert prone, tribal and flood prone areas) of the project cost is released to the States. The grant is released on a yearly basis with funding for subsequent years released on receipt of utilisation certificates (UCs) for previous year. Ninety per cent of the grant is released in advance after release of 50 per cent share of the State and the remaining 10 per cent to be released after obtaining UC of 50 per cent of CA released earlier. The balance cost of the project should be arranged by the State Government from its own resources.

Scrutiny of records of WRD for the period 2010-15 revealed that against the allotment of ₹1621.77 crore for nine Major/Medium irrigation projects under AIBP an expenditure of ₹1409.88 crore was incurred there against in the State. Apart from Major/Medium irrigation projects, WRD, GoB also made budgetary provision of ₹428.29 crore during the period 2010-15 for seven Command Area Development and Water Management (CADWM) programmes and an expenditure of ₹406.09 crore was incurred during the period 2010-15 under AIBP. The project wise budget provision, allotment, expenditure, CA admissible and received during the period 2010-15 for five selected projects and the one selected Command Area Development Agency are given in **Table No.-2.3.1** below:

**Table No.-2.3.1**  
**Budget provision, allotment, expenditure and CA of the selected projects**  
**during the year 2010-15**

(₹ in crore)

Sl. No	Name of the project	Year of inclusion in AIBP	Latest estimated cost	Budget provision by the State	Allotment	Expenditure	CA admissible from GoI	CA received (per cent)
1	2	3	4	5	6	7	8	9
1	Durgawati Reservoir Project	1996-97	983.10	380.74	308.52	284.28	209.30	0.00
2	Punpun Barrage Scheme	2007-08	658.12	79.41	113.81	108.90	39.85	0.00
3	Restoration of Kosi Barrage	2008-09	85.65	24.54	24.54	24.54	0.00	0.00
4	Eastern Kosi Canal System	Proposed for inclusion	750.75	597.71	572.00	520.78	569.23	0.00
5	Western Kosi Canal System	1996-97	1307.21	180.94	197.43	116.93	155.74	23.40
6	Gandak Command Area Development Agency (GADA)	2010-11	1723.76	165.67	162.53	164.31	45.12	45.12
	<b>Total</b>		<b>5508.59</b>	<b>1429.00</b>	<b>1378.83</b>	<b>1219.74</b>	<b>1019.24</b>	<b>68.52(7)</b>

**Table no.-2.3.1** above disclosed the following:

- During 2010-15, no CA was released by GoI for selected Major/ Medium Irrigation Projects under AIBP except the release of ₹23.40 crore for Western Kosi Canal Project during 2010-11. In respect of seven CADWM programmes, CA of ₹124.95 crore was released by GoI during the period 2010-15 under AIBP of which ₹45.12 crore was released for Gandak Command Area Development project.
- During 2010-11, funds of ₹24.54 crore was allotted by the Department for the project 'Restoration of Kosi Barrage' for which the CA of ₹66.66 crore was released by the GoI during the year 2009-10 and the project was completed during 2010-11 and is functioning properly.

### 2.3.6.1 Short-release of central assistance

**CA of only ₹ 68.52 crore was released by GoI against the admissible CA of ₹ 1019.24 crore due to delay/non-submission/non-of proposals approval.**

Scrutiny of records at headquarters' as well as Chief Engineers' level revealed that against the admissible CA of ₹1019.24 crore only ₹68.52 crore was released by GoI during 2010-15. The reasons for release of seven *per cent* of CA were as given below:

- No proposal for CA was sent by the Department during 2010-12 for Durgawati Reservoir project as the project was held up during 2005-12 due to forest clearance.
- The proposal for CA for Punpun Barrage project was not recommended by Central Water Commission during 2010-12 due to failure of the project authorities to spend the earmarked funds of ₹45 crore provided in 2009-10. The expenditure was only ₹16.20 crore and ₹8.02 crore during 2010-11 and 2011-12 respectively.

- In Western Kosi Canal project, the proposal of CA was not approved due to non-utilisation of ₹86.20 crore during 2011-12.
- No CA was released for Eastern Kosi Canal project as the proposal for inclusion of this project under AIBP was not accepted by GoI as of September 2015.
- Short release of CA was also due to delay in submission of proposals by respective Chief Engineers (CE) of different projects ranging between two to seven months for the year 2012-13 and 2014-15 and delay in compliance of CWC queries.

The Department accepted (October 2015) the audit objections.

### **2.3.6.2 Irregular expenditure over allotment and non-utilisation of interest amount**

As per CADWM guidelines, funds/assistance to the implementing agencies should be released by GoB after fulfilment of the specified conditions. The expenditure on establishment, if any, over and above the 20 per cent of the expenditure on works has to be met by the State Government from their budget.

Scrutiny of records of CADWM at Gandak Command Area Development Agency (GADA) headquarter level disclosed that during the period 2010-15, funds of ₹63.63 crore was allotted to the GADA for implementation of schemes under CADWM programmes though the expenditure incurred was ₹64.86 crore. The excess expenditure over allotment was met from the remaining amount of last financial year.

**In respect of establishment cost, there was an excess expenditure of ₹ 9.05 crore over allotment.**

Further, scrutiny revealed that an excess expenditure of ₹9.05 crore over allotment was incurred on the establishment head of the GADA pertaining to period prior to 2010-11 and during 2010-15 which was not regularised by the Department by releasing the supplementary allotment.

An interest of ₹11.40 crore was also accrued as of March 2015 as the fund was kept in the bank account of the GADA after withdrawing the allotment from the treasury by the Area Development Commissioner (ADC), GADA. However, neither there was any provision mentioned in the guidelines of the scheme nor the Government issued any instructions to utilise the amount of interest. Further, we also observed that the allotment was withdrawn and kept in the bank account of GADA in violation of Rule 78 of Bihar Treasury Code.

The Department replied (October 2015) that GoB provided grant-in-aid to Command Area Development Agencies (CADAs) for establishment and work component under CADWM Programme. Expenditure over and above the amount of grant-in-aid given to the CADAs was expected to be borne by the respective CADAs from their own sources of income. However, no reply was provided regarding the interest earned on deposits of funds allotted to CADA.

***Recommendation: The Department/Project authority should ensure that the earmarked funds are spent timely and claims are submitted without any delay so that projects are not deprived of Central Assistance.***

### 2.3.7 Planning

Proper planning is the key factor for timely and effective implementation of any project. Planning implies that preparatory works such as acquisition of land, environment and forest clearance, rehabilitation and resettlement (R&R) activities were to be completed before taking up execution of the projects.

Scrutiny of records of four out of five selected projects revealed that projects were delayed due to issue relating to land acquisition, forest clearance and resettlement activities as discussed in the succeeding paragraphs:

#### 2.3.7.1 Land Acquisition

As per Resolution (July 1986) of Cabinet Secretariat and Coordination Department, proper survey and site verification was mandatory before preparation of all estimates and the process of tender disposal should be done only after the technical sanction was accorded for the work, allotment of funds was ensured, and land acquisition, wherever required, was completed.

The status of land required, land acquired, fund transferred to respective Special Land Acquisition Officers (SLAO) and utilisation there against in respect of four out of five selected projects were as follows:

**Table No.-2.3.2**  
**Status of land required and land acquired**

(Amount: ₹in crore)

Sl. No.	Name of Project	Total Land Required (in Hec.)	Total Land Acquired as of March 2015 (per cent)	Balance to be acquired	Amount transferred to SLAO	Amount paid by SLAO (per cent)	Balance amount to be paid
1	Durgawati Reservoir Project	3419.085	3211.575 (94)	207.51	146.277	12.345 (8)	133.932
2	Punpun Barrage Project	1028.70	803.77 (78)	34.28	240.54	64.35 (27)	176.19
3	Eastern Kosi Project	24.07	0.00	24.07	10.62	0.00	10.62
4	Western Kosi Project	1899.66	1622.98 (85)	0.912	344.58	301.91 (88)	42.678
	<b>Total</b>	<b>6371.52</b>	<b>5638.33 (88)</b>	<b>266.77</b>	<b>742.02</b>	<b>378.61 (51)</b>	<b>363.42</b>

(Source: Director, Land Acquisition, WRD, GoB, Patna)

The overall percentage of area of land acquired was 88 per cent and the fund utilised was 51 per cent of amount transferred to SLAOs. The short-utilisation of funds was mainly due to non-settlement of the problems such as payment to non-entitled persons, acquisition of land without issuing the notice etc. The land was acquired but the possession could not be taken by the project authorities which delayed the execution of project.

The Department replied (October 2015) that the short utilisation of the transferred amount to the SLAOs was mainly due to enforcement of the new Land Acquisition, Rehabilitation and Resettlement Act 2013 from January 2014 and subsequently implementation of the new rule from October 2014 by the GoB. Further, the land owners also demanded compensation as per the provision of new rule.

Despite availability of fund only 88 per cent of the required land could be acquired against which payment of only 51 per cent was made

The work of Durgawati Reservoir Project delayed since 2005-06 till December 2013 due to forest clearance and resettlement problem

### 2.3.7.2 Forest clearance

During scrutiny it was noticed that 2029.802 ha forest land was required for Durgawati Reservoir project included in AIBP in 1996-97. However, forest clearance was not obtained and the project remained held up upto March 2012. As a result, the project remained incomplete as of March 2015.

The Department replied (October 2015) that after obtaining the final approval by the Ministry of Environment and Forests (MoEF), GoI in April 2012 and resolving (November 2013) the issues of rehabilitation, the work were started in January 2014. The change in land transfer policies of Forest Land in 1996 by Hon'ble Supreme Court, caused the delay of the project.

### 2.3.7.3 Rehabilitation of project affected persons

Rehabilitation and resettlement (R & R) activities for 276 affected families of Durgawati Reservoir project was to be carried out by the State.

Scrutiny of DPR of Durgawati Reservoir Project revealed that the rehabilitation work was not included in the DPR of the Project which delayed the rehabilitation work.

Further scrutiny revealed that rehabilitation work such as panchayat bhawan, health sub-centre, primary school, community hall, pond, well, hand pump, PCC road, land levelling, approach road, temple, construction of drain, boundary pillar, provision of relief work during transit period were to be carried out during 2014-15 with an estimated cost of ₹8.85 crore which was approved by the Chief Engineer, WRD, Dehri in September 2014.

However, it was observed that no work except construction of PCC road and work relating to school were carried out. Thus, the non-execution of R & R activities delayed the execution of project.

