



**Report of the  
Comptroller and Auditor General of India  
on  
General, Social and Economic Sectors  
for the year ended 31 March 2018**



लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest



**Government of Bihar**  
*Report No. 1 of the year 2020*



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## TABLE OF CONTENTS

DESCRIPTION	Reference to	
	Paragraphs	Page/ Remarks
Preface		v
Overview		vii
<b>CHAPTER-I</b>		
<b>INTRODUCTION</b>		
About this Report	1.1	1
Auditee Profile	1.2	1
Response of the Government to Inspection Reports	1.3	1
Response of the Government to significant audit observations (Performance Audits/Compliance Audit Paragraphs)	1.4	2
Response of the Government and auditee units during the conduct of Performance audit/Compliance audit	1.5	3
Follow-up on Audit Reports	1.6	4
Recoveries at the instance of Audit	1.7	4
Status of placement of Separate Audit Reports of Autonomous Bodies in the State Legislature	1.8	5
<b>CHAPTER-II</b>		
<b>PERFORMANCE AUDIT</b>		
<b>HEALTH DEPARTMENT</b>		
Medical Education in Bihar	2	7
<b>CHAPTER-III</b>		
<b>COMPLIANCE AUDITS</b>		
<b>PANCHAYATI RAJ DEPARTMENT &amp; URBAN DEVELOPMENT AND HOUSING DEPARTMENT</b>		
Implementation of Recommendations and Utilisation of Fourteenth Finance Commission grants by Local Bodies	3.1	39
<b>ROAD CONSTRUCTION DEPARTMENT</b>		
Maintenance of roads under Long Term Output and Performance-based Road Assets Maintenance Contract (OPRMC) Phase-1	3.2	65
<b>SCHEDULED CASTES &amp; SCHEDULED TRIBES WELFARE DEPARTMENT AND RURAL DEVELOPMENT DEPARTMENT</b>		
Fraudulent withdrawal	3.3	73

DESCRIPTION		Reference to	
		Paragraphs	Page/ Remarks
<b>SOCIAL WELFARE DEPARTMENT</b>			
Loss to the Government		3.4	74
<b>WATER RESOURCES DEPARTMENT</b>			
Excess payment to contractor		3.5	76
<b>BACKWARD CLASSES AND EXTREMELY BACKWARD CLASSES WELFARE DEPARTMENT</b>			
Unfruitful expenditure		3.6	77
<b>EDUCATION DEPARTMENT</b>			
Unfruitful expenditure on AADHAAR enabled child record digitization		3.7	79
<b>ENERGY DEPARTMENT</b>			
Additional burden on State Exchequer		3.8	81
<b>URBAN DEVELOPMENT AND HOUSING DEPARTMENT</b>			
Misappropriation of municipal revenue		3.9	83
Fraudulent payment		3.10	84
Inadmissible payment of Electricity duty		3.11	86
Willful negligence resulting in loss on purchase of dustbin/wastebins		3.12	87
<b>APPENDICES</b>			
1.1	Statement showing Outstanding Inspection Reports/Paragraphs	1.3	91
1.2	Statement showing various types of irregularities in outstanding paragraphs of Inspection Reports	1.3	92
1.3	Status of Audit Memos relating to Performance Audits/Compliance Audit Paragraphs for the Audit Report ending March 2018	1.5	93
1.4	Statement showing status of placement of Separate Audit Reports of Autonomous Bodies in the State Assembly	1.8	94
2.1	List of units selected for Performance Audit	2.6	95
2.2	Status of construction of 126 institutes under <i>Saat Nischay</i>	2.7.1.6	96
2.3	Increase of postgraduate seats under Centrally Sponsored Scheme	2.7.2.1	101

DESCRIPTION		Reference to	
		Paragraphs	Page/ Remarks
2.4	College wise statement of seat utilised during 2013-18	2.7.4	103
2.5	Sanctioned strength and availability of teaching and non-teaching staff	2.8.1	104
2.6	Teaching Hours of test-checked Medical Colleges	2.8.1.1	106
2.7	Details of insufficient infrastructure in test-checked medical institutions	2.8.2	
A	Medical Colleges		108
B	Dental Colleges		109
C	AYUSH Colleges		110
D	GNM Schools		110
E	ANM Schools		112
2.8	Shortage of equipment in medical colleges	2.8.4	115
2.9	Rural Internship/community Health Nursing Program	2.8.5	116
2.10	Financial irregularities in construction/management of medical institutes	2.9	118
2.11	Excess selection/nomination of candidates than that of approved intake capacity of INC	2.10.5	125
3.1 (A)	Statement showing list of selected units (PRIs)	3.1.4	126
3.1 (B)	Statement showing list of selected units (ULBs)		126
3.2	Status of implementation of the recommendations by the State	3.1.6	127
3.3	Statement showing construction of PCC road without drain under MMNY	3.1.9.3	135
3.4	Statement showing serious irregularities noticed during physical verification of works	3.1.11	136
3.5	Delay in obtaining Technical Sanction	3.2.3.1	138
3.6(A)	Non-compliance of MORTH specification for service level (Buxar Road Division)	3.2.3.2	139

DESCRIPTION		Reference to	
		Paragraphs	Page/ Remarks
3.6 (B)	Non-compliance of MORTH specification for service level (Sahabad Road Division)	3.2.3.2	139
3.7	Award of contract at higher rate than the actual threshold limit	3.2.3.3	140
3.8	Excess payment on Road Marking work	3.2.3.5	141
3.9	Excess payment on PM work	3.2.3.6	142
3.10	Irregular payment on PM work	3.2.3.7	143
3.11	Avoidable payment on DLP roads under item no. 2.1 of IR	3.2.3.8	144
3.12	Irregular payment on emergency work	3.2.3.9	146
3.13	Statement showing loss of interest to Govt. due to change in sweep bank accounts to saving accounts	3.4	147
3.14	Details of additional expenditure made due to carriage of boulder through road instead of rail	3.5	150
3.15	Loss on purchase of dustbin/wastebin	3.12	151



## **PREFACE**

This Report for the year ended March 2018 has been prepared for submission to the Governor of Bihar under Article 151 of the Constitution of India.

This Report contains significant results of the performance audit and compliance audit of the departments of the Government of Bihar under the General, Social and Economic Sector Services.

The instances mentioned in this Report are those which came to notice in the course of test-audit for the period 2017-18 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports. Instances relating to the period subsequent to 2017-18 have also been included, wherever necessary, giving updated position. The audit observations contained in this Report are based on a limited test-check. The State Government is required to review the functioning of all departments to ensure that similar instances do not exist.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.





**OVERVIEW**



## OVERVIEW

This Report of the Comptroller and Auditor General of India on the General, Social and Economic sectors for the year ended 31 March 2018 includes findings on one performance audit of ‘Medical Education in Bihar’, two long paragraphs on ‘Implementation of Recommendations and Utilisation of Fourteenth Finance Commission grants by Local Bodies and Maintenance of roads under Long Term Output and Performance-based Road Assets Maintenance Contract (OPRMC) Phase-1’, and 10 compliance audit paragraphs on Government departments. A summary of the important audit findings is given below.

### Performance Audit

## 2. Medical Education in Bihar

### *Introduction*

Government of India on the recommendations of Medical Council of India (MCI) grants permission and recognitions to start new medical colleges and to increase intake capacity for under graduate (MBBS), post graduate (MD/MS/ Diploma) and super specialty (DM/M.Ch.) courses. Similarly, Dental Council of India (DCI), Central Council of Homeopathy (CCH), Central Council of Indian Medicine (CCIM) and Indian Nursing Council (INC) regulate dental colleges, homeopathy colleges, Ayurvedic/Unani and nursing institutes respectively. These regulatory bodies prescribe norms related to number of seats, curriculum, infrastructure *etc.*, for establishment and running of medical institutes.

Bihar is the third most populous state in India accounting for 8.6 *per cent* of the total population of the country. The national average of governmental doctor-nurse-midwife population ratio is 221 for one lakh population against which the State’s average was just 19.74. As per NITI Aayog, Bihar was placed at lowest ranking in key inputs/processes domain which relates to availability of health systems, service delivery, accreditation *etc.* and third lowest in health outcomes domain which includes Still Birth Rate, Neonatal Mortality Rate, Under five Mortality Rate, Maternal Mortality Ratio (MMR), Total Fertility Rate (TFR), Low Birth Rate, Sex Ratio at Birth, immunisation coverage, institutional deliveries, tuberculosis cases and treatment success rate and HIV patients.

*(Paragraphs 2.1 and 2.3)*

### *Audit findings*

#### *Planning for capacity enhancement*

The Twelfth Five Year Plan document envisaged a desirable density for physicians, AYUSH doctors, dentist and nurses per one lakh population against which the vacancies in Bihar ranged from 0 *per cent* to 92 *per cent*. Audit observed that against construction of 12 medical colleges (including one dental college) taken up during 2006-07 to 2016-17 under State Plan, Centrally Sponsored scheme

and *Saat Nischay*, only two medical colleges became functional till 2018 due to absence of effective planning. Construction of only two nursing institutes could be completed till 2018 against the planned 61 (total 126 nursing institutes till 2020-21). Government of Bihar did not make effective efforts to increase seats of existing medical colleges.

***(Paragraph 2.7)***

### ***Shortage of teaching and non-teaching staff***

Shortage of teaching and non-teaching staffs in all streams of medical education ranged from six to 56 *per cent* and eight to 70 *per cent* respectively against the prescribed norms.

***(Paragraph 2.8.1)***

### ***Shortfall in teaching hours***

In five medical colleges shortfall in actual teaching hours ranged between 14 to 52 *per cent* against the stipulation of MCI. Shortfall in teaching hours was attributable to shortage of faculties.

***(Paragraph 2.8.1.1)***

### ***Insufficient infrastructure in medical, AYUSH and nursing colleges***

According to norms, a minimum level of infrastructure *viz.* library with sufficient number of books and journals; seating capacity; laboratories with sufficient space and facilities; lecture hall/demonstration room equipped with audio visual aids and sufficient seating capacity; hostel facilities *etc.*, is required. Significant deficiencies in infrastructure (classroom, library, laboratory, hostels *etc.*) *vis-à-vis* norm of regulatory bodies were noticed during joint physical verification, which created an environment not conducive to academic pursuit.

***(Paragraph 2.8.2)***

### ***Equipment in medical colleges***

In test-checked five medical colleges shortage of medical equipment ranged between 38 to 92 *per cent* in 20 test-checked departments of medical colleges during 2017-18. There was shortage in all types of equipment in two departments of IGIMS Patna, eight departments of GMC Bettiah and one department of DMC Darbhanga. Further, Audit observed instances of equipment lying idle or out of order for a period ranging from one to nine years. The machines were idle or out of order as there was unavailability of technical manpower to operate machines and effective steps not taken for repairing.

***(Paragraph 2.8.4)***

### ***Rural internship***

Students of medical colleges as well as nursing institutes were not adequately exposed to rural internship during 2013-18 as per norms.

***(Paragraph 2.8.5)***

### ***Financial management***

The Government provides funds for medical education under plan and non-plan heads to the institutes for their functioning. In addition, funds for creation of infrastructure and procurement of equipment were provided to Bihar Medical Services & Infrastructure Corporation Limited (BMSICL) / Bihar Rajya Pul Nirman Nigam Limited (BRPNNL). It was observed that only 75 per cent amount was spent under plan head during 2013-18 which is attributable to poor progress of construction works taken up under different schemes of State Government.

Audit scrutiny of records of construction of Vardhman Institute of Medical Science, Pawapuri and Medical College at Madhepura and supply of manpower for security, cleaning and house-keeping purposes in the four test-checked colleges of Bettiah and Patna during October 2012 to March 2017 revealed that non-adherence to the clauses of the contract agreement and relevant rules resulted in excess payments/ inadmissible payment to the tune of ₹78.47 crore. Executing agencies charged excess centage of ₹21.41 crore.

Audit observed that ₹7.35 crore was paid to consultants and it was charged to work expenses and not met from centage, resulting in loss to the State exchequer.

Further, audit also noticed instances of non-submission of DC bills of ₹7.30 crore pending since one to 12 years and absence of provision for accounting of bond money taken from students who left the postgraduate course midway.

***(Paragraph 2.9)***

### ***Monitoring and supervision***

Deficient monitoring and supervision of the Department and medical institutes were noticed which resulted in irregular admission, admission on false marksheets, admission through fraudulent practices, irregular admission on beyond sanctioned seats in Patna Medical College (PMC), Patna and Government Ayurvedic College (GAC) Begusarai and non-formulation of rules/regulations for implementation of the Bihar Combined Entrance Competitive Examination (BCECE) Act, 1995.

***(Paragraph 2.10)***

## **Compliance Audits**

### **3.1 Implementation of Recommendations and Utilisation of Fourteenth Finance Commission grants by Local Bodies**

The Fourteenth Finance Commission (FFC) was constituted in January 2013 to make recommendations on specified aspects of Centre-State fiscal relations for the award period 2015-20 and that had submitted its report on 15 December 2014. The FFC was mandated to recommend measure needed to augment

the Consolidated Funds of the States to supplement the resources of Local Bodies (LBs) based on the recommendations of the respective State Finance commission.

***Status of implementation of recommendations of FFC***

Of the total 28 recommendations, 19 were to be implemented by States, six by the Government of India (GoI) while three were to be implemented by both the State and the Government of India (GoI). The GoB had implemented only two recommendations fully out of 22 recommendations related to States.

***(Paragraph 3.1.6)***

***Planning***

Planning was inadequate as the District Planning Committee (DPC) did not prepare district plan by consolidating plans of GPs and Municipalities for the period 2015-18. The Gram Panchayat Development Plan (GPDP) for the year 2017-18, by converging the resources including the technical inputs of other rural sector programmes implemented by other departments/agencies in rural areas, was not prepared.

***(Paragraph 3.1.7.1)***

***Financial Management***

GoB received entitled Basic Grants (BG) of ₹9,041.65 crore for GPs while received BG of ₹1,011.97 crore for municipalities against entitled amounts of ₹1,023.36 crore for the period 2015-18. GoB could not receive Performance Grant (PG) of ₹878.56 crore for the period 2016-18 for GPs due to non-fulfillment of mandatory conditions.

***(Paragraph 3.1.8.1)***

There were delays of 11 to 261 days in transferring of grants to GPs for the years 2015-18 while there were delays of 21 to 39 days in transferring funds to municipalities for the year 2015-16 (first instalment) only which created liability of ₹37.91 crore for the State in the form of interest payable to LBs. The PRD paid penal interest of ₹8.12 crore to GPs for belated release of first instalment of BG for the year 2015-16.

***(Paragraph 3.1.8.1)***

Delay in submission of UCs (regarding release of grants to LBs) by the State to GoI for 17 to 147 days led to delay in release of subsequent instalments of grants by the GoI. The State did not obtain UCs of ₹4,621.85 crore from LBs for the grants released during 2015-17. GoB submitted UCs to GoI for full amounts of grants received during 2015-18 wherein it was shown that amounts were released on time while grants were released with delays and full amounts were not released to LBs.

***(Paragraph 3.1.8.2)***

The State as well as the LBs did not take effective steps (especially for GPs) for mobilisation of revenue from own sources. Instances of non-drawal of grants



from Treasury, non-utilisation of grant at different level (GPs, Wards, ZPs, Municipalities etc.) were noticed.

*(Paragraphs 3.1.8.2, 3.1.8.3 and 3.1.8.4)*

### ***Execution of Works***

Irregular payment of ₹3.15 crore for acquisition of land for landfills site by Nagar Parisad (NP) Siwan. Besides, cases of splitting up of works and cases of irregularities in purchase of High Mast Lights were also noticed.

The progress of works under *Mukhya Mantri Nischaya Yojana* (MMNY) was not satisfactory as only 15 and 24 *per cent* of works were completed in test checked GPs and Municipalities respectively. At the State level only nine to 41 *per cent* works were completed.

*(Paragraph 3.1.9)*

### ***Manpower***

There was acute shortage of manpower at all levels of PRIs and municipalities. Panchayat Secretary is the sole person to see all the affairs at GP level but 56 *per cent* of the posts were vacant at State level while 62 *per cent* posts were vacant in test checked municipalities of the State.

*(Paragraph 3.1.10.3)*

### ***Findings of physical verification***

During joint physical verification instances of fake booking of measurement book, works shown executed in the records were not found done, less quantity of works was found done in commensurate with payment for the same etc.

*(Paragraph 3.1.11)*

### ***Lack in coordination for implementation of MMNY by GPs***

Authorities and Committees authorised to supervise, coordinate and facilitate the implementation of FFC recommendations were inadequate as Support cell was not constituted while *Lok Nirman Samiti* and Vigilance Committee at GP level were not involved in monitoring and supervising the progress of works.

*(Paragraph 3.1.12.3)*

## **3.2 Maintenance of roads under Long Term Output and Performance-based Road Assets Maintenance Contract (OPRMC) Phase-1**

The Bihar Road Assets Maintenance Policy 2013 for maintenance and repairs of road assets adopted OPRMC system in place of existing system of input based contract. Scrutiny disclosed that the items of works to be executed and the timeline for their execution in respect of Initial Rectification (IR) and Periodic Maintenance (PM) works were indicated by the employer (RCD) under the contract. It indicated that the old system for maintenance of roads under input-based contracts still continued under output-based contracts (OPRMC).

Reports of service-level test under Road Division, Buxar and Shahabad Road Division, Ara revealed that findings of International Roughness Index (IRI) value in respect of service level were more than the permissible level (3500 IRI) in certain sections of the roads, thereby indicating non-achievement of desired service level of road to the road users.

Further, works valued at ₹424.67 crore were started without obtaining Technical Sanction (TS) in 13 packages under the test-checked divisions. An excess payment of ₹3.57 crore was made on the road marking work under three packages in Road Division, Madhubani and an excess payment of ₹99.05 lakh was made on PM work under Road Division, Motihari and Road Division, Sitamarhi. Besides an avoidable payment of ₹92.72 lakh was made under IR works in those roads which were already in DLP in four test-checked divisions apart from irregular payment of ₹3.38 crore on PM work under four test-checked divisions and ₹86.28 lakh on emergency work in two test-checked divisions.

### **Audit Paragraphs**

Audit observed significant deficiencies in critical areas, which impact the effectiveness of the State Government. Some important findings arising out of Compliance Audit (10 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 as mentioned below:

- Failure to adhere to financial rules led to defalcation of ₹ 2.89 crore.  
*(Paragraph 3.3)*
- Imprudent decision of Women Development Corporation to switch from sweep account to savings bank account led to loss of ₹5.15 crore to the Government.  
*(Paragraph 3.4)*
- Irregular sanction of lead by road, in place of rail, led to excess payment of ₹12.04 crore.  
*(Paragraph 3.5)*
- Due to negligence by respective District Welfare Officers in taking over the completed hostel building by the respective Building Divisions, the original construction and amount incurred later, on renovation of hostel buildings amounting to ₹3.47 crore was rendered unfruitful.  
*(Paragraph 3.6)*
- Due to the decision of the Education Department to discontinue with AADHAAR enabled child record digitisation, expenditure of ₹1.98 crore became unfruitful.  
*(Paragraph 3.7)*

- Action of Bihar Renewable Energy Development Agency (BREDA) to execute agreement with the agency without taking Performance Guarantee (PG) and not taking any legal action to recover PG led to additional financial burden of ₹5.93 crore on State exchequer due to re-tendering. Further, BREDA could not recover the PG of ₹2.94 crore from the agency.

***(Paragraph 3.8)***

- Misappropriation of ₹85.45 lakh due to lack of supervision, reconciliation of accounts of the Municipality by the Executive Officer and mismanagement of municipal revenue.

***(Paragraph 3.9)***

- Deliberate omission of rate quoted by the lowest tenderer while evaluating financial bid for procurement of LED lights by Nagar Parishad, Arwal resulted in excess and avoidable payment of ₹50.33 lakh.

***(Paragraph 3.10)***

- Failure of Municipal Corporations to avail exemption of Electricity Duty resulted in an inadmissible payment of ₹5.14 crore during March 2014 to August 2018.

***(Paragraph 3.11)***

- Non-observance of financial provisions and irregularities in negotiating the procurement of dustbins/wastebins by two Urban Local Bodies resulted in loss of ₹6.98 crore.

***(Paragraph 3.12)***





**CHAPTER-I**  
**INTRODUCTION**



## CHAPTER-I INTRODUCTION

### 1.1 About this Report

This report relates to matters arising from the performance audit of selected programmes and activities and compliance audit of departments under General, Social and Economic Sectors of the Government of Bihar.

Performance audit is an independent assessment/examination of the extent to which an organisation, programme or scheme operates economically, efficiently and effectively. Performance is examined against suitable criteria and the causes of deviations from those criteria are analysed.

Compliance audit refers to the examination of transactions relating to expenditure, receipts, assets and liabilities of Government to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the competent authorities are being complied with.

The primary purpose of this report is to bring to the notice of the Legislature, audit findings of significant materiality in respect of performance and compliance audits conducted during 2017-18. The audit findings are expected to enable the executive to take corrective actions as also to frame policies and directives that will lead to improved financial management of the organisations, thus contributing to better governance and improved public service delivery.

This Report comprises three chapters. This chapter provides a brief analysis on the expenditure of the departments and responses of Government to the Audit Inspection Reports/Audit Reports and action taken on them. Chapters II and III present detailed findings and observations on the performance and compliance audits conducted during 2017-18.

### 1.2 Auditee profile

There are 44 departments in the State, out of which 39 departments pertain to General, Social and Economic sectors. During 2017-18, against the total budget of ₹1,87,344.00 crore, the State incurred total expenditure of ₹1,40,947.00 crore. Out of this, total expenditure of ₹1,28,832.88 crore against the budget of ₹1,83,723.78 crore pertained to 39 departments under General, Social and Economic sectors.

### 1.3 Response of the Government to Inspection Reports

The Principal Accountant General (Audit), Bihar conducts periodical inspection of Government Departments by test-check of transactions and verifies the maintenance of important accounting and other records as per the prescribed rules and procedures. These inspections are followed by issue of Audit Inspection Reports (IRs) to the head of the office with request to furnish replies within four weeks. When irregularities, etc., detected during audit inspection are not settled

on the spot, these IRs are issued to the heads of offices inspected, with copies to next higher authorities.

Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations pointed out in these Inspection Reports are processed for inclusion in the Audit Reports of the Comptroller and Auditor General of India, which are submitted to the Governor of Bihar under Article 151 of the Constitution of India.

During 2017-18, Compliance Audits of 651 Drawing and Disbursing Officers (DDOs) of the State and three autonomous bodies were conducted by the office of the Principal Accountant General (Audit), Bihar.

Serious irregularities are also brought to the notice of the heads of the departments by the office of the Principal Accountant General (Audit), Bihar through a half yearly report of pending IRs.

A detailed review of the IRs issued to 3,018 DDOs up to September 2017 pertaining to 38 departments revealed that 50,367 paragraphs having financial implication of about ₹2,81,420.43 crore relating to 7,760 IRs remained outstanding at the end of 31 March 2018 as shown in **Table 1.1**. The year-wise position of outstanding IRs/paragraphs and types of irregularities is detailed in **Appendix 1.1** and **Appendix 1.2** respectively.

**Table 1.1**  
**Outstanding Inspection Reports/Paragraphs**

Sl. No.	Period	No of outstanding IRs (per cent)	No of outstanding paras (per cent)	Amount involved (₹ in crore)
1	Less than one year	544 (7)	4,984 (10)	39,964.79
2	1 year to 3 years	2,845 (37)	20,263 (40)	1,22,655.75
3	More than 3 years to 5 years	1,459 (19)	9,320 (19)	72,352.98
4	More than 5 years to 8 years	2,912 (37)	15,800 (31)	46,446.91
	<b>Total</b>	<b>7,760</b>	<b>50,367</b>	<b>2,81,420.43</b>

During 2017-18, 60 Audit Committee meetings were held in which only 144 paragraphs were settled.

The departmental officers failed to take action on observations contained in outstanding IRs within the prescribed time frame resulting in erosion of accountability.

**It is recommended that the Government may look into the matter to ensure prompt and proper response to the audit observations.**

#### **1.4 Response of the Government to significant audit observations (Performance Audits/Compliance Audit Paragraphs)**

In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/activities as well as on the quality of internal controls in selected departments, which have negative impact on



the success of programmes and functioning of the departments. The focus was on auditing the specific programmes/schemes and to offer suitable recommendations to the executive for taking corrective action and improving service delivery to the citizens.

As per provisions of the Comptroller and Auditor General of India's Regulations on Audit and Accounts, 2007, the departments are required to send their responses to draft performance audit reports/ draft paragraphs proposed for inclusion in the Comptroller and Auditor General of India's Audit Reports within six weeks. It was brought to the personal attention of the heads of departments that in view of likely inclusion of such paragraphs in the Reports of the Comptroller and Auditor General of India to be placed before the State Legislature, it would be desirable to include their comments in the matter. They were also advised to meet with the Principal Accountant General to discuss the draft reports of Performance Audits and draft audit paragraphs. These draft performance audit reports and paragraphs proposed for inclusion in the Report were also forwarded to the heads of departments seeking their replies.

For the Audit Report 2017-18, replies of Health Department in respect of performance audit on Medical Education in Bihar and Urban Development and Housing Department in respect of Implementation of recommendations and utilisation of 14<sup>th</sup> Finance Commission Grants by Local Bodies were not received. Replies of the Departments in respect of eight draft paragraphs were also not received.

### **1.5 Response of the Government and auditee units during the conduct of Performance audit/Compliance audit**

Section 18 (1) (b) of the Comptroller & Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 stipulates that the C&AG has the authority in connection with the performance of his duties under the said Act to requisition any accounts, books and other documents which deal with or form the basis of or are otherwise relevant to the transactions to which his duties in respect of audit extends. This provision has been further amplified by Regulation 181 of the Regulation on Audit and Accounts 2007 which stipulates that every department or entity shall establish and implement a mechanism to ensure that data, information and documents that are required by Audit are made available to it in time.

Despite such clear provisions, instances of non-production of records to Audit are many. Though such instances are brought to the notice of the authorities on each occasion, follow up by the authorities concerned have not been uniformly swift and effective.

For the Audit Report 2017-18, one Performance Audit (PA) and two Long paragraphs are included in this report. However, despite repeated efforts, records requisitioned by the Audit teams were not made available and replies to audit memos issued during audit were not provided in many cases. 74 units

out of 135 did not produce certain records requisitioned by Audit as detailed in **Appendix 1.3**.

***Non-production of records severely limits the exercise of CAG's constitutional mandate and may result in lack of accountability by State Government functionaries and concealment of fraud, misappropriation, embezzlement etc. The State Government is urged to take appropriate action including flagging of individual instances of non-production of records from a vigilance angle and initiation of disciplinary action against the concerned officials.***

Out of 1540 audit memos issued in respect of one PA and two LDPs, replies were not received for 315 audit memos and only partial replies were received in respect of 51 audit memos as detailed in **Appendix 1.3**.

### **1.6 Follow-up on Audit Reports**

According to the Rules of procedure for the internal working of the Committee on Public Accounts, the Administrative Departments were to initiate, *suo motu* action on all Audit Paragraphs and Performance Audits featuring in the Comptroller and Auditor General's Audit Reports (ARs) regardless of whether these are taken up for examination by the Public Accounts Committee or not. They were also to furnish detailed notes, duly vetted by audit indicating the remedial action taken or proposed to be taken by them within two months of the presentation of the ARs to the State Legislature.

The position regarding receipt of Action Taken Notes (ATNs) on the paragraphs included in the ARs upto the period ended 31 March 2017, as on 30 September 2018 is given in **Table 1.2**.

**Table 1.2**  
**Position regarding receipt of ATNs on the paragraphs included in the ARs (GS&ES)**

<b>Audit Reports for the year</b>	<b>ATNs pending as of 30 September 2018 (No. of Paragraphs)</b>	<b>Money Value (₹ in crore)</b>	<b>Date of presentation in the State Legislature</b>	<b>Due date for receipt of ATNs</b>
2014-15	2	2.72	18/03/2016	18/05/2016
2015-16	8	2420.80	27/03/2017	27/05/2017
2016-17	Reports were not presented in State legislature till September 2018			

The above table reflects the slow response of departments on audit observations.

### **1.7 Recoveries at the instance of Audit**

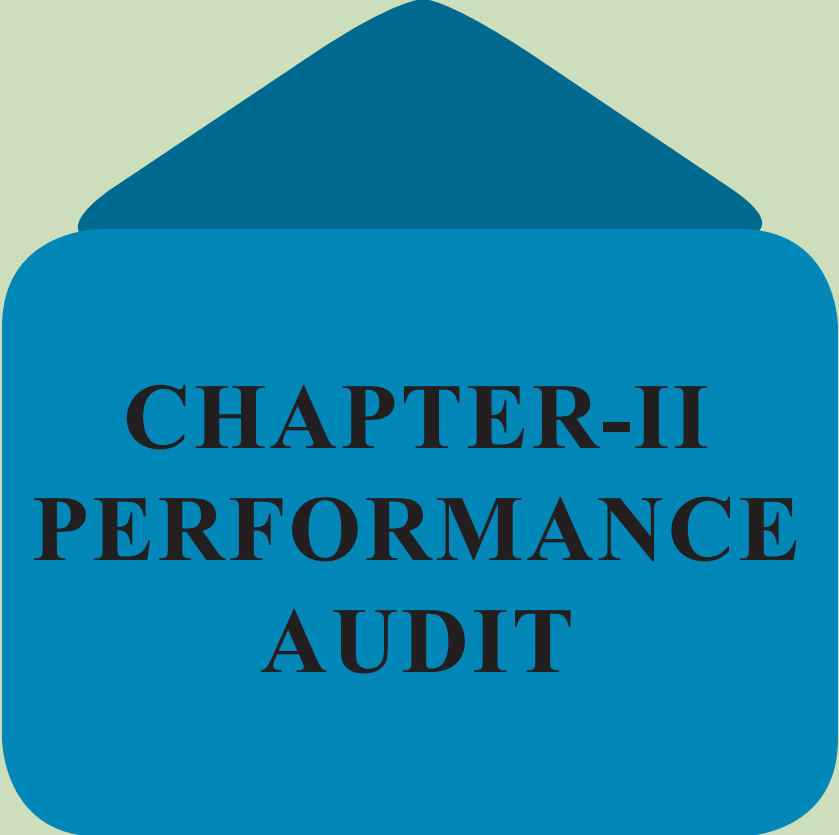
Audit findings involving recoveries that are noticed in the course of test audit of accounts of the departments of the State Government are referred to the concerned authorities for confirmation and further necessary action under intimation to Audit.

A total of 15 cases of recoveries involving an amount of ₹ 327.60 crore was pointed out by Audit during 2017-18 and accepted by the departments. However, the departments could make recovery in only one case involving an amount of ₹ 32.23 lakh.

### **1.8 Status of placement of Separate Audit Reports of Autonomous Bodies in the State Legislature**

The audit of accounts of five autonomous bodies in the State had been entrusted to the Comptroller and Auditor General of India out of which entrustment of accounts of four autonomous bodies have not been renewed. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Report and its placement in the Legislature is indicated in *Appendix 1.4*.





**CHAPTER-II  
PERFORMANCE  
AUDIT**



**CHAPTER-II**  
**PERFORMANCE AUDIT**  
**HEALTH DEPARTMENT**

*Medical Education in Bihar*

**2.1 Introduction**

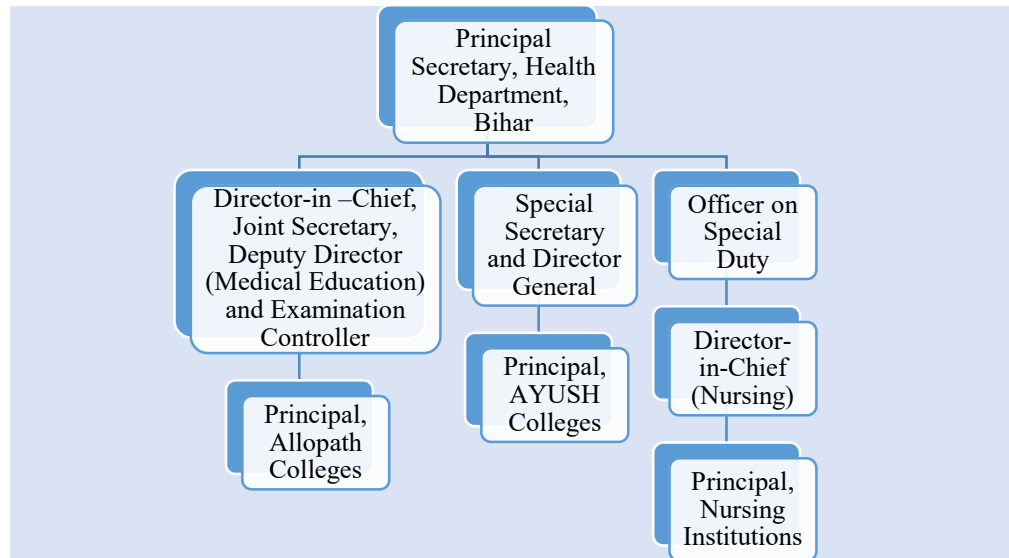
One of the dominant discourses in the public health domain within the context of provision of Universal Health coverage is the shortage of adequate number of qualified medical doctors and other healthcare professionals in India. The World Health Organisation (WHO) recommends a doctor-to-population ratio of 1:1000. To respond to this challenge, there has been a major thrust on increasing the capacity of graduate and post-graduate training programs, both in modern medicine systems as well as the traditional Indian system of medicine. The system of modern medicine is largely regulated by the Medical Council of India (MCI) and governed under the Ministry of Health and Family Welfare, whereas traditional medicine – AYUSH (Ayurveda, Yoga, Unani, Siddha, and Homeopathy) – is regulated through the Central Council for Indian Medicine (CCIM) and Central Council of Homoeopathy (CCH). The traditional Indian system of medicine is governed under an independent Ministry of AYUSH of Government of India (GoI).

Medical Council of India (MCI) recommends to Central Government cases for granting permission and recognition to start new medical colleges and to increase intake capacity for under-graduate (MBBS), post-graduate (MD/MS/Diploma) and super-speciality (DM/M.Ch.) courses. Similarly, Dental Council of India (DCI), Central Council of Homeopathy (CCH), CCIM and Indian Nursing Council (INC) regulate dental colleges, homeopathy colleges, Ayurvedic/Unani colleges and nursing institutes respectively. The regulatory bodies prescribe norms in respect of the infrastructure to be available in the medical institutes including attached hospitals.

**2.2 Organisational set-up**

In Bihar, the Health Department is responsible for overseeing the functioning of medical institutions in the State. The Principal Secretary of the Department is responsible for managing the affairs and policies related to medical education. The organisational chart of the Health Department for medical education is as follows:

**Chart no.-2.1  
Organisational Set-up**



(Source: Health Department)

Government of Bihar (GoB) created (May 2010) Bihar Medical Services and Infrastructure Corporation Limited (BMSICL) for implementation of infrastructure projects of the Health Department.

