

# **OVERVIEW**



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This Report comprises three Chapters: the first Chapter contains the financial profile of the State, planning and conduct of audit and follow-up on Audit Reports. Second Chapter of this Report deals with the findings of five Performance Audit reviews including one Thematic Audit and one Follow-up Audit and third Chapter deals with Compliance Audit in the various Departments. The Audit findings included in the Performance Audits, Thematic audits/Follow-up audit and Compliance Audit paragraphs in this Report have total money value of ₹ 6299.22 crore.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling as well as risk based judgmental sampling. The specific audit methodology adopted has been mentioned in each Performance Audit. The audit conclusions have been drawn and recommendations have been made taking into consideration the views of the Government. A summary of main audit findings is presented in this overview.

### 1. Performance Audit of programmes/activities/Departments

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

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.

Due to inadequate antenatal care and shortage of gynecologists in health care units nearly half of the pregnant women opted for home delivery. Maternal Mortality Rate was 208 against the targeted rate of 100 out of 1,00,000 pregnant women.

Referral Hospitals (RHs), Primary Health Centres (PHCs) and Health Sub-centres (HSCs) required in the State were 923, 3077 and 18,460 respectively. However, the State had only 70 RHs, 1883 PHCs and 9729 HSCs.

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

Sanctioned strength of Medical Officers/Specialist Medical Officers (MOs) in the State was 12,178 against which MOs posted were only 5212. The required number of Auxiliary Nurse and Midwives (ANM)/Staff Nurse in the State was 29,582 against which 20,917 were posted.

*(Paragraphs 2.1)*

#### (ii) Working of Building Construction Department

The objective of Building Construction Department (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.

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.

Bill of Quantities of seven works under four works divisions were prepared by BCD at higher rates resulting in excess payment of ₹8.32 crore.

There was cost overrun of ₹158.12 crore in 11 test-checked works due to delay in according Technical Sanction by Chief Engineer (Design).

BCD did not have adequate technical manpower for implementation of construction works as against 24 sanctioned posts of Superintending Engineers (SE) and 496 posts of Junior Engineers (JE), the BCD had only 11 SEs and 170 JEs.

*(Paragraphs 2.2)*

### **(iii) Accelerated Irrigation Benefits Programme**

Accelerated Irrigation Benefits Programme (AIBP) was launched in 1996-97 by the Government of India (GOI) to provide central assistance (CA) to Major and Medium irrigation projects of the state.

Due to failure of the Water Resources Department to spend the earmarked funds of AIBP and to submit the claim in time, only seven *per cent* of Central Assistance could be received from GoI.

Despite an expenditure of ₹2849.15 crore, four out of five test-checked projects under AIBP remained incomplete due to non-acquisition of land, delay in forest clearance, pending rehabilitation work and non-payment to farmers.

The delay led to cost overrun and time overrun in all the test checked projects under implementation.

*(Paragraphs 2.3)*

### **(iv) Thematic Audit of “Implementation of Bihar Right to Public Services Legislation”**

Government of Bihar had implemented the Bihar Right to Public Services (RTPS) Act from 15 August 2011 in the State.

Fifty one notified services including major services *viz.* issue of Caste, Income, Residential, Character Certificate, Social Security Pension, Mutation, Land Possession Certificate and Registration services etc. pertaining to nine departments *viz.* Commercial Taxes, Food and Consumer Protection, General Administration Department, Home, Education, Registration Excise and Prohibition, Revenue and Land Reforms, Social Welfare and Transport were being covered under the Act.

The thematic audit of RTPS disclosed that the notified services such as distribution of scholarships, results and mark sheets after publication by Bihar School Examination Board, correcting and re-totaling of mark sheets, migration certificates etc. under Education Department were not being provided in the offices of nine test checked District Education Officers and two Universities.

Food & Consumer Protection, Revenue and Land Reforms and Social Welfare Departments could dispose off only 27 to 61 *per cent* of applications in time due to inadequate manpower.

*(Paragraphs 2.4)*

**(v) Follow up audit on “Information Technology Audit of General Provident Fund System”**

The accepted recommendations of the PA included in the Audit Report for the year ended March 2010 were yet to be implemented by the Directorate of Provident Fund (DPF).