***Recommendation: The Department should complete the pre-project activities such as acquisition of land, forest clearance and resettlement and rehabilitation so that projects could be completed in time without any cost overruns.***

### 2.3.8 Creation/ restoration of Irrigation potential

The target of creation/restoration of irrigation potential in four selected projects and achievement there against upto March 2015 are given in **Table No.- 2.3.3** below:

**Table No.-2.3.3**  
**Irrigation potential targeted and created/restored under AIBP**  
(In hectare)

Sl. No.	Name of the project/ taken up under AIBP	Targeted IP		Created/restored		
		Ultimate on completion	Under AIBP	Upto 2009-10	During 2010-15	Total
1	Durgawati Reservoir/ 1996-97	39610	23590	3300*	1600	4900
2	Punpun Barrage project /2007-08	13680	13680	Nil	Nil	Nil
3	Eastern Kosi Canal System / proposed	707500	707500	NA	675000	675000
4	Western Kosi Canal project/ 1996-97	234800	212050	145675*	7005	152680
	<b>Total</b>	<b>995590</b>	<b>956820</b>	<b>148975</b>	<b>683605</b>	<b>8325820</b>

\*excluding the IP created prior to inclusion of the project under AIBP (i.e. Durgawati Reservoir: 16020 ha and Western Kosi Canal Project: 22750 ha prior to 2009-10).

Against the target creation/ restoration of 956820 ha IP, the achievement was 832580 ha (87 per cent) only as of March 2015 in four selected projects. Further, in Punpun Barrage Project, no IP was created as of March 2015 due to non-completion of head works as well as main/branch canal, distributaries and minors. The shortfall in creation of IP was mainly due to non-acquisition of land, delay in forest clearance and rehabilitation work which is discussed in paragraph No.-2.3.7.5.

The Department replied (October 2015) that the IP creation of Durgawati Reservoir Project could be announced only after construction of distributaries whereas through field to field irrigation, the farmers were getting benefit from left and right canal and its system. The work of Punpun Barrage Project was not complete hence IP could not be created. After the devastation of flood 2008, IP of Eastern Kosi Canal system was lost and 6.52 lakh ha IP had been restored as of October 2015. The created 1.75 lakh ha IP of WKC Project could not be utilised due to non-completion of distributaries and water courses. However, during 2010-15 the *kharif* irrigation achievement was 161887 ha.

**Recommendation:** *The issues relating to land acquisition, delays in forest clearance and rehabilitation work should be sorted out by the Department at the earliest to ensure timely completion of projects and creation of targeted IP.*

### 2.3.9 Project Implementation

Scrutiny of records relating to execution of work of five selected projects revealed the following facts:

#### 2.3.9.1 Durgawati Reservoir Project

The Durgawati Reservoir Project is spread in Kaimur and Rohtas districts of Bihar. The project envisages creation of irrigation potential of 39,610 ha in Irrigation Command of 40,131 ha (Gross Command Area or GCA) and 32,467 ha (Culturable Command Area or CCA). The project could not be completed even after lapse of 14 years from the investment clearance by Planning Commission, GoI in 2001. Though 99 per cent of the head works was

completed, the construction of branch canal/distributaries/watercourses was completed only by 33 per cent. While against the targeted construction of 723 structures only 121 (17 per cent) was completed as of March 2015. The original and latest revised estimated cost of the project was ₹234.41 crore and ₹983.10 crore respectively while an expenditure of ₹749.37 crore was incurred as of March 2015 resulting in cost overrun of ₹514.96 crore. The extended date of completion of the project was March 2016. The important findings are discussed in succeeding paragraphs:

***Non-inclusion of important component/safety measures in the revised estimate***

**The Department was deprived of AIBP funding due to non-inclusion of important components in the revised estimates**

Scrutiny of records of Chief Engineer, Dehri and Durgawati Dam Division, Chenari revealed that items of works such as works for safety to the dam from decaying Sherghati hill, pitching/revetment of main branch canal to check the erosion, inflow design of the water flowing from hill area for safe escape into the downstream of the river and construction of road to provide access to the people residing beyond the hill were not included in DPR upto fourth revised estimate, though these works related to safety of the dam. It was also essential to protect the anticipated damage to head works structures of the dam from decaying Sherghati hill. The inflow design of the water into the right canal area flowing from hill area was to be considered for safe escape into downstream to prevent the safety of the head works structure and canal.

Contrary to the request of the Department, the CWC refused to provide consultancy services for survey design and drawing for the extra items of the work and suggested to appoint a consultancy firm for this purpose.

Resultantly, these items involving expected expenditure of ₹17.30 crore was not approved by CWC and the Department was deprived of AIBP funding to that extent. The Department did not take the final decision (June 2015) in this regard though the proposal was sent by the division in September 2014.

The Department replied (October 2015) that the Durgawati project related consultancy was taken up by CWC. The concerned drawings were supposed to be supplied by the CWC authority but after their refusal, the outsourcing for appointing consultant was under process.

**2.3.9.2 Punpun Barrage Project**

The Punpun Barrage project was proposed on river Punpun near Hamidnagar village in Aurangabad. The project envisaged creation of irrigation potential of 13680 ha in Irrigation command of 17101 ha (GCA) and 13680 ha (CCA). The project could not be completed even after lapse of eight years from the investment clearance by Planning Commission, GoI in 2007. The construction of main canal, branch canal, distributaries and water course was not done while as against the targeted construction of 815 structures only two was completed as of March 2015. The original and latest revised estimated cost of the project was ₹199.41 crore and ₹658.12 crore while the expenditure of ₹324.33 crore was incurred as of March 2015. Thus, there was cost overrun of ₹124.92 crore. The extended date of completion of the project was March 2017. The important findings are discussed in succeeding paragraphs:

**Works could not be carried out due to non-availability of land and public hindrance for non-payment to land owners**

***Works could not be commenced due to non-availability of land***

Out of 11 test checked divisions, in one division of Punpun Barrage Division No.-1, Goh, Aurangabad, it was observed that four agreements<sup>2</sup> of ₹15.57 crore was executed by the Executive Engineer, for construction of Right Main Canal during the period June 2008 to May 2009. But scrutiny revealed that two<sup>3</sup> out of four agreements were closed by the division during the period September and December 2012 due to non-availability of land. The remaining two agreements were not closed as of June 2015. However no work was carried out by any of the agencies. Further, no fresh agreements were executed for the construction of Right Main Canal after closer of two agreements due to non-availability of land.

Thus, due to non-availability of the land these works could not be carried out as of June 2015.

The Department replied (October 2015) that payment to the land owners was still not completed hence work in construction of main canal could not be started. The Department also replied that the construction work of canal network was hampered due to public hindrance and thus irrigation could not be provided through the carrier canal. A new project for providing the irrigation to the affected areas through lift irrigation was in process.

***Non-completion of mechanical works***

The work of gates hoist, stop log, cranes and other allied works at Punpun Barrage was awarded to an agency in January 2011 at an agreement value of ₹14.35 crore. The work was to be for completion by January 2012.

Scrutiny revealed that despite time extension upto June 2014, 95 per cent of mechanical works and 70 per cent of automation work was only completed at an expenditure of ₹13.07 crore as of March 2015. The work was completely stopped from 2013-14 due to non-completion of related civil works and problems of land acquisition and rehabilitation work and proposal for further time extension upto June 2015 was forwarded (July 2014) by Chief Engineer Mechanical Patna to Engineer-in-Chief. Though the fabrication work of barrage gate had been completed (December 2012) by the agency, the erection and automation work was still pending as of March 2015 due to non-completion of civil works.

**Installation of barrage gates remained incomplete due to non-completion of civil works**



*Photograph of Punpun Barrage showing incomplete erection work of the barrage*

<sup>2</sup> Agreement Nos.: 5F2/2008-09, 6F2/2008-09, 7F2/2008-09 and 1F2/2009-10

<sup>3</sup> Agreement Nos.: 5F2/2008-09 and 7F2/2008-09

The Department replied (October 2015) that gates had been fabricated but installation of gates was pending due to public hindrance for non-payment of land acquisition of this project.

### ***Short recovery of mobilisation advance and interest***

**Short recovery of mobilisation advance of ₹ 7.14 crore and interest thereon of ₹ 6.41 crore**

Out of 11 divisions test checked, in one Punpun Barrage Division No.-1, Goh, Aurangabad, it was observed that mobilisation advance (MA) of ₹13.74 crore was given to the agencies against two agreements out of which ₹7.14 crore was not recovered as of June 2015. Further, interest on MA was recovered by the Division by adopting wrong method of calculation. This resulted in short recovery of interest on MA ₹6.41 crore (**Appendix- 2.3.3**).

The Department replied (October 2015) that the balance amount would be recovered.

### **2.3.9.3 Eastern Kosi Canal Project**

The Eastern Kosi Canal off takes from the eastern side of Kosi Barrage at Bhimnagar in Nepal. The project is situated in Supaul, Saharsa, Madhepura, Purnea, Araria and Katihar districts of Bihar. The CCA of the canal system was 6.12 lakh ha and after completion, an annual IP of 7.075 lakh ha was to be created. Out of which an IP of 6.750 lakh ha was created up to March 2015. The extension, renovation and modernisation work of main/branch canal/distributaries/ water courses was completed upto 94 *per cent* while as against the targeted 13490 structures, only 7201 (53 *per cent*) was completed despite expenditure of ₹567.55 crore as of March 2015. The extended date of completion of the project was March 2016. The important findings are discussed in succeeding paragraphs:

#### ***Payment without sanction***

As per rule 182A of Bihar BPWD code, the items of work outside the Bill of Quantity (BoQ) should be treated as extra item and payment for these extra items should be made after obtaining the sanction from competent authority. This payment should be made after executing the supplementary agreement.

Scrutiny of records of two Chief Engineers of Eastern Kosi Canal project revealed that there was huge variations of quantities of different items of works which ranged between 26 to 2448 *per cent* in Birpur zone and 26 to 12296 *per cent* in Purnea zone. The cost of variation of quantities was ₹105.60 crore in both the zones.

**Payment of ₹ 16.30 crore was made for enhanced/extra quantities of materials without prior sanction**

Further, scrutiny of records of four<sup>4</sup> out of 11 test checked divisions revealed that two divisions (Araria and Murliganj) paid ₹16.30 crore for execution of exceeded quantities ranging between 17 to 2500 *per cent* without obtaining the approval of competent authority and without executing any supplementary agreement. However, the enhanced/extra quantities were approved by the Department in September 2014. Thus, unauthorised payment for enhanced/extra quantities was made by the two divisions of Purnea zone. The audit findings were accepted by the Executive Engineers of Purnea zone.

The Department replied (October 2015) that all the enhanced quantities/new items had been executed after due instructions from competent authority

<sup>4</sup> Irrigation Division Araria, Birpur, Murliganj and Headworks Division Birpur

during the execution of work and as per site conditions in the interest of work and the Department had approved the enhanced quantities in September 2014. However, Chief Engineer, Purnea had been instructed to frame charges against Engineers responsible for formulation of the estimate with deficient provisions.