### 2.3 Why was this topic chosen?

National Health Policy, 2017 envisages as its goal the attainment of the highest possible level of health and wellbeing for all through a preventive and promotive health care orientation in all developmental policies, and universal access to good quality health care services. This would be achieved through increasing access, improving quality and lowering the cost of healthcare delivery.

The state of Bihar lags far behind the targets to improve health indicators as envisaged in the 12<sup>th</sup> Five Year Plan and as compared with the all-India status as shown below:

Particulars	Targets for 2012-17	Actuals (India)	Actuals (Bihar)
Infant Mortality Rate (IMR)	Up to 25	33	35
Maternal Mortality Ratio (MMR)	Up to 100	130	165
Total Fertility Rate (TFR)	Up to 2.1	2.2	3.2

(Source: Registrar General of India (Sample Registration System Data))

As per Health Index Report 2019 of NITI Aayog, among the 21 larger States, Bihar registered the maximum negative incremental change in overall performance index score, was placed at the lowest rank in key inputs/processes domain which relates to availability of health systems, service delivery, accreditation *etc.* and was third lowest in health outcomes domain which includes Still Birth Rate, Neonatal Mortality Rate, Under Five Mortality Rate, MMR, TFR, Low Birth Rate, Sex Ratio at Birth, immunisation coverage, institutional deliveries, tuberculosis cases and treatment success rate and HIV patients.



The doctor-nurse-midwife population ratio of India was 221 for one lakh population against which Bihar's ratio was 19.74

Niti Aayog, in its SDG India Index, Baseline Report 2018, has set a national target value for 2030 for number of governmental physicians, nurses and midwives per 1,00,000 population as 550. The doctor-nurse-midwife population ratio in Bihar was 19.74 per one lakh population against the national average of 221.

This topic was selected to assess the steps taken by the GoB to address the requirement of healthcare professionals in the State in terms of setting up medical colleges, augmenting capacity and infrastructure in medical colleges and providing quality medical education.

## 2.4 Audit objectives

The objectives of the Performance Audit were to assess whether-

- planning for implementation of schemes for opening of new medical colleges, increase in intake capacity and upgradation/strengthening of Government medical colleges was robust and plans were effectively implemented;
- physical infrastructure, equipment and manpower in medical and nursing institutions, mode of teaching (rural internship/refresher courses *etc.*) were adequate, effective and in consonance with relevant norms;
- provision of fund was adequate and its utilisation was efficient and effective; and
- monitoring of medical education was adequate, effective and in place.

## 2.5 Audit criteria

The audit criteria have been sourced from the following:

- Guidelines and Regulations of MCI, DCI, CCH, CCIM and INC;
- Guidelines of Indian Public Health Standard, guidelines/instructions/indicators issued by *Niti Aayog* on SDG and 12<sup>th</sup> Five-Year Plan;
- Bihar Financial Rules (BFR), Bihar Treasury Code (BTC), Bihar Budget Manual and Bihar Public Works Accounts and Department Code; and
- Guidelines and instructions issued by GoI and GoB.

## 2.6 Audit coverage and methodology

The performance audit was conducted during August- November 2018 covering the period 2013-18. Audit focused on medical education imparted in government allopathy (medical, dental and physiotherapy and occupational therapy), AYUSH and nursing institutes. 23 institutes<sup>1</sup> out of 47 State Government institutes were selected for the performance audit on the basis of Probability Proportional to Size without Replacement (PPSWOR) method of random sampling. The list of selected institutes is at **Appendix- 2.1**.

<sup>1</sup> Five out of nine government medical colleges, four out of seven government AYUSH colleges, one Dental College, one College of Physiotherapy and Occupational Therapy and 12 out of 29 nursing institutes.

The audit methodology consisted of document analysis, responses to audit queries, collection of information through questionnaires, and joint physical verification. An entry conference was held in August 2018 with the Principal Secretary, Health Department, wherein audit objectives, methodology, coverage and criteria were discussed. The draft report was issued to the Department in February 2019. An exit conference was also held in February 2019 with the Department to obtain its views on audit findings. No response was furnished by the Department in spite of reminders issued in April, June, September and October 2019.

**Audit findings**

**2.7 Planning for capacity enhancement**

Evaluation of the present system and assessment of future requirement is a part of the planning process. Discrepancy between the current condition and desired condition must be measured to appropriately address the need.

The 12<sup>th</sup> Five Year Plan document envisaged (2013) a desirable density of 85, 49, 15 and 255 for physicians, AYUSH doctors, dentists and nurses respectively for one lakh population. The requirement and its availability in Bihar was as follows:

There was a vacancy of zero to 92 per cent as per desirable density envisaged in 12<sup>th</sup> Five Year Plan document

**Table no.-2.1  
Requirement and availability of doctors and nurses**

Particulars	Requirement as per 12 <sup>th</sup> Five Year Plan@	Availability as per actuals (31 March 2018)*	Shortfall (in per cent)
Physicians	89845	34992	61
AYUSH doctors	51793	53918	NIL
Dentists	15855	4886	69
Nurses	269535	21896	92

@ Population of Bihar as per Press release of Ministry of Statistics and Programme Implementation dated 28/8/2018

\* Data as per State Councils after taking attrition rate (25 per cent for doctors and 40 per cent for nurses).

The details of State government medical institutes in Bihar as on March 2018 was as follows:

**Table no.-2.2  
Details of existing government medical institutions**

Type of Institution	No. of institutes	Number of UG seats
Medical Colleges	9	950
Dental College	1	40
Physiotherapy and Occupational Therapy college	1	40
AYUSH Colleges <sup>2</sup>	7	140
Nursing College	1	40

<sup>2</sup> One Unani college (Government Tibbi College Patna), one Homeopathy College (Government RBTS Homeopathic Medical College, Muzaffarpur) and five Ayurveda colleges (Government Ayurvedic College, Patna, Government Ayodhya Shivkumari Ayurvedic College, Begusarai, Government Ayurveda College Buxar, Government Ayurveda College Bhagalpur and Government Ayurveda college Darbhanga)

Type of Institution	No. of institutes	Number of UG seats
General Nursing and Midwifery (GNM)#	7	406
Auxiliary Nurse and Midwives (ANM)	22	1530
Paramedical Institutes (in Medical colleges)		996

# One GNM School and Nursing college is running in one institute i.e. Indira Gandhi Institute of Medical Sciences), Patna

(Source: Health Department)

Besides, allopath and AYUSH colleges were having 517 post-graduate seats and 12 super-specialist seats.

The Department did not prepare any long-term strategic plan to assess the requirement of medical institutions and health care personnel.

The Department did not prepare any long-term strategic plan to assess the requirement of medical institutions and health care personnel for the State. However, 12 medical colleges (including one dental college) in Bihar with proposed annual intake capacity of 1,200 undergraduates and 113 nursing institutions with annual intake capacity<sup>3</sup> of 4,920-6,780 are in the process of development. Besides, 33 paramedical institutes with intake capacity<sup>4</sup> of 1,320-1,980 were also planned to be established, as shown in Table 2.3.

### 2.7.1 Establishment of new medical institutions

During the last decade, medical colleges/institutes were planned to be established in Bihar under different schemes as detailed below:

**Table no.-2.3**  
**Details of proposed medical institution since 2006-07**

Type of Institutions	Under State Plan (2006-07)		Under Centrally sponsored schemes (2010-14)		Under SaatNischay <sup>5</sup> (2016-17)	
	No. of colleges	Total no. of seats	No. of colleges	Total no. of seats	No. of colleges	Total no. of seats
Medical Colleges	3##	300	3	300	5	500
Dental College	1	100	--		--	
Nursing College	--		--		16	640-960
General Nursing and Midwifery (GNM)	--		10	600	23	920-1380
Auxiliary Nurse and Midwives (ANM)	--		10	600	54	2160-3240
Paramedical Institutes	--		--		33	1320-1980

## Two colleges out of these three started functioning by 2018 which are included in the nine medical colleges shown in table 2.2

(Source: Health Department)

Audit noticed that:

- Out of three medical colleges and one dental college proposed under State Plan, construction of one medical college (Pawapuri) was completed after a

<sup>3</sup> 93 nursing institutes under Saat Nischay planned for intake capacity of 40 to 60 seats and rest 20 institutes under CSS planned for 60 seats.

<sup>4</sup> Each paramedical institute planned for intake capacity of 40 to 60 seats.

<sup>5</sup> The main development focus of the State Government is now around seven resolves (Saat Nischay) which includes higher technical education.

delay of more than five years. The rest were still under construction with a delay of 10 years.

- Three medical colleges proposed under Centrally Sponsored Scheme were planned to be constructed by December 2018. However, the work had not yet commenced (December 2018). Out of 10 GNM and 10 ANM schools, all ANM schools were constructed after a delay of three to four years and nine GNM schools were completed with a delay of three to seven years.
- Construction work of five medical colleges proposed under *Saat Nischay* (to be completed by May 2020) was yet to commence. Out of 126 nursing/para-medical institutes, 61 were to be completed by 2018-19, however, only two could be completed by November 2018.

The details are discussed in the succeeding paras.

### **2.7.1.1 Establishment of new medical colleges under State Plan**

GoB accorded (March 2007) administrative approval of ₹984 crore for construction of three medical colleges at Pawapuri, Madhepura and Bettiah (₹328 crore each). These were to be completed by March 2010. Execution of medical college of Pawapuri was entrusted to Bihar Rajya Pul Nirman Nigam Limited (BRPNNL) in March 2010 and of Madhepura and Bettiah to BMSICL in November 2012. No reason was found on record regarding delay of three to five years in entrustment of works to these executing agencies. Tenders were invited by the executing agencies in July 2010, September 2013 and August 2013 and works were awarded to contractors in January 2011, October 2014 and May 2017 respectively. There was delay in disposal of tenders by BMSICL as well as delay in execution by BRPNNL. Resultantly, the works could not be completed within the stipulated time and administrative approvals were revised to ₹ 2,170 crore<sup>6</sup> (221 per cent) by May 2013. Out of these colleges, construction of only one college *i.e.* medical college at Pawapuri was completed in September 2016 with an expenditure of ₹ 600 crore (November 2018) while the remaining two were still to be completed (December 2018). Thus, delay in completion of colleges was attributable to delay in entrustment of works to executing agencies, delay in tendering process as well as in execution of works which also led to cost overrun.

Students were enrolled in medical colleges since academic session 2013 in Pawapuri and Bettiah by utilising the infrastructure of concerned district hospitals and also the newly constructed buildings of medical college of Pawapuri which were handed over in a phased manner since 2013. Academic activities in medical college of Madhepura were yet to commence (December 2018).

### **2.7.1.2 Establishment of dental college under State Plan**

As Bihar had only one Government dental college and hospital at Patna, GoB decided (February 2007) to establish a new dental college and hospital in Paithana,

<sup>6</sup> ₹ 613.11 crore for Pawapuri (March 2010), ₹ 781.25 crore for Madhepura and ₹ 775.34 crore (May 2013) for Bettiah.

Nalanda with a view to improve dental care facility in the State. Administrative approval was accorded by GoB in March 2007 for ₹55.80 crore and the work was to be completed by 2008-09. However, Audit noticed that even after lapse of 11 years, the work was yet to commence (November 2018) which was attributable to delayed release (March 2007 to July 2012) of funds to District Magistrate, Nalanda for land acquisition, delay in selection (September 2013) of executing agency *i.e.* BMSICL, initiation of tendering process in February 2014 despite the fact that the land was acquired by the district administration in June 2011 and cancellation of tenders thrice by BMSICL *etc.* There was lack of due diligence on the part of BMSICL as in the first tendering process, the lowest tenderer, after technical and financial evaluation, was declared disqualified (May 2015), the second tendering process, which was invited in May 2015 was cancelled (May 2016) due to expiry of bid validity and in the third case, tender was invited (November 2017) but cancelled (March 2018) due to non-finalisation of qualification criteria by BMSICL. Tender was again invited for the fourth time (April 2018) and finally letter of acceptance was issued in November 2018. The first Bill of Quantity (BOQ) of this work was approved (October 2014) for ₹308.31 crore. Subsequently, for the similar category of work, BOQ was revised and approved (November 2017) for ₹ 328.81 crore. All these administrative and procedural delays not only led to a cost overrun of ₹ 20.50 crore, but also deprived citizens of envisaged additional dental care facility.

### **2.7.1.3 Establishment of medical colleges under Centrally Sponsored Scheme**

GoI approved (February/March 2014) establishment of three new medical colleges at Purnea, Chhapra and Samastipur at a total cost of ₹ 567 crore<sup>7</sup> (₹ 189 crore each), with intake capacity of 100 students for each college. The projects were to be executed by BMSICL and they were to be made functional by December 2018. However, audit observed (April 2019) that these projects were at a preliminary stage only, a meagre amount of ₹ 0.18 crore<sup>8</sup> was spent (August 2018) against release of ₹ 145.46 crore<sup>9</sup> and the construction work was yet to commence (December 2018). The delay was attributable to identification/transfer of land (June 2018) to the Department and delay in tendering process for Chhapra and Purnea medical colleges. In case of the proposed medical college at Samastipur, Detailed Project Report (DPR) was not approved (July 2017) by GoI as the available land area was less than the norms prescribed by MCI. Therefore, subsequently, a new site was selected and DPR preparation was under process (December 2018). This clearly indicated lack of due diligence on the part of the Department as it could not identify the land as per prescribed norms which led to delay in commencement of the project.

As per NIT for medical colleges of Purnea and Chhapra, the due date for completion of construction was 36 months from the commencement of work. However, the work was not yet awarded (December 2018). Thus, time over

<sup>7</sup> 75:25 share between Centre and State

<sup>8</sup> ₹ 0.18 crore spent for medical college at Chhapra only till August 2018.

<sup>9</sup> ₹ 72.73 crore each for medical college at Chhapra and Purnea.

run will deprive prospective students of the opportunity of obtaining medical education in these colleges.

#### 2.7.1.4 Establishment of nursing institutes under Centrally Sponsored Scheme

With a view to increase the overall availability of nursing personnel as well as to correct their uneven spread, GoI decided (2010-12) to establish 10 General Nursing and Midwifery schools (GNM) and 10 Auxiliary Nurse and Midwives schools (ANM) under Centrally Sponsored Scheme, each having 60 seats with an estimated cost of ₹ 150 crore<sup>10</sup>. The Central Government expected these schools to be fully functional by 1 January 2012. State Government was to ensure availability of land and completion of construction within 12-14 months. In case construction took time, the State Government was to explore the possibility of running these schools from rented premises.

Audit observed that 10 ANM schools were completed by the executing agency during July 2015 to May 2016 with expenditure of ₹ 42.23 crore, whereas nine GNM schools were completed during December 2015 to July 2019 with expenditure of ₹ 72.43 crore<sup>11</sup>. In case of the remaining one GNM school at Purnea, the delay was due to non-availability of clear land for hostel block. Though there was delay of more than three to seven years in completion of construction, the possibility of running these schools in rented premises by 1 January 2012 was not explored by the Department. The reason for the same was neither found on record nor communicated to Audit by the Department. Thus due to lackadaisical approach of the Department, 1200 students every year remained deprived of nursing education during 2012-18.

#### 2.7.1.5 Establishment of medical colleges under *Saat Nischay* of State Government

GoB approved (May 2016) construction of five medical colleges at an estimated cost of ₹ 2,000 crore (₹ 400 crore each) at Begusarai, Vaishali, Bhojpur, Madhubani and Sitamarhi under "*Saat Nischay*" to create additional opportunity for medical education in Bihar. The projects were to be executed by BMSICL and completed in four years with scheduled milestone of 25 per cent per annum. The Department requested (July 2016) the respective District Magistrates to identify and make available suitable land for the colleges. At three places (Madhubani, Begusarai and Vaishali) land was transferred (November 2018) to the Department and DPR was under preparation, and at the remaining two places, the identified land was yet to be transferred (December 2018). At this pace, the projects were behind schedule and may not be completed by the stipulated time, thereby depriving students of medical education for the delayed period.

Against the proposed 12 medical colleges (including one dental college), only two became functional.

<sup>10</sup> ₹ 10 crore each for GNM School and ₹ 5 crore each for ANM School. 85:15 share between Centre and State.

<sup>11</sup> Does not include the expenditure of GNM School Madhepura as the same is included in Govt. Medical College Madhepura.

### 2.7.1.6 Establishment of new nursing and para medical institutes under *Saat Nischay*

GoB approved (July 2016) construction of 126 institutes having intake capacity of 5040-7560, at an estimated cost of ₹1401.03 crore<sup>12</sup> under “*Saat Nischay*” across all the districts of Bihar to create a better environment for technical education, address shortage of staff and generate employment. The projects were to be executed by BMSICL and completed by 2020-21 in a phased<sup>13</sup> manner.

Audit observed (November 2018) that out of construction of 126 institutes **(Details in Appendix 2.2):**

- Only two<sup>14</sup> were completed (September 2018 and November 2018),
- In 90 cases, work orders were issued but pace of work was slow even after expenditure of ₹138.45 crore (August 2018). The progress of work was ranging from 0 to 10 *per cent* in 22 works, 11 to 50 *per cent* in 40 works and 51 to 98 *per cent* in 28 works. The delay was attributed mainly to slackness on the part of the contractor, lack of availability of encumbrance-free site and subsequent change of land.
- Work orders were not issued in 22 cases because of requirement of change of site, requirement of dismantling of old building *etc.*
- In case of 12 works tenders were not invited mainly because of non-identification of land by the Department and non-preparation of DPRs by the executing agency.

Against the proposed 126 nursing institutes to be constructed from 2017-18 to 2020-21, only two were completed till November 2018.

According to the Government’s own commitment, academic activities were to begin in 61 institutes by 2018-19 having total intake capacity of 2,440-3660 students. However, no academic activity could start in these institutes even by March 2019.

### 2.7.2 Increasing intake capacity of existing medical colleges

#### 2.7.2.1 Increase of post graduate seats under Centrally Sponsored Scheme

Under the Centrally Sponsored Scheme (March 2009) “Strengthening/up-gradation of State Government medical colleges” 199 post-graduate seats were to be increased in six medical colleges<sup>15</sup> at a cost of ₹ 74.43 crore<sup>16</sup> as

<sup>12</sup> ₹ 329.34 crore for 33 Para Medical institutes, ₹ 423.96 crore for 16 BSc Nursing Colleges, ₹ 307.14 crore for 23 GNM Schools and ₹ 340.59 crore for 54 ANM Schools.

<sup>13</sup> 2017-18 – 30, 2018-19 – 31, 2019-20 – 32, and 2020-21 – 33.

<sup>14</sup> Para Medical Institute Rohtas and ANM School Jagdishpur.

<sup>15</sup> Anugrah Narayan Magadh Medical College, Gaya (ANMMC Gaya)-14, Sri Krishna Medical College, Muzaffarpur (SKMC Muzaffarpur)-26, Jawahar Lal Nehru Medical College, Bhagalpur (JLNMC Bhagalpur)-58, Darbhanga Medical College, Darbhanga (DMC Darbhanga)-39, Patna Medical College, Patna (PMC Patna)-4 and Nalanda Medical College, Patna (NMC Patna)-58.

<sup>16</sup> 75:25 share between Centre and State

per recommendation of Technical Evaluation Committee (TEC)<sup>17</sup> with the objective of addressing shortage of faculty in pre and para clinical disciplines<sup>18</sup> and to ensure that specialists are available at Primary Health Centres (PHCs)/ Community Health Centres (CHCs)/district level. Components of the scheme included purchase of equipment, civil works relating to hostels, demonstration rooms, operation theatres, teaching beds, skill labs, library *etc.* Works were to be executed by the respective medical colleges. A total of 63 post-graduate seats (32 *per cent*) were increased (November 2018) in these six medical colleges against the planned 199 seats as detailed in the following table:

**Table no.-2.4**  
**Increase of PG seats under Centrally Sponsored Scheme**

Sl. No.	Name of College	Number of seats to be increased	Number of seats increased	Sanctioned amount (₹ in crore)	Expenditure (₹ in crore)
1	DMC	39	13	7.09	2.65
2	NMC	58	26	18.79	6.43
3	PMC	4	0	2.69	0.34
4	JLNMC	58	4	23.49	8.58
5	SKMC	26	10	18.12	4.66
6	ANMMC	14	10	4.25	0.23
<b>Total</b>		<b>199</b>	<b>63</b>	<b>74.43</b>	<b>22.89</b>

**Only 63 post-graduate seats were increased till November 2018 in six medical colleges against the planned 199 seats.**

Audit test-checked the records of three<sup>19</sup> medical colleges wherein 101 post-graduate seats were to be increased against which only 39 seats (39 *per cent*) could be increased. The Department-wise information in respect of increase of seats is available in *Appendix-2.3*. Further, it was noticed that though three to four Departments in these colleges incurred expenditure of ₹ 4.51 crore on infrastructure, equipment and faculty but no seat was increased. Non-increase of seats was attributable to lack of complete infrastructure, equipment and faculty as recommended by TEC though funds amounting to ₹ 6.53 crore were lying unspent (November 2018). The colleges were to get the work done by themselves and the fund was to be refunded to GoI in case of non-increase/starting of PG seats in these medical colleges. However, the colleges could not take action to complete the works and PMC Patna had refunded (August 2015 and March 2018) total unspent balance of ₹ 1.14 crore.

Thus, despite availability of funds for purchase of equipment and construction works by the medical colleges, the State was deprived of the benefits of increased number of seats for post-graduate doctors.

<sup>17</sup> Chaired by Special Director General Health Services, GoI to evaluate the proposals for onward submission to Empowered Committee for approval.

<sup>18</sup> Pre-Clinic subjects include anatomy, physiology, biochemistry, community medicine. Para Clinical subjects include pathology, pharmacology and microbiology.

<sup>19</sup> PMC Patna, NMC Patna and DMC Darbhanga.



### 2.7.2.2 Increase of under graduate seats

The Twelfth Five Year Plan envisaged strengthening of the existing Government medical colleges so that the seats could be increased to the maximum level of 250. The existing medical colleges of the State were to be strengthened in terms of infrastructure, medical equipment and teaching and non-teaching staff in accordance with MCI norms.

In order to achieve the goal, GoB decided (July 2014) to create 3,639 posts of teaching staff of various categories in six<sup>20</sup> medical colleges. The Department sent (February 2016) requisition to Bihar Public Service Commission (BPSC) for recruitment of 1,171 (32 per cent) Assistant Professors only and that too after 19 months of Cabinet decision. No reasons were on record for not initiating any step towards recruitment of remaining staff. Due to delayed submission of required information like panel selection for scrutiny of applicants, backlog details, roster clearance *etc.*, by the Department to BPSC, advertisement could be published in April 2017 only, after more than one year of sending proposal to BPSC and the recruitment could not be finalised (December 2018). Thus, existing seats of these medical colleges could not be increased which resulted in depriving students from getting medical education.

### 2.7.2.3 Lack of initiative for increasing intake capacity in AYUSH

The National Rural Health Mission (NRHM), launched in 2005, has renewed the emphasis on strengthening Indian Public Health Systems in order to achieve the national goal for health for all. NRHM adopted a strategy of “Mainstreaming AYUSH and Revitalising Local Health Traditions”, with the objective of co-locating AYUSH doctors at PHCs and CHCs and utilise their services to expand the basket of choices for patients.

Government *Tibbi*<sup>21</sup> College (GTC), Patna and Government Ayurvedic College (GAC), Patna have undergraduate intake capacity of 40 each. The minimum norms prescribed by CCIM was for upto 60 seats. However, audit observed that the colleges were offering 40 seats during 2013-18<sup>22</sup>. Neither the colleges nor the Department took any effective steps for increasing the number of seats from 40 to 60, thereby depriving 180<sup>23</sup> potential candidates of the opportunity of seeking admission in Unani and Ayurvedic undergraduate course during this period of five years.

Further, GoI declared (2006) GAC Patna as a model institute for Ayurveda and envisaged 100 undergraduate seats and post-graduate courses in at least five departments. GAC, Patna was already running post-graduate courses in two departments. However, due to shortage of teaching faculty and absence of requisite accreditation, seats could not be increased as envisaged.

<sup>20</sup> ANMMC Gaya, DMC Darbhanga, JLNMC Bhagalpur, NMC Patna, PMC Patna and SKMC Muzaffarpur.

<sup>21</sup> For Unani courses

<sup>22</sup> GTC Patna- 2013-18 (five years) and GAC Patna- 2014-18 (four years).

<sup>23</sup> GTC Patna- 100 seats and GAC Patna- 80 seats.

On being pointed out by audit, Principal, GTC Patna stated (December 2018) that suitable initiative has already been taken to get 60 UG seats. Principal GAC Patna accepted (October 2018) that the college had minimum standard of 60 seats, however they had applied for 100 UG seats. The reply corroborates the facts that the college was already having capacity for 60 seats. As a result, 20 additional seats for which resources were available could not be put to use each year.

#### 2.7.2.4 Non-functional Ayurveda Colleges

In four out of five *Ayurveda* colleges of GoB having 110 seats<sup>24</sup>, admissions were not done since more than 10 years due to non-fulfilment of CCIM norms. The existing infrastructure of these colleges was also idle.

During test-check of *Rajkiya Ayodhya Shivkumari Ayurved Mahavidyalaya, Begusarai* (GAC Begusarai), audit noticed that GoI had decided (August 2008) not to grant permission for admission to UG course on the recommendation of CCIM due to various shortcomings such as shortage of teaching and non-teaching staff, absence of adequate infrastructure facilities like area for teaching department, library and dissection hall, number of beds and bed occupancy, functional labour room, equipment like X-ray, ECG and USG in the hospital. In subsequent years (2009-18) also, CCIM had again visited (last visit in April 2017 for academic year 2017-18) and pointed out similar deficiencies. Though the college was communicating the shortcomings noticed to the Department with a request to sort out those deficiencies, the Department failed to take effective remedial steps and consequently, GoI denied permission for admission every year. As a result, the college remained idle and potential students were deprived of 300 undergraduate seats during 2008-18.

In four out of five Ayurveda colleges having 110 seats, admission did not take place for more than a decade

#### 2.7.2.5 Non-granting of permission for admission by GoI

Audit also observed other instances where admissions could not be done due to non-compliance with norms of the concerned regulatory bodies, as stated below:

- Due to non-rectification of deficiencies pointed out by CCIM like non-availability of required number of higher faculty and genuinely functional Ayurveda hospital in GAC Patna, permission for admission in 2013-14 was not granted by GoI.
- GoI did not allow PDC to admit students in undergraduate course in 2015-16 on the recommendation of DCI because of deficiencies such as shortage of teaching staff including Principal, non-completion of teaching and internal assessment programme and shortage of infrastructure like dental chairs, mobile dental van, dental material, non-establishment of Satellite Dental Centres, poor maintenance of dental chairs, non-functional library and non-availability of e-library and photographic section.

<sup>24</sup> Buxar-40, Bhagalpur -20, Darbhanga -20 and Begusarai -30

### 2.7.3 Augmentation of tertiary healthcare services

Five<sup>25</sup> medical colleges of Bihar were identified in *Pradhan Mantri Swasthya Suraksha Yojana* (PMSSY) by GoI to augment tertiary healthcare services and facilities for quality medical education in seven to eight super-speciality departments. The State had to provide encumbrance-free site for construction of buildings. In the following two test-checked government medical colleges, audit observed that:

- For PMC Patna, both GoI and the State government agreed on the works to be executed under the PMSSY scheme (March 2017). Central Public Works Department (CPWD) issued the tender (December 2017) for upgradation of super-speciality departments. However, the tender opening date was extended four times and was finally cancelled (May 2018) as the college failed to provide the encumbrance-free land. Resultantly, work could not be started even after lapse of 18 months.
- In DMC Darbhanga, the construction work was to be completed by May 2018. However, the work could not be completed as the college was unable to hand over the encumbrance-free site due to delay in shifting of electric lines, poles, existing services, water supply lines, dismantling of store, canteen, waiting lounge/porch *etc.*

Principal, PMC Patna accepted (October 2018) the facts. Principal, DMC Darbhanga replied (October 2018) that the college had provided land for the establishment of a super-speciality hospital and other works were being executed by the Central agencies. Further, correspondence was made with Director in Chief (Administration) to create teaching and non-teaching posts in August 2017. However, no action was taken in this regard till October 2018.

### 2.7.4 Under-utilisation of seats

Nine medical colleges, one dental college, one physiotherapy and occupational therapy and three AYUSH medical colleges under the control of the State Government were functional during 2013-18 with intake capacity of 5770 undergraduates and 2456 postgraduate seats. Audit observed that 183 seats could not be filled up and 278 students left the course at undergraduate level, while 189 seats could not be filled up and 583 students left the course in between at post-graduate level (Details in *Appendix-2.4*). It was further noticed that the percentage of students leaving undergraduate courses in between was more in dental, physiotherapy, ayurvedic and homeopathy (ranging between 22 to 53 per cent).

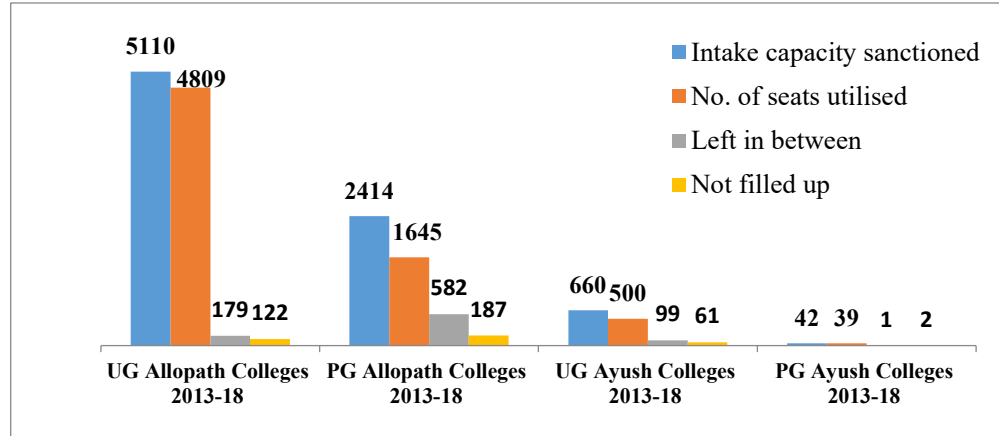
Under-utilisation of seats was attributable to non-allocation of seats, non-appearance of candidates for admission till the last round of counselling and

22 to 53 per cent students left undergraduate courses of dental, physiotherapy, ayurvedic and homeopathy mid-way.

<sup>25</sup> SKMC Muzaffarpur and DMC Darbhanga – November 2013, JLNMC Bhagalpur, ANMMC Gaya and PMC Patna - August 2016

students enrolled in dental, AYUSH and physiotherapy streams leaving the courses mid-way etc. primarily due to getting admission in allopathy course.

**Chart no.-2.2**  
**Underutilisation of seats**



(Source: Data provided by the colleges)

The above audit findings clearly indicate that there was lack of overall planning for long-term assessment of the requirement of the State in respect of number of medical institutes as well as the number of seats in the medical institutes. The delay in establishment of proposed medical institutes, non-increase in intake capacity and under-utilisation of seats of the existing medical institutes in medical colleges resulted in depriving potential students of the opportunity of medical education.

### **Recommendations**

#### **The Department should:**

- *identify the bottlenecks and ensure completion of all ongoing construction work of medical colleges without delay; and*
- *make efforts to fulfil the norms of regulatory authorities on priority, so that seats in colleges are fully utilised and increased wherever planned.*

## **2.8 Quality of medical education**

### **2.8.1 Shortage of teaching and non-teaching staff**

Regulatory bodies prescribe minimum teaching and non-teaching staff for various medical education courses. Details of sanctioned strength and persons-in-position of teaching and non-teaching staff as on 31 March 2018 in test-checked medical and nursing institutes were as follows (College-wise details in *Appendix-2.5*):

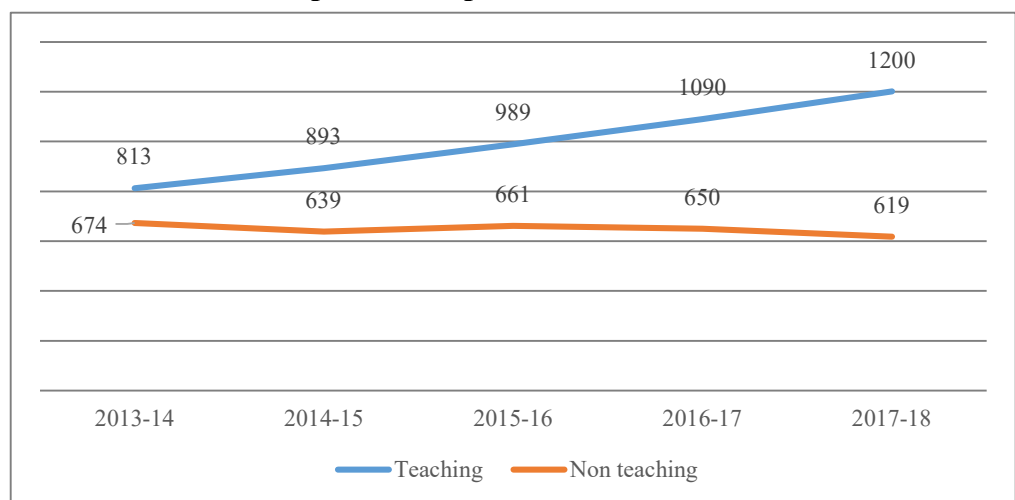
**Table no.-2.5**  
**Sanctioned strength and availability of teaching and non-teaching staff**

Sl. No.	Institutions	Sanctioned strength		Persons-in-position (Figures in brackets indicate contractual staff)		Number of vacancies (Figures in bracket indicate percentage of vacancies w.r.t. SS)	
		Teaching	Non-teaching	Teaching	Non-teaching	Teaching	Non-teaching
1	Medical Colleges <sup>26</sup>	1864	773	932 (258)	302 (91)	932 (50)	471(61)
2	AYUSH Colleges	277	433	150 (8)	128 (1)	127(46)	305 (70)
3	Physiotherapy College	18	Nil	8 (0)	Nil	10(56)	-
4	Dental College	50	105	47 (43)	61 (30)	3 (6)	44 (42)
5	Nursing Institutions	121	139	63 (26)	128 (52)	58 (48)	11 (8)

*(Source: Data provided by respective institutes)*

It may be seen from the above table that shortage of teaching faculty as well as non-teaching staff in all streams of medical education was ranging from six to 56 per cent and eight to 70 per cent respectively. No post of non-teaching staff was sanctioned in Bihar College of Physiotherapy and Occupational Therapy.

**Chart no.-2.3**  
**Details of persons-in-position in medical institutes**



*(Source: Health Department)*

Scrutiny of year-wise position of persons-in-position for the period 2013-18 revealed that there was a declining trend in respect of non-teaching staff. Further, in 13 medical institutes<sup>27</sup>, there was decrease in percentage of persons-in-position during the period 2013 to 2018.

Against the INC norm of teacher-student ratio of 1:10, Audit observed that in test-checked GNM and ANM schools, the ratio ranged between 1:13 to 1:50 and 1:20 to 1:100 respectively. Shortage of faculty resulted in shortfall in teaching hours which adversely affected the quality of education.