Against the recommendation for ensuring preparation of System Design Documentation and Updation, it was noticed that though the DPF approved the System Design Document of newly developed e-GPF system, it was still dependent on the software developer for updation of data.

Despite accepting the recommendation to establish through validation checks, the integrity and reliability of all mandatory records and centralised database, it was observed that the e-GPF system did not contain sufficient validation checks and input controls resulting in generation of incomplete and unreliable data by the system.

Against the recommendation to ensure establishment of an effective access control mechanism, it was noticed that the system allowed various discrepancies including withdrawals in excess of subscription.

Despite being accepted, the recommendation to establish an effective Disaster Recovery and Business Continuity Plan was not yet implemented.

*(Paragraphs 2.5)*

**2. Compliance Audit Findings**

Audit observed significant deficiencies in critical areas, which impact the effectiveness of the State Government. Some important findings arising out of Compliance Audit (12 paragraphs) are featured in the Report. The major observations relate to non-compliance with rules and regulations, audit against propriety and cases of expenditure without adequate justification and failure of oversight/governance. Some of them are mentioned below:

- Due to non installation of separate meters in 83 staff quarters of Beur Jail, Patna and supply of electric energy from High Tension connections for domestic use coupled with consumption of excess Contract Demand resulted in avoidable expenditure of ₹1.12 crore.

*(Paragraphs 3.1)*

- The purchase and installation of solar street lights by the DPOs, Darbhanga and Khagaria at higher rate than finalised by BREDA resulted in excess expenditure of ₹ 7.01 crore.

*(Paragraphs 3.2)*

- Rural Works Division, Purnea failed to prepare Detailed Project Reports for bridges while constructing roads between Sahangawn to Tiarpara under PMGSY. State Technical Agency and Bihar Rural Road Development Agency also failed to notice this omission. As a result, the roads constructed at a cost of ₹4.15 crore remained unconnected across the rivers since September 2013 rendering the expenditure unfruitful.

***(Paragraphs 3.3)***

- Commencement of work without ensuring encumbrance-free land resulted in foreclosure of the work, defeated the objective of providing all-weather connectivity to the schedule caste habitation and wasteful expenditure of ₹83.60 lakh.

***(Paragraphs 3.4)***

- Injudicious provision of lead in procurement of Minor Minerals in construction of five roads under Pradhan Mantri Gram Sadak Yojna resulted into an avoidable expenditure of ₹2.01 crore and loss to the Government to that extent.

***(Paragraphs 3.5)***

- The amount of ₹4.42 crore spent on preparation of six Detailed Project Reports (DPRs) became infructuous as Dwelling Units could not be constructed at the allotted sites due to encroachment and the Department did not take effective steps to provide hindrance-free sites for construction.

***(Paragraphs 3.6)***

- Non adherence to the provision of Bihar Financial Rules, lack of monitoring by the District Programme Officers (DPOs) and non-adjustment/non recovery of fund from the Head Masters/Secretary, VSS led to irregular retention of ₹2.72 crore in seven DPOs.

***(Paragraphs 3.7)***

- Lack of monitoring by District Agriculture Officer led to fraudulent payment of subsidy of ₹2.29 crore to farmers against fake invoices presented by them for procurement of tractors.

***(Paragraphs 3.8)***

- Non-adherence to the provisions of the Bihar Agriculture Produced Market Regulation, 1975 and failure of the Special Officer-cum-Sub Divisional Officer in checking the daily collection of receipts and their deposit in the bank account resulted in defalcation of the Government money amounting to ₹50.40 lakh.

***(Paragraphs 3.9)***

- Due to injudicious decision of curtailing the boulder revetment work recommended by Anti Erosion Committee before flood 2010, the Government incurred a wasteful expenditure of ₹1.18 crore.

***(Paragraphs 3.10)***

- Due to irregular inclusion of service tax (ST) in the estimate by the Chief Engineers, in violation of GoI notification of exemption of ST, resulted in avoidable excess payment of ₹11.23 crore to the contractor.  
*(Paragraphs 3.11)*
- Non-adherence to the provisions of the resolution of Sugarcane Development Department led to inadmissible re-imburement of central excise duty amounting to ₹5.85 crore.  
*(Paragraphs 3.12)*