### **Loss to the Government**

(A) Scrutiny of records of three<sup>5</sup> out of 11 test checked divisions, revealed that the incorrect method of deduction of royalty from the bill value resulted in short recovery of royalty and loss to the Government as discussed in the succeeding paragraphs:

As per Standard Bidding Document (SBD) and General Conditions of Contract, if the contract provides for payments for work done at a specified percentage below or above the rates entered in the sanctioned estimate of the work (or the Schedule of Rates), the percentage should be calculated on the gross, and not on the net amounts of the bills for the work done.

**Loss of ₹ 4.15 crore to the Government due to incorrect method adopted for calculation of work value**

Scrutiny of three<sup>6</sup> out of 11 test checked divisions revealed that two works relating to Extension, Renovation and Modernisation of Eastern Kosi Canal system were awarded (March 2010) to two different agencies at an agreement value of ₹322.91 crore (15 per cent below) and ₹225.27 crore (11.30 per cent below) respectively. However, while calculating the work value of RA bills, the amount of royalty was deducted from the up to date work value and thereafter deduction of 15 per cent/11.30 per cent was made and the value of royalty was re-added to calculate the net value of RA bills. The incorrect method adopted for calculation of bills by the divisions against the provisions of SBD led to an excess payment of ₹4.15 crore (**Appendix-2.3.4**) to the contractors.

The Department replied (October 2015) that the rate in the bill of quantity had been arrived at by adding the royalty amount in the schedule rates, and this was known to all the intending tenderers. The tenderers were supposed to quote the lower or higher on the BoQ rate excluding the royalty amount. The criteria for deduction of built-in royalty had been fixed vide Water Resources Department letter dated 13/6/2011 in consequence of the suggestion of the Finance Department, Government of Bihar. The reply was not acceptable as the same criteria for deduction of royalty was not adopted in the case of higher rate than BoQ by the other Divisions.

(B) As per notification issued (January 2012) by the Mines and Mineral Department, Government of Bihar, the rate of royalty on earth was revised from ₹15 to ₹22 per cum. The revised rate was effective from the date of issue of Gazette Notification.

**Loss of ₹1.92 crore due to short realization of royalty**

Out of 11 divisions test checked, in two<sup>7</sup> divisions of Eastern Kosi Canal project, it was observed that the royalty for earth was deducted at ₹15 per cum instead of ₹22 per cum. As 27.41 lakh cum earth work was carried out by both

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<sup>5</sup> Irrigation Divisions Araria, Birpur and Murliganj

<sup>6</sup> Irrigation Divisions Araria, Birpur and Murliganj

<sup>7</sup> Irrigation Division Birpur and Murliganj

the agencies, this resulted in short deduction of royalty of ₹1.92 crore as of March 2015 (*Appendix- 2.3.5*).

The Department replied (October 2015) that the royalties/taxes were to be deducted at current rates as per clause 2 of the special condition of contract of the agreement. Any specific instances of the referred losses to Government would be looked into by the Department.

#### ***Short recovery of interest***

Out of 11 test checked divisions, in one division (Irrigation Division, Araria) of ERM project it was observed that MA of ₹16 crore was given (March 2010) to the agency against the work of ERM. Further it was observed that, as against the accrued interest of ₹2.74 crore only ₹1.73 crore was recovered as of March 2015. Thus, the interest of ₹1.01 crore was not recovered though the full amount of MA was recovered.

The Department replied (October 2015) that the recovery was to be done as per norms of SBD. The amount of MA of ₹16 crore had been recovered and the interest amount of ₹1.01 crore remains to be recovered which would be done from the next bill.

#### **2.3.9.4 Western Kosi Canal Project**

Western Kosi Canal Project takes off from the western side of the Kosi Barrage at Bhimnagar in Nepal and consists of the Main Canal 91.82 km long of which first 35.13 km is located in Nepal territory and rest 56.69 km is located in Indian Territory. The project is situated in Supaul, Madhubani, Darbhanga and Samastipur districts and envisages construction of canal system to irrigate CCA of 2.033 lakh ha. The project after completion would create IP of 2.348 lakh ha. The project was not completed as 12 per cent work of distributaries/minors/water course was still to be completed as of June 2015 though the extended date of completion of the project was March 2012. However, the project was declared completed by the Department in July 2013 though it was not accepted by CWC as of March 2015. The original and latest revised estimated cost of the project was ₹326.61 crore and ₹1307.21 crore respectively while an expenditure of ₹1207.90 crore was incurred as of July 2013. Thus, there was cost overrun of ₹881.29 crore as of March 2015. The important findings are discussed in succeeding paragraphs:

#### ***Works could not be commenced due to non-availability of land***

Scrutiny of records of CE, Darbhanga disclosed that 48 works worth ₹140.63 crore<sup>8</sup> were executed under CE, Darbhanga Zone of the Western Kosi Canal Projects (WKC). The execution of these works were severely affected and delayed due to non-possession of the required land, non-availability of the chart land and non-payment to the farmers for their acquired land by the SLAO. Resultantly, none of the works could be completed as of October 2013 and 75.58 lakh cum earth work (main/ branch canal, distributary/sub-distributary/minor and water course), 56480 sqm of Lining, 2300 Nos. of Regulators, 63 Nos. of Fall, 254 Nos. of CD work, 426 Nos. of Bridges and

<sup>8</sup> Agreement value of 13 SBD agreements: ₹121.57 crore; Agreement value of 35 F2 agreements: ₹19.06 crore

**Short recovery of interest of ₹1.01 crore on mobilisation advance**

**Execution of agreements without availability of land led to non-commencement of works**

three escape channels were yet to be carried out at the time of closing of these agreements.

Meanwhile in order to exclude the WKC project from AIBP funding, the Engineer-in-Chief (EIC), WRD directed (October 2013) the CE, Darbhanga to take action for closing of all the ongoing 48 agreements after final measurement, grant time extension to all the agreements and prepare fresh estimate for residual works. He also directed to invite fresh tender for residual works project. However, the Project Completion Report (PCR) submitted by the department to CWC in July 2013 was not yet approved by CWC/ Ministry of Water Resources (MoWR). Resultantly no CA under AIBP was made available to the project. Thus, the physical progress of the WKC project remained stagnant except only one *per cent* increase in construction of distributaries despite expenditure of ₹52.19 crore during the period 2010-13.

The Department replied (October 2015) that WKC project was withdrawn from AIBP by the Department as the project was by and large complete. It was felt that it would be worthwhile to withdraw it from AIBP, and complete from state's own fund and in its place propose a new project for CA under AIBP. However, as per MoWR Guidelines issued in November 2013 no project of this state could qualify for inclusion under AIBP. After withdrawal of the project from AIBP, GoB decided to complete the project with funding from State, for which Administrative approval of ₹179.20 crore was accorded.

***Recommendation: The Department should ensure that codal provisions/Government directions are followed while sanctioning payments.***

#### **2.3.9.5 Implementation of Command Area Development and Water Management (CADWM) Programme**

The CADWM programme was to be implemented in a holistic manner so that the programme not only improves water use efficiency but also increases agricultural productivity and production and brings sustainability in the irrigated agriculture in a participatory environment. In Bihar, seven CADWM programmes namely Gandak, Sone, Kosi, North Koyel, Chandan, Badua and Kiul projects were included under AIBP during 2010-11. The test-check of Gandak CADWM revealed the following deficiencies:

##### ***Non-formation of Water Users' Associations (WUA)***

The implementation includes formation of Water Users' Associations (WUA) before taking up On Farm Development (OFD) activities. The OFD work must be implemented with active involvement of WUAs and handed over to them after completion. After the OFD works have been completed and all outlets were saturated, an MoU must be signed between Minor /distributor committees and the Department for future maintenance. A minimum of 10 *per cent* contribution of total cost by the beneficiaries was mandatory for execution of OFD work.

Scrutiny revealed that no WUA had been constituted in the command area. It was also observed that 10 *per cent* contributions from the beneficiaries were never realised. Thus, in absence of registered WUAs and failure of the beneficiaries to contribute even the 10 *per cent* of the total cost, the MoU signed with the unregistered group of beneficiaries could not ensure the maintenance of field channels.

The Department replied (October 2015) that initially Adhoc Committees were formed at Village/Scheme level to start the work of Participatory Irrigation Management (PIM). Fifty three Distributaries/Sub-Distributaries/ Minors under WRD, Bihar had been transferred to the registered WUAs after signing MoU between the WRD, Bihar and the Concerned WUAs and 28 Distributaries were in the process of transfer.

The reply was not tenable as only one registered WUA was in existence under GADA as on March 2015.

### ***Decrease in food grain production***

**There was decrease in production of food grains despite expenditure of ₹ 64.87 crore on CADWM programme**

Scrutiny of the data of food grain production obtained by the GADA from the Agriculture department revealed the decline of productivity from 21.41 to 16.56 lakh tonnes (LT) in Paddy, 3.61 to 2.72LT in Maize, 22.39 to 22.13LT in wheat and in production of oil seed from 70980 to 31627 tonnes in thousand per hectare during 2011-14. Thus, the command area development scheme failed to increase the productivity despite expenditure of ₹64.87 crore during 2010-15.

The Department replied (October 2015) that the agricultural production was dependent on many factors like cropping pattern, quality and proper dose of seeds and fertilizers, method of cultivation besides proper and timely irrigation. Command Area Development facilitates efficient use of irrigation water from canals.

The reply was not in conformity with the objective of the scheme as the increased efficiency in use of irrigation water for canals could not stabilise the production of food grains which declined continuously during 2011-14.

### ***Non-implementation of project for Reclamation of Waterlogged areas and diversion of fund***

Water logging in the Command area of irrigation project had affected the health of the soil and reduced the agricultural productivity. The assessment of problem areas in the commands of irrigation projects, planning and designing for preventive and reclamation measures like land management; drainage etc. were to be carried out under this component of CADWM programme.

**An amount of ₹ 7.64 crore allotted for reclamation of waterlogged areas was diverted and utilised for construction of PFCs**

Scrutiny of records revealed that during 2011-12, a project for Reclamation of 9087 ha of waterlogged areas was prepared and submitted to CADWM, MoWR, GoI for approval. However, after two years, the project proposal was returned for necessary rectification and to prepare the project estimate at prevailing schedule of rates. The project remained a non-starter as of April 2015. Meanwhile the Directorate, CAD, GoB directed (April 2015) to utilise the amount of ₹7.64 crore for construction of Pucca Field Channel (PFC) under work head. Thus, the implementation of reclamation of waterlogged area could not be carried out during 2011-15 and the amount of ₹7.64 crore was diverted for construction of PFCs.