<sup>26</sup> Excluding IGIMS Patna

<sup>27</sup> PMC Patna, NMC Patna, DMC Darbhanga, RBTS Muzaffarpur, GTC Patna, GAC Patna, GAC Begusarai, two GNM schools at PMCH Patna and DMCH Darbhanga and four ANM schools at Biharsharif, Samastipur, Sitamarhi and Saharsa

### 2.8.1.1 Shortfall in teaching hours

Medical Council of India stipulates minimum teaching hours for various subjects of undergraduate medical education. Test-check of records of five<sup>28</sup> medical colleges related to teaching hours of seven pre-clinical and para-clinical subjects revealed that the shortfall in actual teaching hours ranged between 14 to 52 per cent against the MCI norms as shown in the following table:

**Table no. 2.6**  
**Shortfall in teaching hours**

Sl. No.	Name of pre-clinical and para-clinical subjects	Teaching hours prescribed by MCI	Average teaching hours for batches enrolled during 2013-15 <sup>29</sup>	Shortfall of teaching hours	Percentage of shortfall
1	Anatomy	650	427	223	34
2	Physiology	480	232	248	52
3	Biochemistry	240	170	70	29
4	Pathology	300	185	115	38
5	Pharmacology	300	203	97	32
6	Microbiology	250	151	99	40
7	Forensic Medicine	100	86	14	14

(Source: Regulation of MCI and information furnished by test-checked medical colleges)

College-wise deficiency in teaching hours were ranging from 23 per cent to 48 per cent (**Appendix-2.6**). Further, shortfall in teaching hours was also noticed in Government RBTS Homeopathic Medical College (RBTS), Muzaffarpur, BCPO Patna and GTC Patna. Principal, GMC Bettiah stated (January 2020) that reasons for shortfall in teaching hours was due to huge deficiency of teaching faculty.

### 2.8.1.2 Shortfall in attendance

Norms of bodies regulating medical education require a minimum 75 per cent attendance for passing a particular subject. During scrutiny of attendance records of three colleges<sup>30</sup>, audit noticed instances where students were allowed to appear in the examination even though 75 per cent attendance was not attained. Principal, BCPO and RBTS Muzaffarpur replied that necessary action would be taken in future.

### 2.8.1.3 Filling up of vacancies in medical institutes

- Health Department initiated (February 2016) the process of recruitment of 1,171 Assistant Professors which has been **discussed in para No. 2.7.2.2**.
- Health Department decided (April 2015) to send a proposal to BPSC for appointment of eight Homeopathy lecturers and 86 Ayurveda lecturers.

<sup>28</sup> DMC Darbhanga, GMC Bettiah, IGIMS Patna, NMC Patna and PMC Patna.

<sup>29</sup> Pre-clinical subjects are taught in first and second semester whereas para-clinical subjects are taught during third to fifth semester. Audit scrutinised the teaching hours for the batches enrolled during 2013-15.

<sup>30</sup> BCPO Patna, RBTS Muzaffarpur and IGIMS Patna.

However, it sent the proposal for recruitment of eight Homoeopathy lecturers (December 2015) and 86 Ayurveda lecturers (June 2015) without formulation of recruitment rules which was a pre-requisite for advertisement by BPSC. The Department framed recruitment rules only in February 2017 which delayed the advertisement by more than two years, as the same could be published only in August 2017 for Homeopathy lecturers and in September 2017 for Ayurveda lecturers. Recruitment of lecturers was still under process (January 2019).

### **Recommendation**

***The Department should expedite the recruitment process and develop a system for regular and periodical recruitment.***

#### **2.8.2 Insufficient infrastructure in medical, AYUSH and nursing institutes**

The bodies regulating medical, dental, AYUSH and nursing colleges/schools, prescribe norms regarding the minimum level of infrastructure viz. library with sufficient number of books and journals, seating capacity; laboratories with sufficient space and facilities; lecture hall/demonstration room equipped with audio-visual aids and sufficient seating capacity; equipment and hostel facilities etc. required in these institutions as well as in the attached hospitals.

The Audit team along with representatives of medical, AYUSH and nursing colleges conducted (August – November 2018) joint physical verification of the test-checked institutes. Significant deficiencies noticed during the verification in infrastructure (classroom, library, laboratory, hostels etc.) vis-à-vis norms of regulatory bodies are mentioned in **Appendix-2.7**. Insufficient infrastructure created a poor learning environment and may affect the quality of education. Significant deficiencies noticed were as follows: -

- MCI regulation envisaged that there should be provision for e-Class and lecture halls must have facilities for conversion into e-Class/Virtual class for teaching. Three<sup>31</sup> test-checked medical colleges had no facility for E-class/virtual class for teaching, thereby depriving students from the benefit of modern teaching and learning modes.
- Guidelines of INC envisaged that the hospital attached with the ANM School should have 150 beds including 30-50 beds of Obstetrics & Gynaecology. Audit observed that five<sup>32</sup> ANM schools had less than 150 beds in the attached hospitals whereas in five<sup>33</sup> ANM schools beds of Obstetrics & Gynaecology were less than the prescribed ratio. Principal, ANM School, Biharsharif replied (October 2018) that the school was old (established in 1970) and from the beginning the school was attached with the Sadar

<sup>31</sup> DMC Darbhanga, NMC Patna and GMC Bettiah.

<sup>32</sup> ANM Schools [Samastipur (82), Sitamarhi (75), Begusarai (108) Bhagalpur (104) and Gaya(65)]

<sup>33</sup> ANM Schools [Samastipur(19), Sitamadhi (20), Begusarai (28), Chhapra (25) and Biharsharif (20)]

Hospital. The fact remains that number of beds were not as per INC norms and the possibility of cancellation of recognition cannot be ruled out.

- In eight<sup>34</sup> test-checked nursing schools, classrooms were overcrowded due to less space than the prescribed minimum norms of INC and the shortfall ranged from 37.74 to 79.17 per cent. Five<sup>35</sup> nursing schools have no audio-visual aids while in three<sup>36</sup> nursing schools such aids were not installed since 2015-16 due to construction work.



Space constraint in GNMDMC Darbhanga      Uninstalled audio visual aids in ANM School Samastipur

- Two<sup>37</sup> medical colleges, Patna Dental College (PDC) and GAC Patna had inadequate seating capacity in the library as per applicable norms and the shortfall ranged from 25 to 67 per cent. GMC Bettiah had inadequate books and the shortfall was 79 per cent. In DMC Darbhanga, books were stacked in a scattered manner on the floor. Principal, GMC Bettiah replied (October 2018) that due to non-availability of fund the requisite books were not purchased. The reply is not acceptable as substantial amount (29 to 84 per cent) under office expenses head was surrendered during 2013-15 and 2016-17.



Library in GNM DMC Darbhanga

- Five<sup>38</sup> out of 12 test-checked nursing schools had insufficient seating capacity in the library as prescribed by the INC and the shortfall ranged from 50 to 90 per cent. There was no seating arrangement in libraries of

<sup>34</sup> GNM School DMCH Darbhanga (GNM DMCH), ANM Schools at Begusarai, Biharsharif, Chhapra, Gaya, Saharsa, Samastipur and Sitamarhi.

<sup>35</sup> ANM Schools at Chhapra, Gaya, Saharsa, Begusarai and Sitamarhi

<sup>36</sup> GNM School, PMCH, Patna (GNM PMCH), ANM Schools at Biharsharif and Samastipur.

<sup>37</sup> PMC Patna and DMC Darbhanga

<sup>38</sup> College of Nursing IGIMS Patna, GNM PMCH; ANM Schools at Bhagalpur, Saharsa and Samastipur.



five<sup>39</sup> nursing schools. In nine nursing schools<sup>40</sup>, updated edition of books were not available.

- MCI regulation envisaged that there should be one well-equipped Central Research Laboratory in the medical college, which will be under the control of the Dean of the college. None of the test-checked medical colleges except IGIMS Patna and NMC Patna had Central Research Laboratory which may affect the research work in these colleges. Besides, the regulation also envisaged that there should be well-equipped and updated central laboratories preferably along with common collection centre for all investigations but three<sup>41</sup> test-checked medical colleges had no central laboratories.
- In one GNM and three ANM test-checked schools<sup>42</sup> the skill laboratory was not running as there was lack of adequate space as prescribed in the norms. Further, in ANM School, Samastipur, all equipment and chemical substances of skill laboratory were kept in a room in very poor condition and no practical classes were conducted.
- In DMC Darbhanga, the condition of the hostel was very critical as rooms were damp and dark, sewage water was leaking over the electric wiring and roof and walls were damp and damaged. There was water logging and bushes were growing around the hostel.



*Hostel of GNM DMC Darbhanga*

- The availability of seats in the hostels was not adequate in two<sup>43</sup> GNMs. In GNMDMCH, six to eight girls were accommodated in each four seater room due to unauthorised occupancy of hostel rooms by staff nurses of DMCH Darbhanga. The surroundings of the hostel was unhygienic.
- Two hundred and fifty students were studying in the College of Nursing IGIMS Patna. Though hostel provision was mandatory, there was provision for only 98 students (49 rooms, two-seater), as a result of which all students could not be accommodated in the hostel.
- In the test-checked ANM schools (except at Saharsa and Chhapra), there was no separate residential facility and students were accommodated in the

<sup>39</sup> GNM DMCH, ANM Schools at Begusarai, Biharsharif, Chhapra and Sitamarhi.

<sup>40</sup> GNM Schools at NMCH Patna, PMCH Patna and DMCH Darbhanga; ANM Schools at Begusarai, Bhagalpur, Biharsharif, Saharsa, Samastipur and Sitamarhi.

<sup>41</sup> NMC Patna, DMC Darbhanga and GMC Bettiah.

<sup>42</sup> GNM DMCH, ANM Schools at Biharsharif, Gaya and, Samastipur.

<sup>43</sup> College of Nursing IGIMS Patna and GNM DMCH

academic building in a few rooms. In all the test-checked ANM schools (except Sitamarhi) six to 14 students were staying in a room in unhygienic condition. In ANM School, Sitamarhi, 21 students were accommodated in 10 rooms of the academic building which was condemned and dangerous. Besides, 70 students were accommodated outside the premises in two halls which were also in poor condition. Except for ANM School, Bhagalpur, none of the test-checked ANM schools had sufficient number of bathrooms and toilets.



Hostel of GNM DMC Darbhanga



Hostel of ANM School, Bhagalpur

- The hostel of ANM School, Gaya was in a dilapidated condition. Plaster from the ceiling and walls was falling. The ceiling and wall of the bathrooms were damp. Principal-in-charge and warden stated (September 2018) that the school was closed during rainy season due to seepage of rain water from roof.



Hostel building of ANM School, Gaya



Hostel building of ANM School, Gaya

- In RBTS Muzaffarpur, no hostel was provided to girls students.
- In GAC, Patna, only 10 to 44 per cent beds of girl's hostels were occupied during 2013-18. There were no recreation facilities, common room and mess in the girls' hostel situated at Rajendra Nagar which was located nearly four km away from the college and there were no transport facilities for students. At the request of the students, they were accommodated in three rooms situated in the academic building in poor condition (30 girls). Principal, GAC Patna replied (October 2018) that the hostel was allotted as per the students' request and to improve the condition, necessary action would be taken.
- Weeds/ unwanted plants/ tall grasses had grown in Herbal Garden of GAC Patna which adversely affected the growth of medicinal plants and indicated poor maintenance. This may affect imparting of practical classes to students.

Principal, GAC Patna replied (October 2018) that fund was provided to the Forest Department for the renovation work and necessary action would be taken.

### **Recommendations**

- **The Department should ensure creation of an enabling environment such as library with sufficient books and journals, classrooms equipped with audio-visual aids, and proper hostels to facilitate quality learning.**
- **Special efforts need to be taken for improving the infrastructure in nursing institutes.**

### **2.8.3 Lower than minimum occupancy of indoor beds**

Medical Council of India stipulates a minimum 75 per cent average occupancy of indoor beds in a hospital attached with a medical college.

In three<sup>44</sup> test-checked medical colleges, deficiency in occupancy of indoor beds during 2013-18 ranged between 25 to 31 per cent with respect to the minimum prescribed norm of 75 per cent. This may affect imparting of clinical training to students.

**Table no.-2.7**  
**Bed occupancy of test-checked teaching hospitals**

Year	Total no. of beds available	Minimum requirement for 75 per cent occupancy of beds	Actual occupancy	Deficiency in occupancy w.r.t. minimum requirement (per cent)
2013-14	2328	637290	440303	31
2014-15	2328	637290	453820	29
2015-16	2461	673699	480947	29
2016-17	2455	672056	491486	27
2017-18	2515	688481	514471	25

(Source: Data provided by medical colleges)

### **2.8.4 Shortage of equipment in medical colleges**

The Minimum Standard Requirements for the Medical College Regulation, 1999 as amended up to August 2017 of MCI prescribes a minimum requirement of equipment for various departments of medical colleges.

In 20<sup>45</sup> test-checked departments of selected five<sup>46</sup> medical colleges, non-availability/shortage of medical equipment against the prescribed norms ranged between 38 to 92 per cent during 2017-18 (**Appendix-2.8**).

<sup>44</sup> DMC Darbhanga, IGIMS Patna and NMC Patna.

<sup>45</sup> One department (Pharmacology) of IGIMS Patna, one department (Ophthalmology) of GMC Bettiah and three departments (Orthopaedics, Anaesthesiology, Otorhinolaryngology) of NMC Patna did not furnish information.

<sup>46</sup> GMC Bettiah, DMC Darbhanga, IGIMS Patna, NMC Patna and PMC Patna.

There was shortage of all types of equipment (clinical and non-clinical) in two<sup>47</sup> departments of IGIMS Patna, eight<sup>48</sup> departments of GMC Bettiah and one<sup>49</sup> department of DMC Darbhanga. Equipment are to be purchased by medical colleges and BMSICL. Despite the shortage of equipment, these colleges (except IGIMS, Patna) could spend only ₹31.70 crore (82 per cent) out of allotted fund of ₹38.87 crore during 2013-18. Shortage of equipment may adversely affect the practical training and education of medical students. It was noticed that the Department was not having any specific plan for procurement of medical equipment till October 2018. A Manual for the procurement of Drug and Medical equipment-2018 was notified only in October 2018 which specifies the procurement and planning policy.

#### 2.8.4.1 Idle and out of order equipment

Audit observed instances of equipment lying idle or out of order for a period ranging from one to nine years as shown in the following Table:

**Table no.-2.8**  
**Idle and out of order equipment**

Sl. No.	Audit entity	Name of equipment/ items lying idle or out of order	Period since lying idle or out of order	Cost of equipment/ items (₹ in lakh)	Remarks
1	RBTS, Muzaffarpur	Ultrasound machine, X-ray machine etc.	2009-10	19.52	These items were purchased for setting up of new hospital before completion of the building. There is lack of technical manpower to operate the machines and they are lying idle (September 2018).
2	Patna Medical College Patna	Automated electrophoresis in Pathology Department	October 2016	28.00	The machine was out of order and the department intimated (October 2016) the college administration about it, but no steps to repair it were taken by the college administration (October 2018).
		Ultrasound machine in Gynaecology Department	January 2017	NA	The machine was out of order and the department intimated (May 2017) the college administration about it, but no steps to repair it were taken by the college administration (October 2018).
		TMT machine in TB and Chest Department	January 2014	NA	The machines were out of order but no steps for repair was taken by the college administration (October 2018).

<sup>47</sup> Dermatology and psychiatry

<sup>48</sup> Radio diagnosis, Pathology, Orthopaedics, Dermatology, TB & chest, Medicine, Forensic Medicine and Psychiatry

<sup>49</sup> Psychiatry

Sl. No.	Audit entity	Name of equipment/ items lying idle or out of order	Period since lying idle or out of order	Cost of equipment/ items (₹ in lakh)	Remarks
3	DMC Darbhanga	11 ECG machines	February 2014	12.65	Machines were supplied (February 2014) to the medical college by BMSICL despite not being required by the college.
4	Nalanda Medical College Patna	B Scan- A+B Probe	August 2015	14.49	The machine was purchased (April 2012) by the medical college and was out of order since August 2015.
5	GMC Bettiah	Colonoscope in Obstetrics & Gynaecology department	2014	NA	The machine was not installed since its purchase.
		Suction machine, D&C set, Fetal Doppler, BP apparatus, each in two numbers	NA	NA	Not functional
		Mortuary in Anatomy department	May 2017	NA	Not functional
6	GTC Patna	X-Ray machine	2011-12	NA	The machine was lying idle in the store room due to unavailability of technician/ radiographer

As may be seen from the above table, the machines/equipment were idle or out of order as there was unavailability of technical manpower to operate them, machines were supplied without requirement or effective steps were not taken for repairing the equipment. Idle machines would have an adverse effect on training of medical students.

### 2.8.5 Rural internship

#### *Rural internship in medical colleges*

For award of MBBS degree, MCI stipulates successful completion of one-year compulsory rotating internship including two months' time for community medicine. In community medicine interns get exposure to immunisation programmes, family welfare planning procedures, locally prevalent endemic diseases, national health programmes, linkage with other agencies such as water supply, food distribution and environment/social agencies, provide health education to individual/ community and get managerial skills, and delegation of duties to paramedical staff and other health professionals. For these they are required to be attached with community health centres, district hospitals, primary health centres, rural health training centres *etc.* and do at least a one week village attachment with village health centres, ASHA sub-centres *etc.* Every medical college was to have three primary health centres (PHC)/rural

health training centres (RHTC) attached to it for this. Similarly, in dental colleges, as required by DCI, interns were to pursue three months' rural services for understanding different aspects of community-related dental health aspects. Further, community health nursing field practice/internship was also required for students of nursing institutions.

Scrutiny of internship programmes (community medicine/rural service) in test-checked institutes revealed the following deficiencies (Details in *Appendix 2.9*).

- Cases were noticed where interns were not exposed to community health education, village community health issues and prevention and control of locally prevalent endemic diseases and health education programme. They were also not imparted training by medical colleges to demonstrate linkages with other agencies.
- Accommodation facility was not adequately provided by the concerned institutes/PHCs during rural internship.
- Deficiencies in attendance during rural internship were noticed.

## 2.9 Financial Management

Funds were provided for medical education under Plan and Non-Plan heads to the institutes for their functioning. In addition, funds for creation of infrastructure and procurement of equipment was provided to BMSICL/BRPNL. The budget provision and expenditure incurred for medical education under Plan and Non-Plan heads during 2013-14 to 2017-18 was as follows:

**Table no. 2.9**  
**Budget allotment and actual expenditure**

(₹ in crore)

Year	Plan			Non Plan		
	Budget	Expenditure	Surrender	Budget	Expenditure	Surrender
2013-14	374.51	225.88 (60)	148.63 (40)	336.94	293.38 (87)	43.56 (13)
2014-15	521.92	207.59 (40)	314.33 (60)	380.67	304.53 (80)	76.14 (20)
2015-16	598.38	521.50 (87)	76.88 (13)	463.28	431.39 (93)	31.89 (7)
2016-17	854.77	755.35 (88)	99.42 (12)	572.96	488.02 (85)	84.94 (15)
2017-18	703.40	593.00 (84)	110.40 (16)	662.00	597.55 (90)	64.45 (10)
<b>Total</b>	<b>3052.98</b>	<b>2303.32 (75)</b>	<b>749.66(25)</b>	<b>2415.85</b>	<b>2114.87 (88)</b>	<b>300.98(12)</b>

*Parenthesis indicates figures in percentage*

(Source: Health Department)

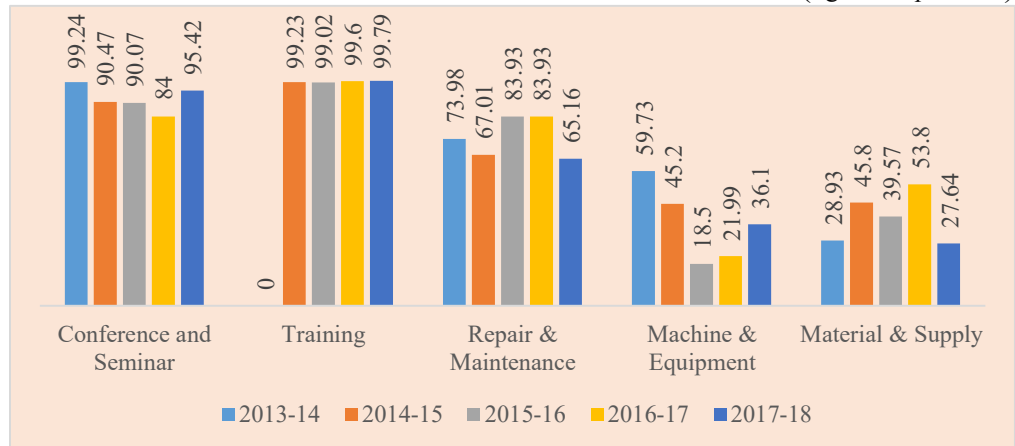
Against the total budget provision of ₹ 5468.83 crore under medical education during the year 2013-18, only ₹ 4418.19 crore (81 per cent) was spent, leading to surrender of ₹ 1050.64 crore (19 per cent).

Scrutiny of head-wise surrender revealed that under the object head 'Training' and 'Conference, Workshop and Seminar', the surrender of funds during 2013-18 was ranging from 84 to 100 per cent. The head-wise position of

surrender of funds which are directly related to medical education can be seen in the following chart:

**Chart no.-2.4**  
**Surrender in selected heads of accounts**

(figures in per cent)



(Source: Health Department)

Further, it was observed that only 75 per cent amount was spent under Plan head during the period which was attributable to poor progress of construction works taken up under different schemes of State Government as discussed earlier. Audit noticed the following financial irregularities during construction activities and running of colleges (Details in *Appendix 2.10*):

**Table no.-2.10**  
**Financial irregularities in construction activities of medical institutions**

(₹ in crore)

S No	Name of work/institute	Amount of irregularity	Reasons
1.	Construction of medical colleges at Pawapuri and Madhepura	78.09	Non-adherence to the clauses of the contract agreement and relevant rules resulted in excess payments/ inadmissible payments.
2.	Construction of medical colleges at Madhepura, Bettiah and Pawapuri	7.35	Fees paid to supervision consultants was charged to work expenses resulting in loss to the State exchequer.
3.	Construction of medical colleges at Madhepura and Pawapuri	21.41	Excess payment of centage charges to BRPNL and BMSICL
4.	Construction of medical college at Bettiah	45.71	Work was approved in March 2007 but awarded in November 2016. There was delay at every stage and it took six to 15 months to evaluate the tender. The tender was cancelled thrice. Difference in cost of BoQ as per 2 <sup>nd</sup> and 3 <sup>rd</sup> NIT was ₹ 45.71 crore (due to change of SoR), however, scope of work was reduced in 4 <sup>th</sup> NIT. Test check of certain items in BoQ revealed an increase to the extent of approximately 10 per cent.
5.	Construction of 10 ANM schools	3.20	BMSICL received ₹ 45.42 crore for construction against which ₹ 42.22 crore was spent (May 2018). The balance amount was not refunded.

Following financial irregularities were also noticed during audit of the test-checked medical institutions:

**Table no.-2.11**  
**Financial irregularities in test checked medical institutions**

S No	Name of work/Institute	Amount (in crore)	Irregularity
1.	Medical College (VIMS), Pawapuri and GMC, Bettiah	190.50	College and hospital were to generate revenue to meet their recurring expenditure. During 2013-18, recurring expenditure of medical college and hospital at Pawapuri and Bettiah were ₹83.58 crore and ₹108.01 crore respectively. However, total revenue generated by medical college at Pawapuri was ₹ 1.09 crore only. No plan was prepared as to how the revenue would be generated to meet recurring expenditure. Revenue generation of Bettiah medical college and hospital was not provided to audit.
2.	DMC Darbhanga, NMC Patna, GAC Patna and RBTS Muzaffarpur	7.30	AC bills were drawn during 2005-18 for ₹ 43.58 crore but DC bills of ₹ 7.30 crore were not submitted (November 2018).
3.	PMC Patna and DMC Darbhanga	0.15	Bond money of ₹ 15 lakh received (April 2018) from one PG student was lying idle in absence of any directions for its utilisation. In DMC, bond was not taken from 98 students out of 107 PG students admitted (2017-18).
4.	PMC Patna, NMC Patna, DMC Darbhanga, ANMMC Gaya, SKMC Muzaffarpur and JLNMC Bhagalpur	2.76	Full amount of State share (25 per cent) was not released against the GoI share (75 per cent) in Centrally Sponsored Scheme during the period 2009-13.
5.	GAC, Patna	2.95	Separate bank account was not maintained for GoI funds amounting to ₹2.95 crore received (2010-13) by the college. No cash book was maintained either. Further, diversion of fund amounting to ₹ 0.33 crore was made for salary payments in 2012-13.
6.	PMC Patna, NMC Patna and DMC Darbhanga	15.18	Against the approved amount of ₹ 28.57 crore, the colleges could not utilise released amount of ₹ 15.96 crore (including interest of ₹ 2.57 crore) resulting in non-release of balance amount by GoI during 2013-18.
7.	GTC Patna, GAC Patna, PDC Patna and GMC Bettiah.	0.38	Services like security, cleaning and other housekeeping provided to the institutes were exempted from service tax. However, service tax was paid (July 2013 to July 2017) for the services provided during October 2012 to March 2017 by the colleges.

**Recommendations**

**The Department should:-**

- ensure the timely execution and completion of the works with adherence to the terms and conditions of the contract;
- monitor the expenditure incurred on the works and ensure the refund of balance payment by the executing agencies;
- check that the centage charged by the executing agency are correct and no excess payment was charged to the works; and



- **ensure taking bond from the students and issue guidelines for its accounting and utilisation.**

## 2.10 Monitoring and Supervision

Medical colleges and hospitals, AYUSH colleges and hospitals, control of all officers serving in the department, establishment and regulation of medical colleges, provision and regulation of medical qualification, administrative charge of all buildings occupied *etc.* are the business of the Health Department, as stipulated in Rules of Executive Business, 1979.

### 2.10.1 Irregular/fake admission in Government Tibbi College Patna

In GTC Patna, having intake capacity of 40 students for BUMS course, one-third of the students were to be admitted from pre-Tib orientation course which was restricted to 10 students from November 2016. However, Audit observed that each year the college gave admission to 14 students from pre-Tib course during 2013-18. Thus, against 62 students who could get admission from pre-Tib course during this period, the college admitted 70 students.

**Students with fake mark-sheets were admitted in GTC Patna.**

Audit also attempted to verify the genuineness of certificates of all the 70 candidates from pre-Tib orientation course and received responses from the concerned colleges and universities in respect of 66 students. Certificates submitted by 15 students were not found issued by the concerned colleges and universities. Admission of students without checking the authenticity of the certificates submitted by the candidates is a matter of great concern. Principal GTC Patna replied (February 2019) that investigation was being done in this regard.

Admission through pre-Tib course in excess of capacity as determined by CCIM was therefore not in accordance with the norms and was also at the cost of opportunity available to students seeking admission through entrance examination.

### 2.10.2 Students with doubtful identities admitted in nursing schools

Audit noticed that Bihar Combined Entrance Competitive Examination Board (BCECEB) referred cases of two students admitted in 2011 in ANM School Samastipur and two students admitted in GNMDMCH during 2011 and 2012 to Forensic Science Laboratory (FSL) Patna in December 2011 and February 2013. The investigation report of FSL confirmed (February - June 2015) that two samples each of the handwriting of these students, one taken at the time of examination and the other taken at the time of counselling, did not match. Three students passed out after completion of their courses and one left in between. Despite orders of BCECEB (December 2016 and September 2017) to the concerned authorities to initiate steps to cancel the admissions and take legal action, no action was taken against the three students who had passed out.

**Ineligible students got admission and passed out from the institutes, however, no action was taken against them.**

Principal, ANM School, Samastipur replied that action against the student was under process. Principal, GNMDMCH replied that the investigation in this regard was done by BCECE Board, Patna.

In GNM NMCH, one student was allowed to pursue the GNM course, although audit observed mismatches in the photographs and signatures in her documents. The matter has been referred to BCECEB (November 2018) for verification.

### **2.10.3 Irregular admission in post graduate seats in Patna Medical College**

In PMC Patna, Audit noticed that during 2014, six departments<sup>50</sup> had 13 more post-graduate students than the sanctioned intake capacity. Further 14 students were admitted in two departments<sup>51</sup> where no seat was sanctioned by the Central Government/MCI. The MCI objected (December 2015) to the admission of these 27 irregularly admitted students. Principal, PMC Patna replied (February 2019) that admission to such seats was being done since the last 40 years as per information available on the MCI website. Further, the Principal stated (February 2019) that MCI had done inspection in light of the stated matter and their decision was awaited.

### **2.10.4 Irregular decision of Government to relax MCI criteria in admission to medical colleges in 2014**

Admission to MBBS courses is regulated by Regulations on Graduate Medical Education, 1997 framed by MCI in exercise of powers under Section 33 of the Indian Medical Council Act. Rule 5 of the regulations *ibid* stipulate requirement of at least 50, 40 and 45 *per cent* marks for general, SC/ST or other backward classes and differently abled (DQ) category candidates respectively.

Audit observed that in the MBBS examination conducted by BCECE Board in 2014, 67 students of SC/ST and DQ category did not obtain the minimum qualifying percentage marks. In order to fill up the above seats the State Government/Department decided (September 2014) to relax the minimum qualifying criteria prescribed by MCI for SC/ST and DQ category candidates from 40 and 45 *per cent* respectively to 32 *per cent* and allowed their admission to MBBS course. MCI had denied (September 2014) permission for such relaxation. The decision of the Government was contrary to the provisions framed by MCI which resulted in making ineligible candidates eligible for admission to the course.

In court cases filed by students and also by MCI, Hon'ble High Court Patna (September 2015 and December 2015) stated that no State can act in derogation to MCI regulations and set aside the orders passed by the State Government. However, considering that there was no mistake on the part of the students who had been admitted, the Hon'ble Court held that the academic career of

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<sup>50</sup> *Anaesthesia, Child health, Pathology, OBG, Radio-diagnosis and Orthopaedics.*

<sup>51</sup> *MD Psychiatry, MD/MS OBG*

the students should not be ruined, if they attained necessary proficiency while pursuing their MBBS course.

### 2.10.5 Irregular admission in BAMS course

GoI had prohibited (August 2008) GAC Begusarai from admitting students from session 2008-09 (as detailed in para 2.7.2.4). Audit observed that in contravention of the GoI's orders, the college admitted 25 students for the academic session 2008-09. CCIM also raised the issue (October 2008) of colleges taking admission despite not having permission for the same. Consequently, on the direction of the Department (June 2009), such students were adjusted in GAC Patna.

Weak supervision by the Department was also evident from the following:

- Test-check in two GNM and seven ANM schools disclosed that against the intake capacity of 838 students sanctioned by INC, 1,942 students were admitted during 2015-18 on the basis of allotment letters issued by the BCECE Board whereas the Board stated (January 2019) that counselling was done on the basis of information provided by the Department in respect of the number of seats. The Department did not furnish any comment in this regard. (*Appendix-2.11*).
- In PMC Patna, NMC Patna and GAC Patna, either there was no College Council to draw up the details of curriculum and training programme, enforcement of discipline and other academic matters or the Council held insufficient number of meetings ranging from zero to three during 2013-18 against the required number of minimum four meetings in a year<sup>52</sup>.
- None of the 10 test-checked nursing schools (except ANM School at Begusarai and Bhagalpur) had School Management Committees to monitor curriculum implementation and examination.
- There was no regulatory body and registration council for physiotherapy and occupational therapy in BCPO Patna.
- As per norms, all nursing faculty, including Principal of GNM School, should spend at least four hours a day in clinical area for clinical teaching. However, in GNM School, DMCH, the Principal stated (October 2018) that this norm was not followed and action would be taken as per the norms.
- In 2015, BCECE Board prepared the merit list by awarding marks for one wrong question to all candidates who appeared in the undergraduate entrance examination, whereas in a similar situation in the post-graduate entrance examination, the merit list was prepared after reducing the marks of seven wrong questions. Thus, two different approaches were adopted in similar conditions which was attributable to non-formulation of rules/regulations for implementation of the provisions of the BCECE Act 1995 by the Board and Government. BCECE Board replied (September 2019) that preparation of the merit list is the exclusive right of the Board.

<sup>52</sup> except for the year 2014-15 when NMC Patna had organised four meetings

- Test-checked institutions did not have strong anti-ragging measures. Surprise checks, constitution of anti-ragging squad, engagement of professional counsellors, and organisation of joint sensitisation programmes for freshers were not done in all the institutions. Thus, the norms of the regulatory bodies were not adhered to.

### **Recommendations**

#### ***The Department should:***

- ***strictly adhere to the norms of regulatory authorities;***
- ***strengthen the counselling procedure and thoroughly check the veracity of documents at the time of admission and ensure prompt action on fraudulent cases;***
- ***take steps for creation of regulatory body and registration council for physiotherapy and occupational therapy course; and***
- ***take steps for framing rules and regulation for implementation of the provisions of the BCECE Act, 1995.***

### **2.11 Conclusion**

Bihar is the third most populous state in India accounting for 8.6 *per cent* of the total population of the country. The national average of governmental doctor-nurse-midwife population ratio is 221 for one lakh population against which the state's average was just 19.74. Despite the critical shortage of doctors, nurses and other paramedical staff in Bihar, there was no long-term strategic plan to assess the requirement of medical institutions for addressing the gap in availability of trained healthcare personnel. During the period from 2006-07 to 2016-17, Government of Bihar planned to establish 12 medical colleges, 113 nursing institutes and 33 paramedical institutes. However, the projects undertaken for construction of new medical colleges and subsequent capacity enhancement were excessively delayed. Projects taken up during 2007-08 (medical colleges at Madhepura and Bettiah, dental college at Nalanda and several nursing institutes) could not be completed even after a decade. Admissions were not undertaken in the last 10 years in four out of five Ayurveda colleges due to non-fulfilment of CCIM norms. Plans to increase seats in medical colleges could not materialise for want of adequate infrastructure and teaching staff. Despite the severe shortage of medical institutions in Bihar, even the existing institutes were running with vacant posts of teaching staff ranging from six to 56 *per cent* and non-teaching staff ranging from eight to 70 *per cent*, resulting in shortfall in teaching hours.

Deficient financial management was evident from savings of 25 *per cent* under the plan head during 2013-18, attributable to inordinate delays in construction projects.

Audit observed instances of inadequate infrastructure like over-crowded classrooms and libraries, absence of laboratories, required equipment and books,

and pathetic conditions in hostels which not only violated the norms prescribed by the regulatory authorities but also created an environment not conducive to academic pursuit. Rural internship to aspiring medical students suffered from various shortcomings thereby depriving the interns of a holistic exposure to the rural scenario and the capacity to function independently in the future.

Deficient monitoring and supervision of the medical institutions by the Department was evident as audit observed instances where students were granted admission on the basis of forged marksheets or by resorting to fraudulent practices as well as admission of students in excess of the sanctioned seats.





**CHAPTER-III  
COMPLIANCE  
AUDITS**





## CHAPTER-III COMPLIANCE AUDIT

### Panchayati Raj Department & Urban Development and Housing Department

#### *3.1 Implementation of Recommendations and Utilisation of Fourteenth Finance Commission grants by Local Bodies*

##### **3.1.1 Introduction**

The Finance Commission (FC) is set up every five years or earlier under Article 280 of the Constitution. It recommends the distribution between the Union and the States of net proceeds of taxes and the principles on which Grants-in-Aid (GIA) is to be paid to the States, besides the measures needed to augment the Consolidated Fund of States to supplement the resources of the Local Bodies (LBs).

The Fourteenth Finance Commission (FFC) was constituted in January 2013 to make recommendations on specified aspects of Centre-State fiscal relations for the award period 2015-20 and it had submitted its report on 15 December 2014. The FFC had recommended assured transfer of funds to LBs for delivery of basic services<sup>53</sup> only and made 28 recommendations which were accepted (24 February 2015) by the Government of India (GoI). In the light of FFC recommendations, the grants were to be disbursed to Gram Panchayats (GPs) and Municipalities using the formulae recommended by the respective State Finance Commissions (SFCs) for distribution of resources.

##### **3.1.2 Audit Objectives**

The objectives of the Audit were to ascertain whether:

- there was efficient and effective implementation of accepted recommendations of FFC by the Government of Bihar (GoB);
- adequate planning was done for utilisation of FFC grants in an economic, efficient and effective manner;
- the grants were utilised effectively for creation of desired infrastructure; and
- adequate and effective monitoring mechanism and internal control system was in place.

##### **3.1.3 Audit Criteria**

The sources of audit criteria were the following:

- Report of the FFC, 5<sup>th</sup> State Finance Commission (SFC) report and guidelines issued by the GoI regarding release and utilisation of the FFC grants.

<sup>53</sup> *Water supply, sanitation including septic management, sewage, storm water, drainage, street lighting, LB roads and footpaths, park etc.*

- Grant sanctioning and allotment letters, orders, directives issued by the GoI and the GoB for implementation of the FFC recommendations.
- State guidelines for *Mukhya Mantri Gramin Peyajal Yojana* (MMGPY), *Mukhya Mantri Gali-Nali Pakkikaran Yojana* (MMGNPY) and *Mukhya Mantri Shahari Peyajal Nischaya Yojana* (MMSPNY).
- Bihar Panchayat Raj Act (BPRA), 2006
- Bihar Municipal Act (BMA), 2007
- Bihar Financial Rules (BFR), 2005
- Bihar Treasury Code (BTC), 2011

### 3.1.4 Audit scope and methodology

Audit test-checked (August - October 2018) the records of 52 out of 206 GPs of 12 selected Blocks<sup>54</sup> and 18 out of 140 municipalities of the State for the period 2015-16 to 2017-18 selected by using the Probability Proportional to Size (PPS) sampling method (*Appendix-3.1*). Accounts and records related to *Mukhya Mantri Nischaya Yojana* (MMNY), a state sponsored scheme, substantially funded from the FFC grants from the year 2016-17 onwards, were also examined. The records of the sampled municipalities, Zila Parishads (ZPs), District Panchayat Raj Officer (DPRO) office in the selected districts and sampled Panchayat Samitis (PSs) were checked to assess their performance in respect of monitoring, facilitating implementation of the FFC recommendations, capacity building at GP level and submission of Utilisation Certificates (UCs) of grants to the Government.

In addition, joint physical verification of 229 works selected after scrutiny of scheme files (abandoned/incomplete works, works with high estimated cost and measurement value) was conducted with the officials of GPs/municipalities and photographic evidences were also taken in presence of the departmental officials.

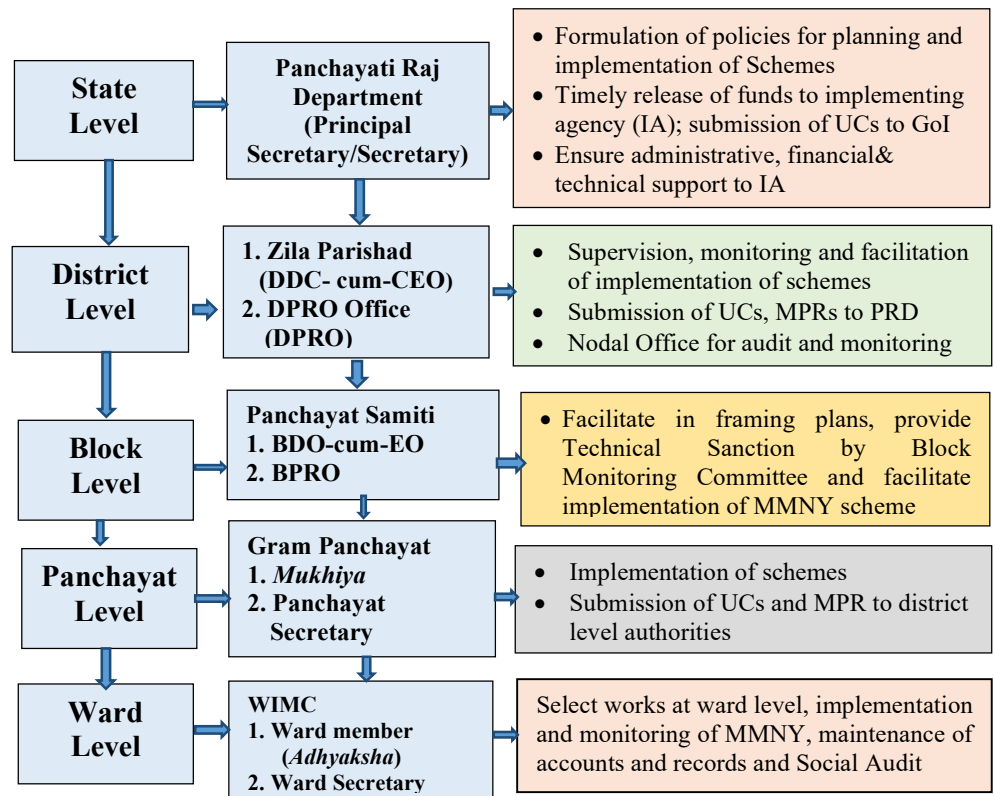
An entry conference was held with the Joint Secretary of the Panchayati Raj Department (PRD) and Special Secretary of the Urban Development and Housing Department (UD&HD) on 11 September 2018 wherein audit objectives, criteria, scope and methodology were explained. The draft report was sent to the State Government on 25 February 2019 for their comments/replies on audit findings contained in the report. An exit conference was held on 26 March 2019 with the PRD and UD&HD Departments wherein audit findings were discussed. The replies received from PRD have been suitably incorporated in the Report. Replies were not received from UD&HD in spite of reminders issued in July 2019 and January 2020.

### 3.1.5 Organisational set-up

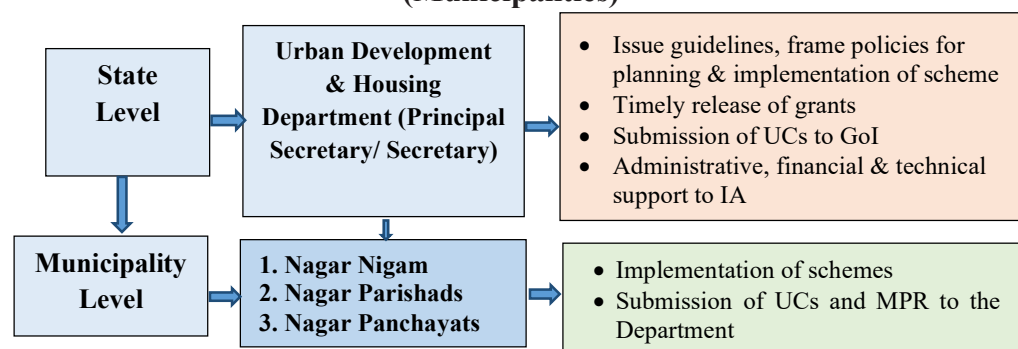
The organisational structure and roles and responsibilities of various stakeholders responsible for implementation of the FFC recommendations and utilisation of funds in respect of LBs are depicted in **Chart – 3.1&3.2** below:

<sup>54</sup> Total 8,386 GPs in 534 Blocks of 38 Districts

**Chart – 3.1:  
Roles and responsibilities of the stakeholders (PRIs)**



**Chart – 3.2: Roles and responsibilities of the Stakeholders  
(Municipalities)**



(Source: Annual Report of PRD and UD&HD; BPRA, 2006 and BMA, 2007)

### Audit findings

#### 3.1.6 Status of implementation of recommendations of FFC

**Only two out of 22 recommendations related to States were implemented fully by GoB**

The FFC had made 28 recommendations on various issues relating to LBs and accordingly GoI had issued (October 2015) guidelines for implementation of the recommendations by the States. Out of 28 FFC recommendations, 19 were to be implemented by States, six by GoI while three were to be implemented by both the States and GoI. From scrutiny of related files of nodal departments, records of the implementing and monitoring units and facts and figures obtained from them, audit observed that only two out of 22 recommendations related to

States were implemented fully by GoB. A summary of status of implementation of some of the FFC recommendations is given in **Table 3.1** below:

**Table-3.1**  
**Status of implementation of FFC recommendations**

Sl. No.	Recommendations	Status of implementation
1.	The grants should be spent only on the basic services within the functions assigned to LBs.	Implemented
2.	The books of accounts of LBs should be maintained head-wise viz., own taxes and non-taxes, grants from the State, FC and any other agency etc.	The books of accounts were not maintained by the test-checked GPs. <b>Not implemented</b>
3.	Share of grant amount in each GP and municipality should be as per prescribed criteria.	Implemented
4.	The Performance Grant (PG) is provided for addressing the issue of: (i) making available reliable data on LBs receipt and expenditure through audited accounts; and (ii) improvement in own revenues.	GPs did not maintain books of accounts and they had no revenue from own source. Municipalities did not prepare financial statements as required under Bihar Municipal Act. <b>Not implemented</b>
5.	To be eligible for PG, the panchayats will have to submit audited annual accounts not earlier than two preceding years and also have to show an increase in their own revenues over the preceding year, as reflected in the audited accounts.	No audited accounts and no own source of revenue in GPs. <b>Not implemented</b>
6.	The detailed procedure for disbursal of PG to GPs based on revenue improvement should be notified by State Government by March 2016.	No such notification was issued by the State Government. <b>Not implemented</b>
7.	Stern action should be ensured if irregularities in the application of funds are noticed or pointed out.	Several irregularities were pointed out by audit. Compliance from the audited entities and authorities concerned was awaited. <b>Not implemented.</b>
8.	The States should prepare a framework of rules for levy of betterment tax.	GoB did not frame rules for levy of betterment tax. <b>Not implemented</b>
9.	States may take steps to empower LBs to impose advertisement tax and improve own revenues from this source.	The PRD did not take steps to empower GPs to impose advertisement tax. Only Patna Municipal Corporation framed regulation (July 2012) for levy of advertisement tax and collected. <b>Not implemented</b>
10.	The State Governments to take action to assign productive local assets to the panchayats.	GoB did not conduct survey to ascertain the availability of productive assets. <b>Not implemented</b>
11.	Some of the income from royalties should be shared with the LBs in whose jurisdiction the mining is done.	GoB did not make regulations and did not share income from royalties with LBs. <b>Not implemented</b>

(Source: FFC report; Information furnished by PRD, UD&HD and test-checked units)

Details of all 28 FFC recommendations regarding LBs and action taken thereon are given in *Appendix-3.2* of the report.

The Departments in their replies (March 2019) stated that directions have been issued for proper implementation of FFC recommendations. However, specific reasons for non/partial implementation of FFC recommendations were not furnished. Implications of non-implementation of the FFC recommendations have been discussed in succeeding paragraphs.

### 3.1.7 Planning

#### 3.1.7.1 Planning for utilisation of FFC grants

The FFC had recommended GIA to duly constituted GPs and municipalities in two parts *viz.*, (i) Basic Grant<sup>55</sup> (BG) and (ii) Performance Grant<sup>56</sup> (PG). The FFC had recommended two and three eligibility conditions<sup>57</sup> for GPs and municipalities respectively to become eligible for PG. Further, GoI had prescribed (September 2017) two eligibility criteria<sup>58</sup> for receiving PG by the GPs.

The year-wise details of FFC grants recommended and released are as follows:

**Table-3.2**  
**Entitlement and receipt of FFC grant by GoB during 2015-20**

(₹ in crore)

Year	BG (GPs)		PG (GPs)		BG (Municipalities)		PG (Municipalities)	
	Recommended	Released	Recommended	Released	Recommended	Released	Recommended	Released
2015-16	2,269.18	2,269.18	0	0	256.83	255.00	0	0
2016-17	3,142.08	3,142.08	412.15	0	355.63	351.86	104.96	104.22
2017-18	3,630.39	3,630.39	466.41	0	410.90	405.11	118.78	0
2018-19	4,199.71	4,199.71	529.67	0	475.34	473.67	134.89	0
2019-20	5,674.70	5,674.70	693.55	0	642.28	637.78	176.62	0
<b>Total</b>	<b>18,916.06</b>	<b>18,916.06</b>	<b>2,101.78</b>	<b>0</b>	<b>2,140.98</b>	<b>2,123.42</b>	<b>535.25</b>	<b>104.22</b>

(Source: FFC report, grant sanctioning and allotment letters and UCs of PRD and UD&HD, GoB)

The FFC grant to LBs was for planning and delivering basic services smoothly and effectively within the functions assigned to them under relevant legislation and all expenditure incurred by panchayats and municipalities after making

<sup>55</sup> Basic grants are provided to LBs for supporting and strengthening the delivery of basic services.

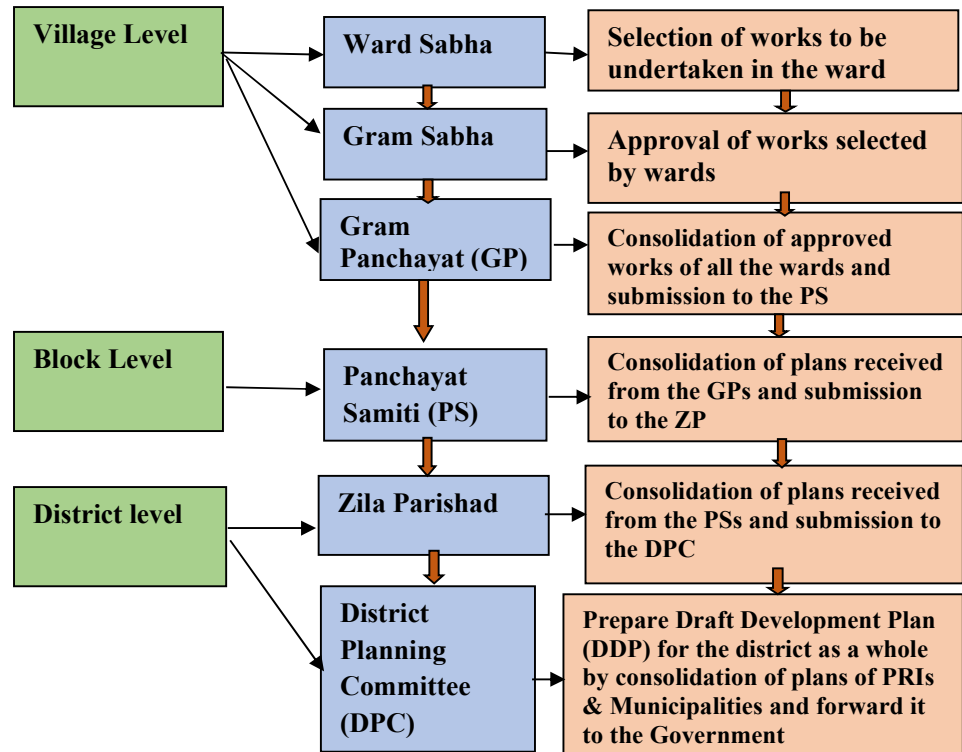
<sup>56</sup> Performance grants are designed to serve the purpose of ensuring reliable audited accounts and data of receipt and expenditure and improvement of own revenue.

<sup>57</sup> The LBs will have to submit audited annual accounts that relate to a year not earlier than two years preceding the year in which the LBs seeks to claim the PG; and they will have to show an increase in their own revenues over the preceding year as reflected in the audited accounts. Further, the municipalities must measure and publish the Service Level Benchmarks (SLB) relating to basic urban services each year.

<sup>58</sup> (i) Uploading of GPD on Plan Plus portal of MoPR; and (ii) uploading of sector wise expenditure on MoPR website.

proper plans as per applicable rules<sup>59</sup> and regulations. The process for approval of plans in PRIs is depicted in **Chart – 3.3** below:

**Chart-3.3**  
**System of approval of plans in PRIs**



(Source: BPRA, 2006)

• **District Planning Committee (DPC)**

The DPC (elected members of LBs) was entrusted to consolidate the plans prepared by the LBs and collect, compile and update the information to make the Draft Development Plan (DDP) for the district as a whole keeping in view the local needs and submit the same to the State Government. In the test-checked districts, DPC was constituted in February 2018 after election of panchayats and municipalities in the year 2016 and 2017 respectively. Thus, there was no DPC during 2016 and 2017 due to which the plans for execution of development works approved by the GPs and municipalities could not be consolidated at district level and therefore the DDP could not be prepared and submitted to the Departments.

• **Gram Panchayat Development Plan (GPDP)**

The PRD instructed (September 2017) district level functionaries to prepare GPDP with two year Annual Plans (2017-19) and five year Perspective Plans. It was further stated that DPRO, Block Panchayat Raj Officer (BPRO) and Block Development Officer (BDO) should take personal interest in preparation of

<sup>59</sup> Acts and Rules framed by the UD&HD and PRD, GoB applicable to PRIs and municipalities viz. Bihar Panchayat Raj Act, Bihar Municipal Act, Bihar Municipal Accounts Rules, and Bihar Budget Manual etc.

GPDP. Eight test-checked GPs under Begusarai district did not prepare GPDP and in the remaining 44 test-checked GPs, GPDP for the year 2017-18 only was prepared by the Panchayat Secretaries. In the test-checked Blocks, GPDP of 108 out of 206 GPs were uploaded as of January 2019 on the MoPR Plan Plus<sup>60</sup> portal. At the State level, the GPDP of only 4,170 GPs (49.73 per cent) out of 8,386 GPs for the year 2017-18 were uploaded (January 2019). Thus, the purpose of preparing GPDP could not be fulfilled as works already executed during 2017-18 were also included in GPDP without integrated participatory planning exercise.

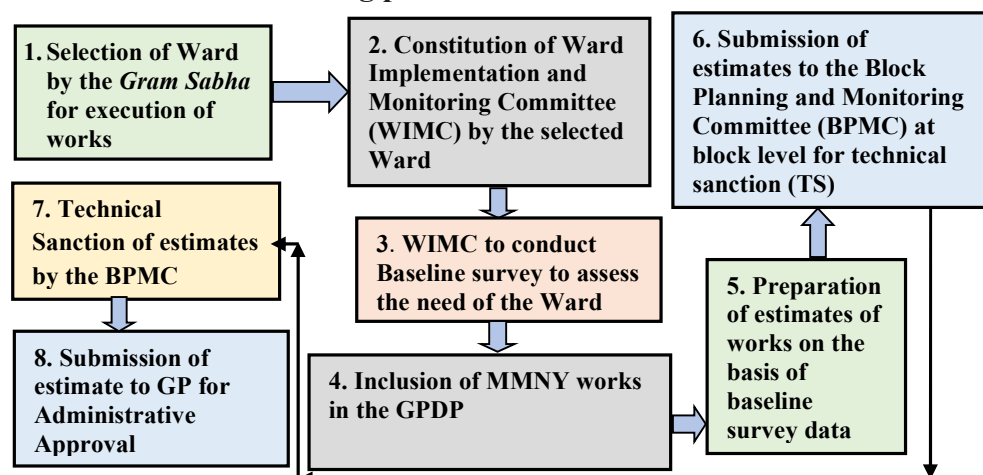
GoB failed to fulfil one of the eligibility criteria to receive PG by not uploading the GPDP in Plan Plus portal

The PRD replied (March 2019) that GPDP for the year 2017-18 is being uploaded in Plan Plus portal in the year 2018-19. By not uploading GPDP on Plan Plus portal in time, the State failed to fulfil one of the eligibility criteria to receive PG for GPs and consequently did not receive ₹ 878.56 crore during 2016-18.

### 3.1.7.2 Planning for implementation of MMNY in GPs and municipalities

GoB launched (December 2015) MMNY with seven resolutions (*Nischaya*). Two '*Nischayas*' of MMNY (i) *Mukhya Mantri Gramin Peyjal Yojana* for providing potable water in 5,013 GPs<sup>61</sup> and (ii) *Mukhya Mantri Gali Nali Pakkikaran Yojana* to provide all-weather road connectivity with drains to all clusters in rural areas were to be implemented by the GPs while one "*Nischaya*" *Peyjal Yojana* in urban areas (*Mukhya Mantri Shahri Peyjal Nischaya Yojana*) to provide potable water to all households till 2020 was to be implemented by municipalities, Bihar Rajya Jal Parshad (BRJP) and Bihar Urban Infrastructure Development Corporation (BUIDCO). The planning procedure for implementation of MMNY in GPs is depicted in **Chart-3.4** below:

**Chart-3.4**  
Planning procedure of MMNY in GPs



(Source: MMNY guideline, GoB)

<sup>60</sup> Plan Plus is a software of Ministry of Panchayati Raj to capture the planning workflow, converge the flow of funds from different sources and bring transparency in the planning process.

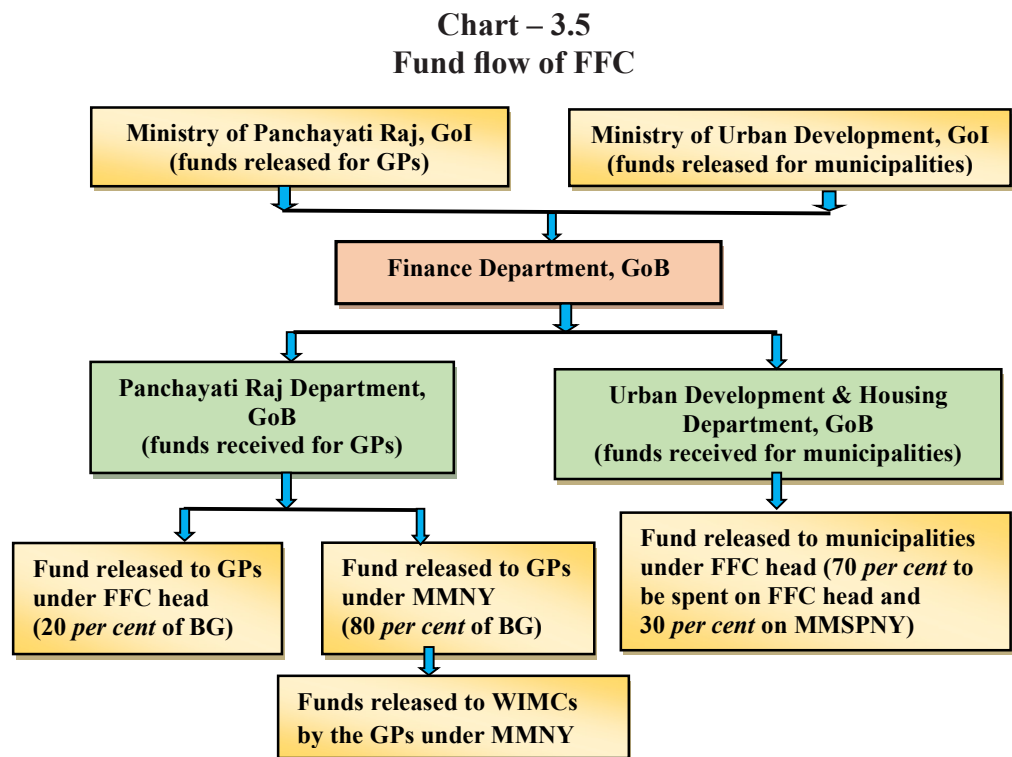
<sup>61</sup> In 3,378 GPs, quality of water was affected by iron, fluoride and arsenic where works were to be executed by PHED.

In the test-checked GPs, baseline survey was conducted by the ward member and *Vikash Mitra* without support from Rural Works Department and trainers of blocks and other functionaries at GP level. In the baseline survey, data were not compiled in the format prescribed by the Department and was not found linked to the working estimate. Due to deficiencies in planning of works under MMNY, cases of irregularities in execution of works, non-commencement of works despite availability of funds, failure of GPs to provide safe drinking water etc., were noticed which made implementation of MMNY unsatisfactory as discussed in **paragraph 3.1.9**.

Therefore, planning for implementation of the scheme was not adequate as the DPC did not consolidate plans for the period 2015-18 and the GPDP for the year 2017-18 by converging the resources including the technical inputs of other rural sector programmes implemented by other departments/agencies in rural areas was also not prepared.

### 3.1.8 Financial Management

The fund flow system of FFC grants to LBs is depicted in **Chart-3.5** below:



(Source: FFC recommendations, grant sanctioning and allotment letters of PRIs and UD&HD)

GoB decided (February-August 2016) that 80 per cent (₹5,417.97 crore during 2016-18) funding for MMNY will be from FFC grants in case of schemes to be implemented by GPs and 30 per cent from FFC grants (₹303.58 crore during 2015-18) for the schemes to be implemented by municipalities and balance funds were to be met from 5<sup>th</sup> SFC grants and from the State Plan grants<sup>62</sup>.

<sup>62</sup> ₹1,794.51 crore from 5<sup>th</sup> SFC and ₹2,245 crore from State Plan released during 16-18



### 3.1.8.1 Release and utilisation of FFC grants

The FFC had assessed the grant for each State for each year and recommended BG and PG to support and strengthen the delivery of basic services. The ratio of BG to PG is 90:10 with respect to GPs and 80:20 in the case of municipalities.

#### Release of grant to GPs

The details of grants recommended by FFC and received by GPs during 2015-18 is given in **Table 3.3** below:

**Table-3.3**  
**Grants recommended and released**

(₹ in crore)

Year	Basic Grant			Performance Grant		
	Recommended	Released by GoI to GoB	Released by GoB to GPs	Recommended	Released by GoI to GoB	Released by GoB to GPs
2015-16	2,269.18	2,269.18	2,269.18	0	0	0
2016-17	3,142.08	3,142.08	3,129.87	412.15	0	0
2017-18	3,630.39	3,630.39	3,624.13	466.41	0	0
<b>Total</b>	<b>9,041.65</b>	<b>9,041.65</b>	<b>9,023.18</b>	<b>878.56</b>	<b>0</b>	<b>0</b>

(Source: FFC report, grant sanctioning and allotment letters and UCs of PRD and UD&HD, GoB)

As per FFC recommendations, the State should release the grants to LBs within 15 days of it being credited to their account by GoI failing which the State would be liable to pay penal interest to LBs at RBI bank rate from its own funds. The PRD did not release BG of ₹12.21 crore to 2 to 44 GPs and ₹6.25 crore to 6 to 21 GPs for the years 2016-17 and 2017-18 respectively. The reasons for delay were cited as discrepancies in the bank accounts of GPs, wrong IFSC code of bank accounts and technical faults in Public Financial Management System (PFMS). This resulted in creating a liability of ₹1.64 crore till December 2018 as shown in **Table 3.4** below:

**Table- 3.4**  
**Non-release of grants to GPs**

(₹ in crore)

Year	Particulars of grants	Amount of grants	No. of GPs involved	Date of receipt from GoI	Penal interest at RBI rate (@ 6.75 per cent) till December 2018
2016-17	FFC grant (20 per cent)	0.15	2 to 4	21 December 2016 and 9 March 2017	0.01
	FFC grant (80 per cent)	12.06	41 to 44		1.19
2017-18	FFC grant (20 per cent)	1.18	6 to 21	21 June 2017 and 24 November 2017	0.09
	FFC grant (80 per cent)	5.07	8 to 20		0.35
<b>Total</b>		<b>18.46</b>			<b>1.64</b>

(Source: Sanctioning letter, Bank advice and cash book of PRD)

Further, there was delay of 11 to 261 days in releasing the grants to GPs. The PRD made a payment of ₹8.12 crore as penal interest to GPs. There is an additional liability to pay penal interest of ₹37.32 crore as shown in **Table 3.5** below:

**Table-3.5**  
**Delay in release of grants**

(₹ in crore)

Year	Particulars of FFC grants	Date of receipt by the Department	Date of release to LBs	Delay in release of grants (in days)	Amount released with delays	Penal interest at RBI rate (@ 6.75 per cent)
2015-16	First instalment	2 July 2015	Fund routed through ZPs instead of direct transfer to GPs	15-172	1,134.09	8.12
2016-17	First and Second instalments	21 December 2016 - 9 March 2017	20 January 2017- 22 September 2017	15-261	3,129.87	26.84
2017-18	First and Second instalments	21 June 2017- 24 November 2017	19 July 2017- 22 December 2017	11-157	3,624.13	10.48
<b>Total</b>						<b>45.44</b>

(Source: Sanctioning letter, Bank advice and cash book of PRD)

**GPs could not fulfil the mandatory conditions and thus could not receive PG of ₹878.56 crore**

The PRD replied (January 2019) that there was no delay in releasing grants to GPs as the entire amount was made available to the bank, but due to discrepancies in the bank accounts of GPs and technical faults in PFMS, amount of grants was released with delays. Reply of the Department is not acceptable as it was the responsibility of the Department to release the grants directly into the accounts of the GPs within 15 days of receipt of grant from GoI.

Further, GoB could not receive PG of ₹878.56 crore for the period 2016-18 as the GPs could not fulfil the mandatory conditions viz., availability of audited accounts and improvement in own sources of revenue.

The PRD stated (March 2019) that steps had been taken for compliance of the mandatory conditions for PG. The reply is not acceptable as the consolidated audited accounts could not be prepared and the regulation for taxation by the GPs has not yet been framed as stated in **succeeding paragraph 3.1.10**.

#### Release of grants to municipalities

The details of grants recommended and received by municipalities was as shown in the following **Table 3.6**:

**Table- 3.6**  
**Release of Grants**

(₹ in crore)

Year	Basic Grant			Performance Grant		
	Recommended	Released by GoI to GoB	Released by GoB to ULBs	Recommended	Released by GoI to GoB	Released by GoB to ULBs
2015-16	256.83	255.00	255.00	0	0	0
2016-17	355.63	351.86	351.86	104.96	104.22	104.22
2017-18	410.90	405.11	405.11	118.78	0	0
<b>Total</b>	<b>1,023.36</b>	<b>1,011.97</b>	<b>1,011.97</b>	<b>223.74</b>	<b>104.22</b>	<b>104.22</b>

(Source: Sanctioning and allotment letter of UD&HD)

**GoB was liable to pay penal interest of ₹0.59 crore due to delay in release of grants**

GoI had short released BG of ₹11.39 crore for the period 2015-18 and PG of ₹0.74 crore for the year 2016-17 for municipalities for which no reason was on the record of the UD&HD. GoB could not receive PG of ₹118.78 crore for the year 2017-18 as the State could not fulfil the mandatory conditions<sup>63</sup> for receipt of PG. The UD&HD did not transfer the first instalment of grants for the year 2015-16 directly into the bank accounts of municipalities and instead released it through Bihar Urban Development Authority (BUDA) and the BUDA made available the amounts to municipalities through RTGS. Thus, the State had failed to adhere to the time line for transferring of funds to LBs despite this being recommended by the FFC. Due to delay of 21-39 days in receipt of first instalment of grant in 2015-16 amounting to ₹128.42 crore by municipalities, GoB was liable to pay penal interest of ₹0.59 crore.

### 3.1.8.2 Submission of Utilisation Certificates (UCs)

As per FFC recommendations, second and subsequent instalments of grants were to be released by GoI to the States subject to receipt of UCs for the previous instalments in the prescribed format (certificate regarding release of grants to GPs/municipalities).

GoB had submitted UCs to GoI against full amounts of grants received during 2015-18 but with delays of 17 to 147 days for GPs and 23 to 135 days for municipalities. Further, in UCs submitted for grants released to GPs, the date of allotment was shown as the date of transfer of grants while there was a gap between date of allotment and date of release. Besides, as per UCs submitted to GoI, the entire amount of grants was shown as transferred to GPs within the prescribed time while cases of non-release of entire grants by GoB and delay in transfer of grants were noticed as discussed in preceding **paragraph 3.1.8.1**. A summary of UCs pending against the GPs and municipalities as on December 2018 is given in **Table 3.7** below:

**Table-3.7**  
**UCs pending year-wise**

(₹ in crore)

Year	GPs			Municipalities		
	Amount released	UCs received	Pending UCs	Amount released	UCs received	Pending UCs
2015-16	2,277.30	1,107.60	1,169.70	255.01	211.47	43.54
2016-17	3,142.08	1.39	3,140.69	456.06	188.14	267.92
<b>Total</b>	<b>5,419.38</b>	<b>1,108.99</b>	<b>4,310.39</b>	<b>711.07</b>	<b>399.61</b>	<b>311.46</b>

(Source: Records of PRD and UD&HD, GoB)

Further, in two Nagar Parishads (Nasriganj and Saharsa) UCs were submitted for ₹2.82 crore which was in excess of the actual expenditure of ₹2.35 crore, which indicated that UCs were not prepared based on actual expenditure.

<sup>63</sup> To submit audited annual accounts not earlier than two preceding years, to show an increase in own revenue as reflected in audited accounts and publish service level benchmarks relating to basic urban services each year.

**The reasons for irregularities in submission of UCs need to be enquired into and suitable action taken against the erring officers.**

The PRD had engaged (August 2017) Chartered Accountants (CAs) to prepare scheme-wise and financial year-wise UCs of the grants received by PRIs and the same was to be enclosed with the Audit Report. However, CAs did not conclude audit for any of the years during 2015-18 and this was the reason for non-submission of UCs by ZPs for grants released to GPs. Details are in **paragraph 3.1.10.5**. The PRD granted extension of time to the CA firms for submission of Audit Reports.

• **Non-utilisation of grants and interest**

Out of six test-checked ZPs, three ZPs<sup>64</sup> had earned bank interest of ₹34.06 lakh on deposit of first instalment of FFC grant for the year 2015-16 which remained unutilised till 15 October 2018. The grants along with interest of ₹10.38 crore<sup>65</sup> available for MMNY was not released to WIMCs by test-checked 11 GPs while grants of ₹80.10 lakh released by seven GPs to nine WIMCs was not utilised by the concerned WIMCs. Further, one Nagar Parishad (NP) Kishanganj did not utilise FFC grant of ₹15.60 crore<sup>66</sup> and test-checked five municipalities<sup>67</sup> also did not utilise FFC grant of ₹7.45 crore (30 per cent grant of FFC) meant for execution of MMSPNY as indicated in **Table 3.8** below:

**Table- 3.8**  
**Non-utilisation of grants and bank interest**

(₹ in crore)

Name of the units	Head of grants/ interest	Amount	Since when amount was lying blocked
ZPs	Interest on first instalment for 2015-16	0.34	September 2015
GPs	MMNY	10.38	February 2017
Ward	MMNY	0.80	September 2017
Municipalities	FFC and MMSPNY	23.05	February 2016 to March 2018
<b>Total</b>		<b>34.57</b>	

(Source: Bank account/statement, cash book of test-checked units)

There was no provision in the FFC guidelines regarding utilisation of interest earned on deposit of grants and the Departments also did not issue guidelines regarding utilisation of interest earned on deposit of grants. The interest was lying in bank accounts.