The Department replied (October 2015) that CWC, Patna communicated in October 2014 that the schemes related to reclamation of water logged areas pertaining to 'Chauris' (Waterlogged area) were not part of Culturable Command Area. Massive flood control schemes were required for protection of such areas which were beyond the scope of CADWM Programme. In order

to utilise the unspent amount of ₹7.64 crore, it was decided to utilise it for execution of PFC which was also one of the work component under CADWM programme.

The reply was not tenable as necessary approvals for diversion of funds were not obtained from competent authority.

**Recommendation:** *The department should ensure that Water Users Association are formed for each project and the mandatory contributions are recovered from beneficiaries.*

### 2.3.10 Quality of the work not ensured during execution

As per the guidelines of AIBP, the State Government should submit a Quality Assurance report certifying that all mandatory quality checks prescribed for construction material, construction procedure both in number and frequency were carried out and all the results were within prescribed limits. Further, as per the work order issued (February 2010) by the Chief Engineer, the payment to the agency should only be made after obtaining quality test report from the Quality Control and Investigation Division, Khagaul, Patna.

During scrutiny of records of three<sup>9</sup> out of 11 test checked Divisions, it was observed that the quality of the work was not ensured during execution of the work. However, ₹151.21 crore was paid to the agencies for the works without obtaining the quality control report for which ₹5.26 crore (**Appendix- 2.3.6**) only was held up by four divisions as five *per cent* of the bill value during the period 2010-15.

An amount of ₹ 151.21 crore was paid to the agencies prior to quality certification

The Department replied (October 2015) that lack of sufficient manpower sometimes caused delay in submission of test reports in time. Since priority was to maintain the progress of the work as well as cash flow, bills had been paid after withholding a certain amount. In case of any adverse quality report, the work done was liable for rectification/dismantling and even recovery of paid amount. The reply was not acceptable as the guidelines of AIBP and the directions issued by the Department specified that payment should only be made after receipt of quality report as per provision of the work order and withholding of five *per cent* of the bill value was not specified in the guideline/directions.

### 2.3.11 Monitoring and evaluation

The AIBP guidelines envisaged a two tier detailed monitoring mechanism, one at the State level and the other at project level which should meet quarterly and monthly. The members of the committee constituted for the purpose were required to visit sites of projects at least twice a year to monitor physical progress of the project. CWC should monitor the projects at central level. All major and medium projects, where funds were released in previous years, were to be monitored once in a year by concerned field offices of CWC. The concurrent evaluation of the projects by State Government was mandatory at the end of each financial year during the period of funding as per modified guideline issued in October 2013 by GoI.

<sup>9</sup> Irrigation Division Araria, Murliganj and Head Works Division Birpur

**The concurrent evaluation by an independent agency was not conducted in any of the project though it was mandatory under the guideline**

Scrutiny revealed that the State level monitoring meetings under chairmanship of Secretary, WRD were held in every month to monitor the progress of AIBP projects. The concurrent evaluation of Punpun and Durgawati Project was carried out by the retired Chief Engineer of WRD in September 2014. However, report was not accepted by CWC and directed the Department to get it done by an independent agency. The Department decided to get the evaluation done by NIT, Patna in November 2014 but NIT did not initiate the study as of June 2015 though an amount ₹2.34 lakh was given in November 2014.

Further CWC had conducted monitoring visit once in a year for four out of five selected projects before recommending the proposals for onward transmission to MoWR, GoI. The department also submitted the action taken report to CWC based on monitoring visit report.

The Department replied (October 2015) that Project level monitoring was done by the concerned Chief Engineer and Superintending Engineer. NIT Patna had done the concurrent evaluation work for the year 2014-15 and the report would be submitted very soon.

***Recommendation- Concurrent evaluation by independent body should be conducted for ongoing projects.***

### **2.3.12 Conclusion**

- During 2010-15, only seven *per cent* of the Central Assistance was received from GoI due to failure of the Department/ project authorities to spent the earmarked funds and to submit the claims in time.
- Failure to address issues relating to acquisition of land, forest clearance and rehabilitation and resettlement resulted in non-completion of Durgawati Reservoir, Punpun Barrage, Western Kosi and Eastern Kosi Canal projects. The delay also caused cost overruns in the projects.
- The creation/ restoration of IP was only 8,32,580 ha against the target of 9,56,820 ha in four selected projects as of March 2015. No IP was created as of March 2015 in Punpun Barrage Project (PBP) included in AIBP in 2007-08 due to incomplete works.
- Non-inclusion of important safety measures in the revised estimates and execution of agreement without availability of land affected the progress of works.
- Water Users Associations were not constituted in each of the project and the beneficiary contributions were not recovered in test checked projects.
- The concurrent evaluation by an independent agency was not conducted in any of the projects though it was mandatory under the guideline.

## GENERAL ADMINISTRATION DEPARTMENT

### 2.4 Thematic Audit of “Implementation of Bihar Right to Public Services Legislation”

#### 2.4.1 Introduction

Government of Bihar implemented the Bihar Right to Public Services (RTPS) Act from 15 August 2011 in the State to usher in accountability and transparency as a part of Government’s ongoing administrative reforms. Important public services meant for common citizens had been included under this Act and were required to be delivered within the stipulated timeline. There were provisions in the Act for appeal and fixing of responsibility for any delay in delivery of services. For all types of applications, it was mandatory for the concerned officers to issue acknowledgements to applicants. Further, in order to carry out the provisions of the Act, the State Government had also enacted (May 2011) the Bihar Right to Public Services Rules, 2011.

The RTPS Act was being implemented for 51 services notified (May 2011) pertaining to nine departments *viz.* Commercial Taxes, Food and Consumer Protection, General Administration, Home, Education, Registration Excise and Prohibition, Revenue and Land Reform, Social Welfare and Transport. The 51 notified services include major services such as issue of Caste, Income, Residential and Character Certificates, Social Security Pension, Mutation, Land Possession Certificate and Registration services etc. (*Appendix-2.4.1*). Under the Act, Designated Public Servants were made accountable for providing the services within the scheduled period and in case of delay/denial of services, the appellate and reviewing authorities would be responsible for grievance redressal within the specified time period.

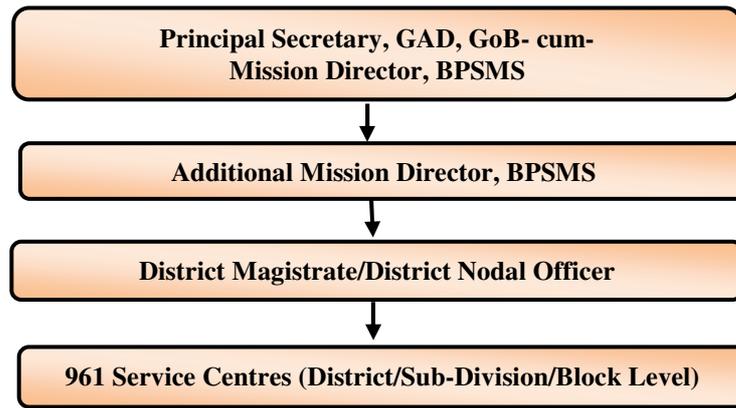
The General Administration Department (GAD), Government of Bihar (GoB) was responsible for implementation of the RTPS Act in the State.

#### 2.4.2 Organisational set-up

The Bihar Prashasanik Sudhar Mission Society (BPSMS) was formed (November 2008) by Government of Bihar (GoB) to provide better services to citizens of the State and to execute comprehensive administrative reforms programme and the implementation and monitoring of the RTPS Act was facilitated by the BPSMS. The Principal Secretary, GAD was the Mission Director of the BPSMS. The services of RTPS Act were provided by the Designated Public Servants (DPS) at the service centre level. At the District level the implementation of the Act was supervised by District Nodal Officers under the control of District Magistrates (DM). They were getting additional support from IT Managers, IT Assistants and Executive Assistants<sup>1</sup> provided by BPSMS. The organogram of the Department is given below:

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<sup>1</sup> *Executive Assistants were appointed by District Magistrates on contract basis for execution of basic level data entry works.*



### 2.4.3 Audit Objective

The objectives of the performance audit were to assess whether:

- selection of services under the Act was done properly;
- adequate institutional arrangements were available for delivery of services;
- the Act was implemented as per the provisions;
- adequate provision was made for capacity development;
- necessary arrangements were made for awareness generation among the citizen; and
- mechanism for monitoring the delivery of services and coordination with departments responsible for providing services were adequate and redressal of grievances were ensured.

### 2.4.4 Audit Criteria

The implementation of the Act in the State was evaluated with reference to the following audit criteria:

- The Bihar Right to Public Services Act/Rules 2011;
- Administrative orders/instructions/circulars issued by the Department/ Government; and
- Finance and Accounting Manual, November 2009 (prepared by BPSMS).

### 2.4.5 Scope of Audit and Methodology

The records in the office of the Principal Secretary, GAD, Mission Director, BPSMS and implementation of 27 services by six departments during 2012-15 in nine sampled districts<sup>2</sup> at District/Block level were test checked during April to August 2015 as given in the **Table no.-2.4.1** below:

<sup>2</sup> Aurangabad, Araria, Bhojpur, East Champaran, Jamui, Muzaffarpur, Patna, Samastipur and Vaishali.

**Table No. – 2.4.1**  
**Name of services under RTPS covered in Thematic Audit**

Name of Department	Name of Services	No. of Services
(1) Food & Consumer Protection	(i) Decision on Application for new ration card	1
(2) General Administration	(i) Issuance of Caste Certificate (CO) (ii) Issuance of Caste Certificate (DM) (iii) Issuance of Caste Certificate (SDO) (iv) Issuance of Income Certificate (CO) (v) Issuance of Income Certificate (DM) (vi) Issuance of Income Certificate (SDO) (vii) Issuance of Residential Certificate (CO) (viii) Issuance of Residential Certificate (DM) (ix) Issuance of Residential Certificate (SDO)	9
(3) Home	(i) Character Certificate	1
(4) Education	(i) Distribution of Scholarship (ii) Provision of consolidated result and individual mark-sheet received from DEO offices/ Issuance of mark-sheet to the concerned boys/girls by the schools (iii) Application for Registration and College Leaving Certificate (iv) Temporary or original certificate (Higher Education)/Action for correcting/re-totalling of mark sheet/Migration certificate (v) Attestation of certificates issued by Universities (vi) Action for correcting/re-totalling of mark sheet and issue of duplicate certificate	6
(5) Revenue & Land Reforms	(i) Mutation with/without Objection/Issuance of Correction Slip from the date of final order (ii) Land Possession Certificate (LPC)	2
(6) Social Welfare	(i) Mukhyamantri Kanya Vivah Yojna (ii) Pension Scheme (BSSPS) (iii) Pension Scheme (IGNOAPS) (iv) Pension Scheme (IGNWPS) (v) Pension Scheme (LBSSPS) (vi) Pension Scheme (BDPS) (vii) Pension Scheme (IGNDPS) (viii) Rashtriya Parivarik Labh Yojna	8
<b>Total</b>		<b>27 Services</b>

The names of test checked offices in selected districts and headquarter level offices are given in the **Appendix-2.4.2**. The selection of Districts was made through Probability Proportional to Size with Replacement (PPSWR) method whereas Blocks and Circle Offices were selected through Simple Random Sampling with Replacement (SRSWR) method. During scrutiny of records, audit evidences were obtained as replies to audit queries, copies of documents and information furnished by the audited entities. An entry conference was held (March 2015) with the Principal Secretary, GAD, GoB to discuss the audit objectives, audit criteria and methodology of the audit. At the conclusion of the audit, an exit conference was also held in October 2015 to discuss and obtain the views/replies of the Government to the audit observations.

#### **2.4.6 Financial management**

For the purpose of providing better services to citizens of the State and as a Comprehensive Administrative Reform Programme, the BPSMS was formed as a financially assisted project by GoB along with the Department for International Development (DFID), Government of UK. The source of the funds consisted of grants provided by GoB, Government of India (GoI) and DFID. Though GAD, GoB provided (July 2014 - March 2015) grants of ₹53.82 crore for overall functioning of BPSMS and DFID provided funds amounting to £18 million (approx ₹144 crore) during September 2008 to June 2014 no funds were provided by GoI so far. However, no funds were earmarked for implementation of RTPS.

## Audit findings

### 2.4.7 Selection of services

According to Section 3 of RTPS Act, the State Government may, from time to time, notify the services to which this Act shall apply. Scrutiny of records revealed that the services were selected on the basis of recommendations of concerned Departments. Fifty one services pertaining to nine departments were notified (May 2011) by the GAD for delivery of services under the RTPS Act. The GAD included (August 2012) two new services viz. Rashtriya Parivarik Labh Yojna and Mukhyamantri Kanya Vivah Yojna and excluded (December 2013) two services viz. State Social Security Pension Scheme and Determination of Holding in Urban Areas under the Act.

Scrutiny revealed that BPSMS invited (November 2013) names of services from Departments of GoB for inclusion under RTPS Act. Three Departments<sup>3</sup> requested (November 2013) the BPSMS to include five of their services viz. Issue of Disability Certificate, Certified copy of Khatiyani, Certified copy of Rural Map, Measurement/Demarcation of Land and Addition and Deletion of name in Ration Card under RTPS Act. However, these services were not yet included under RTPS Act (September 2015).

The Principal Secretary, GAD replied (October 2015) that there was no provision in the Act for mandatory or regular inclusion of services under RTPS Act and selection of services was a policy matter. However, no reasons were provided by GAD for not including the five services in the RTPS Act as per the request of the three departments.

**Recommendation: The GAD should maintain transparency in selection of services under RTPS.**

### 2.4.8 Institutional arrangement

To facilitate the implementation of the Act, proper institutional arrangement should be established.

Scrutiny of records disclosed that GAD nominated nodal authorities at State as well as districts level. The Designated Public Servants (DPS), Appellate Authorities and Reviewing Officers were declared for notified services under the Act and Service Centers had been setup from District to Block level to provide services under the Act.

### 2.4.9 Delivery of services under the Act

According to Section 5 (2) of the RTPS Act, the DPS on receipt of an application under sub section (1) shall within the stipulated time limit, provide the services or reject the application. In case of rejection of application, the DPS shall record the reasons in writing and intimate the applicant.

As per database of BPSMS, the department-wise status of disposal of applications during 2012-15 was as under **Table 2.4.2** below:

<sup>3</sup> Health Department, Revenue and Land Reform Department and Food and Consumer Protection Department.

**Table no.-2.4.2**  
**Department-wise status of disposal of applications during 2012-13 to 2014-15**

Sl. No.	Main services (Department)	Total no. of applications received	Total no. of applications disposed off	No. of applications disposed within specified time	Percentage of applications disposed off within the specified time
1	Registration under VAT (Commercial Taxes)	71339	71215	64959	91
2	New ration card (Food & Consumer Protection)	23349	23321	6212	27
3	Caste, Income and Residential Certificate (GAD)	60436107	60303306	52035024	86
4	Character Certificate (Home)	1889939	1880608	1574314	84
5	Issuance of mark sheet (Education)	101697	101627	91026	90
6	Registration and delivery of registered documents (Registration, Excise and Prohibition)	7558264	7557946	7358925	97
7	Mutation and LPC <sup>4</sup> (Revenue & Land Reforms)	6649473	6579606	4036958	61
8	Social Security Pension, RPLY <sup>5</sup> and MKVY <sup>6</sup> (Social Welfare)	4953459	4730681	2179135	46
9	DTO and MVI services (Transport)	2423686	2377743	1928077	81
	<b>Total</b>	<b>84107313</b>	<b>83626053</b>	<b>69274630</b>	<b>83</b>

(Source: - Information provided by BPSMS)

From the **Table no- 2.4.2** above it was evident that in respect of the Departments of Food and Consumer Protection, Revenue and Land Reforms and Social Welfare the percentage of disposal of cases within time limit was 27 to 61 *per cent* only. However, department-wise analysis of implementation of the RTPS Act in test checked offices revealed the following facts:

#### **2.4.9.1 Education Department**

Under Education Department, services such as distribution of scholarship, provision of consolidated result and individual mark-sheet received from District Education Officers (DEOs), issuance of mark-sheet to the concerned boys/girls by the schools, application for registration and college leaving certificate, temporary or original certificate (Higher Education), action for correcting/re-totalling of mark-sheet and issue of duplicate certificate, attestation of certificates issued by Universities and action for correcting/re-totalling of mark-sheets and issue of duplicate certificate were to be delivered under the RTPS Act.

Scrutiny of records in test checked offices revealed the following facts:

<sup>4</sup> LPC - Land Possession Certificate

<sup>5</sup> RPLY- Rashtriya Parivarik Labh Yojna

<sup>6</sup> MKVY- Mukhyamantri Kanya Vivah Yojna

***Non-implementation of notified services***

According to Section 4 of RTPS Act, the DPS shall provide the services notified under Section 3 of the Act to the person eligible to obtain the services, within the stipulated time limit.

During scrutiny of records, it was observed that the under mentioned services of Education Department, GoB though included under RTPS was not being implemented in the following test checked offices:

***District Education Officers /Programme Officers***

The District Education Officers (DEOs)/Programme Officers (POs) were notified (May 2011) as DPS for delivery of services of distribution of scholarships, consolidated results and individual mark-sheets after publishing of the results of examinations conducted by Bihar School Examination Board (BSEB). Scrutiny disclosed that in violation of instruction of RTPS Act notification, these services were not being implemented in the offices of DEOs of nine test checked Districts during 2012-15.

***Bihar School Examination Board***

Actions for correcting/re-totalling of mark sheet and issue of duplicate certificates were notified (May 2011) services under RTPS for delivery by BSEB. However, it was observed that during 2012-15, services in respect of re-totalling of mark sheets were not provided under RTPS Act.

***Universities***

The services for correcting/re-totalling the mark sheet issue of temporary or original certificates and migration certificates were notified (May 2011) under RTPS Act and to be provided by Controller of Examination of Universities. As per direction of Mission Director, BPSMS (June 2011), RTPS software was to be used for computerised receipt of applications, issue of acknowledgement and monitoring of disposed off application. It was observed that these notified services were not being provided by two out of three test checked Universities viz. Veer Kunwar Singh University, Ara and Babasaheb Bhimrao Ambedkar Bihar University, Muzaffarpur. Further, Patna University was not using the RTPS software for notified services and accepted applications for only 3-4 years old cases only.

During exit conference (October 2015) the Principal Secretary, GAD stated that poor disposal rates would be looked into. The Principal Secretary further stated that the RTPS Act was mandatory and has to be followed by all DPSs.

***Recommendation: The GAD should ensure the implementation of the notified services under RTPS by all concerned Departments.***

**2.4.9.2 Social Welfare Department**

Under Social Welfare Department the services of Mukhyamantri Kanya Vivah Yojna (MKVY), Rashtriya Parivarik Labh Yojna (RPLY) and Social Security Pension were delivered under the RTPS Act.

The status of disposal of applications during 2012-15 in 16 Blocks of the eight<sup>7</sup> test checked districts is given in the **Table no. 2.4.3** below:

**Table no.-2.4.3**  
**Status of disposal of applications in test checked offices**

Name of services	Total application received	Total application disposed	Service Delivered		Rejected after scrutiny (per cent)	Pending
			Within time (per cent)	After time (per cent)		
Mukhyamantri Kanya Vivah Yojna	50127	49767	28175 (56)	16748 (34)	4844 (10)	360
Rashtriya Parivarik Labh Yojna	13521	12905	5737 (45)	4825 (37)	2343 (18)	616
Social Security Pension	185891	180505	86046 (48)	58294 (32)	36165 (20)	5386

(Source: - Information provided by test checked Block offices)

It was evident from the above **Table no-2.4.3** that 32 to 37 per cent applications for services were not disposed off within the stipulated time. It was also observed that upto 20 per cent applications were rejected under the above services.

During exit conference (October 2015) the Principal Secretary, GAD stated that the concerned departments would be advised to take action for timely delivery.

The shortcomings noticed in course of audit of test checked offices are discussed in succeeding paragraphs:

***Erroneous display of applications***

As per RTPS Act notification (May 2011), disposal of applications related to approval for various types of Social Security Pensions were required to be made within 42 days, which was equally divided between Block and Sub-Divisional Offices. The received applications were to be presented before the Sub-Divisional Officer by Block Development Officer. After requisite verification, the decision along with recommendation was to be issued by SDO. Thus, the cases were required to be disposed off after its sanction from SDO. Further, the Mission Director, BPSMS instructed (June 2011) all Principal Secretaries/Secretaries of Departments to make available the letter number and date of disposed off services to update the disposal of services in the software. It was also instructed to all DMs (August 2011) that disposed off services would be updated on daily basis in computer database so that the applicant gets the message through SMS.

Scrutiny of records regarding disposal of applications in test checked offices of the five districts disclosed following facts:

***Incorrect disposal of applications***

Twenty one cases of pension were sanctioned by SDO Patna prior to forwarding of these cases by BDO Patna Sadar.