<sup>64</sup> Gaya-₹0.81 lakh; Samastipur-₹14.57 lakh and Vaishali-₹18.68 lakh

<sup>65</sup> GP- Mahmadpur Pojha (₹0.86 crore), GP- Rasalpur Turki (₹1.17 crore) GP- Ismailpur (₹0.90 crore), GP- Bishanpur Balbhadra (₹0.88 crore), GP-Bajitpur Meyari (₹0.99 crore), GP-Banwaripur (₹0.95 crore), GP-Kiratpur (₹0.97 crore), GP-Sanjat (₹0.96 crore), GP-Maniappa (₹0.87 crore), GP-Matihani-1 (₹1.09 crore) and GP-Rebra (₹0.74 crore)

<sup>66</sup> Second instalment of 2016-17 (BG), first and second instalment of 2016-17 (PG), first and second instalment of 2017-18 (BG)

<sup>67</sup> Fatuha - ₹1.25 crore, Mokama - ₹1.81 crore, Naugachia - ₹1.74 crore, Masaurhi - ₹1.53 crore and Sherghati - ₹1.12 crore

### 3.1.8.3 Delay in drawal/non-drawal of grants by municipalities

The UD & HD had released FFC grants to municipalities from the second instalment of 2015-16 onwards through treasury with a direction (23 December 2015) to draw the allotment at the earliest for crediting into their Personal Ledger (PL) accounts. However, it was observed that in all the test-checked municipalities, allotment was drawn with delays of 5 to 253 days.

In four test-checked municipalities<sup>68</sup>, allotment of ₹6.37 crore for the period 2015-17 could not be drawn due to non-submission of UCs of previous released grants, non-operation of PL accounts, procedural delays etc., and the amount was surrendered to the Finance Department.

### 3.1.8.4 Mobilisation of revenue from own sources of LBs

The FFC recommended that the LBs should improve their own sources of revenue. The 5<sup>th</sup> SFC had also recommended (February 2016) for inclusion of *Sairat*, Mineral, Mobile Tower, net proceeds of land revenue collected by a GP etc., as source of revenue of GPs. However, the GPs did not have tax and non-tax revenue because the PRD did not frame regulation for taxation and did not conduct survey of the productive assets available in the GPs areas for transferring to GPs.

The PRD replied (February 2019) that framing of Bihar Panchayat (Accounts, Audit, Budget and Taxation) Rules was under process. Audit observed that framing of the above regulation was under process at the Department level for more than three years.

The FFC recommended that existing rules in municipalities be reviewed and amplified to facilitate the levy of various taxes.<sup>69</sup> The municipalities should rationalise their service charges to recover at least operation and maintenance costs from the beneficiaries etc., to improve revenue of municipalities from their own sources.

Audit noticed that 11 out of 18 test-checked municipalities did not levy vacant land tax and did not revise property tax every five years while advertisement tax, betterment tax and entertainment tax were not imposed by any of the test-checked municipalities. In eight test-checked municipalities, services (door-to-door collection of waste and water supply) were provided but user charges of ₹1.35 crore<sup>70</sup> for the period 2015-18 was not collected from the beneficiaries.

Further, the State Government did not put in place a State level Property Tax Board (notified in the year 2013) which may assist all municipalities in the State to put in place an independent and transparent procedure for assessing property tax.

<sup>68</sup> Aurangabad - ₹1.63 crore, Chhapra - ₹3.01 crore, Nasriganj- ₹0.27 crore and Siwan- ₹1.46 crore)

<sup>69</sup> Property Tax, Vacant land tax by peri-urban Panchayats, Betterment tax, Advertisement tax and Entertainment tax

<sup>70</sup> Islampur- ₹0.11 crore, Khagaul- ₹0.94 crore and Kishanganj- ₹0.30 crore

**GPs did not have tax and non-tax revenue as the PRD did not frame regulations for taxation.**

Thus, GPs and municipalities had largely failed in mobilising revenue from own sources though the same was recommended by SFCs also. The Departments were therefore unable to ensure adequate revenue generation by the LBs.

### 3.1.9 Execution of Works

As per executive instructions of GoB, the works undertaken by GPs out of FFC grants were to be executed departmentally while works from MMNY (MMGPY and MMGNPY) were to be executed by the Ward Implementation and Management Committees (WIMCs) by involving local labour, plumbers and technicians and materials for the works were to be procured by them after market survey. *Mukhiya*, BDO and DPRO office had to establish the supply chain for procurement of materials.

The municipality had to execute the works under MMSPNY through e-tender. The physical and financial progress of works under MMSPNY was to be uploaded on the Department's website.

#### 3.1.9.1 Physical and financial progress of works under MMNY and FFC

Out of 48,325 works undertaken under MMNY in the State, only 8.61 per cent works under MMGPY and 40.74 per cent works under MMGNPY were completed as of January 2019 as detailed in Table 3.9 below:

Only 8.61 per cent and 40.74 per cent works under MMGPY and MMGNPY were completed out of 48,325 works

Table-3.9

#### Physical and financial progress of work

(₹ in crore)

Head	Financial Progress		Physical Progress					
	Fund available at ward level (2016-18)	Expenditure (2016-18)	2016-17		2017-18		Total	
			Works taken up	Works completed	Works taken up	Works completed	Works taken up	Works completed (per cent)
MMGPY	277.41	17.65	3,464	313	17,372	1,481	20,836	1,794 (8.61)
MMGNPY	2,144.97	121.87	3,430	1,532	24,059	9,666	27,489	11,198 (40.74)
<b>Total</b>	<b>2,422.38</b>	<b>139.52</b>	<b>6,894</b>	<b>1,845</b>	<b>41,431</b>	<b>11,147</b>	<b>48,325</b>	<b>12,992 (26.88)</b>

(Source: Nishchay Soft data of www.biharprd.bih.nic.in)

As directed by the PRD, hundred per cent wards were to be covered by the year 2020 while 50 per cent wards were to be covered till 31 March 2018 under MMNY. Against the target for the years 2016-18 to cover 380 wards of 52 test-checked GPs, only 255 wards (67 per cent) were covered by 41 GPs during 2017-18 while in the remaining 11 GPs no work was taken up despite availability of funds of ₹10.38 crore. Further, out of aforesaid 41 GPs, in 20 GPs, only 13 to 47 per cent wards were covered which was less than the stipulated target of 50 per cent.

In the test-checked GPs, 84 out of 560 works (15 per cent) taken under MMGPY and MMGNPY were completed. Reasons for less completion of works in GPs

were mainly due to absence of training to members of WIMCs and technical assistance for execution of works, lack of cooperation from Block and District level authorities and Committees and lack of awareness programme among concerned stakeholders as discussed in subsequent **paragraphs 3.1.10 and 3.1.12.**

In 111 ULBs,<sup>71</sup> 7,72,054 households were to be provided piped water supply till December 2020 but only 2,46,115 households were provided water supply connection till May 2019. Six out of 10 test-checked municipalities<sup>72</sup> had undertaken 78 water supply works under MMSPNY out of which 19 were completed during the period 2016-18. Balance four test-checked municipalities did not undertake water supply works despite unavailability of water supply facilities in the wards involving 27,033 households<sup>73</sup>, though grants were earmarked for these municipalities. Municipalities cited administrative issues and delay in tendering process as the reasons for delay.

The physical and financial progress of works undertaken by the test-checked GPs and municipalities out of FFC grants is shown in **Table 3.10** below:

**Table-3.10**  
**Physical and Financial progress of works executed under FFC grants**

(₹ in crore)

Units	Head	Financial Progress		Physical Progress							
		Fund available during 2015-18	Expenditure during 2015-18	2015-16		2016-17		2017-18		Total	
				works taken up	works completed	works taken up	works completed	works taken up	works completed	works taken up	works completed
GP	MMNY (80 per cent)	#51.62	24.30	-*	-*	0	0	560	84	560	84
GP	FFC (20 per cent)	23.06	19.42	448	410	223	198	150	123	821	731
ULB	MMSPNY (30 per cent)	#50.41	3.30	-*	-*	27	18	51	1	78	19
ULB	FFC (70 per cent)	110.79	39.77	316	312	430	384	145	123	891	819

(Source: records of test-checked units)

\* MMNY and MMSPNY was started since 2016-17

# includes a portion of FFC grants, 5<sup>th</sup> SFC grants and grants under State Plan. Amounts could not be bifurcated head-wise as the combined amount was released to LBs.

The PRD accepted (March 2019) the reasons pointed out by audit for low completion of works, especially works under MMNY and stated that directions have been issued from time to time to improve the progress of works.

### 3.1.9.2 Irregularities in purchases by ULBs

#### Irregularities in purchase of High Mast Light (HML)

- The Board of NP Areraj decided (June 2015) to procure HML from the previous supplier, M/s Pandey Electronics (the firm) at the same rate at which the firm

<sup>71</sup> ULBs themselves were executing agencies for MMSPNY scheme.

<sup>72</sup> In balance eight test-checked municipalities, MMSPNY was to be executed by BRJP and BUIDCO.

<sup>73</sup> Fatuha (6,382), Masaurhi (8,237), Mokama (5,719) and Sherghati (6,695)

had supplied HML earlier in February 2015 i.e., at ₹4.25 lakh per piece. The NP procured 12 HMLs from the firm as per details in **Table 3.11** below:

**Table 3.11**  
**Details of procurement of HML**

Sl. No.	Supply order no. and date	Quantity	Rate of each HML	Invoice no. and date	Amount (₹ 6.50 lakh per piece)
1.	201; dt. 09.05.2016	5	4.25	33 dt. 28.06.2016	39.00 lakh
2.	234; dt. 31.05.2016	1	4.25		
3.	52; dt. 18.04.2017	3	6.50	50 dt. 20.05.2017	19.50 lakh
4.	186; dt. 31.03.2018	3	6.50	58 dt. 16.04.2018	19.50 lakh

Though the NP decided to procure the HMLs at the rate of ₹4.25 lakh per piece and work orders for six HMLs were issued at the same rate, the payments for these six HMLs was made at the rate of ₹6.50 lakh. Further, six more HMLs were procured at the rate of ₹ 6.50 lakh. No reasons were found on record regarding the enhancement of rate from ₹4.25 lakh to ₹6.50 lakh. Thus, the NP paid ₹78 lakh to the firm instead of the admissible amount of ₹51 lakh which resulted in excess payment of ₹27 lakh. Out of ₹27 lakh, the firm was paid ₹25.95 lakh by the NP after deducting ₹1.05 lakh on account of taxes (value added tax, income tax & labour cess). Neither the NP nor the Department submitted reply in this regard.

NP Khagaul invited tender (January 2017) for purchase of two HMLs. Seven firms participated in the tendering process and the work was awarded to a firm<sup>74</sup> for ₹3.77 lakh. Audit noticed that the evaluation of bids was not fair and transparent as out of six firms declared disqualified on the basis of not providing documents and rates in the bids, two firms<sup>75</sup> provided the relevant documents and mentioned rates in their bids and these were available in the records. However, the same were not considered. Therefore, the possibility of bias in the tendering process for giving undue favour to a particular contractor cannot be ruled out. By considering the rates quoted by the L2 firm, an amount of ₹1.22 lakh could have been saved. The EO replied (February 2019) that by mistake income tax certificate furnished by the lowest bidder could not be included in the comparative statement.

#### **Irregularities in purchase of land for landfill site**

The UD&HD had allowed (November 2015) municipalities to purchase private land for execution of various schemes and development works if Government land was not available subject to the condition that: (i) land was to be purchased at maximum of market rate; (ii) market rate should be as per rate fixed by the District Registrar Office for a particular type of land; (iii) land was to be purchased from own source of municipality or from market loan by mortgaging the land; and (iv) land was to be purchased by advertising in newspaper through Expression of Interest (EOI) and payment was to be made through RTGS.

<sup>74</sup> M/s Dudwa Power Industries

<sup>75</sup> M/s Laxmi Construction and Electrical Works and M/s Sana sara enterprises



The Nagar Parishad Siwan took a decision (June 2013) to purchase 5 to 7 acres of land for landfill and advertised (May 2017) EOI in the newspaper. Two interested parties: (i) Sri Moiuddin Khan (ii) A group of five people<sup>76</sup> expressed their interest to sell their land to the NP. Rate quoted by Gulam Moiuddin Khan was as per Minimum Value Register (MVR) whereas the other party quoted at two *per cent* lower than the MVR.

The Executive Officer (EO), NP obtained market rate of land from the District Registrar, Siwan and ascertained location of the land from the Circle Officer (CO), Nautan (Siwan). The CO stated (July 2017) that entire portion of land was an agricultural (*Dhanhar*)/barren land which was located 500 meters away from the main road (Brick soiling) of the village Aungata. The market rate of land as reported by the Registrar, Siwan was ₹6,000 per decimal for *dhanhar* land and ₹44,000 per decimal for rural land. The NP purchased 909.234 decimal land and made a payment of ₹3.68 crore (at the rate of ₹44,000) against the eligible amount of ₹54.55 lakh at the rate of ₹6,000. This resulted in excess payment of ₹3.15 crore<sup>77</sup> and avoidable payment of ₹27.58 lakh as stamp fee for registry of land.

Further, land was purchased from FFC grant instead of from own sources or from loan raised by the NP by mortgaging the land. The UD&HD (March 2019) had assured to investigate the matter.

### 3.1.9.3 Irregularities in execution of works by GPs

- **Splitting of work to avoid sanction of higher officials**

The PRD vide Resolution (November 2014) prescribed a limit of ₹ 5 lakh of GPs for according administrative sanction of works. Works with estimated cost of ₹ 5 lakh to ₹ 10 lakh were to be sanctioned by BDO. In violation of this provision, three works of ₹ 21.82 lakh were split into six works to avoid sanction of higher authority. Details are as indicated in **Table 3.12** below:

**Table-3.12**  
**Splitting of work**

(Amount in ₹)

Sl. No.	Name of the GP	Name of work	Scheme no. (Sanction date)	Estimated cost	Total estimate of both works
1	Hathiawa (Gaya)	Construction of road from Masjid to Mahendra Mistri to Sriram Pandey chauraha in Gram Hathiawa	1/15-16 (October 2015)	4,91,672	8,88,472
			7/15-16 (December 2015)	3,96,800	
2	Hemara (Gaya)	Construction of road from main road to high school in Gram Khudai	1/16-17 (July 2017)	4,97,900	6,03,000
			2/16-17 (July 2017)	1,05,100	
3	Ismailpur (Vaishali)	Construction of PCC road from the house of Basudev Singh towards high school in Gram Chehra Khurd	1/17-18 (April 2017)	4,99,500	6,90,500
			3/17-18 (June 2017)	1,91,000	
<b>Total</b>					<b>21,81,972</b>

(Source: Records of test checked units)

<sup>76</sup> *Shri Vijay Kr. Srivastava, Vijay Shankar Shahi, Bipin Bihari Srivastava, Navin Pd. and Bageshwar Shahi*

<sup>77</sup> ₹30 lakh was withheld.

The GPs in their replies (August – October 2018) stated that the estimates were prepared by Junior Engineers (JE). The reply is not acceptable as the competent authority for administrative approval of works with estimated cost of ₹5.00 lakh to ₹10.00 lakh was BDO and the works were split up to avoid sanction of BDO.

- As per instruction of GoB, MMGPY was to be executed by the Public Health and Engineering Department (PHED) in those GPs/wards where water quality was affected by arsenic, fluoride and iron and water was to be supplied after treatment. It was observed that in four wards of test-checked four GPs<sup>78</sup> water quality was affected, but water supply works were executed by the WIMCs instead by PHED. GPs stated (August 2018) that the list of water quality affected wards were not provided. Thus, the purpose of the scheme for providing potable water in these wards was defeated.

- **Construction of PCC road without drain**

As per MMGNPY scheme guidelines, PCC road was to be constructed with the drain. Audit noticed that in 18wards of 10 test-checked GPs, construction of PCC roads were undertaken without drains and provision to drain out the waste water was not made. Consequently, 25 works at an expenditure of ₹0.77 crore (*Appendix-3.3*) were executed in violation of the scheme guidelines. This was also borne out during joint physical verification of works with the audit entities.



Construction of PCC road without drain in ward no. 9 of GP Kurmawa (Gaya);  
Scheme no.- 01/2017-18

- **Irregularities in Muster Roll**

The Bihar Treasury Code (BTC) provides that wages of labourers engaged departmentally shall be drawn on muster roll showing the names of the labourers, number of days they had worked and the amount due to each. Audit observed that in 10 works in two test-checked GPs (Purushottampur Annu and Sripurgahar Paschim) and in one municipality (NP Mokama), Muster Roll was not maintained for the works and wages of ₹10.93 lakh<sup>79</sup> was shown paid on hand receipt/plain paper. Further, in two works of GP Kanubisunpur, payment

<sup>78</sup> Ekangarsarai (Ward no. 4)- ₹11 lakh, Mandachh (Ward no. 7)- ₹8.70 lakh, Gyaspur (Ward no. 2)- ₹9.95 lakh and Kanu Bishunpur (Ward no. 5) – ₹10 lakh

<sup>79</sup> GP-Purushottampur Annu (one work-₹0.90 lakh); GP-Sripurgahar Paschim (threeworks-₹2.44 lakh); and NP Mokama (six works-₹7.59 lakh)

of ₹1.17 lakh to the labourers was made. However, signature of labourers on the muster roll was not found. Further, in seven GPs<sup>80</sup> payment of ₹1.83 crore was made to the agency but muster roll and voucher for the same was not found attached in the related schemes files. GPs replied (October 2018) that the muster roll and vouchers will be attached.

The Departments replied (March 2019) that these findings are related to the implementing units and therefore the matter would be taken up with the units concerned and action would be taken accordingly.

### 3.1.10 Capacity of GPs/municipality for implementation of Schemes

#### 3.1.10.1 Institutional arrangements

The Seventy-third and Seventy-fourth Constitutional Amendment Act envisaged that all the 29 functions for PRIs and 18 functions for municipalities along with funds and functionaries would be eventually transferred to PRIs and municipalities through suitable legislation of the State Government. Further, Section 22 of the BPRAs provides that the GPs will perform functions like (i) extension of agriculture activities (ii) animal husbandry and dairy (iii) development of fisheries activities (iv) social forestry (v) small industries (vi) drinking water (vi) *Gramin* sanitation and environment (vii) development of non-conventional energy source (viii) public park and playground (ix) Education (including primary and higher secondary level) etc.

Twenty Departments prepared and mapped their function-wise and tier-wise activities and notified them (September 2001) for delegating to PRIs. However, adequate funds and functionaries were not devolved to GPs and municipalities to carry out the mandated functions. The 4<sup>th</sup> SFC also noted (June 2010) that no substantial responsibilities and resources were given to PRIs.

Out of 29 functions to be carried out by GPs, only six functions (drinking water, rural roads, non-conventional energy sources, poverty alleviation schemes, education, maintenance of community assets) were carried out by GPs. The other 23 functions were being performed by other Departments of GoB. Further, audit observed that out of 18 functions to be carried out by municipalities, 13 functions were performed by them and the remaining five were performed by the respective functional Departments of GoB and para statal bodies.

Thus, GoB failed to fulfil the Constitutional requirements as it did not transfer all the required functions to the PRIs/municipalities along with funds and functionaries.

#### 3.1.10.2 Building and infrastructure

*Panchayat Sarkar Bhawans* (PSB) are multi-purpose office buildings having reception, computerised service centre, store, pantry, toilets etc. GoB decided

<sup>80</sup> *Aungari- ₹3.96 lakh, Dhoorgaon- ₹3.73 lakh, Ekangarsarai- ₹1.38 crore, Mandacch- ₹11.03 lakh, Ramdiri-2- ₹9.55 lakh, Shivaisingpur- ₹13.55 lakh and Sripurgahar Paschim- ₹2.75 lakh*

**Adequate funds and functionaries were not devolved to GPs and municipalities to carry out the mandated functions**

(August 2012) to construct PSB in each GP in a phased manner. Of the 52 test-checked GPs, 25 did not have *Panchayat Bhawan* (old buildings) and in four GPs, these were in dilapidated condition while PSB was constructed only in five GPs. In all test-checked GPs (except GP Ekangarsarai), there was no internet facility to upload the plans, and physical and financial progress of works on the Department's website. Initially, in 1,765 GPs<sup>81</sup> PSB were to be constructed by 2015-16 with financial assistance from 13<sup>th</sup> FC grants/World Bank loan. However, 1,222 *Bhawans* (69 per cent) were completed (December 2019).

### 3.1.10.3 Manpower

The Panchayat Secretary is the sole person to look after all the affairs at GP level while BPRO, designated as facilitator for MMNY, is responsible to check the accounts, monitor the schemes executed by GPs, and facilitate and compile data of works under MMNY. The Department intimated (December 2018) that against 528 posts of BPRO and 8,419 posts of Panchayat Secretary, the vacancy was 253 (48 per cent) and 4,718 (56 per cent) respectively. Further, ZP is responsible to watch progress of works and submission of UCs to the Department. The Department did not provide information regarding vacancies in ZP and municipalities.

There was acute shortage of manpower at all levels of PRIs and municipalities. A summary of sanctioned strength and persons-in-position in test-checked LBs is given in **Table 3.13** below:

**Table- 3.13**  
**Sanctioned strength and persons-in-position in test-checked LBs as on 31 March 2018**

Particulars	Test checked unit Level		
	Sanctioned post	Persons-in-Position	Vacant post (percentage)
ZP	810	123	85
BPRO	105	35	67
Panchayat Secretary	203	98	52
Municipalities	2, 069	787	62

(Source: Information furnished by PRIs, DPRO office and Municipalities)

The PRD had submitted (February 2013 and December 2016) proposal to Bihar Staff Selection Commission for appointment of Panchayat Secretaries but the appointment process was not concluded till February 2019. However, PRD replied (March 2019) that examination to fill the vacancies of Panchayat Secretaries had been conducted in December 2018.

### 3.1.10.4 Training

The Panchayat secretaries of GPs and members of the newly constituted WIMCs for MMNY were not given training for maintenance of accounts, record keeping and execution of schemes during 2015-18. Even employees of the municipalities were

<sup>81</sup> 1,435 and 330 PSBs were being constructed from 13th FC funds and from World Bank loan assistance respectively.

There was vacancy of 48 and 56 per cent of BPRO and Panchayat Secretaries

not given training for maintenance of accounts. Instead the Department resorted to services of Chartered Accountants (CAs) for compilation of the accounts. Further, programmes for exposure visit and creating awareness regarding implementation of MMNY were also not organised in test-checked GPs. However, in the year 2016, after election of PRIs, District and Block level training on functioning of PRIs was imparted to elected representatives under *Rajeev Gandhi Panchayat Sashaktikaran Abhiyan*. However, no training was imparted for maintenance of accounts and record keeping. In response to the reasons for irregularities in muster roll and geo-tagging, Ward Secretaries stated (September 2018) that no training was provided in this regard.

### 3.1.10.5 Accounts and Audit

**GPs:** GoB did not frame accounting rules for maintenance of accounts by GPs after enactment of Panchayat Raj Act, 2006. The C&AG had prescribed (2002) Model Accounting System (MAS) for PRIs which was further simplified in January 2009. Though GoB adopted MAS (April 2010), the PRIs did not maintain the accounts in MAS formats despite the 13<sup>th</sup> FC making this mandatory for receiving PG. GPs had maintained their accounts separately for each scheme on single entry cash basis system which did not include complete assets of GPs and they were unable to maintain books of accounts and create database of finances of LBs despite specific grants for this from 12<sup>th</sup> FC and Backward Regions Grant Fund (BRGF) scheme.

The PRD had engaged 85 CA firms to conduct scheme-wise and unit-wise audit of the accounts of PRIs for the years 2015-18. The audited reports were to be compiled at the Block level and district level by nodal CA firms<sup>82</sup>. Delays were noticed in submission of reports by the CA firms. The CAs did not submit their compiled audited reports for all the PRIs<sup>83</sup> till October 2019 which resulted in non-submission of UCs and thus non-receipt of PG.

As per Terms of Reference (ToR), the PRD may deduct penalty in case of delay in completion of the assignment to the maximum of 10 *per cent* of the assignment. However, in case of delay due to reasons beyond the control of CA firms, suitable extension of time will be granted. The reason for non-submission of reports by the CA firms was lack of coordination among the CA firms with the nodal CA firm. However, the PRD did not levy any penalty for delayed/non-submission of audited reports.

**Municipalities** did not prepare financial statements as required under provisions of the BMA, 2007. The Bihar Municipal Accounting Manual was framed in the year 2014 that provided for maintenance of municipal accounts in codification pattern but the accounts were not prepared accordingly. The UD&HD had

<sup>82</sup> *The firm conducting audit in urban area was given responsibility to compile the audit reports of all GPs within the block and similarly at the district level.*

<sup>83</sup> *Against the accounts for 38 districts for three years, 32 accounts were not received till October 2019*

engaged (June 2014 to October 2016) 11CA firms for preparation of books of accounts of the municipalities on accrual based double entry system.

The Department had engaged (March 2016) 17 CAs for internal audit of the accounts of 140 municipalities for the years 2014-17. Scrutiny of internal audit report revealed that the CAs did not cover<sup>84</sup> the entire scope of works as stipulated in the ToR.

There were 21 auditors available against the sanctioned strength of 314 in DLFA

As per recommendations of the FFC GoB had entrusted (December 2015) Technical Guidance and Support (TGS) over audit of the accounts of LBs to the CAG of India and since January 2017 the audit of LBs was done by the Pr. AG (Audit), Bihar under TGS arrangement and role of primary auditor was assigned to the Directorate of Local Fund Audit (DLFA) set up under Finance Department, GoB. The O/o the Pr. AG (Audit) Bihar has test checked the accounts of 1020 units of LBs (Municipalities 76 units and 944 PRIs) during January 2017 to June 2019 and given TGS to 26 reports received from the DLFA. However, the DLFA had serious manpower constraint and only 45 auditors against sanctioned strength of 314 were working and the situation became more critical as 24 out of aforesaid 45 persons were on deputation to other Departments. As a result, only 1,095 (12 per cent) out of 9,103 LBs units were audited by the DLFA.

**Wards of GPs:** The Secretaries of the WIMCs did not maintain required books of accounts for the works under MMNY and there was no guiding support to WIMCs. The WIMCs were not provided services of Accountant-cum-IT Assistant and training was also not imparted to the Secretaries (10<sup>th</sup> pass) for maintenance of accounts and records, though required under the scheme guidelines. As a result, records of the WIMCs were not maintained and audit of the accounts of WIMC was not undertaken by CAs. However, the PRD had started (July 2018) the process for appointment of 2,096 Technical Assistants and 2,096 Accountant-cum-IT Assistants (one for four GPs) under MMNY which was in progress (March 2019).

Therefore, steps taken for capacity building at all level of PRIs and municipalities for providing accounting infrastructure, deploying adequate manpower, office buildings, imparting training for records maintenance and execution of works etc. was not adequate.

### 3.1.11 Findings of physical verification

Joint physical verification (JPV) of 229 works<sup>85</sup> executed by the test-checked GPs/municipalities under FFC and MMNY heads during 2015-18 was conducted by audit with the officials of local bodies. The finding of JPV is given in **Appendix-3.4**. Some of the irregularities noticed during JPV are as under:

<sup>84</sup> No comment on procurement of materials including E-tendering and E-auction, Trial balance, monthly Receipt and payment accounts etc.

<sup>85</sup> **GPs:** FFC - 65 works, MMNY - 85 works; and **Municipalities:** FFC -74 works, MMSPNY - 5 works

- ***Fake booking of Measurement Book (MB)***

In GP Dhoorgao, Nalanda in scheme no. 23/15-16 (FFC) the work of brick soling with estimate of ₹ 2.73 lakh was not found done at the place for which estimate was prepared. Instead work at some other place was shown to audit and it was stated that there was a mistake in writing the name of the work. MB was booked for ₹ 2.55 lakh. However, the JE concerned stated that this was a fake MB and he did not measure the value of work done and his fake signature was marked in the MB.



- ***Work not found at worksite***

In GP Ajaypur, Nalanda in scheme no. 5/15-16 (FFC) tube-well amounting to ₹ 0.62 lakh was not found at the place where execution of work was shown in the scheme file concerned and on the nearby wall at the site.



- ***Less quantity of work done against value of work booked in MB***



Brick soling was done only in 240 sft in place of 900 sft for which payment of ₹ 0.44 lakh was made. (scheme no. 6/15-16 of GP Dhurgaon, Nalanda)



Brick soling was done only in 175sft in place of 900 sft for which payment of ₹ 0.48 lakh was made. (scheme no. 7/15-16 of GP Dhurgaon, Nalanda)

- **Benefit of scheme to an individual**

The Nagar Panchayat Islampur had installed mini submersible tank for water supply to 50 households in ward no. 2 involving expenditure of ₹ 5.16 lakh (Scheme no. 02/16-17). However, an individual forcibly occupied the site of the installation stating that this was his personal land and did not allow the supply of water to other households.



- **Non-construction of water tank**

In 19 works under MMGNPY of nine test-checked GPs, water tower was found constructed only in one work (ward no. 4 of GP Ekangarsarai) though provision was made for storage and supply of water in the model estimates. Water supply was done without storage of water and without authorised electricity connection and metering.

- **Works abandoned**

In four Wards of three GPs<sup>86</sup>, water supply works taken up under MMGNPY were left abandoned after doing boring work for the last six months after incurring total expenditure of ₹ 24.60 lakh.



Water supply works taken under MMGNPY were left abandoned after boring work. (Ward no. 09 of GP Gangsara, Samastipur) Date-30 August 2018



Water supply works taken under MMGNPY were left abandoned after boring work. (Ward no. 05 of GP Gahar Pachhim, Samastipur); Date-30 August 2018

Besides, irregularities related to non-installation of sign board of the schemes, work not completed, potholes on the constructed roads, change in specification of the items used in works etc., were also noticed.

### 3.1.12 Monitoring and Co-ordination

The FFC recommended (December 2014) for constitution of a High Level Monitoring Committee (HLMC) headed by the Chief Secretary to monitor and

<sup>86</sup> Gahar Pachhim (Ward no. 1 and 5), Gangsara (Ward no. 9) and Rebra (Ward no. 5)



carry out concurrent evaluation of the LBs receiving the grants to ensure that funds were utilised for the purposes recommended by the FFC. After lapse of 11 months of the award period of the FFC, GoB constituted HLMC in November 2015. It was observed from the minutes of the HLMC meeting that HLMC discussed criteria for PG, release of grants to LBs within the prescribed period of 15 days and emphasised on sending UCs to GoI as per guidelines to avoid delay in receipt of grants but performance of LBs regarding utilisation of grants as per FFC guidelines were not evaluated and status of implementation of FFC recommendations was also not discussed.

### **3.1.12.1 Monitoring of GPs by District and Block level Officers**

The BPRO, BDO, District Development Commissioner and District Magistrate with the Block and District level Monitoring Committee were the competent authorities for inspection of GP offices and for monitoring and coordination of schemes. The aforesaid authorities did not prepare the Inspection Notes and as such actual number of inspections done and deficiencies, if any, detected by them could not be ascertained in audit. However, Panchayat Secretaries of 10 out of 20 test-checked GPs stated that inspection of schemes was done only by the BDOs of the Blocks.

### **3.1.12.2 Monitoring and quality control mechanism for MMSPNY**

A Coordination and Monitoring Committee<sup>87</sup> was to be constituted at the State level for supervision of implementation of MMSPNY and to watch the progress of the works. State Quality Monitors and District Quality Monitors to monitor the quality, address the complaints and for inspection and implementation of the MMPNY were to be appointed. The Coordination and Monitoring Committee was constituted in August 2018 but no meeting was held and Quality Monitors were also not appointed (December 2018).

- ***Absence of third party inspection***

Third party inspection to ensure quality was compulsory for important items such as pipe, pump, motor, transformer etc., under MMSPNY. For the purpose, cooperation would be sought by the municipalities from the Department. The UD&HD (March 2019) stated that a panel of retired engineers worked for one year but at present the panel is not working for third party inspection of goods procured for MMSPNY.

### **3.1.12.3 Lack of coordination for implementation of MMNY by GPs**

- **An Implementation and Monitoring (I&M) Cell** at Department level under Pr. Secretary, PRD was to be constituted for review of the progress of MMNY and its social, geographical and environmental applicability. Further, to assist the I&M cell, a scheme monitoring unit consisting of IT specialist, retired engineer, finance manager etc., was to be set up.

<sup>87</sup> Consisting of Principal Secretary/Secretary-Chairperson; Managing Director, Bihar Rajya Jal Parshad - Secretary; Chief Engineer, PHED - Member; Representatives of concerned municipality- Member

However, the I&M cell was constituted in August 2018 while monitoring unit was set up in September 2018. Due to delay in constitution of I&M cell and monitoring unit, monitoring and review of works undertaken during 2016-18 could not be done.

- **A support cell** consisting of engineering and accounts personnel in the DPRO office to act as a resource centre to facilitate the implementation of scheme at GP level was not set up in the test-checked districts except in Gaya. The support cell was established (November 2017) in Gaya but it was not consisting of engineering and accounts personnel and it did not act as a resource centre as its working was limited to reporting purposes.
- **Lok Nirman Samiti** at GP level will cooperate with WIMCs for execution of MMNY and the WIMCs will work under its guidance. The Samiti was not constituted in 17 out of 35 test-checked GPs while in 18 GPs where the Samiti was constituted, it did not supervise the works undertaken under MMNY.
- **Vigilance Committee** as required under section 10 of BPR, 2006 was to be constituted to ensure quality of works and to supervise the works relating to that village and submit the report in the meetings of Gram Sabha. The MMNY guidelines also provides for constitution of the Committee for each ward. The Committee was not constituted in 22 out of 52 test-checked GPs and where the Committee was constituted, no supervision was done as stated by the GPs. Thus, independent assessment and monitoring of work executed by Wards/GPs could not be done.
- **Social Audit** was to be conducted within one month after completion of work by Ward Sabha under intimation to GP. Forty eight out of 52 GPs stated that social audit was not conducted. No documentary evidence was provided regarding conducting of social audit by the remaining four GPs.

In the above backdrop, it was apparent that there was complete lack of coordination by the State as well as district-level authorities while the role of the GP-level authorities was limited.

The PRD replied (26 March 2019) that these matters would be taken up with the GPs concerned.