Further, in Mushahari (Muzaffarpur), Obra (Aurangabad) and Patori (Samastipur) blocks, 95 cases involving services such as Rastriya Pariwarik Labh Yojna (RPLY), Indira Gandhi National Old Age Pension Scheme

<sup>7</sup> Araria, Bhojpur, East Champaran, Jamui, Muzaffarpur, Patna, Samstipur and Vaishali

(IGNOAPS) etc. (**Appendix-2.4.3**) were shown as disposed off though they were yet to be sanctioned by sub-division office. Applications were shown as disposed off prior to seven to 288 days of its sanction and actual disposal.

#### ***Rejection of cases on insufficient ground***

As per instruction of Additional Mission Director, BPSMS (November 2011), no additional documents were to be demanded by DPS along with application except for documents mentioned in the checklist. In case of age proof in applications for IGNOAPS, the photo copy of age certificate should be attached or else the age mentioned in government record viz. electoral roll, family list etc. should be entered in the application. The age of the applicants would be assumed as final after verification by concerned BDO.

During scrutiny of records of IGNOAPS it was found that 2196 number of applications (Jitwarpur 1621, Motipur 147, Motihari 115, Hajipur 27, Jamui 238 and Sikandra 48) of persons belonging to BPL families and whose age were certified by concerned BDOs were rejected by SDOs in six test checked blocks for reasons such as non-enclosure of voters list, age in photograph appeared less than 60 years and verification of age/epic number from the election commission website.

#### ***Delay in delivery of services***

Under Mukhyamantri Kanya Vivah Yojna (MKVY), financial assistance of ₹5,000 was payable to married women and GAD had notified (December 2013) that it should be paid within 15 days of availability of fund.

During scrutiny of records, it was found that 20,783 out of 25,935 number of applications were pending for payment in 11 Block offices of six test checked Districts whereas ₹283.70 lakh was available for payment to 5674 applications (**Appendix-2.4.4**) even though pendency of applications were attributed to non-availability of fund, delayed withdrawal of fund and non-issue of cheques. Hence, the instruction contained in notification of RTPS Act for payment to applicants within 15 days of availability of fund was not followed.

#### ***Rejected cases shown as accepted in computer database***

As per format of Issue Register, the issue number of rejected cases and disposal date were required to be entered in the Issue Register along with the reason for rejection.

During scrutiny of records of 7 offices<sup>8</sup> in 3 test checked Districts, it was found that although 346 cases were rejected, these were shown as accepted in computer database (**Appendix-2.4.5**) due to lack of experienced staff at RTPS counters. As a result, incorrect information was given to applicants through SMS regarding the disposal of their services leading to harassment to applicants.

#### ***Irregular disposal of lost applications***

In BDO Sikandra (Jamui), the application for 170 pension cases of Indira Gandhi National Widow Pension Scheme (IGNWPS), IGNOAPS and Lakshmi Bai Samajik Suraksha Pension Scheme (LBSSPS) were lost at BDO

<sup>8</sup> BDO –Mushahari, Motipur, Patori, Sikandra, Aurangabad and CO-Motipur, Jitwarpur, Patori, Shahpur, Kalyanpur, Sikandra, Obra and Aurangabad

level prior to its disposal and shown as disposed off by entering zero as issue number.

**Unauthorised disposal of applications**

In BDO Sikandra (Jamui), 269 pension cases (IGNWPS, IGNOAPS, LBSSPS) were rejected at BDO level though the received applications were to be presented before SDO as per provisions of Act.

**Incorrect depiction of un-disposed applications**

Scrutiny of records of BDO Patori, Samastipur pertaining to 2014-15 revealed that non-disposed off applications of pension cases (IGNOAPS, LBSSPS, IGNWPS) were being shown as disposed off in the data base. As per office records, the number of pending pension cases were found as 530 whereas, in computer database no cases were shown as outstanding.

During exit conference (October 2015) the Principal Secretary, GAD stated that all these issues were serious and appropriate action would be taken against the concerned DPSs after verification.

**Recommendation: Correct entry regarding disposal of applications should be ensured in the database by all Designated Public Servants.**

**2.4.9.3 Revenue and Land Reform Department**

Under Revenue and Land Reform Department, the services of mutation and issue of Land Possession Certificate (LPC) were delivered under the RTPS Act.

The status of disposal of applications under the services of Revenue and Land Reforms Department during 2012-15 in 16 Circle Offices of the eight<sup>9</sup> test checked districts was given in the **Table no-2.4.4** below:

**Table no.-2.4.4  
Status of disposal of applications in test checked offices**

Name of services	Total application received	Total application disposed	Service Delivered		Rejected after scrutiny (per cent)	Pending
			Within time (per cent)	After time (per cent)		
Mutation	301233	299189	179798 (60)	91616 (31)	27775 (9)	2044
Land Possession Certificate	84565	84565	59842 (70)	21576 (26)	3147 (4)	0

(Source: - Information provided by test checked Circle Offices)

It was evident from the above **Table no-2.4.4** that 26 to 31 per cent applications for services were not disposed off within the stipulated time. The District Nodal Officers attributed the delay in delivery of services to shortage of staff.

**Delay in delivery of service**

As per RTPS notification (December 2013), the time limit for disposal of mutation cases was 18 days where no objection was raised and 60 days where objection was raised. During test check of records it was found that in four test

<sup>9</sup> Araria, Bhojpur, East Champaran, Jamui, Muzaffarpur, Patna, Samstipur and Vaishali

checked Circle Offices<sup>10</sup> the due date for disposal of mutation cases were shown as 60 days instead of 18 days in violation of the RTPS Act notification.

Further, in Jamui Circle Office, it was noticed that in 124 test checked cases of mutation of 2014-15, though no objection was received, but time extension was granted in violation of the provision of the Act.

### ***Disposal of un-disposed applications***

Scrutiny of records of CO Patori, Samastipur and CO Mushahari, Muzaffarpur pertaining to 2014-15 revealed that non-disposed off applications of land possession certificate and mutation cases were being shown as disposed off in the data base as given in the **Table no-2.4.5** below:

**Table no.- 2.4.5**  
**Statement of discrepancy in pendency of applications**

Sl. No.	Name of Offices	Name of Service	No. of cases pending	
			As per office records	As per computer data base
1	CO Patori, Samastipur	LPC, Mutation	183	Nil
2	CO Mushahari, Muzaffarpur	Mutation	1109	199

(Source: - Information provided by test checked Circle offices)

From the above **Table no-2.4.5**, it was evident that incorrect information was provided in computer database resulting in intimation of incorrect status of applications to the applicants.

### ***Rejected cases shown as accepted in computer database***

During scrutiny of records of 8 offices<sup>11</sup> in six Districts, it was found that although 658 cases were rejected, these were shown as accepted in computer database (**Appendix-2.4.5**). As a result, incorrect information was provided to applicants through SMS regarding disposal of their applications for services.

### ***Non-use of auto generated Issue numbers for services***

For services such as issue of Caste Certificates, Residential Certificates, Income Certificates, Mutation and LPC by Circle Offices, an issue number was generated automatically and its disposal was to be made accordingly. Further, all DMs were also instructed (February 2012) by BPSMS to ensure that the provisions of the Act were adhered to.

During scrutiny of records, it was found that in two out of 64 test checked offices<sup>12</sup>, last four digits of ID Number were used as issue numbers for the services offered by those offices and auto generated issue numbers (Vaad No.) were not used for disposal of Mutation and LPC services in five Circle Offices<sup>13</sup>.

During exit conference (October 2015) the Principal Secretary, GAD stated that all these issues were serious and appropriate action would be taken against the concerned DPSs after verification.

<sup>10</sup> CO- Forbesganj, Kalyanpur, Mushahari and Jitwarpur

<sup>11</sup> CO-Motipur, Jitwarpur, Patori, Shahpur, Kalyanpur, Sikandra, Obra and Aurangabad

<sup>12</sup> CO –Motipur and Forbesganj

<sup>13</sup> CO- Jitwarpur, Motipur, Patori, Jamui and Sikandra

#### 2.4.9.4 General Administration Department

Under General Administration Department the services of issue of caste, income and residential certificate were delivered under the RTPS Act.

The status of disposal of applications under various services during 2012-15 in 16 Blocks and 16 Circle Offices of the eight<sup>14</sup> test checked districts was given in the **Table no-2.4.6** below:

**Table no.-2.4.6**  
**Status of disposal of applications in test checked offices**

Name of services	Total application received	Total application disposed	Service Delivered		Rejected after scrutiny (per cent)	Pending
			Within time (per cent)	After time (per cent)		
Caste Certificate	579335	579335	483577 (84)	89347 (15)	6411 (1)	0
Income Certificate	516463	516450	450582 (87)	61461 (12)	4407 (1)	13
Residential Certificate	883021	883021	786398 (89)	92213 (11)	4410 (0)	0

(Source: - Information provided by test checked Circle offices)

It was evident from the **Table no-2.4.6** that 84 to 89 per cent of applications for services were disposed off within the stipulated time. Therefore, the achievement of GAD under the Act was satisfactory.

#### 2.4.9.5 Home Department

Under Home Department the services of issue of character certificate were delivered under the RTPS Act.

The status of disposal of applications of issue of character certificates during 2012-15 in test checked offices of Superintendent of Police (SP) was given in the **Table no-2.4.7** below:

**Table no.-2.4.7**  
**Status of disposal of applications in test checked offices**

Name of service	Total application received	Total application disposed	Service Delivered		Rejected after scrutiny (per cent)	Pending
			Within time (per cent)	After time (per cent)		
Issue of Character Certificate	647880	647874	557929 (86)	80890 (13)	9055 (1)	6

(Source: - Information provided by test checked SP offices)

It was evident from the above **Table No. 2.4.7** that 86 per cent applications were disposed within stipulated time. Thus the achievement under the Act by the Home Department was satisfactory.

#### 2.4.9.6 Food and Consumer Protection Department

Under Food and Consumer Protection Department the services of decision on application for new ration card were delivered under the RTPS Act.

The state-wise status of delivery of services under Food and Consumer Protection Department is given in the **Table no- 2.4.8** below:

<sup>14</sup> Araria, Bhojpur, East Champaran, Jamui, Muzaffarpur, Patna, Samstipur and Vaishali

**Table no-2.4.8**  
**State-wise status of delivery of services**

Sl. No.	Main services	Total no. of applications received	Total no. of applications disposed	No. of applications disposed within time	Percentage of applications disposed within time
1.	New ration card	23349	23321	6212	27

From the above **Table no-2.4.8**, it was evident that only 27 per cent applications for new ration card were disposed off within time. However, the number of applications received for this service during 2012-15 in five<sup>15</sup> test checked SDOs was only 22. The concerned SDOs stated that applications were not received for this service.

#### **2.4.10 Capacity development of service providers**

Capacity development is an important factor for effective implementation of a scheme.

##### **2.4.10.1 Manpower management**

Efficient functioning of an organisation depends upon the availability of requisite manpower and proper management of the available manpower. As per data provided by BPSMS, it was found that 2655 contractual staffs were engaged for execution of services under RTPS Act against the sanctioned post of 2756. However, the existing organisational set-up was not restructured for better service delivery.

Further, according to the direction of Additional Mission Director, BPSMS (July 2011), in addition to contractual staff, one experienced staff from concerned offices was required to be deputed at RTPS counters to check the applications at the time of receipt. Scrutiny disclosed that no such staff was deputed in 31 out of 64 RTPS counters of test checked offices (**Appendix-2.4.6**). As the applications could not be checked at the time of receipt, large number of applications were rejected at circle/block level as discussed in **paragraph no. 2.4.9.3**.

During exit conference (October 2015) the Principal Secretary, GAD agreed with the facts and stated that the staff posted at RTPS counters were supposed to be experienced.

##### **2.4.10.2 Training and infrastructure**

(A) According to Rule 18(4) of the RTPS Rules, trainings were to be imparted to Designated Public Servants, Appellate and Reviewing Authorities about their duties under the Act.

To enhance the capacity of the persons involved in implementation of the Act, the training of trainers was conducted at Headquarters level. At District level the training of concerned frontline officers and staff was conducted by trained officers at initial stage (May-June 2011). Besides, training of IT resources on RTPS software was also conducted. However, scrutiny of records of 64 test checked offices under nine districts disclosed that training was not imparted to 41 DPSs (**Appendix-2.4.6**).

<sup>15</sup> Hajipur, Jamui, Muzaffarpur, Patna and Samastipur

During exit conference (October 2015) the Principal Secretary, GAD stated that dissemination and training was to be provided to the extent of availability of financial and other resources. He, further, stated that training was regularly being imparted and it would be imparted to newly recruited DPSs also.

(B) For timely execution of services, adequate infrastructure at service centers i.e. shade, sitting chairs, computer system along with printer etc. was required to be provided. As per contract agreement of Executive Assistants, the computer system, printer, data card etc. were being arranged by them at their own expenses.

Scrutiny of records of 64 test checked offices of nine Districts disclosed that 16 RTPS counters were running without shade and sitting arrangements were not available at 32 RTPS counters (*Appendix-2.4.7*).



(RTPS center running without shade at Senior Superintendent of Police Office, Patna)

During exit conference (October 2015) the Principal Secretary, GAD stated that as per Act, shade and sitting arrangements were not mandatory for each counter. However, efforts were being made to provide basic minimum facilities to as many counters as possible.

***Recommendation: For better service delivery posting of experienced staff at the RTPS counter should be made. Besides, training may also be imparted to all DPSs and infrastructure should be strengthened.***

#### **2.4.11 Awareness generation**

**2.4.11.1** As per Rule 18(1) and (2) of RTPS Rules, the State Government may, to the extent of availability of financial and other resources, develop and organise campaigns and programmes to advance the understanding of the public, in particular of the disadvantaged communities, as to how to exercise the rights contemplated under this Act.

BPSMS informed that arrangement for awareness generation and sensitization of the Act among the citizens and the public servants was made through print, hoardings, website and Radio jingles. Accordingly, the notice boards and hoardings regarding details of services, designated officials and appellate authorities were displayed. It was, however, observed that no fund was available in offices for awareness generation and sensitisation about the Act in 58 test checked offices and no specific programme/ campaign for awareness of disadvantaged communities was conducted in 61 out of 64 selected offices of nine test checked Districts (*Appendix-2.4.8*).

During exit conference (October 2015) the Principal Secretary, GAD stated that awareness generation programmes were conducted mostly on centralised basis. However, department did not reply on specific programme/ campaign for creating awareness among disadvantaged communities.

**2.4.11.2** The Mission Director, BPSMS instructed (June 2011) to establish ‘May I Help You’ counters to provide information to citizens regarding services provided by Government in all the districts. These counters were to be utilised primarily to provide information regarding Bihar Right to Public Services Act to the citizen. Scrutiny of records in the test checked Districts revealed that ‘May I Help You’ counters were not set up in three<sup>16</sup> out of nine test checked districts.

**Recommendation:** *The GAD should ensure arrangement of fund and establishment of Help Counters in each districts for necessary awareness generation.*

#### **2.4.12 Mechanism for monitoring and redressal of grievances**

According to Rule 19 of RTPS Rules, the State Government shall introduce a system for centralised monitoring of the timely delivery of notified services, including service delivery through use of Information and Communication Technologies, and for monitoring various provisions of the Act. Accordingly, the Principal Secretary, GAD issued (February 2013) instructions to all DMs for:

- conducting surprise checks in offices of DPSs by senior officers of the district office organising monthly;
- meetings with all related officers/officials; and
- conducting raids to eliminate middlemen and send report to BPSMS.

During scrutiny of records, though all the three instructions were being followed by the offices of DPSs, the shortcomings noticed in grievance redressal mechanism of the services are discussed in the succeeding paragraphs:

##### **2.4.12.1 Shortcomings in appeal cases**

According to Section 6 of RTPS Act, any person whose application was rejected under sub-section (2) of section-5 or who was not provided the service within the stipulated time limit, may file an appeal to the Appellate Authority within thirty days from the date of rejection of application or the expiry of the stipulated time limit. Filing of such appeal shall be duly acknowledged by the Appellate Authority by providing signed receipt of the same. The DPS or the Applicant aggrieved by any order of the Appellate Authority, may make a second appeal within 60 days from the date of that order to the Reviewing Authority, who shall dispose off the appeal according to the prescribed procedure.

Scrutiny of records of BPSMS disclosed that 86 *per cent* first appeals were disposed off during 2013-15. The year wise disposal of appeals is given in the **Table 2.4.9** below:

<sup>16</sup> Muzaffarpur, Samastipur and Vaishali

**Table no.- 2.4.9**  
**Statement of year-wise filing and disposal of details of first appeal**

Year	No. of first appeals filed	Disposal of appeals	Percentage of disposal
2013-14	170599	114282	67
2014-15	535333	496346	93
<b>Total</b>	<b>705932</b>	<b>610628</b>	<b>86</b>

(Source: - Information provided by BPSMS)

However, the status of un-disposed cases of first appeal was yet to be intimated. BPSMS had not provided the data of second appeal to audit.

During exit conference (October 2015) the Principal Secretary, GAD stated that the issue would be analysed and necessary action would be taken.

#### **2.4.12.2 Non-documentation of disposed appeal cases**

According to Rule 17 of RTPS Rules, the DPS, Appellate Authority and Reviewing Authority shall maintain records of all the cases in the prescribed formats. During scrutiny of records, it was found that documentation of appeal cases was not done by 49 out of 64 (*Appendix-2.4.9*) test checked offices of DPS, Appellate Authorities and Reviewing Authorities.

#### **2.4.12.3 Non-recovery of penalty**

According to Section 7 of RTPS Act, where the Appellate Authority was of the opinion that the DPS had failed to provide services without sufficient and reasonable cause, then he/she may impose a lump sum penalty on Designated Public Servant. In cases where the Reviewing Authority was of the opinion that the Appellate Authority had failed to decide the appeal within the stipulated time limit without any sufficient and reasonable cause, then he/she may impose a penalty on Appellate Authority. Under Rule 8 of the RTPS Rules, the penalty shall not be less than ₹500 and not more than ₹5000. According to Rule 16(1) of RTPS Rules, the concerned authority shall cause to recover the penalty from the next salary/honorarium/remuneration of the Designated Public Servant or the Appellate Authority or officers and staff as decided by the Appellate/Reviewing Authority.

From the data provided by the BPSMS, the status of imposition of penalty and its recovery during 2013-15 was as provided in **Table no. 2.4.10** below:

**Table no.- 2.4.10**  
**Statement of year-wise penalty imposed and recovered**

Year	Penalty imposed (₹in lakh)	Penalty recovered (₹in lakh)	Percentage of recovery
2013-14	68.52	18.85	28
2014-15	86.00	7.35	9
<b>Total</b>	<b>154.52</b>	<b>26.20</b>	<b>17</b>

(Source: - Information provided by BPSMS)

From the above **Table no. 2.4.10** above, it was evident that ₹26.20 lakh only could be recovered against the imposed penalty of ₹154.52 lakh.

During exit conference (October 2015) the Principal Secretary, GAD stated that controlling offices would be directed to ensure that wherever penalties have been imposed following the proper procedure, recovery should be ensured as per provisions of the Act and Rules.

#### **2.4.13. Conclusion**

- Despite specified in the RTPS Act, the Education Department did not provide the notified services in the offices of nine test checked DEOs and two Universities.
- The Departments of Food & Consumer Protection, Revenue and Land Reforms and Social Welfare were lagging behind in providing timely delivery of notified services.
- Applications were rejected on insufficient grounds resulting in denial of services to common citizens.
- Incorrect depiction of applications in the database such as display of rejected applications for various services of two departments as accepted and pending applications as disposed off indicated the inadequacy in institutional arrangement for implementation of Act.
- The grievance redressal mechanism was inadequate as no documents regarding appeal cases were maintained in 49 out of 64 test checked offices of Designated Public Servants, Appellate Authorities and Reviewing Authorities. Recovery of penalty for delay in providing services was only 17 *per cent* of total imposed penalty.

## FINANCE DEPARTMENT

### 2.5 Follow up audit on “Information Technology Audit of General Provident Fund System”

#### 2.5.1 Introduction

A performance audit on ‘Information Technology audit of General Provident Fund System’ was included in the Report of the Comptroller & Auditor General of India (Civil) for the year ended 31 March 2010, Government of Bihar (GoB) for the period from 2005-06 to 2009-10. During performance audit, the records and data pertaining to *Bhavishyanidhi* (i.e. an application software prepared by National Informatics Centre Services Incorporated for maintenance of General Provident Fund (GPF) accounts of the All India Service officers posted in Bihar and officers/officials of the Bihar Government) maintained by Directorate of Provident Fund (DPF) under Finance Department (FD) was scrutinised. The following recommendations of the performance audit were accepted by the FD:

- Ensure preparation of the System Design Documentation and update;
- Establish through validation checks to ensure the integrity and reliability of all mandatory records and centralised database;
- Ensure establishment of an effective access control mechanism for allocation and prioritisation to access the information system; and
- Establish an effective Disaster Recovery and Business Continuity Plan.