### 3.1.13 Conclusion

GoB was not able to fully implement all the FFC recommendations. The State Government was not able to prepare the books of accounts and get them audited timely to get the performance grant. Further, the LBs had largely failed in mobilising revenue from own sources though the same was recommended by SFCs also. This resulted in non-receipt of performance grant of ₹ 878.56 crore for GPs and short/non-receipt of PG of ₹ 119.52 crore for municipalities for the period 2016-18. Delays of 11 to 261 days in release of grants to GPs during 2016-18 resulted in liability of ₹ 37.32 crore on the PRD in the form of interest payable to GPs. Further, in the UCs submitted to GoI, entire amount of grants

received from GoI for GPs was shown as transferred within the prescribed time though cases of non-release and delay in transfer of grants were noticed by audit.

Planning was not adequate for implementation of the schemes as the DPC did not consolidate plans for the period 2015-18. There was acute shortage of manpower in PRIs and municipalities. In test-checked blocks 52 *per cent* posts of Panchayat Secretary were vacant while 62 *per cent* posts were vacant in test-checked municipalities. There was lack of supervision and monitoring by the State and district level authorities.

The progress of works under MMNY did not gain momentum and only 15 and 24 *per cent* of works undertaken were completed in the test-checked GPs and municipalities respectively while at the State level only nine to 41 *per cent* works were completed. Instances of non-drawal of grants, non-utilisation of grants, non-release of grants to GPs etc., were noticed.

Cases of fake entries in the measurement books, non-completion of works started and abandoned works were noticed during joint physical verification.

## ROAD CONSTRUCTION DEPARTMENT

### **3.2 Maintenance of roads under Long Term Output and Performance-based Road Assets Maintenance Contract (OPRMC) Phase-1**

#### **3.2.1 Introduction**

**Bihar Road Assets Maintenance Policy, 2013 envisaged maintenance of road assets through OPRMC**

The Bihar Road Assets Maintenance Policy, 2013 for maintenance and repairs of road assets was adopted in Bihar in February 2013. The policy envisaged maintenance of road assets through Long Term Output and Performance-based Road Assets Maintenance Contract (OPRMC) in place of the existing system of input-based contract. The Road Construction Department (RCD) administered OPRMC.

The administrative approval for maintenance of 9064.32 km of major district roads and State Highways in Bihar under OPRMC (Phase-1) was accorded (September 2013) by the RCD for ₹2,579.17 crore. The contracts were awarded (November 2013 to October 2016) in 75 packages to different agencies with an agreement value of ₹2,386.68 crore in 49 road construction divisions with each package consisting of more than one road. A sum of ₹2,151.67 crore (90 *per cent*) has since been spent (March 2019) under these contracts.

The audit findings are based on the information collected (May- June 2018) in respect of four packages pertaining to four<sup>88</sup> divisions and Office of the Engineer-in-Chief, RCD. Further, the audit findings of 10 packages in seven road divisions<sup>89</sup>, where compliance audit was conducted (January to March

<sup>88</sup> Motihari, New capital Division Patna, Shahabad Road Division Ara and Road Division Buxar

<sup>89</sup> Araria, Bettiah, Kishanganj, Motihari, Madhubani, Pipra(Supaul), Sitamarhi

2019), have also been suitably incorporated. The 14 test-checked packages covered 1,675.40 kms of roads.

### 3.2.2 Concept of OPRMC

OPRMC includes the following components of work:-

- **Ordinary Maintenance (OM)**-Payable as a proportionate monthly lump sum over the five year period of the contract.
- **Initial Rectification (IR)**-Works to be completed within the first 6/9 working months from the date of notice to proceed with the work to bring the road to below intervention standard. Initial rectification work is a firm lump sum that is to be measured and paid on the actual work outputs.
- **Periodic Maintenance (PM)**-Work for year one to four is a firm lump sum that is to be measured and paid on the actual work outputs.
- **Minor Improvement (MI)**-It comprises items for measurement and payment of various works to be completed within years one and two as approved by the Engineer-in-charge (EIC). Only the actual quantities of work completed as certified by the EIC is to be paid.
- **Emergency Work (EW)**-It comprises provisional sum for emergency work that may be instructed by the EIC. Only the actual quantity of work completed and approved by EIC is to be paid.

Under the traditional road construction and maintenance contracts, the contractor was responsible for the execution of works which are normally defined by the employer, and the contractor was paid on the basis of unit prices for different work items.

However, under OPRMC, contractors are not paid directly for the “inputs” or physical works, but for achieving the specified service levels, i.e., Initial Rectification (IR) and Periodic Maintenance (PM) of the road to pre-defined standards. The contractor was responsible for the continuous monitoring and control of road conditions and for designing and carrying out the works, services and actions which he believes necessary in order to achieve and maintain the service levels stated in the contract. The service levels are defined from a road user’s perspective and include factors such as average travel speed, riding comfort, safety features etc.

### 3.2.3 Audit observations

#### 3.2.3.1 Commencement of work without Technical Sanction

As per Rule 126 of Bihar Public Works Department Code, for every work which is proposed to be carried out, except petty works and repairs, a detailed estimate must be prepared and sanctioned by the competent authority. This sanction is known as Technical Sanction (TS) of the estimate and it should be obtained before the commencement of the work.

**Works were started without obtaining Technical Sanction in violation of codal provisions**

Scrutiny of records of 10 Road Divisions<sup>90</sup> revealed that 13 test-checked packages (out of 14 packages) of OPRMC valued of ₹424.67 crore were started without obtaining Technical Sanction (TS) which was in violation of codal provisions and payment of ₹392.48 crore was made to the contractors (**Appendix –3.5**).

On this being pointed out by audit, the Department replied that it has made a note of the audit observation. However, the TS relating to Road Division, Ara (package no. 53) has not been accorded so far. No reply has been furnished by the Department in this regard.

### 3.2.3.2 Non provision/adherence of service level test

- As per General Conditions in MBD<sup>91</sup> clause 24.1, the contractor was required to carry out the Ordinary Maintenance services to achieve and keep the road complying with the service levels defined in the specifications. OM work was to be carried out in all roads covered by the contract to cover the specified service quality level for a period of five years. However specific provision regarding IRI (International Roughness Index<sup>92</sup>) test was not made in the contract to ensure that roads complied with the service levels under OM.

The Department replied (October 2019) that as contained under section E4 of MBD, the average IRI for the entire road under ordinary maintenance should not be more than 4000 mm/km. For a particular stretch of any road under ordinary maintenance, it should not be more than 4500 mm/km.

The reply is not acceptable since section V part E4 of MBD deals with specifications for periodic maintenance work and not for ordinary maintenance works.

**The desired service level could not be ensured**

Section–V, Part-E4 of MBD required that the average value of road roughness for any one-km road section receiving periodical renewal would be less than the threshold value of 3500 IRI. However, test check of reports of Road Division, Buxar and Shahabad Road Division, Ara revealed that findings of IRI value in respect of service-level test conducted through Bump Integrator were more than the permissible level (as per contract) in certain chainages of roads (**Appendix 3.6 (A) and 3.6 (B)**). It was also observed that the report of service level under Shahabad Road Division, Ara was neither signed by the contractor nor certified by the employer. Besides, in New Capital Division, Patna and Road Division, Motihari, it was signed by the contractor only. Thus, the service-level test reports were unreliable.

The correction report in this regard was also not available though it was to be rectified by the contractor as per Section 5, Part E5 of MBD. Hence, the

<sup>90</sup> Motihari, New Capital Patna, Ara, Buxar, Bettiah, Madhubani, Kishanganj, Araria, Sitamarhi and Pipra (Supaul)

<sup>91</sup> Model Bid Document, name of contract document of OPRMC (Section V, Part C5.3)

<sup>92</sup> IRI is used to define a characteristic of the longitudinal profile of a traveled wheel track and constitutes a standardized roughness measurement.

achievement of desired service level after execution of IR, PM and MI works could not be ensured.

The Department did not submit any reply on the audit observation.

### **3.2.3.3 Irregular award of contract at higher rate than the actual threshold limit**

As per clause 27.5 of instructions to bidders of MBD, the combined price quoted for the Initial Rectification, Periodic Maintenance, Minor Improvement and Ordinary Maintenance works shall have the following threshold:

- Upper limit- (i) 5 per cent above the estimated cost of [IR+PM+MI] including all taxes and cess;  
(ii) 10 per cent above of the estimated cost of [OM+IR+PM+MI] including all taxes and cess;
- Lower limit- 15 per cent below the estimated cost of [OM+IR+PM+MI] including all taxes and cess.

Further, as per para-13 of the notification issued by the Ministry of Finance, Government of India (March 2012), the services provided by way of erection, construction, maintenance, repair, alteration, renovation and restoration of road for use by general public are exempted from levy of service tax.

Audit observed that despite provision for exemption from service tax in maintenance and repair works, the threshold limit was calculated by the Department including service tax @ 12.36 per cent. The actual threshold limit<sup>93</sup> was calculated by audit considering the amount of TS as Estimated Cost Value (ECV) and where TS was accorded for single package of OPRMC<sup>94</sup>. On that basis, it was observed that under two divisions namely Road Division, Buxar and Road Division, Kishanganj the work was awarded at higher rate by ₹5.43 crore than the threshold limit for two packages of work (**Appendix-3.7**).

The Department replied (October 2019) that these activities do not come under the traditional road construction and maintenance contract. The Central Government exempted certain services, such as services provided by way of erection, construction, maintenance, repair, alteration, renovation or restoration of road, bridge or terminal for road transportation for use by general public under notification dated 17 March 2012 issued in light of the Finance Act, 1994. The service-related heading “management” has not been included in the list of exemptions, therefore, the service related to management of road comes under service tax net and as such, it was included in the ECV.

The Department further stated that the services being provided are in the form of bundled services as defined under section 66F of the Finance Act 1994,

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<sup>93</sup> Actual threshold limit was calculated on the basis of TS by excluding service tax @ 12.36 per cent which was not to be levied under maintenance and repairs of road.

<sup>94</sup> As separate data for OM, IR, PM and MI works were available only where TS for single package of work was accorded.

in which management and conservation of road assets is the main service. Therefore, taxability of bundled services shall be determined as per provisions made under section 66F of the Act. Considering the above section of the Act, provision of service tax was made in the estimates and tenders were decided as per threshold limits inclusive of service tax.

The reply is not acceptable since OPRMC is a long-term output and performance based road assets maintenance contract. As per the scope of works to be provided under the contract, the objective of the project is to undertake ordinary maintenance, initial rectification works, periodic maintenance work and minor improvement works and emergency works on selected roads. The maintenance work also includes cross drainage works, minor work on bridges and road-side maintenance within the road limits. As per the contract the project involves maintenance of different roads. Hence OPRMC is mainly a maintenance contract and the maintenance work of road has been exempted from service tax vide the above mentioned notification. Hence, service tax was not leviable under OPRMC.

#### **3.2.3.4 Provision of input based contracts under OPRMC**

As per provision under section V/ Part A1 (5) of the MBD, the contractor was to independently define the work to be done regarding (i) what to do, (ii) where to do it, (iii) how to do it, and (iv) when to do it. Further, the contractor was not to receive instructions from the employer concerning the type and volume of road maintenance works to be carried out. The definition of the exact nature of the works, their timing, their costing and their implementation was left to the judgment of the contractor.

Scrutiny of MBD revealed that the items of works to be executed under IR and PM were indicated by the employer in the bid document which implied that the work to be executed was known to the contractor. Also, payment for works executed was being made on the basis of actual measurement of work done. Hence, the character of the OPRMC contract was similar to the traditional input-based contracts.

The Department replied (October 2019) that works and price schedule of IR in financial bid and MBD require only service-level compliance criteria for the payment. The rest of the specifications mentioned for IR in MBD are only suggestive in nature. Hence, payment of IR is entirely based on output and performance criteria. Further, the contractor is to make an independent estimate of PM works which in his view are necessary to bring the road to required service level at required milestones and include the cost for those works in items for PM works.

The reply is not acceptable since the items of works to be executed under the contract such as IR and PM were indicated by the employer in the bid document which implied that the items of work to be executed was known to the contractor. Further, under OPRMC the contractors are not to be paid

directly for inputs or physical works but for achieving specified service level i.e. IR and PM of roads to predefined standards, ordinary maintenance services of ensuring certain service level on the roads and specific improvements, all of which represent outputs and outcomes. Hence specifying the items of works to be done by the contractor under this contract was against the spirit of OPRMC. Further, as per clause 46.3 of General Condition of MBD, IR & PM work was to be remunerated by lump sum amount for the period of contract, while indicating the quantities of measurable output to be executed. The payment is to be made in accordance with execution of those outputs. Audit observed that payment of IR and PM works was being made on the basis of actual measurement of the work done which was prevalent under traditional input-based contracts.

### 3.2.3.5 Excess payment on road marking work

Execution of road marking work through supplementary agreements resulted in excess payment under Road division Madhubani

During test check (February 2019) of records of the Road Division Madhubani pertaining to OPRMC packages nos. 11, 12 & 13 for execution of Periodic Maintenance (PM) works, it was observed that the estimate for the PM work was prepared with 25 mm thick Semi Dense Bituminous Concrete (SDBC), tack coat and road marking. The contract was accordingly executed (January 2014) under 09 MBD/13-14, 10 MBD/13-14 and 11 MBD/13-14 respectively with the contractor (SVSVS Project Pvt. Ltd., Hyderabad).

It was observed that the PM work for different lanes were carried out and payments were made (September and October 2018) for ₹55.09 crore to the contractor. Scrutiny of records revealed that three supplementary agreements for ₹4.17 crore were done (December 2017) with the same contractor in respect of road marking work in OPRMC packages No 11, 12 & 13 and the contractor was paid (September-October 2018) ₹3.57 crore against the work (*Appendix-3.8*). As the cost of road marking under PM was already included in the estimated cost of PM work in the original agreement with the contractor, the payment made again separately for road marking works through supplementary agreements resulted in excess payment amounting to ₹3.57 crore to the contractor.

The Department accepted (October 2019) the audit observation and stated that recovery of excess payment from the contractor has been initiated. The Department has already issued show cause notice to the erring officials to initiate appropriate action against them.

### 3.2.3.6 Excess payment on execution of PM work

Erroneous calculation of equivalent length led to excess payment under PM in Road division Motihari and Sitamarhi.

As per the provisions of the MBD, under 3.1.1 of Bid summary schedule 3 of Periodic Maintenance work, the rate of single lane year-wise (carriage way width less and equal to 3.75 meter) was to be quoted assuming per km carpet area as 3750 m<sup>2</sup> and payment was to be proportionately increased or decreased as per the actual area.



Scrutiny of records of Road Division, Motihari and Road Division, Sitamarhi disclosed (January-February 2019) that the rate of equivalent length for single lane road was calculated by dividing carpet area by 3050 m<sup>2</sup> instead of 3750 m<sup>2</sup> which was in violation of the terms of the contract. Therefore, this resulted in excess payment amounting to ₹99.05 lakh (*Appendix-3.9*).

The Department while accepting the audit observation stated (October 2019) that the adjustment for such inadvertent errors in the running bills shall be adjusted in the final bill of the contractor by the respective divisions.

### 3.2.3.7 Irregular payment on PM work

Work done in respect of PM was beyond the agreement quantity

Scrutiny of records of New Capital Road Division, Patna, Road Division Motihari, Road Division, Buxar and Road Division, Pipra (Supaul) disclosed that the work done in respect of PM was beyond the agreement quantity under four test-checked packages of roads of these divisions which resulted in irregular payment of ₹3.38 crore (*Appendix 3.10*).

The Department replied (October 2019) that in OPRMC phase I, the package was created after getting combined administrative approval for all packages in which the amount for each division is separately mentioned. Thus PM amount for all packages are still under combined administrative approval. As per codal provision, Executive Engineer has power to execute item-wise quantity up to 10 per cent of agreement quantity.

The reply was not justified as it was not a case of enhancement of item-wise quantity of work done under the agreement. Audit observed that the length of work actually done under PM was more than the length of work specified under the contract which was not justified.

### 3.2.3.8 Avoidable payment on Initial Rectification Works

Avoidable payment was made on IR work in those roads which were already in DLP

Scrutiny of records of Road Division, Motihari, New Capital Road Division Patna, Road Division, Buxar and Road Division, Kishanganj revealed that the repair and maintenance of road crust was done under IR works in three packages of roads which were already under the Defect Liability Period (DLP). This resulted in avoidable payment under IR work amounting to ₹92.72 lakh on the roads under DLP (*Appendix-3.11*).

The Department replied (October 2019) that the payment of IR works entirely depends upon performance criteria i.e. achievement of service level of all roads mentioned in the agreement. The contractor has quoted a lump-sum amount only for achievement of service level of mentioned “km”.

The reply was not specific to the audit observation. Audit observed that repair and maintenance of road crust was done under IR in those roads which were already existing under DLP which resulted in avoidable payment of ₹92.72 lakh to the contractor.

### 3.2.3.9 Irregular payment under emergency work

Works were executed under emergency for erecting boundary pillars, sign board, road marking, etc. and to repair road crust damaged due to lack of proper drainage

As per the contract, emergency works were designed to repair those damages to the road which were caused directly by unforeseen natural phenomena. Scrutiny of records of Road Division, Kishanganj and Road Division, Buxar revealed that works like repair of screw pile bridge, erecting of boundary pillar, sign board, repair of road crust damaged due to lack of proper drainage system etc. were executed under emergency works which was in violation of the provisions under Section V Part G1 of MBD defining nature of works to be executed as emergency works, thus resulting in an irregular payment of ₹86.28 lakh under two test checked packages of work (*Appendix-3.12*).

The Department replied (October 2019) that price schedule 5 of OPRMC contract is provisional sum which includes emergency works as well as contingency works. Clause A12, clause 9 of preamble, GC 60, 61 and 62 stipulates that contingency works are also to be paid under provisional sum. So all works sanctioned are either under contingency or under emergency provision.

The reply was not justified since the types of work executed under emergency work were not under the categories of unforeseen natural phenomena within emergency work as prescribed under section V part G1 of the contract.

### 3.2.4 Conclusion

The Bihar Road Assets Maintenance Policy, 2013 for maintenance and repairs of road assets adopted OPRMC system in place of the existing system of input-based contract. Scrutiny disclosed that the items of works to be executed and the timeline for their execution in respect of IR and PM works were indicated by the employer (RCD) under the contract. This indicated that the old system for maintenance of roads under input-based contracts still continued under output-based contracts (OPRMC).

Reports of service-level test under Road Division, Buxar and Shahabad Road Division, Ara revealed that findings of IRI value in respect of service level were more than the permissible level (3500 IRI) in certain sections of the roads, thereby indicating non-achievement of desired service level of road to the roadusers.

There were instances of irregular/excess payments. Works valued at ₹424.67 crore were started without obtaining TS in 13 packages under the test-checked divisions. An excess payment of ₹3.57 crore was made on the road marking work under three packages in Road Division, Madhubani and an excess payment of ₹99.05 lakh was made on PM work under Road Division, Motihari and Road Division, Sitamarhi. Besides an avoidable payment of ₹92.72 lakh was made under IR works in those roads which were already in DLP in four test-checked divisions apart from irregular payment of ₹3.38 crore on PM work under four test-checked divisions and ₹86.28 lakh on emergency work in two test-checked divisions.

**SCHEDULED CASTES & SCHEDULED TRIBES WELFARE  
DEPARTMENT AND RURAL DEVELOPMENT DEPARTMENT**

**3.3 Fraudulent withdrawal**

**Failure to adhere to financial rules led to defalcation of ₹ 2.89 crore.**

Rule 34 read with Rule 452 of Bihar Financial Rules, 2005 (BFR) stipulates that every officer responsible for expenditure of Government money should ensure that proper accounts are maintained for all financial transactions along with details. Every Government servant should be held personally responsible for any loss sustained by Government through fraud or negligence on his part. Further, Finance Department letter<sup>95</sup> read with BFR Rule 475 stipulates that cash book should be reconciled with bank statement once every month.

Test-check of records (December 2017 to March 2018) of District Welfare Officer (DWO), Banka under Scheduled Castes and Scheduled Tribes Welfare Department, Government of Bihar disclosed that Education Department, in a joint order for all Departments<sup>96</sup> concerned for distribution of scholarships, directed DWOs of all districts to withdraw the moneys of pre-matric, post-matric and merit scholarship from the treasury and transfer the same into the bank accounts of the schools concerned through cheques for disbursement to students. The DWO, Banka withdrew the money from the treasury and kept it in his official bank account. In contravention of existing direction, instead of putting the beneficiaries' schools' names and their respective bank account numbers on cheques, the DWO, Banka mentioned the names of the then cashier, his wife and others. All these cheques, totalling ₹1.43 crore, were signed by the DWO, Banka and pertained to the period from November 2012 to September 2013. Also, cash books were not reconciled with bank statements during the period which facilitated the fraud.

On being pointed out (February 2018) by audit, the DWO Banka lodged FIRs for defalcation of Government money amounting to ₹1.43 crore with Banka Police Station and also filed a certificate case<sup>97</sup> against the cashier for recovery of defalcated money. In addition, the DWO Banka also requested the Branch Manager, SBI, Banka (Main Branch) to seize three accounts of the cashier and two accounts of others. Further scrutiny of bank statements disclosed that most of the defalcated amount was transferred into those two bank accounts of the cashier which were not requested by the DWO Banka to be seized.

The District Magistrate, Banka also constituted (February 2018) a three-member committee for investigation into the audit objection. The committee, in its report (June 2018), also corroborated the audit findings and implicated

<sup>95</sup> Letter no. 7838 dated 25.10.2018

<sup>96</sup> Letter No. 782 dated 18.12.2012 concerning (i) Backward & Extremely Backward Classes Welfare Department, (ii) Scheduled Castes & Scheduled Tribes Welfare Department and (iii) Minority Welfare Department, Government of Bihar

<sup>97</sup> vide DWO, Banka letter No.- 148 dated 21.03.2018

the then Cashier and the then DWOs for their suspected complicity in the fraudulent withdrawals.

Thus, the scholarship money totalling ₹1.43 crore, meant for distribution to the eligible children through their respective schools, was illegally diverted into the account of the then Cashier and other persons and was, thus, defalcated.

Further scrutiny by audit of the bank statements of the personal account of the cashier, and information furnished by State Bank, Main Branch, Chandan during follow-up audit (September-October 2018) disclosed that various cheques of the BDO, Chandan amounting to ₹1.46 crore were issued in favour of the same cashier and were credited to his personal bank accounts during his tenure at BDO, Chandan from January 2009 to October 2012 and from October 2013 to November 2017. It is noteworthy that out of these, in eight cheques valuing ₹0.40 crore, the BDO had attested the signature of the cashier on the reverse side of the cheque for encashment of the amount but at the request of the cashier, the bank credited the amount into his personal account. As such, the connivance of bank officials cannot be ruled out. Also, cash books were not reconciled with bank statements during the period of fraud.

On being pointed out, the BDO, Chandan accepted the audit observation and stated (October 2018) that bearer cheques had been issued in the name of the cashier but he fraudulently deposited the amount in his personal account. This defalcation was being done since long. He further stated that after detection of defalcation, an FIR was lodged and a certificate case has also been initiated.

Thus, lack of monitoring, negligence and failure on the part of DWO, Banka and BDO, Chandan, to check the amounts and names on cheques and its cross verification with bank, facilitated transfer of money into personal accounts of cashier and others leading to defalcation to the tune of ₹2.89 crore<sup>98</sup>.

The matter was reported to Government (July 2018). Despite reminders (January and August 2019); their reply is awaited.

## SOCIAL WELFARE DEPARTMENT

### 3.4 Loss to the Government

**Imprudent decision of Women Development Corporation to switch from sweep account to savings bank account led to loss of ₹5.15 crore to the Government.**

Government of Bihar launched (June 2008) an ambitious scheme viz. “Mukhya Mantri Kanya Suraksha Yojana” (MMKSY) with a view to curb female foeticide, improve gender ratio and encourage birth of girl child. The benefit

<sup>98</sup> ₹1.43 crore for DWO, Banka + ₹1.46 crore for BDO, Chandan

of the scheme<sup>99</sup> was extended to two girls per family falling below the poverty line (BPL) in the age group of 0-3 years. After Cabinet approval (June 2014), a tripartite Memorandum of Understanding<sup>100</sup> (MoU) was signed (September 2014) by State Government through Social Welfare Department (SWD), Women Development Corporation, Patna (WDC) and two banks (UCO Bank and IDBI Bank) in which WDC was to open sweep accounts with these banks and transfer the amount received from SWD.

Test-check (September 2018) of records of WDC pertaining to MMKSY revealed that the Department sanctioned ₹ 132 crore (September 2014) and released ₹90 crore (September 2014) to WDC for the scheme. Out of this, an amount of ₹84.06 crore<sup>101</sup> was transferred (December 2014) to UCO Bank and IDBI Bank and ₹5.94 crore was retained in a savings account of Bank of India (BoI). It was further noticed that in contravention of the provisions of the MoU, Managing Director, WDC, in consultation with the banks' representatives, decided (December 2014) to keep 75 per cent of the amount in sweep accounts<sup>102</sup> and the remaining 25 per cent in savings accounts of the banks till 15 January 2015 and after that, the entire amount was to be kept in savings accounts. This was also brought to the notice (February 2015) of the SWD through minutes of the meeting held under the chairmanship of Secretary, SWD. Later, it was found that ₹ 64.08 crore<sup>103</sup> was withdrawn (March 2016) from the two banks and deposited in savings account of BoI, Patna despite the fact that WDC had not entered into any MoU with BoI for this purpose.

As a result, WDC earned interest on 25 per cent of the amount at the rate of 4 per cent per annum only till 15 January 2015. After that it earned interest of only 4 per cent<sup>104</sup> per annum on the entire amount. This resulted in loss of interest to WDC as well as Government of ₹5.15 crore (*Appendix-3.13*).

On being pointed out, the Department forwarded (March 2019) the reply of WDC in which it was stated that there were practical difficulties of the banks to work through sweep facility, as they have to transfer funds every time from the nodal branch in Patna to the respective branches from where the bonds were to be issued to the beneficiaries. On the basis of suggestions given by bankers, approval for switching the sweep accounts to saving bank accounts was given.

<sup>99</sup> Under the scheme, the Government of Bihar was to contribute ₹2000 per girl child through its nodal implementing agency namely Women Development Corporation (WDC) and the amount was to be invested in fixed deposits in UCO Bank and IDBI Bank.

<sup>100</sup> With UCO Bank on 22 September, 2014 and with IDBI Bank on 26 September, 2014

<sup>101</sup> ₹47.94 crore in IDBI Bank and ₹36.12 crore in UCO Bank from bank account held with Bank of India.

<sup>102</sup> Sweep accounts offered higher rate of interest of 4 to 8 per cent compared to savings account which offered interest of 3 to 4 per cent.

<sup>103</sup> IDBI Bank: ₹38.10 crore (16 March 2016) and UCO Bank: ₹25.98 crore (16 March 2016)

<sup>104</sup> Except 3.5 per cent from 30 November 2017 to 24 March 2018 from IDBI bank and 04 November 2017 to 11 April 2017 from UCO bank

The reply is not acceptable as the modalities of transfer of funds would have been discussed at the time of entering into the tripartite agreement. Further, WDC (February 2019) asked the banks to compensate the loss of interest and stated that the clause of sweep account was revoked with good intentions but the bankers worked purely on commercial interest which resulted in loss of interest to Government.

Thus, imprudent decision of WDC to switch from sweep account to savings bank account led to loss of ₹5.15 crore to the Government.

## WATER RESOURCES DEPARTMENT

### 3.5 Excess payment to contractor

#### **Irregular sanction of lead by road, in place of rail, led to excess payment of ₹12.04 crore.**

Schedule of Rates<sup>105</sup> (SoR) for Water Resources Department, Government of Bihar (WRD) stipulates that for such places where carriage of materials by rail is possible, after comparing rates for both rail and road route, minimum rates should be used.

Scrutiny of records of Executive Engineer, Flood Control Division (FCD), Gopalganj (EE) revealed (December 2017) that WRD accorded (February 2017) administrative approval of ₹69.33 crore for Anti-Erosion (AE) works in between 0.00 Km and 4.90 Km of Patahara-Chharki and 0.00 Km and 4.60 Km of Vishnupur-Chharki and river training works between piers 13-15 and 17-18 of Gopalganj-Bettiah bridge including existing pilot channel. Technical sanction of the work was accorded for ₹69.33 crore which was revised later to ₹62.39 crore<sup>106</sup>.

The carriage for boulders was provided through rail route in the estimate<sup>107</sup> (March 2017). The EE called for tender (March 2017) for 10 groups of the work. Departmental Tender Committee (DTC) finalised the tender (March 2017) and executed four agreements (04 April 2017) with agencies for ₹22.07 crore. Later on, EE entered into (November 2017) four supplementary agreements, for ₹37.72 crore, with the respective agencies, corresponding to their original agreements, to regularise the additional work already executed due to urgency of execution.

The Engineer-in-Chief (EIC), Flood Control and Drainage (FC & D) directed (13 April 2017) the Chief Engineer, FC & D, Gopalganj (CE) that in view of non-availability of rail rakes, boulders may be carried by road. Audit observed that the Divisional Commercial Manager (DCM), Allahabad had confirmed (24 April 2017) to EE about availability of rakes from Chunar to Mirganj and

<sup>105</sup> Effective from 18 October 2016

<sup>106</sup> After deduction of 10 per cent below scheduled rate and contingency charges

<sup>107</sup> Under rate analysis as per BoQ and estimate- from quarry to rail yard Chunar by road, rail yard Chunar to Hathua (Mirganj) by rail and from Hathua to worksite by road.

the EE had informed (25 April 2017) the same to the CE and Superintending Engineer (SE), FC & D, Gopalganj. However, the CE directed (29 April 2017) the EE and SE to carry boulders through road and approved the lead plan (2 June 2017) for carriage of boulders through road.

Further scrutiny revealed that the work completed in four agreements as per Measurement Book was for ₹41.94 crore<sup>108</sup> (July 2017). These four works included laying and placing of 38,496.71 M<sup>3</sup> of boulders. The total lead claimed by the contractors was 391 Kms via road for which the agency was paid ₹21.09 crore against the estimated provision of SoR for ₹9.05 crore for 306 Kms (including rail and road journey). Hence, excess payment of ₹ 12.04 crore was made to the contractors (*Appendix-3.14*).

The Department replied (February 2019) that anti-erosion work required huge quantity of boulders of approx. 76,000 M<sup>3</sup>. The EE asked the Railways to provide rail rakes for supply of boulders from worksite to quarry and the Railways stated that about 35 rakes would be made available for carriage of boulder. Sensing the emergent need for completion of work before the upcoming floods, it was decided to get the supply of boulders as quickly as possible through road. Hence, the specifications of work were changed by the State Technical Advisory Committee on request from CE, WRD, Gopalganj. Resultantly, it was decided to use only about 42000 M<sup>3</sup> boulder and the rest of the work was to be done using geo bags filled with PP Rope Gabions.

The reply of the Department was not justified as the Department required only 42,000 M<sup>3</sup> boulders approx. after revision in the scope of work. The 35 rakes could carry 49,119 M<sup>3</sup><sup>109</sup> boulders (approx.) which was more than requirement of the Department.

Thus, the irregular sanction of lead plan for carriage of boulder by road in place of rail led to excess payment of ₹12.04 crore.

## BACKWARD CLASSES AND EXTREMELY BACKWARD CLASSES WELFARE DEPARTMENT

### 3.6 Unfruitful expenditure

**Due to negligence by respective District Welfare Officers in taking over the completed hostel building by the respective Building Divisions, the expenditure on construction and amount incurred later on renovation of hostel buildings amounting to ₹3.47 crore was rendered unfruitful.**

Rule 187 of Bihar Public Works Department Code (BPWD Code) stipulates that on the completion of a work in accordance with the sanction and approval,

<sup>108</sup> The work is finalised but agreement has not been closed (June 2018)

<sup>109</sup> As per circular (February 2009) of Ministry of Railways, Government of India, a wagon can carry minimum 65 MT of boulder. One rake contains minimum 38 wagons. Hence, 35 rakes can carry 38 x 65 x 35 MT i.e. 86450 MT or 49119 M<sup>3</sup> (since 1 M<sup>3</sup> = 1.76 MT) of boulder.

executed on behalf of another Department, the local Head of Department would be informed in writing by the Executive Engineer (EE) to that effect. Such formal notification will constitute handing over of the work to the Department for whom it was carried out.

Test-check of records (April 2017) of Backward Classes and Extremely Backward Classes (BC & EBC) Welfare Department, Government of Bihar (Welfare Department) revealed that the Welfare Department had given administrative approval<sup>110</sup> of ₹16 crore (@1.15 crore each) for construction of 100 bedded hostel for other backward classes (OBC) at 14 designated places<sup>111</sup> in Bihar. The amount was released to Welfare Department during the year 2003-04.

Scrutiny of records of District Welfare Officer (DWO), Banka (March 2018) and subsequent information collected (May 2018) from DWOs, Ara, Begusarai and the corresponding BCDs revealed that the agreement<sup>112</sup> value of works in these three districts was ₹2.99 crore<sup>113</sup>. The works were allotted to different agencies<sup>114</sup> by the corresponding BCDs. Scheduled dates of start of work for Ara, Banka and Begusarai were February 2007, December 2005 and November 2005 respectively. The hostels were to be constructed by Building Construction Division and were to be completed within 18 months from the start of the work. The construction of Ara, Banka and Begusarai hostels was completed in October 2009, February 2009 and January 2007 respectively and a total of ₹ 2.82 crore<sup>115</sup> was spent on the three hostel buildings.

The respective DWOs (Ara, Banka and Begusarai) did not take over the buildings despite being duly informed (2007 to 2014) by the respective Executive Engineers (EE) of BCD. It is worth mentioning that as per the provisions of BFR, reporting of completion of work by the EE, BCD to the respective DWOs was deemed as handing over of the building. However, the DWOs concerned did not formally take over the hostel building and utilise the same for the intended purposes. All the three hostel buildings were damaged as confirmed (August 2015) from the letter of Welfare Department to BCD.

In light of directions (August 2015) of Welfare Department, DWOs and EEs, BCD of respective districts conducted<sup>116</sup> joint physical verification and also reported that all three buildings were damaged.

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<sup>110</sup> vide letter No. 50 dated-30.3.2004

<sup>111</sup> (1) Muzaffarpur (2) East Champaran (3) West Champaran (4) Saran (5) Begusarai (6) Madhepura (7) Bhojpur (8) Banka (9) Nawada (10) Lakhisarai (11) Jamui (12) Sheikhpura (13) Katihar (14) Jehanabad

<sup>112</sup> Ara (November 2006), Banka (February 2006, October 2008) and Begusarai (December 2005)

<sup>113</sup> ₹0.99 crore (Ara)+ ₹1.02 crore (Banka)+ ₹0.98 crore (Begusarai)

<sup>114</sup> (i) M/s CK Constructions & Co. for Ara, (ii) Sri Rajendra Prasad Yadav for Banka and (iii) M/s Surendra Prasad Singh for Begusarai

<sup>115</sup> ₹0.92 crore (Ara) + ₹0.93 crore (Banka) + ₹0.97 crore (Begusarai)

<sup>116</sup> Ara (June 2016), Banka (May 2016) and Begusarai (December 2016)



It was further observed that ₹2.26 crore was sanctioned<sup>117</sup> by the Department for renovation of all the three buildings in May 2016 to December 2016. Secretary, Welfare Department in his report (November 2017) mentioned that the agreements for renovation had not been signed for Ara and Begusarai to carry out the renovation work. He ordered the works to be temporarily stopped for a week and the officers responsible for incomplete process of handing/taking over the possession should be identified. Interestingly, the renovation work of Banka hostel was carried out with expenditure of ₹0.65 crore (March 2018). The Department stated (December 2019) that they had identified the responsible officers/officials and asked their present offices to furnish their address for clarification from them in this regard.