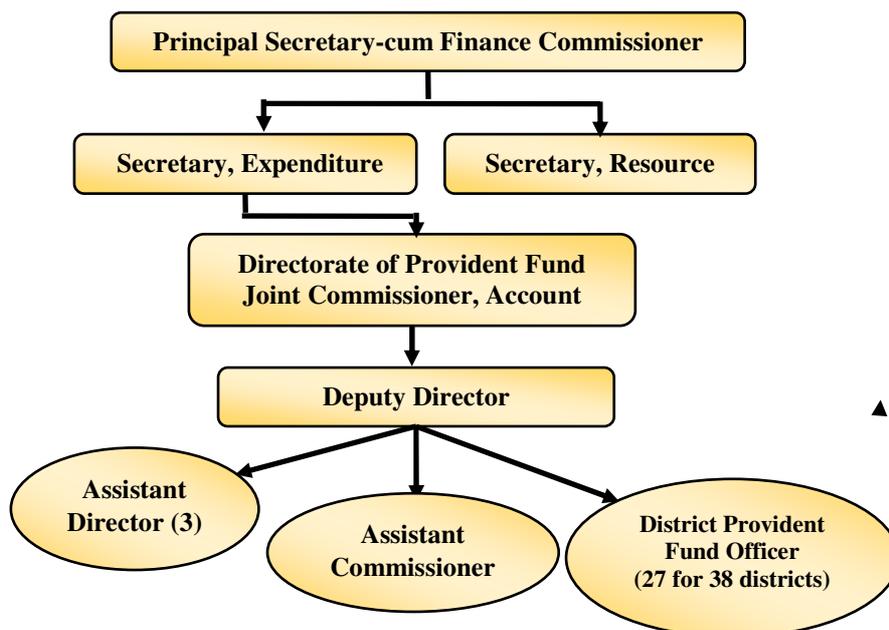
#### 2.5.2 Scope of audit and methodology

The main objective of conducting a follow-up audit was to assess the progress made towards implementation of the accepted recommendations of the previous performance audit by the audit entity.

Audit methodology included examination of records maintained by the Directorate of Provident Fund (DPF), collection of information from e-GPF system, web copies of subscribers etc. To ascertain the integrity and reliability of e-GPF data base, interest calculation sheets and Comprehensive Treasury Management Information System (CTMIS) sheets of three<sup>1</sup> District Provident Fund Officers (DPFOs) were test checked and IDEA was used as a tool for data analysis. The organisation set-up of Finance Department is given below:

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<sup>1</sup> *Madhubani, Motihari and Sitamarhi*



(Source:-Information downloaded from <http://e-gpf.bihar.govt.in>)

In order to explain the objectives of the follow-up audit, its methodology, scope and elicit departmental views, an entry conference was held in May 2015 with the Secretary, (Resource) FD, GoB. Exit conference was held with the Secretary, (Resource) and Secretary, (Expenditure) of the FD (September 2015) and their views were duly incorporated at appropriate places.

### 2.5.3 Business Rule Mapping

The DPFO was responsible for maintaining the GPF accounts of staffs posted in the concerned districts and works under the overall control and supervision of the DPF. The maintenance of such GPF accounts was done through the application software *Bhavishyanidhi* during 2005 to 2011. Drawing and Disbursing Officers in the respective government offices were responsible for deducting the GPF subscriptions from the salaries of the officers/officials and submission of an account of such deductions to the concerned treasury. Under *Bhavishyanidhi*, data entry of deductions/advances/withdrawals of the subscribers were manually done by the concerned DPFOs from 'Monthly Schedules' provided by the Treasury Officers.

Later, *Bhavishyanidhi* was replaced with e-GPF system developed by M/s Tata Consultancy Services Limited (TCS) in 2011. As mentioned in the System Requirement Specifications (SRS) the system would fetch the monthly contribution and advance details of the employees from CTMIS application. In case of non-availability of the said data from CTMIS, e-GPF system had to provide facility to capture the information.

### 2.5.4. Accepted recommendations and their compliance by the Department

A scrutiny of the e-GPF system now adopted by the DPF revealed the following deficiencies:

#### 2.5.4.1 Preparation of System Design Document

The System Design Document (SDD) describes the system requirements, operating environment, system and sub-system architecture, files and database design, input formats, output layouts, human-machine interfaces, detailed design, processing logic, and external interfaces of the IT application of e-GPF system.

During audit, it was noticed that SDD of IT application of e-GPF system prepared by the TCS was approved (November 2011) by the Bihar State Electronics Corporation Limited (BSEDC)<sup>2</sup>. However, as and when errors or contradictions were noticed in documents generated by the system, DPF approached the application developer of TCS for rectification. Thus, the DPF still remained dependent on the software provider for updation of the software.

During exit conference (September 2015), Secretary, FD (Expenditure), GoB stated that due to lack of capable personnel, modification/updation was being done by TCS only.

#### 2.5.4.2 Input control and validation checks

As per the accepted recommendation, the DPF was required to establish validation checks to ensure the integrity and reliability of all mandatory records and centralised database of the e-GPF system.

During course of audit, it was noticed that the e-GPF software had also have deficiencies as the database of this software was incomplete, inaccurate and accepting junk data entries. Further, DPF also failed to incorporate validation checks for accurate data entries as mentioned below:

##### *Inaccurate and junk data*

During analysis of 100,63,673 records of the e-GPF data base of 2010-15 following discrepancies were noticed:

- Out of 3,13,566 GPF accounts, 379 accounts showed only **comma (,)**, **V**, **ve**, **0000** etc instead of the relevant account number;
- Against the admissible rate of interest (eight to 8.6 *per cent* per annum) on GPF deposits during 2006-12, higher rate of interest (i.e. nine to 12 *per cent* per annum) was allowed in 116 GPF accounts as given in the **Table no.2.5.1** below:

**Table no.-2.5.1**

##### **Incorrect interest given to account holders**

Sl. No.	Period	Interest entitled (in <i>per cent</i> )	Interest given (in <i>per cent</i> )	No. of GPF accounts
1	1/1/2006 to 30/11/2011	8	9 to 12	111
2	1/12/2011 to 31/3/2012	8.6	9 to 12	5
<b>Total</b>				<b>116</b>

(Source: Data provided by Directorate of Provident Fund)

<sup>2</sup> State designated agency for execution of IT works in the departments of Government of Bihar.

The discrepancies indicated that adequate validation checks at the entry points were not developed and applied by TCS. Therefore, the data base of e-GPF were not reliable.

During exit conference (September 2015), Secretary, FD (Expenditure), GoB assured that action would be taken to ensure uniform pattern of GPF numbers. He further stated that cases of higher rate of interest allowed would be examined and intimated to audit at the earliest.

#### ***Incomplete and unreliable report generated by e-GPF***

Five reports i.e. Performance Monitoring Management Information System (MIS) Reports, Financial MIS Reports, Contribution MIS Reports, View PDF Reports and Diary MIS Reports were generated by the e-GPF system to monitor the functions of the DPF. Scrutiny of reports of e-GPF and CTMIS reports in three test checked DPFs, revealed that:

- Closing balances of 77 out of 429 subscribers for the period 2011-15 were shown as minus figures. It indicated that the data base of e-GPF were incomplete (***Appendix-2.5.1***).
- A comparison of CTMIS data and e-GPF data pertaining to 60 out of 429 test checked records of 2013-15 revealed that the amount of data of both the systems were not the same. (***Appendix-2.5.2***).

It was also noticed that the subscriber's accounts in test checked districts kept in e-GPF were not updated for the periods ranging from 2010-11 to 2014-15 in 70 out of 429 test checked records (***Appendix-2.5.3***). It indicated that the data base of CTMIS were not automatically transferred to e-GPF as claimed by the DPF.

During exit conference, Secretary, FD (Expenditure), GoB stated that missing entries of few subscribers for few years led to unreliable data in subsequent years and efforts were on to resolve the issue. The Secretary also stated that there was no bridge between CTMIS system and e-GPF system and every month, dump data were taken from CTMIS and uploaded in e-GPF system.

Reply of the Department was not in consonance with facts as the Chief Secretary GoB stated (April 2013) that all the data regarding contribution/recoveries was automatically transferred from pay bill i.e. CTMIS to e-GPF system.

#### **2.5.4.3 Application Control**

During audit in three test checked districts, it was noticed that application control mechanism was not adequately developed in the software of TCS. During 2011-15 the following discrepancies were noticed:

- During 2011-15, 48 out of 429 subscribers were allowed refundable and non-refundable advances amounting to ₹ 1.19 crore in excess of their entitlement (***Appendix-2.5.4***).
- During 2013-15, out of 429 subscribers, final withdrawals of ₹ 88.78 lakh were sanctioned to 19 subscribers against available balance of ₹ 24.06 lakh in their GPF accounts as shown in the data base of e-GPF (***Appendix-2.5.5***).

- The GPF accounts of three (Sitamarhi) out of 429 test checked subscribers had balances ₹ 5.79 lakh in their respective accounts despite final withdrawals by the subscribers (**Appendix-2.5.6**).
- Data entries were allowed at both ends i.e. CTMIS (from pay bills) and e-GPF (collateral evidences), which resulted in non-reconciliation of the entered data.
- Subscriptions from pay bills and advances on the basis of Drawing and Disbursing Officers (DDO) records were drawn from the CTMIS without taking into account as shown in the balances e-GPF system resulting in unreconciled GPF balances.

It was evident from the aforesaid facts that the access control mechanism was not fully developed in the e-GPF system.

During exit conference, Secretary, FD (Expenditure), GoB stated that the matter would be examined to identify the deficiencies in the system.

#### **2.5.4.4 Disaster Recovery and Business Continuity Plan**

Scrutiny disclosed that despite acceptance of the audit recommendation, the department had not yet initiated any action to establish Disaster Recovery and Business Continuity Plan.

During exit conference, the Secretary, FD (Expenditure), GoB intimated that space had been provided by the National Data Centre at New Delhi for back up of data, which would be utilised shortly as Disaster Recovery Centre.

#### **2.5.4 Conclusion**

The follow-up audit disclosed that the accepted recommendations of the previous Performance Audit was yet to be followed by the DPF as the shortcoming noticed earlier were still not addressed as detailed below:

- Though the DPF approved the System Design Document of e-GPF system, it was still dependent on the software developer for updation of data in the system;
- The new e-GPF system developed by the software developer did not contain sufficient validation checks and input controls resulting in generation of incomplete and unreliable data by the system;
- As the Access Control Mechanism was inadequate, the system allowed various discrepancies in database; and
- Disaster Recovery and Business Continuity Plan was not yet established by the DPF.