It is noteworthy that the hostel building at Ara was handed over (January 2018) to DWO, Ara without any renovation. However, all the three buildings are yet to be utilised. Also, the reasons for not taking over the other two buildings have not been placed on record by DWOs till date.

Thus, due to negligence by respective DWOs in taking over the completed hostel building even after completion report (2007 to 2009) by the respective BCDs, the original construction plus the amount incurred later on for renovation of hostel buildings amounting to ₹3.47 crore<sup>118</sup> was rendered unfruitful.

The matter was reported to Government (December 2018). Despite reminders (February and August 2019); reply is still awaited.

## EDUCATION DEPARTMENT

### **3.7 Unfruitful expenditure on AADHAAR-enabled child record digitisation**

**Due to the decision of the Education Department to discontinue with AADHAAR-enabled child record digitisation, expenditure of ₹1.98 crore became unfruitful.**

Additional Secretary (School Education), Ministry of Human Resource Development (MHRD), Department of Elementary Education and Literacy, Government of India (GoI) proposed collecting child-wise information as part of Unified District Information System for Education (U-DISE) in the meeting (July 2012) with State Education Secretaries and directed (August 2012) that an off-line Data Capture Format (DCF) for collecting child-wise information would be used on trial basis. A software was provided in Microsoft-Access by the Management Information System (MIS) Unit, Technical Support Group, Sarva Shiksha Abhiyan, GoI (October, 2012) for the purpose of digitisation

<sup>117</sup> Ara (March 2017)-₹0.70 crore, Banka (May 2017) - ₹1.07 crore and Begusarai (February 2017)- ₹0.49 crore = ₹2.26 crore

<sup>118</sup> ₹2.82 crore + ₹0.65 crore = ₹3.47 crore

of data of children enrolled in Class I to VIII and tracking them in subsequent years. However, the States were allowed to devise their own formats.

Scrutiny of records (August 2017) of and collection of information (January 2019) from Bihar Education Project Council (BEPC) revealed that State Project Director (SPD), BEPC decided to initiate child-wise AADHAAR-enabled child records digitisation of enrolled children in school and Out of School Children (OoSC) with U-DISE during 2012-13 in Microsoft Excel. Under this initiative, 94 per cent<sup>119</sup> and 74 per cent<sup>120</sup> data of targeted children were digitised in 2013-14 and 2014-15 respectively and an amount of ₹1.98 crore was spent (March 2018) on this initiative. As per directions of GoI, BEPC discontinued the AADHAAR-enabled child records and started (July 2016) 'Student Data Management Information System (SDMIS)' of National University of Educational Planning and Administration (NUEPA), GoI afresh. Data entry in SDMIS was also made in Microsoft-Excel template. An amount of ₹1.76 crore was spent (May 2018) on SDMIS, which contained 11 additional fields including some fields for specific classes (IX to XII) and some non-mandatory data fields such as child's bank account details, email id, mobile number etc. Audit observed that the same data requirement could have been appended to the existing AADHAAR-enabled database. NUEPA had also assured (May 2016) that the existing student-wise data, if available, would be mapped and synced to the new database. However, BEPC dumped the entire AADHAAR-enabled database and chose to collect the basic data afresh, thereby rendering the entire expenditure of ₹1.98 crore on AADHAAR-enabled child record database unfruitful.

On being pointed out, the Department replied (April 2019) that the software for digitisation as well as child tracking was to be provided by NUEPA which it could not provide till 2015-16 and the Excel template in which data was digitised had no built-in mechanism to create unique ID for each child. Further, no support was received from NIC till introduction of SDMIS in 2016-17. It would have been a more tedious, time-consuming and costly job to search, update and append the children's records in the existing software in absence of any unique ID of the children which was not generated in earlier data. It further stated that the data collected during the period 2012-15 was anyway redundant with the introduction of SDMIS during 2016-17 in absence of any specific mechanism to update and migrate the earlier digitised data.

The reply of the Department was not justified as BEPC had never communicated their difficulties to NUEPA. However, they had sought support from NIC which did not yield any fruitful result. Further, the instruction manual of child-wise DCF 2012-13 instructed that serial numbers of children should be written only

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<sup>119</sup> Data of 1.81 crore out of 1.93 crore children was digitised in 2012-13.

<sup>120</sup> Data of 23.25 lakh out of 31.29 lakh children was digitised in 2013-14.

after completing the formats which would ensure that a unique serial number was provided for each child in a school. However, despite being an Aadhar-enabled child record digitisation project, the Department did not ensure preparing the entire database on the basis of AADHAAR number which in itself would have served as a unique serial number. Hence, unique ID was not generated in respect of all the students and data was not compiled at State level. This indicated failure on the part of the Government to utilise the existing database in a fruitful manner.

Thus, due to this decision of the Department to discontinue with AADHAAR-enabled child record digitisation and not migrating the existing data, the expenditure of ₹1.98 crore became unfruitful.

## ENERGY DEPARTMENT

### *3.8 Additional burden on State Exchequer*

**Action of Bihar Renewable Energy Development Agency (BREDA) to execute agreement with the agency without taking Performance Guarantee (PG) and not taking any legal action to recover PG led to additional financial burden of ₹5.93 crore on the State exchequer due to re-tendering. Further, BREDA could not recover PG of ₹2.94 crore from the agency.**

Rule 131 (P) of the Bihar Financial (Amendment) Rules, 2005 stipulates that a Performance Guarantee (PG) for an amount of five to 10 percent of the value of the contract is to be obtained from the successful bidder to ensure due performance of the contract. Performance Security may be furnished in the form of an account payee Demand Draft, Fixed Deposit Receipts from commercial bank, Bank Guarantee from commercial bank in an acceptable form safeguarding the purchasers' interest in all respects. Further, Section 3.6 (i) of General Conditions of Contract stipulates that the bidder would furnish to the owner, the Performance Guarantee equivalent to 10 per cent of the contract price for due performance of its obligations, within 14 days of issue of Notification of Award. Section 3.6 (iii) states that if the contractor failed to fulfill obligations under the contract, the proceeds of Contract Performance Guarantee/security shall be appropriated by the owner as part of compensation for any loss resulting from the contractor's failure to perform and fulfill the various obligations under the contract and applicable law.

Test-check of records of Bihar Renewable Energy Development Agency (BREDA), Patna under Energy Department, Government of Bihar (Department) revealed (July 2017) that with a view to implement non-conventional energy source project under the Chief Minister's New and Renewable Energy Scheme, BREDA called for National Competitive Bidding (January 2014) for supply and installation of 25 KWP power plants in Collectorates, Circuit Houses and Sadar

Hospitals of four zones (20 sites for each zone) in various districts of Bihar. Bidders had to submit their zone preference in addition to price quoted for execution. The Tender Evaluation Committee declared five out of six bidders qualified in the technical bid (January 2014). Financial bids were opened (February 2014) and the work order was issued (March 2014) to the L-1 bidder, M/s HBL Power Systems Limited (agency). An agreement<sup>121</sup> was also executed (April 2014) with the agency for ₹29.40 crore<sup>122</sup> without obtaining Performance Guarantee of ₹2.94 crore equal to 10 per cent of contract price.

Further scrutiny revealed that the agency did not undertake any work after execution of the agreement. Subsequently, BREDA issued notices (May, June and July 2014) for delay in start of work and for not depositing PG but the agency did not give any response. Before cancellation of the agreement<sup>123</sup> with the agency, BREDA re-tendered (July 2014) and awarded the work to agencies<sup>124</sup> at a cost of ₹35.33 crore<sup>125</sup> which was ₹5.93 crore higher than the previous award of contract. In October 2014, BREDA ordered for cancellation of the agreement with M/s HBL Power Systems, forfeited the Earnest Money Deposit (EMD) of ₹8.00 lakh and blacklisted the agency. Subsequently BREDA revoked the ban (April 2017) on the agency stating that 'ample time had been served by the agency in blacklisting'.

On being pointed out, the Department replied (January 2019) that the agency had assured for submission of PG with the contract agreement. However, the same was not submitted by the agency. It further stated that penal provision for non-performance of obligations under contract would be incorporated in future tenders.

The reply was not justified as not taking PG from the agency before execution of agreement and not taking any legal action for non-performance of obligations under the contract provided an escape route to the agency to skip the work assigned. The matter of inserting penal clause does not arise as the General Conditions of Contract had already provided for legal course of action.

Thus, action of BREDA to execute agreement with the agency without taking PG and not taking any legal action to recover PG, led to additional financial

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<sup>121</sup> *As per work order, the agency had to submit PG within 14 days of issuance (01 March 2014), i.e. 14 March 2014. Agreement (22 April 2014) was executed 53 days after issue of work order without taking any PG.*

<sup>122</sup> *@ ₹36.75 lakh per unit which included comprehensive maintenance for a period of Five years*

<sup>123</sup> *BREDA ordered for cancellation of tender in August 2014 and ordered for cancellation of agreement with agency in October 2014*

<sup>124</sup> *Four agencies with each allotted 20 worksites*

<sup>125</sup> *Out of this, a sum of ₹31.38 crore had been paid till date of audit and ₹3.95 crore was still to be spent on maintenance work of plants in ensuing five years.*

burden of ₹5.93 crore on the State exchequer due to re-tendering. Further, BREDA could not recover the PG of ₹2.94 crore.

## URBAN DEVELOPMENT AND HOUSING DEPARTMENT

### 3.9 Misappropriation of municipal revenue

**There was misappropriation of ₹85.45 lakh due to lack of supervision, reconciliation of accounts of the Municipality by the Executive Officer and mismanagement of municipal revenue.**

As per provisions contained in Rule 22(1) of Bihar Municipal Accounting Rules (BMAR), 2014, all moneys received shall be lodged in a treasury or nationalised bank account to the credit of the Municipality on the same day or latest before noon on the following working day. As per Rule 30 (1) of BMAR 2014, the cashier shall prepare a summary of daily collection and submit to the accountant. Further, Rule 29(5) of BMAR, 2014 provides that the Executive Officer shall at least once a week examine the memorandum of collection so as to satisfy himself that all money received has been remitted to the treasury/banks without delay. As per Rule 32 (6) of BMAR, 2014 it shall be the duty of the accountant to get the bank statement on a monthly basis and confirm that remittances have been fully credited into the bank account. Rule 33 of the BMAR mentions that if misappropriation of municipal moneys is discovered, the Executive Officer within twenty four hours shall inform the same to the Empowered Standing Committee and to the Director of Local Bodies and Examiner of Local Accounts and lodge an FIR with the authorisation of the Empowered Standing Committee.

Scrutiny of records<sup>126</sup> (August 2017) of Nagar Parishad (NP), Khagaria for the period 2014-15 to 2016-17 (up to 21 July 2017) revealed that various tax and non-tax revenue of NP amounting to ₹85.45 lakh related to the period from 27 August 2016 to 21 July 2017 was collected by the cashier of the NP in cash<sup>127</sup> on account of property tax and other heads of receipt through miscellaneous receipts and entered into the cashier's cash book. This amount was not deposited into NP fund till October 2018. The cashier was in charge since 20 April 2012. The accountant of the NP did not reconcile the summary of receipts with the bank statement and so could not detect the misappropriation. The Executive Officer did not exercise necessary checks<sup>128</sup> to ensure that all sums received by the cashier were actually deposited into NP Fund. Though the Executive

<sup>126</sup> *Miscellaneous Receipt Books, Daily collection registers, Cashier/Accountant Cash Book, bank accounts etc.*

<sup>127</sup> *Online collection of taxes and fees was not introduced by NP Khagaria. In the State, online collection of taxes and fees was introduced in 55 out of 141 Municipalities.*

<sup>128</sup> *Memorandum of collection, collection register and Cash Book with all the subsidiary forms and registers*

Officer of the NP signed the cash book at the bottom of each page, he did not attest each item of receipt entered in the cash book and did not enquire from the cashier about the blank column (column 29 of the cash book) in the cash book wherein the bank challan number in support of amount deposited into the bank should have been entered by the cashier. As a result, the cases of non-deposit of revenue into NP Fund could not be detected which showed laxity of supervision and gross negligence on his part.

On this being pointed out by audit, the Executive Officer of the NP reported the matter to the Department on 28 August 2017 and the Department constituted (11 September 2017) a Committee to examine the case of misappropriation of collected revenue. On the basis of the report of the Committee, the Department instructed the District Magistrate, Khagaria to lodge an FIR against the then cashier and called explanation from the then accountant and the previous Executive Officers for not performing their duties as per BMAR Act. An FIR was lodged (25 October 2017) against the cashier and the NP had also initiated Certificate Case (December 2017) against the cashier for recovery of the misappropriated amount of ₹85.45 lakh, reminder for which was issued (August 2018). The Executive Officer, NP Khagaria intimated (April 2019) that an amount of ₹5.66 lakh has since been adjusted from the vouchers already submitted by the then cashier.

Thus, non-reconciliation of receipts as entered in cash book with the bank statements and laxity in the supervision by the Executive Officer facilitated the misappropriation of NP revenue of ₹85.45 lakh.

### **3.10 Fraudulent payment**

**Deliberate omission of rate quoted by the lowest tenderer while evaluating financial bid for procurement of LED lights by Nagar Parishad Arwal resulted in excess and avoidable payment of ₹50.33 lakh.**

Rule 126 of the Bihar Financial Rules (BFR), 2005 stipulates that every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement. Further, Rule 131 R (xiv) *ibid*, stipulates that contract should ordinarily be awarded to the lowest evaluated bidder whose bid has been found to be responsive and who is eligible and qualified to perform the contract satisfactorily as per the terms and conditions incorporated in the corresponding bidding document.

Scrutiny (January 2017) of records of Nagar Parishad (NP), Arwal revealed that the NP invited (August 2015) a tender for procurement of Light-Emitting Diode (LED) lights of 45 Watt to be installed and mounted in existing poles

in Municipal wards from the funds available under Professional Tax, Stamp duty and Fourth State Finance Commission head. In the meeting (27 August 2015) of Empowered Standing Committee (ESC)<sup>129</sup> of the NP, technical bids received from five firms were evaluated and three firms were found technically fit to supply LED lights. However, at the time of evaluation of financial bids (27 August 2015), the lowest rate of ₹10,850 per LED light given by one of the above three<sup>130</sup> technically successful firms was not mentioned in the comparative statement while finalising the tender. It was recorded by the then Executive Officer (EO) in the comparative statement and also in the minutes of the said ESC meeting that the rate was not quoted by the said lowest tenderer in the financial bid documents. As the rate quoted by the lowest tenderer was concealed, ESC decided to call the other two firms for further price negotiation on their quoted rates<sup>131</sup>. Consequently, the tender was awarded (August 2015) to the second lowest firm<sup>132</sup> at a negotiated rate of ₹20,000 for each LED light and procurement of 550 LED lights (January-March 2016) was made by incurring (February-May 2016) an expenditure of ₹1.10 crore<sup>133</sup>. Thus, by concealing the rate quoted by the lowest tenderer (L1) while evaluating the financial bids, the EO of the NP fraudulently made an excess and avoidable payment of ₹ 50.33 lakh<sup>134</sup> on procurement of LED lights.

The matter was reported to the Government (July 2017) and the Department replied (October 2017) that directions have been given (July 2017) to the District Magistrate, Arwal to recover the concerned amounts and also lodge an FIR against the Chief Councillor, the then EO and all persons concerned. The Department further replied (February 2019) that the Chief Councillor has been removed from his post by invoking section 25 (5) of Bihar Municipal Act 2007.

Thus, deliberate omission of the rate quoted by the L1 tenderer in the comparative statement by the members of ESC and the then EO of the NP and non-observance of relevant financial rules and failure in exercising fair and equitable treatment to the firms in procurement of LED lights led to fraudulent payment of ₹50.33 lakh.

<sup>129</sup> (1) Chairman-cum-Chief Councillor (2) Dy. Chief Councillor (3) Three members of ESC and (4) Executive Officer, NP Arwal

<sup>130</sup> Electron Infraserivices Private Limited - ₹10,850 each; Panther Unit Infrastructure Private Limited - ₹21,565 each; and MaaJagdamba Construction - ₹22,500 each

<sup>131</sup> Panther Unit Infrastructure Private Limited - ₹21,565 each and Maa Jagdamba Construction - ₹22,500 each

<sup>132</sup> Panther Unit Infrastructure Private Limited

<sup>133</sup> ₹20,000 X 550 = ₹1,10,00,000

<sup>134</sup> ₹(20,000-10,850) X 550 = ₹50,32,500

### 3.11 Inadmissible payment of electricity duty

#### Failure of Municipal Corporations to avail exemption of electricity duty resulted in inadmissible payment of ₹5.14 crore.

Section 3 (2) (f) of the Bihar Electricity Duty Act 1948 provides that no duty shall be leviable on units of energy consumed for any purpose which the State Government may by notification, in this behalf declare to be a public purpose and such exemptions may be subject to such conditions and exemptions, if any, as may be mentioned in the said notification. Consequently, Government of Bihar (GoB) issued notification wherein, it was declared that consumption of energy by any local authority for the purpose of lighting any public streets shall be deemed to be consumed for public purposes and energy consumed for such purposes shall be exempt from payment of duty.

Scrutiny of records (April 2017- September 2018) relating to electricity bills made available to audit by five Municipal Corporations<sup>135</sup> (MCs) revealed that all the five test-checked MCs paid energy bills including electricity duty for the period February 2013 to July 2018 in respect of those electric connections (under category of street light services) which were used for street lighting. The test-checked MCs did not avail the exemption of electricity duty of ₹5.14 crore<sup>136</sup> and paid the same to South Bihar Power Distribution Company Limited (SBPDCL) and North Bihar Power Distribution Company Limited (NBPDC) during March 2014 to August 2018. However, at the State level, both the aforesaid power distribution companies had charged electricity duty of ₹9.84 crore from ULBs during 2013-18 in respect of SS-I and SS-II categories<sup>137</sup> of consumers.

On this being pointed out by audit (June-July 2017), the Municipal Commissioners Ara, Darbhanga, Katihar and Purnea replied (June-July 2017) that due to ignorance of the provisions contained in Bihar Electricity Duty Act and Rules and notification of the State Government thereon, exemption of electricity duty could not be availed at the time of payment of energy bills. Replies furnished by the Municipal Commissioners were not acceptable as despite the provision for exemption of electricity duty on energy charges consumed for the purpose of lighting any public streets by local authority, the MCs failed to avail the exemption. Ignorance of provisions of Acts, Rules and notification of the State Government cannot justify the inadmissible payment.

Further, MC Patna replied (April 2017) that correspondence was being done with SBPDCL regarding adjustment of electricity duty. However, the electricity duty paid by MC Patna was not adjusted by SBPDCL (April 2018).

<sup>135</sup> Ara, Darbhanga, Katihar, Patna and Purnea

<sup>136</sup> Ara-₹3.50 lakh, Darbhanga-₹14.50 lakh, Katihar-₹75.97 lakh, Patna-₹418.47 lakh and Purnea-₹1.53 lakh

<sup>137</sup> SS I and SS II are street light categories of consumers of electricity



In compliance of the audit observations Urban Development and Housing Department (Department), GoB notified (27 June 2018) under section 2 (f) of Bihar Electricity Duty Amendment Act, 2002 that street lights installed within municipal areas would be assumed as public purpose. The action of the Department is not acceptable as Government had already notified (1 October 1948) that street lights installed within municipal areas would be assumed as public purpose. The Department had failed to take exemption of electricity duty on payment of energy charges for electricity consumed for street lighting in accordance with the extant provisions.

Thus, the Department as well as the aforesaid five test-checked MCs failed to observe the relevant provisions of the Bihar Electricity Duty Act and failed in availing of exemption of electricity duty on energy charges for electricity consumed for street lighting and made inadmissible payment of ₹5.14 crore to power distribution companies on account of electricity duty.

Out of 12 MCs, 45 Municipal Councils and 85 Nagar Panchayats in Bihar, audit had test-checked five MCs in which inadmissible payment of ₹5.14 crore on electricity duty was noticed. Hence, the Department may investigate the inadmissible payment on electricity duty made by other ULBs.

The matter was reported to the Government (25 July 2017). Despite four reminders (27 October 2017, 11 December 2017, 6 April 2018 and 17 January 2020), their reply is awaited.

### **3.12 Wilful negligence resulting in loss on purchase of dustbin/wastebins**

**Non-observance of financial provisions and irregularities in negotiating the procurement of dustbins/wastebins by two Urban Local Bodies resulted in loss of ₹6.98 crore.**

As per Rules 9 and 10 of the Bihar Financial Rules (BFR), 2005 every Government servant incurring or authorising expenditure from public moneys should be guided by high standards of financial propriety and should also enforce financial order and strict economy and see that all relevant financial rules and regulations are observed. Further, Rule 126 (i) stipulates that the specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations and care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs.

Scrutiny of the records of the Nagar Parishad (NP) Siwan (February 2018) and Municipal Corporation (MC) Bihar Sharif (December 2017 - January 2018) disclosed that both the ULBs had purchased 6,760 dustbins/wastebins (Sintex GBRW 24-04) of Sintex Company between August 2014 and August 2017.

In MC Bihar Sharif, approval of the competent authority was not obtained for 800 out of 1760 dustbins procured. The Notice inviting Tender (NIT) for

both the ULBs were published without mentioning the required quantity of dustbins/wastebins to be purchased and the specification of material to be purchased. Further, both the ULBs did not assess the requirement of dustbins and could not identify the places for installation of dustbins before advertising NIT. Less than nine days time was given to the tenderers to submit the bid documents against a requirement of minimum three weeks' time. Further, ten per cent of the dustbins procured were lying unused in NP, Siwan as of April 2019.

NP Siwan and MC Bihar Sharif had finalised price of ₹18,700 and ₹15,000 per unit respectively. Both the ULBs incurred an expenditure of ₹11.99 crore<sup>138</sup> on purchase of Sintex-make 6,760 bins between August 2014 and August 2017.

Scrutiny of records revealed that the ULBs did not adhere to the norms for procurement of goods. Further, reliability of rates quoted by the firms had not been verified by them. Audit obtained (December 2017) the rate of the same model of dustbins/wastebins from the authorised distributor of Sintex, a well-known manufacturer of dustbins/wastebins. The authorised distributor offered a rate of ₹4,115 per unit, however, the maximum retail price (MRP) of the same model and specification was ₹7,415 per unit. The authorised distributor also certified that the MRP of the same model was applicable since September 2013. Besides, the negotiated rate of the same model and specification of the dustbin as indicated in the Government e-Marketplace (GeM), a Government of India establishment was ₹4,620 per unit (12 December 2018) against the MRP for the same of ₹7,415 per unit. Therefore, NP Siwan and MC Bihar Sharif had purchased the dustbins/wastebins in excess of the MRP varying from ₹7,585 to ₹11,285 per dustbin/wastebin. Consequently, the ULBs procured the dustbins/wastebins at rates which were more than two times the maximum retail price for the same brand and specification. Thus, failure on the part of the authorities of both the ULBs to adhere to the relevant procurement financial rules and ensure the reasonableness of price of the dustbins/wastebins as per the prevailing market rate resulted in loss of ₹6.98 crore (*Appendix-3.15*) on procurement of 6,760 dustbins/wastebins.

NP Siwan replied (February 2018) that dustbins were purchased from the lowest tenderer after inviting tender. Thus, reasonableness/verification of the MRP of the dustbin/wastebin was not done. It was further stated (October 2018) that due to time constraint the tender was finalised within one week. The Municipal Commissioner, Bihar Sharif replied (January 2018) that the dustbins/wastebins were purchased by the then Municipal Commissioner at the rates approved by the purchase committee and the relevant rules regarding

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<sup>138</sup> NP Siwan- 5,000 @ ₹18,700 per dustbins/wastebins (₹9.35 crore) between 12 March 2016 and 31 December 2016 and MC Bihar Sharif 1,760 dustbins/wastebins ₹15,000 to ₹15,100 (₹2.64 crore) between 29 October 2016 and 9 September 2017.

tender and procurement would be adhered to in future. The replies substantiated the audit observations. Further, the reasons for time constraint leading to finalisation of tender within a week was not mentioned in the related files of NP Siwan and the EO of the NP could also not justify the time constraint to audit.

Thus, non-observance of financial provisions and irregularities in negotiating the procurement of dustbins/wastebins by two Urban Local Bodies resulted in loss of ₹6.98 crore.

The matter was reported to the Government (March 2019). Despite reminder (January 2020), their reply is awaited.



(NILOTPAL GOSWAMI)

Principal Accountant General (Audit), Bihar

Patna  
The 29 July, 2020

Countersigned



(RAJIV MEHRISHI)

Comptroller and Auditor General of India

New Delhi  
The 31 July, 2020



A blue envelope icon with a white flap, centered on a light green background. The word "APPENDICES" is written in a bold, black, serif font across the front of the envelope.

# **APPENDICES**



**APPENDIX-1.1***(Refer: Paragraph-1.3; Page-2)***Statement showing Outstanding Inspection Reports/Paragraphs***(₹ in crore)*

Year	General Sector			Social Sector			Economic Sector		
	No. of IRs	No. of Paras	Amount	No. of IRs	No. of Paras	Amount	No. of IRs	No. of Paras	Amount
2008-09	125	424	202.34	458	2,965	3,569.04	338	1,889	2,463.75
2009-10	90	387	368.81	550	3,089	6,197.38	352	1,798	1,732.50
2010-11	85	314	553.46	484	2,542	7,445.63	261	1,283	4,877.26
2011-12	03	15	10.12	83	565	7,132.91	83	529	11,893.71
2012-13	51	388	3,015.79	441	2,680	31,793.65	98	690	6,368.24
2013-14	154	1,140	1,604.23	546	3,267	13,287.75	169	1,155	16,283.32
2014-15	149	781	5,507.39	529	3,500	11,830.10	223	1,413	24,891.96
2015-16	178	881	1,845.30	583	4,364	13,914.64	188	1,289	11,003.89
2016-17	228	1,356	7,404.22	556	5,253	26,069.72	211	1,426	20,188.53
2017-18	97	553	940.79	356	3,713	26,490.11	91	718	12,533.89
<b>Total</b>	<b>1,160</b>	<b>6,239</b>	<b>21,452.45</b>	<b>4,586</b>	<b>31,938</b>	<b>1,47,730.93</b>	<b>2,014</b>	<b>12,190</b>	<b>1,12,237.05</b>

**APPENDIX-1.2**  
**(Refer: Paragraph-1.3; Page-2)**  
**Statement showing various types of irregularities in outstanding paragraphs of Inspection Reports**

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
		No. of IRs	Fraud/misappropriation/ embezzlement/ losses detected in audit	Recoveries & instances of overpayments detected in audit	Violation of contractual obligations and undue favours to contractors	Avoidable/excess expenditure	Wasteful/infructuous expenditure	Expenditure incurred without sanction of competent authority	Diversion of funds from one scheme to another or from one object head to another	Drawal of funds at the fag end of financial year with a view to avoiding lapse of funds	Incurring of expenditure on banned items or items of special nature without approval of competent authority	Purchase of stores/ stock in excess of actual requirements with a view to avoiding lapse of funds	Idle investment/ idle establishment/ blockade of funds	Payment of idle wages to staff	Delays in commissioning of equipment/ idle equipment and consequences owing thereto	Non-achievement of objectives/unfruitful expenditure	Miscellaneous observations	Total paragraphs
2008-09	921	119	330	108	85	317	39	222	3	4	12	326	17	5	215	3476	5278	
2009-10	992	154	297	163	141	310	48	234	3	3	1	286	25	21	306	3282	5274	
2010-11	830	57	315	66	84	214	19	164	1	6	16	242	19	17	244	2675	4139	
2011-12	169	9	62	51	20	53	6	24	2	0	4	70	5	2	78	723	1109	
2012-13	590	21	197	85	204	183	51	128	8	27	9	284	25	36	219	2281	3758	
2013-14	869	102	213	145	231	284	43	119	13	73	13	434	32	39	319	3502	5562	
2014-15	901	129	364	210	184	242	31	112	12	7	13	458	11	32	309	3580	5694	
2015-16	949	57	271	203	316	392	106	205	25	11	61	532	17	22	444	3872	6524	
2016-17	995	65	184	348	410	388	86	194	68	97	79	640	25	40	595	4816	8035	
2017-18	544	39	110	338	151	292	33	34	50	11	8	748	19	10	333	2808	4984	
<b>Total</b>	<b>7760</b>	<b>752</b>	<b>2343</b>	<b>1717</b>	<b>1826</b>	<b>2675</b>	<b>462</b>	<b>1436</b>	<b>185</b>	<b>239</b>	<b>216</b>	<b>4020</b>	<b>195</b>	<b>224</b>	<b>3062</b>	<b>31015</b>	<b>50367</b>	



**APPENDIX-1.3**  
**(Refer: Paragraph-1.5; Page 4)**

**Status of Audit Memos relating to Performance Audits/Compliance Audit Paragraphs for the Audit Report ending March 2018**

Sl. No.	PA/LDP	Name of PA/TA	Reply received on PA/TA from Department	No. of units audited	No. of unit did not produce certain records	No. of Memos issued	No. of Memos on which full reply received	No. of Memos on which partial reply received	No. of Memos on which reply not received
1	PA	Medical Education in Bihar	No	34	22	298	185	17	96
2		Maintenance of roads under Long Term Output and Performance-based Road Assets Maintenance Contract (OPRMC) Phase-1	Yes	07	00	13	12	00	01
3	CA	Implementation of recommendations and Utilisation of 14 <sup>th</sup> Finance Commission Grants by Local Bodies	Panchayati Raj Department-Yes Urban Development and Housing Department-No	94	52	1229	977	34	218
<b>Total</b>				<b>135</b>	<b>74</b>	<b>1540</b>	<b>1174</b>	<b>51</b>	<b>315</b>

**APPENDIX-1.4**  
**(Refer: Paragraph-1.8; Page-5)**  
**Statement showing status of placement of Separate Audit Reports of Autonomous Bodies in the State Assembly**

Sl. No.	Name of Autonomous bodies	Status of entrustment	Rendering of accounts to audit		Issuance of SAR		Date of placement in the Legislature	Remarks
			Year of accounts	Date	Year of accounts	Date		
1	Bihar State Legal Services Authority, Patna	Permanent	2015-16 & 2016-17	22.02.2018 & 15.10.2018	2015-16	22.06.2018	Not available	Audit of Annual Accounts of BSLSA for 2016-17 is yet to be taken up.
2	Bihar State Housing Board, Patna	Upto 2015-16	2011-12	03/04/2014	Upto 2008-09	27/08/2014	Not placed in the Legislature	SARs for the period 2009-10 to 2011-12 have not been finalised. Authenticated Annual Accounts from the year 2012-13 onwards have not been received.
3	Bihar State Khadi and Village Industries Board, Patna	2009-10	2009-10	12/09/13	2009-10	21/04/2014	Upto 2001-02	Entrustment for the period from 2010-11 onwards has not been received under Section 19(3).
4	Rajendra Agriculture University, Pusa, Samastipur	2013-14	2012-13 & 2013-14	21/06/2016	2012-13 & 2013-14	26/07/2017	Upto 2013-14	Entrustment upto 2010-11 received in November 2006. Entrustment extended in March 2016. However, the entrustment period has not been mentioned in the entrustment letter and is being pursued. The University has been converted into Dr Rajendra Prasad Central University with effect from 07 October 2016.
5	Bihar Agricultural University, Sabour, Bhagalpur	2014-15	2013-14	13/07/2015	2012-13 & 2013-14	28/10/2016	Upto 2013-14	Approved Annual Accounts of Financial Year 2014-15 has been called for which is still awaited. Entrustment for the period from 2015-16 onwards has not been received and is being pursued.

(Source: Information compiled by different sectors of this office)

**Appendix 2.1**  
**(Refer: Paragraph-2.6; Page-9)**  
**List of units selected for Performance Audit**

Sl. No.	Stream	Name of the Institution
1	Allopath-Medical	Darbhangha Medical College, Darbhanga (DMC Darbhanga)
2	Allopath-Medical	Government Medical College, Bettiah (GMC Bettiah)
3	Allopath-Medical	Indira Gandhi Institute of Medical Science, Patna (IGIMS Patna)
4	Allopath-Medical	Nalanda Medical College, Patna (NMC Patna)
5	Allopath-Medical	Patna Medical College, Patna (PMC Patna )
6	Allopath-Dental (Medical)	Patna Dental College, Patna (PDC Patna)
7	Allopath-Physiotherapy and Occupational therapy (Medical)	Bihar College of Physiotherapy and Occupational Therapy, Patna (BCPO Patna)
8	AYUSH-Homeopathy	Government RBTS Homeopathic Medical College, Muzaffarpur (RBTS Muzaffarpur)
9	AYUSH-Unani	Government <i>Tibbi</i> College, Patna (GTC Patna)
10	AYUSH- Ayurvedic	Government Ayurvedic College, Patna (GAC Patna)
11	AYUSH-Ayurvedic	Government <i>Ayodhya Shivkumari</i> Ayurvedic College, Begusarai (GAC Begusarai)
12	Nursing- B.Sc. (Nursing) and GNM	College of Nursing IGIMS Patna
13	Nursing- GNM	GNM School DMCH Darbhanga (GNM DMCH)
14	Nursing- GNM	GNM School NMCH Patna (GNM NMCH)
15	Nursing- GNM	GNM School PMCH Patna (GNM PMCH)
16	Nursing-ANM	ANM School, Begusarai
17	Nursing-ANM	ANM School, Bhagalpur
18	Nursing-ANM	ANM School, Biharsharif, Nalanda
19	Nursing-ANM	ANM School, Chhapra (Saran)
20	Nursing-ANM	ANM School, Gaya
21	Nursing-ANM	ANM School, Samastipur
22	Nursing-ANM	ANM School, Sitamarhi
23	Nursing-ANM	ANM School, Saharsa

**Appendix- 2.2**  
**(Refer: Paragraph-2.7.1.6; Page-15)**  
**Status of construction of 126 institutes under Saat Nischay**  
**(₹ in lakh)**

S No.	Name of institute	A.A. Amount	Date of Work Order	Physical progress as on 15.11.18 (in %)	Expenditure up to August 2018
1.	Para Medical Institute, Sadar Hospital, Rohtas	998.00	05.08.2017	100	838.63
2.	ANM School, Jagdishpur	630.72	06.09.2017	100	192.43
	<b>Total</b>	<b>1628.72</b>			<b>1031.06</b>
3.	GNM School, Katihar	1335.38	26.04.2017	0	0
4.	GNM School, Khagaria	1335.38	24.03.2017	57	646.83
5.	GNM School, Munger	1335.38	24.03.2017	77	844.19
6.	GNM School, Araria	1335.38	24.03.2017	10	0
7.	GNM School, Mahuli, Jamui	1335.38	12.02.2018	55	337.02
8.	GNM School, Rajapakar, Vaishali	1335.38	25.09.2018	10	0
9.	GNM School, Hathua, Gopalganj	1335.38	01.02.2018	20	0
10.	GNM School, Budhaul, Nawada	1335.38	29.01.2018	20	104.97
11.	GNM School, Arwal	1335.38	28.02.2018	30	542.04
12.	GNM School, Barka Katra, Bhabhua	1335.38	04.05.2018	25	0
13.	GNM School, Bhojpur	1335.38	29.05.2018	15	0
14.	GNM School, Sukhpur, Supaul	1335.38	29.05.2018	12	198.5
15.	GNM School, Raghopur Balath, Madhubani	1335.38	17.07.2018	15	0
16.	GNM School, Maharajganj, Siwan	1335.38	08.05.2018	35	354
17.	GNM School, Kishanganj	1335.38	31.03.2018	0	0
18.	GNM School, Pawapuri, Nalanda	1335.38	28.04.2018	22	286.09
19.	ANM School, Araria	630.72	24.03.2017	11	0
20.	ANM School, Forbesganj, Araria	630.72	24.07.2017	98	229.82
21.	ANM School, Uda Kishunganj, Madhepura	630.72	05.05.2017	55	200.38
22.	ANM School, Jainagar, Madhubani	630.72	28.06.2017	90	255.64
23.	ANM School, Tarapur, Munger	630.72	16.06.2017	90	122.25
24.	ANM School, Simri Bakhtiyarpur, Saharsa	630.72	14.07.2017	25	68.27
25.	ANM School, Nirmali, Supaul	630.72	16.06.2017	32	86.22
26.	ANM School, Bagha, West Champaran	630.72	17.05.2017	60	307.74
27.	ANM School, Sonapur, Saran	630.72	20.07.2017	65	170
28.	ANM School, Virpur, Supaul	630.72	20.07.2017	85	372.89
29.	ANM School, Biraul, Darbhanga	630.72	02.11.2017	0	0
30.	ANM School, Neemchak Bathani, Gaya	630.72	04.01.2018	60	229.45

S No.	Name of institute	A.A. Amount	Date of Work Order	Physical progress as on 15.11.18 (in %)	Expenditure up to August 2018
31.	ANM School, Tekari, Gaya	630.72	07.11.2017	50	200.65
32.	ANM School, Manihari, Katihar	630.72	21.09.2017	98	257
33.	ANM School, Gogari, Khagaria	630.72	12.01.2018	40	129
34.	ANM School, Dhamdaha, Purnea	630.72	18.08.2017	0	0
35.	ANM School, Patori, Samastipur	630.72	09.10.2017	60	140.4
36.	ANM School, Mahnar, Vaishali	630.72	28.12.2017	17	65
37.	ANM School, Piro, Bhojpur	630.72	10.07.2018	32	0
38.	ANM School, Sherghati, Gaya	630.72	02.11.2017	35	111.04
39.	ANM School, Jhanjharpur, Madhubani	630.72	07.11.2017	90	329.1
40.	ANM School, Banmankhi, Purnea	630.72	29.01.2018	95	243.05
41.	ANM School, Bikramganj, Rohtas	630.72	27.02.2018	60	117
42.	ANM School, Khairail, Supaul	630.72	22.10.2017	0	0
43.	ANM School, Mahua (CHC Rajapakar), Vaishali	630.72	25.09.2018	10	0
44.	ANM School, Narkatiyaganj, West Champaran	630.72	07.11.2017	75	371
45.	ANM School, Dalsinghsarai, Samastipur	630.72	09.10.2017	50	137.37
46.	ANM School, Areraj, East Champaran	630.72	02.12.2017	10	125.11
47.	ANM School, Arwal	630.72	28.02.2018	28	0
48.	ANM School, Kahalgaon, Bhagalpur	630.72	15.03.2018	50	114.03
49.	ANM School, Benipatti, Madhubani	630.72	17/05/2018	22	0
50.	ANM School, Phulparas, Madhubani	630.72	28.04.2018	0	0
51.	ANM School, Benipur, Darbhanga	630.72	17.05.2018	48	0
52.	ANM School, Manjhaul, Begusarai	630.72	13.02.2018	0	0
53.	ANM School, Bakhri, Begusarai	630.72	13.02.2018	2	0
54.	ANM School, Baliya, Begusarai	630.72	12.02.2018	18	0
55.	ANM School, Sikarhana, East Champaran	630.72	01.02.2018	60	309.04
56.	ANM School, Chakia, East Champaran	630.72	31.03.2018	16	67.19
57.	ANM School, Rosra, Samastipur	630.72	29.06.2018	18	0
58.	ANM School, Pupari, Sitamarhi	630.72	17.05.2018	0	0
59.	ANM School, Baikunthpur, Gopalganj	630.72	15.03.2018	25	0
60.	ANM School, Madhepura	630.72	31.03.2018	10	0
61.	B.Sc. Nursing Colleges (ANMMCH, Gaya)	2649.76	05.05.2017	58	669.21

S No.	Name of institute	A.A. Amount	Date of Work Order	Physical progress as on 15.11.18 (in %)	Expenditure up to August 2018
62.	B. Sc. Nursing College, DMCH, Darbhanga	2649.76	31.03.2017	65	1052.29
63.	B. Sc. Nursing College, GMC Bettiah,	2649.76	10.07.2017	13	0
64.	B. Sc. Nursing college, GMC Purnea	2649.76	31.03.2017	28	274.23
65.	B. Sc. Nursing College, JLNMCH, Bhagalpur,	2649.76	31.03.2017	92	726.26
66.	B. Sc. Nursing College, PMCH, Patna,	2649.76	18.08.2017	0	0
67.	B. Sc. Nursing College , SKMCH, Muzaffarpur	2649.76	31.03.2017	42	373.36
68.	B. Sc. Nursing College VIMS, Pawapuri, Nalanda	2649.76	31.03.2017	95	1081.92
69.	Para Medical Institute, Araria	998	24.03.2017	11	0
70.	Para Medical Institute, Sadar Hospital (Old Campus), Banka	998	05.05.2017	93	550.26
71.	Para Medical Institute, SDH Hathwa, Gopalganj	998	31.03.2017	65	400
72.	Para Medical Institute, Sadar Hospital, Katihar	998	26.04.2017	0	0
73.	Para Medical Institute, Old Sub-divisional Hospital, Khagaria	998	24.03.2017	57	0
74.	Para Medical Institute, Sadar Hospital, Madhubani	998	09.05.2017	0	0
75.	Para Medical Institute, Leprosy Hospital Munger	998	24.03.2017	77	0
76.	Para Medical Institute, Sadar Hospital, Purnea	998	31.03.2017	28	0
77.	Para Medical Institute, Sadar Hospital, Saharsa	998	31.03.2017	28	187.67
78.	Para Medical Institute, Sadar Hospital, West Champaran	998	10.07.2017	13	0
79.	Para Medical Institute, Sadar Hospital, Buxar	998	07.08.2017	85	457.52
80.	Para Medical Institute, Mahuli, Jamui	998	12.02.2018	55	0
81.	Para Medical Institute, Rajapakar, Vaishali	998	25.09.2018	10	0
82.	Para Medical Institute, Sadar Hospital Chhapra, Saran	998	04.05.2018	18	0
83.	Para Medical Institute, Nungarh, Lakhisarai	998	12.09.2018	28	0
84.	Para Medical Institute, Supaul	998	29.11.2018	0	0
85.	Para Medical Institute, Budhaul, Nawada	998	29.01.2017	20	0

S No.	Name of institute	A.A. Amount	Date of Work Order	Physical progress as on 15.11.18 (in %)	Expenditure up to August 2018
86.	Para Medical Institute, Sadar Hospital, Arwal	998	28.02.2018	30	0
87.	Para Medical Institute, Sadar Hospital, Bhojpur	998	29.05.2018	15	0
88.	Para Medical Institute, Pawapuri Medical College Campus, Nalanda	998	28.04.2018	22	0
89.	Para Medical Institute, Patkoikla, Kochadhama, Kishanganj	998	31.03.2018	0	0
90.	Para Medical Institute, Madhepura	998	31.03.2018	8	0
91.	Para Medical Institute, Sub-divisional hospital, Maharajganj, Siwan	998	08.05.2018	30	0
92.	Para Medical Institute, Sarangpur, Bhabhua	998	26.10.2018	2	0
<b>Total</b>		<b>93,006.40</b>			<b>13,845.00</b>
93.	GNM School, Ashokdham, Balgudar, Lakhisarai	1335.38	<b>Work order not issued</b>		
94.	GNM School, Aurangabad	1335.38			
95.	GNM School, village-Mirzapur, Begusarai	1335.38			
96.	GNM School, Sitamarhi	1335.38			
97.	GNM School, Sadar hospital, East Champaran	1335.38			
98.	GNM School, Sheohar	1335.38			
99.	ANM School, Madhaura, Saran	630.72			
100.	ANM School, Paliganj, Patna	630.72			
101.	ANM School, Pakri Dayal, East Champaran	630.72			
102.	ANM School, Haveli, Kharagpur, Munger	630.72			
103.	ANM School, Navgachhia, Bhagalpur	630.72			
104.	ANM School, Raxaul, East Champaran	630.72			
105.	ANM School, Belsand, Sitamarhi	630.72			
106.	ANM School, Barsoi, Katihar	630.72			
107.	ANM School, Vayasi, Purnea	630.72			
108.	ANM School, Teghra, Begusarai	630.72			
109.	Para Medical Institute, Village-Jamuawan (Ghosi), Jehanabad	998			
110.	Para Medical Institute, Sadar Hospital, Aurangabad	998			
111.	Para Medical Institute, Sadar Hospital, Sheohar	998			

S No.	Name of institute	A.A. Amount	Date of Work Order	Physical progress as on 15.11.18 (in %)	Expenditure up to August 2018
112.	Para Medical Institute, Sadar Hospital, East Champaran	998			<b>Work order not issued</b>
113.	Para Medical Institute, Sadar Hospital, Sitamarhi	998			
114.	Para Medical Institute, Makhdumpur PHC, Sheikhpura	998			
115.	GNM School, Government Medical College, Samastipur	1335.38			<b>Tender not invited</b>
116.	ANM School, Dumrao, Buxor	630.72			
117.	B. Sc. Nursing College, Government Medical College, Begusarai	2649.76			
118.	B. Sc. Nursing College, Government Medical College, Ara, Bhojpur	2649.76			
119.	B. Sc. Nursing College, Government Medical College, Chhapra	2649.76			
120.	B. Sc. Nursing College, Government Medical College, Madhepura	2649.76			
121.	B. Sc. Nursing College, Government Medical College, Madhubani	2649.76			
122.	B. Sc. Nursing College, Government Medical College, Mahua, Vaishali	2649.76			
123.	B. Sc. Nursing College, Government Medical College, Samastipur	2649.76			
124.	B. Sc. Nursing College, Government Medical College, Sitamarhi	2649.76			
125.	Para Medical Institute, Shergpur, Begusarai	998			
126.	Para Medical Institute, Samastipur	998			

*Note: In Katihar, Khagaria, Munger, Jamui, Nawada, Nalanda and Siwan there was combined building for GNM & paramedical, in Araria & Arwal there was combined building for GNM, ANM & paramedical and in Purnea there was combined building for B.Sc. Nursing and paramedical, hence combined expenditure has been shown against GNM schools/B.Sc Nursing college.*



**Appendix-2.3**  
**(Refer: Paragraph-2.7.2.1; Page-16)**  
**Increase of postgraduate seats under Centrally Sponsored Scheme**

(₹ in crore)

Sl. No.	Department	Name of the College	Seat(s) to be increased	Seat(s) increased	Deficit	Amount approved	Available amount		Amount spent	
							Central share	State share		Interest
1	Anesthesia	DMC Darbhanga	3	0	3	0.60			0.00	
2	Anatomy		4	0	4	0.09			0.00	
3	Biochemistry		1	0	1	0.00			0.00	
4	Community Medicine		4	0	4	0.57			0.20	
5	Forensic Medicine		2	0	2	0.65			0.12	
6	General Medicine		6	5	1	0.25			0.25	
7	General Surgery		1	0	1	1.30			0.00	
8	Microbiology		1	0	1	0.55			0.49	
9	Obst. & Gynaecology		4	4	0	1.30		0.67	0.50	
10	Orthopedics		2	2	0	0.72			0.20	
11	Pediatrics		4	2	2	0.86			0.50	
12	Pharmacology		2	0	2	0.00			0.00	
13	Psychiatry		1	0	1	0.00			0.00	
14	Physiology		2	0	2	0.20			0.00	
15	Radio Diagnosis		2	0	2	0.00			0.00	
<b>Sub Total DMC</b>			<b>39</b>	<b>13</b>	<b>26</b>	<b>7.09</b>	<b>2.66</b>	<b>0.67</b>	<b>2.65</b>	
									<b>0.50</b>	

Sl. No.	Department	Name of the College	Seat(s) to be increased	Seat(s) increased	Deficit	Amount approved	Available amount			Amount spent
							Central share	State share	Interest	
1	Anesthesia	NMC Patna	7	0	7	2.20				0.02
2	Anatomy		4	0	4	0.43				0.02
3	ENT		4	2	2	0.50				0.46
4	Forensic Medicine		1	0	1	0.07				0.00
5	General Medicine		9	9	0	3.00				0.07
6	General Surgery		4	4	0	1.50				1.09
7	Microbiology		3	0	3	0.32				0.00
8	Obst. & Gynaecology		2	2	0	0.50				0.48
9	Ophthalmology		4	0	4	0.25	7.05	1.76	1.83	0.15
10	Orthopedics		4	4	0	1.02				0.67
11	Pediatrics		4	4	0	2.14				0.14
12	Pathology		4	0	4	0.50				0.00
13	Psychiatry		1	0	1	0.00				0.00
14	Radiology		3	0	3	6.00				3.17
15	Skin & VD		3	1	2	0.06				0.16
16	TB & Chest		1	0	1	0.30				0.00
<b>Sub Total NMC</b>			<b>58</b>	<b>26</b>	<b>32</b>	<b>18.79</b>	<b>7.05</b>	<b>1.76</b>	<b>1.83</b>	<b>6.43</b>
1	Anatomy	PMC Patna	2	0	2	0.75				
2	Microbiology		1	0	1	0.88	1.00	0.25	0.24	0.34
3	Physiology		1	0	1	1.06				
<b>Sub Total PMC</b>			<b>4</b>	<b>0</b>	<b>4</b>	<b>2.69</b>	<b>1.00</b>	<b>0.25</b>	<b>0.24</b>	<b>0.34</b>
<b>Grand Total</b>			<b>101</b>	<b>39</b>	<b>62</b>	<b>28.57</b>	<b>10.71</b>	<b>2.68</b>	<b>2.57</b>	<b>9.42</b>

**Appendix-2.4**  
**(Refer: Paragraph-2.7.4; Page 19)**  
**College wise statement of seats utilised during 2013-18**

<b>UG Course</b>					
<b>Name of College</b>	<b>Intake capacity sanctioned</b>	<b>No. of seats vacant</b>	<b>Left the course in between</b>	<b>Total number of seats remained unutilised</b>	<b>Total seats utilised</b>
PMC Patna	750	0	2	2	748
GMC Bettiah	500	38	17	55	445
IGIMS Patna	500	2	2	4	496
DMC Darbhanga	500	14	2	16	484
NMC Patna	500	10	1	11	489
ANMMC Gaya	500	10	2	12	488
SKMC Muzaffarpur	500	9	0	9	491
JLNMC Bhagalpur	500	9	0	9	491
VIMS Pawapuri	500	15	0	15	485
BCPO Patna	200	0	76	76	124
PDC Patna	160	15	77	92	68
<b>Total Allopath (A)</b>	<b>5110</b>	<b>122</b>	<b>179</b>	<b>301</b>	<b>4809</b>
GAC Patna	160	2	35	37	123
RBTS Muzaffarpur	300	30	59	89	211
GTC Patna	200	29	5	34	166
<b>Total AYUSH(B)</b>	<b>660</b>	<b>61</b>	<b>99</b>	<b>160</b>	<b>500</b>
<b>Grand Total (A) + (B)</b>	<b>5770</b>	<b>183</b>	<b>278</b>	<b>461</b>	<b>5309</b>
<b>PG Course</b>					
PMC Patna	1103	65	290	355	748
IGIMS Patna	98	2	0	2	96
DMC Darbhanga	816	47	233	280	536
NMC Patna	239	42	41	83	156
ANMMC Gaya	24	4	4	8	16
SKMC Muzaffarpur	50	27	0	27	23
JLNMC Bhagalpur	74	0	14	14	60
PDC Patna	10	0	0	0	10
<b>Total Allopath (A)</b>	<b>2414</b>	<b>187</b>	<b>582</b>	<b>769</b>	<b>1645</b>
GAC Patna	32	2	1	3	29
RBTS Muzaffarpur	10	0	0	0	10
<b>Total AYUSH (B)</b>	<b>42</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>39</b>
<b>Grand Total (A) + (B)</b>	<b>2456</b>	<b>189</b>	<b>583</b>	<b>772</b>	<b>1684</b>

**Appendix-2.5**  
**(Refer: Paragraph-2.8.1; Page-20)**  
**Sanctioned strength and availability of teaching and non-teaching staff**

S No	Name of the institutions	Teaching						Non-teaching					
		Sanctioned strength	Persons-in-position			Shortage	Shortage in percentage	Sanctioned strength	Persons-in-position			Shortage	Shortage in percentage
			Regular	Contractual	Total				Regular	Contractual	Total		
1.	PMC Patna	576	280	45	325	251	43.6	272	86	11	97	175	64.3
2.	NMC Patna	546	185	32	217	329	60.3	160	51	28	79	81	50.6
3.	DMC Darbhanga	507	198	16	214	293	57.8	185	72	22	94	91	49.2
4.	GMC Bettiah	235	11	165	176	59	25.1	156	2	30	32	124	79.5
	<b>Total</b>	<b>1864</b>	<b>674</b>	<b>258</b>	<b>932</b>	<b>932</b>	<b>50</b>	<b>773</b>	<b>211</b>	<b>91</b>	<b>302</b>	<b>471</b>	<b>60.9</b>
5.	BCPO Patna	18	8	0	8	10	55.6	0	0	0	0	0	0
6.	Patna Dental College Patna	50	4	43	47	3	6	105	31	30	61	44	41.9
	<b>Total</b>	<b>68</b>	<b>12</b>	<b>43</b>	<b>55</b>	<b>13</b>	<b>19</b>	<b>105</b>	<b>31</b>	<b>30</b>	<b>61</b>	<b>44</b>	<b>41.9</b>
7.	RBTS Muzaffarpur	58	35	0	35	23	39.7	148	33	0	33	115	77.7
8.	GTC Patna	67	36	8	44	23	34.3	146	39	1	40	106	72.6
9.	GAC Patna	81	46	0	46	35	43.2	72	36	0	36	36	50
10.	GAC Begusarai	71	25	0	25	46	64.8	67	19	0	19	48	71.6
	<b>Total</b>	<b>277</b>	<b>142</b>	<b>8</b>	<b>150</b>	<b>127</b>	<b>46</b>	<b>433</b>	<b>127</b>	<b>1</b>	<b>128</b>	<b>305</b>	<b>70.4</b>
11.	College of Nursing, IGIMS Patna	41	19	0	19	22	53.7	29	4	6	10	19	65.5
12.	GNM PMCH Patna	14	1	3	4	10	71.4	2	1	6	7	-5	-250
13.	GNM DMCH Darbhanga	11	3	2	5	6	54.5	14	2	1	3	11	78.6
14.	GNM NMCH Patna	14	3	7	10	4	28.6	10	3	25	28	-18	-180

S No	Name of the institutions	Teaching				Non-teaching							
		Sanctioned strength	Persons-in-position		Shortage	Shortage in percentage	Sanctioned strength	Persons-in-position		Shortage	Shortage in percentage		
			Regular	Contractual				Total	Regular			Contractual	Total
15.	ANM School Gaya	7	2	1	3	4	57.1	16	17	0	17	-1	-6.25
16.	ANM School Bhagalpur	2	0	2	2	0	0	3	4	1	5	-2	-66.7
17.	ANM School Chhapra	4	2	1	3	1	25	9	11	1	12	-3	-33.3
18.	ANM School Begusarai	4	3	1	4	0	0	12	12	0	12	0	0
19.	ANM School Biharsharif	8	0	4	4	4	50	9	6	1	7	2	22.2
20.	ANM School Samastipur	8	1	2	3	5	62.5	8	7	1	8	0	0
21.	ANM School Sitamarhi	4	2	2	4	0	0	13	4	5	9	4	30.8
22.	ANM School Saharsa	4	1	1	2	2	50	14	5	5	10	4	28.6
	<b>Total</b>	<b>121</b>	<b>37</b>	<b>26</b>	<b>63</b>	<b>58</b>	<b>48</b>	<b>139</b>	<b>76</b>	<b>52</b>	<b>128</b>	<b>11</b>	<b>7.91</b>
	<b>Grand total</b>	<b>2330</b>	<b>865</b>	<b>335</b>	<b>1200</b>	<b>1130</b>	<b>48</b>	<b>1450</b>	<b>445</b>	<b>174</b>	<b>619</b>	<b>831</b>	<b>57.3</b>

**Appendix-2.6**  
**(Refer: Paragraph-2.8.1.1; Page-22)**  
**Teaching hours of test-checked Medical Colleges**

Department	Name of the College	Required teaching hours	Average required teaching hours	2013	2014	2015	Total	Average	Percentage	Deficiency %
Anatomy-I	DMC Darbhanga	650		385	452	463	1300			
Biochemistry-I	DMC Darbhanga	240		141	176	175	492			
Forensic Medicine	DMC Darbhanga	100		112	100	106	318			
Microbiology	DMC Darbhanga	250		149	-	118	267			
Pathology	DMC Darbhanga	300		146	115	131	392			
Pharmacology	DMC Darbhanga	300		161	144	143	448			
Physiology-I	DMC Darbhanga	480		232	282	306	820			
	<b>Total</b>	<b>2320</b>	<b>331.43</b>	<b>1326</b>	<b>1269</b>	<b>1442</b>	<b>4037</b>	<b>201.85</b>	<b>60.90</b>	<b>39.10</b>
Anatomy-I	GMC Bettiah	650		382	339	347	1068			
Biochemistry-I	GMC Bettiah	240		-	126	116	242			
Forensic Medicine	GMC Bettiah	100		60	58	91	209			
Microbiology	GMC Bettiah	250		150	118	156	424			
Pathology	GMC Bettiah	300		-	136	200	336			
Pharmacology	GMC Bettiah	300		-	198	208	406			
Physiology-I	GMC Bettiah	480		-	153	108	261			
	<b>Total</b>	<b>2320</b>	<b>331.43</b>	<b>592</b>	<b>1128</b>	<b>1226</b>	<b>2946</b>	<b>173.29</b>	<b>52.29</b>	<b>47.71</b>
Anatomy-I	IGIMS Patna	650		537	484	611	1632			
Biochemistry-I	IGIMS Patna	240		189	219	248	656			
Forensic Medicine	IGIMS Patna	100		106	94	83	283			
Microbiology	IGIMS Patna	250		149	138	154	441			

Department	Name of the College	Required teaching hours	Average required teaching hours	2013	2014	2015	Total	Average	Percentage	Deficiency %
Pathology	IGIMS Patna	300		254	256	272	782			
Pharmacology	IGIMS Patna	300		252	229	279	760			
Physiology-I	IGIMS Patna	480		256	318	246	820			
	<b>Total</b>	<b>2320</b>	<b>331.43</b>	<b>1743</b>	<b>1738</b>	<b>1893</b>	<b>5374</b>	<b>255.90</b>	<b>77.21</b>	<b>22.79</b>
Anatomy-I	NMC Patna	650		451	388	-	839			
Biochemistry-I	NMC Patna	240		173	192	201	566			
Forensic Medicine	NMC Patna	100		79	72	87	238			
Microbiology	NMC Patna	250		181	182	247	610			
Pathology	NMC Patna	300		192	150	206	548			
Pharmacology	NMC Patna	300		167	216	228	611			
Physiology-I	NMC Patna	480		231	248	237	716			
	<b>Total</b>	<b>2320</b>	<b>331.43</b>	<b>1474</b>	<b>1448</b>	<b>1206</b>	<b>4128</b>	<b>196.57</b>	<b>59.31</b>	<b>40.69</b>
Anatomy-I	PMC Patna	650		340	343	460	1143			
Biochemistry-I	PMC Patna	240		148	134	145	427			
Forensic Medicine	PMC Patna	100		65	99	79	243			
Microbiology	PMC Patna	250		130	118	117	365			
Pathology	PMC Patna	300		178	169	186	533			
Pharmacology	PMC Patna	300		192	219	209	620			
Physiology-I	PMC Patna	480		216	201	217	634			
	<b>Total</b>	<b>2320</b>	<b>331.43</b>	<b>1269</b>	<b>1283</b>	<b>1413</b>	<b>3965</b>	<b>188.81</b>	<b>56.97</b>	<b>43.03</b>

**Appendix -2.7**

**(Refer: Paragraph-2.8.2; Page-23)**

**Details of insufficient infrastructure in test-checked medical institutions**

**A. Medical Colleges**

Sl. No.	Infrastructure as per clause of Minimum Standard Requirement for the Medical College, Regulation 1999 and norms for anti-ragging measures	Audit Observations
1	<b>Campus:</b> (Clause A.1.1): Medical College, should be housed in a unitary campus near its teaching hospital.	GMC Bettiah was not housed in a unitary campus.
2	<b>Administrative Block:</b> (Clause A.1.2): There should be an administrative block, accommodation for college council room, office superintendent's room, separate common room for male and female students with attached toilets, cafeteria etc.	In DMC Darbhanga and GMC Bettiah, separate common room for male and female students with amenities and cafeteria were not available. In PMC Patna, college council room and office superintendent's room were not available. Besides, in DMC Darbhanga office superintendent's room was also not available.
3	<b>Lecture theatre:</b> (Clause A.1.5): There should be well-equipped lecture theatres with facilities for conversion into E-class.	Three test-checked medical colleges (DMC Darbhanga, NMC Patna and GMC Bettiah) had no facilities for conversion into E-class/virtual class for teaching.
4	<b>Library:</b> (Clause A.1.4) There shall be an air-conditioned Central Library with seating arrangement for at least 200/300 and amenities with 7000/11000 books for 100 / 150 admission respectively.	Two Medical Colleges (PMC Patna and DMC Darbhanga) had inadequate sitting capacity and shortfall was ranging from 25 to 56 <i>per cent</i> . GMC Bettiah had inadequate books and shortfall was 79 <i>per cent</i> . Besides, in DMC Darbhanga no air conditioner was installed in the new library, computer room did not have chair/ table/computer/nodes/other furniture/air conditioner etc. There was an e-library room within the central library building with nothing inside the room and no facility for Information Technology in teaching medicine.
5	<b>Laboratories:</b> (Clause A.1.19-a): There should be 6 laboratories (150 Sqm. area each).	In two test-checked Medical Colleges (DMC Darbhanga and PMC Patna), area of six laboratories were lower than the norms.
	<b>Central Research Laboratories:</b> (Clause A.1.19-b)	Three of the test-checked Medical Colleges (DMC Darbhanga, PMC Patna and GMC Bettiah) had no Central Research Laboratory.
	<b>Central Laboratories:</b> (Clause B.4)	Three test-checked medical colleges (DMC Darbhanga, NMC Patna and GMC Bettiah) had no such laboratories although they had separate laboratories at department levels.
6	<b>Hostel:</b> (Clause B.12): College should have hostel provision for at least 75% of the total intake of students at a given time equipped with specified facilities.	In GMC Bettiah there was no own hostel facility whereas in two GMCs (DMC Darbhanga and NMC Patna) recreation facility was not available. In DMC Darbhanga except for one newly constructed girl's hostel, condition of the hostels was very poor. In IGIMS Patna visitor room, sick room, recreation room, laundry room and luggage room was not available in girls' hostel. Four to eight girls were living in one room.
7	<b>Central Kitchen:</b> (Clause B.7): There should be Central Kitchen which shall be commodious, airy, sunny and clean with proper flooring with exhaust system.	Three medical colleges (PMC Patna, DMC Darbhanga and NMC Patna) had no central kitchen.
8	<b>Central Workshop:</b> (Clause A.1.8): There should be central workshop for repair & maintenance.	Three test-checked medical colleges (DMC Darbhanga, NMC Patna and PMC Patna) had no such central workshop.



Sl. No.	Infrastructure as per clause of Minimum Standard Requirement for the Medical College, Regulation 1999 and norms for anti-ragging measures	Audit Observations
9	<b>Day Care Centre:</b> (Clause A.1.22)	None of the test checked medical colleges except IGIMS Patna had Day Care Centre.
10	<b>Staff Quarters:</b> (clause B.10.2): There should be sufficient number of quarters for teaching and non-teaching staffs.	In GMC Bettiah such facility was not available whereas in PMC Patna the quarters were not sufficient. However, vital facilities like uninterrupted water supply power supply etc., were not maintained in DMC Darbhanga.
11	<b>Examination Hall</b> (clause A.1.6): There should be one Examination Hall of capacity 250 with area of 250 sqm.	In DMC Darbhanga one non-functional examination hall was available.
12	<b>Intercom Network:</b> (clause A.1.15): Intercom network including paging and bleep system between various sections, hospitals and college should be available for better services, coordination and patient care.	No Intercom Network facility was available in DMC Darbhanga.
13	<b>Biometric fingerprint attendance machine:</b> (clause A.1.23-a): The Council shall install biometric fingerprint attendance machine in all the Medical Colleges for capturing faculty attendance.	In DMC Darbhanga, 16 machines were not working out of installed 25 devices (biometric fingerprint attendance machine).
14	<b>CCTV Camera: (Clause A.1.23-b):</b> Every medical college shall have CCTV system in the medical college and shall provide live streaming of both classroom teaching and patient care in the teaching hospital.	In DMC Darbhanga, no CCTV facilities were available in all vulnerable places.
15	<b>Demonstration Room:</b> (clause A.2 (1)-B): As per minimum standard there should be demonstration rooms with required facilities so as to accommodate at least 50 to 60 students.	In DMC Darbhanga, no demonstration room with such specification was available.

#### B. Dental College

Sl. No.	Infrastructure as per clause of Revised BDS Course Regulation 2007 and norms for anti-ragging measures	Audit observations
1	<b>Administrative Block:</b> (Clause 1): The college should have an Administrative Block with minimum required infrastructure.	Administrative officer's room and pantry were not available in the administrative block.
2	<b>Lecture Hall:</b> (Clause 03 of general facilities): College should have four lecture halls with specified minimum required infrastructure.	In the college, three classrooms (75 per cent) were available out of which two classrooms were not equipped with A.C., audio visual aids etc.
3	<b>Library:</b> (Clause 02 of general facilities): college should have library with desired facility /amenity.	There was sitting capacity for 34 (33 per cent) persons against the minimum required capacity of 50 per cent of 206 students. Besides, college lacked required facilities in the library.
4	<b>Hostel facility:</b> (Clause 13): The hostel accommodation should be provided.	College had no own hostel facility. Despite alternate arrangement, college failed to provide hostel facility to most of the male students.
5	<b>Auditorium:</b> (Clause (16): There should be an auditorium with 400 capacity and amenities.	Auditorium had sitting arrangement of 100 students without audio/video facility, reception counter, green room, lobby area in the college.

Sl. No.	Infrastructure as per clause of Revised BDS Course Regulation 2007 and norms for anti-ragging measures	Audit observations
6	<b>Staff Quarters:</b> (Clause 14 of general facility): All the staff members, teaching and non-teaching working in the institution shall be provided adequate accommodation.	The college had no staff quarter.
7	<b>Artist Room:</b> (Clause 6 of general facility).	The college had no artist room.
8	<b>Dental Chairs and Units:</b> (Clause regarding requirement of Dental Chairs and units):	Department-wise shortfall varied from zero to 37.5 <i>per cent</i> .
9	<b>Examination Hall:</b> A separate hall for university and other examination furnished with chairs and –individual tables to accommodate 125 students at a time.	Separate examination hall was not available in the college.
10	<b>Play Ground:</b> (Clause 15 of general facility) There shall be facilities for both in-door and out-door games in the premises.	Playground was not available in the college.
11	<b>Pollution Control Measures:</b> (clause 10 of General facility): All the dental institutions should take adequate pollution control measures by providing insemination plant, sewage water treatment plant, landscaping of the campus etc.	Pollution Control measures as per the norms was not available in the college.
12	<b>Laboratories:</b> (clause 17 of general facility): There should be laboratories for dental subject, medical subject and clinical subject with specified area.	In the college, laboratories for medical subjects were running in PMC, Patna as the college did not have its own. However, the records/information related to available area of laboratories of dental and clinical subjects was not made available to audit.
13	<b>Distilled Water Plant:</b> (clause 18 of general facility)	No distilled water plant was available in the college.

#### C. AYUSH Colleges

Sl. No.	MSR for Ayurvedic College and attached Hospital and Homeopathic college, CCIM and norms for anti-ragging measures etc.	Audit Observations
1	<b>Central Library:</b> (Clause 4 of Schedule II) A central library should have seating capacity for at least 100 students with specified requirements.	In GAC Patna, the college had 50 <i>per cent</i> sitting capacity against the norms and the central library had no librarian. Further, updated edition of the books was also not available.
2	<b>Herbal Garden:</b> (Clause Schedule III): A well-developed medicinal plant garden with 250 species of medicinal plants should exist with the college.	Maintenance in the Herbal Garden was very poor. Unwanted weeds and plants were noticed and only 212 against 250 species of plants were available.

#### D. GNM Schools

Sl. No.	Syllabus and regulations of GNM and regulation for anti-ragging measures	Audit Observations
1	<b>Teaching Block:</b> (Clause teaching block of physical facility): There should be a teaching block of 20000 square feet including Lecture Hall, Laboratories, Labs, Halls, Separate common rooms, Faculty room etc with specified amenities (Clause 5a to 5d, 6 and 7)	Two GNM Schools (GNM PMCH and GNM DMCH) possessed less area (8787 sq. feet and 2506 sq. feet respectively) for teaching block. Common room, staff room, Multipurpose hall, A.V. room & store room, CHN & Nutrition Lab, Paediatrics Lab, Pre-clinical science lab were not available in GNM DMCH. However, there was a very small chamber for the Principal and the Principal discharged her duty from computer lab (consequently computer lab was non-functional). None of the test-

Sl. No.	Syllabus and regulations of GNM and regulation for anti-ragging measures	Audit Observations
		checked GNM schools had chamber for the vice-Principal except in GNM NMCH. In GNM PMCH, there were no amenities in the teaching block. In College of Nursing IGIMS Patna common room and multipurpose hall were shared with IGIMS Patna.
2	<b>Classrooms:</b> (Clause 1 and 7 for Physical facilities): There should be at least three classrooms with adequate accommodation capacity, proper lightening, well ventilation, requisite furniture and equipment as per the norms. Besides, school should also possess audio visual aids and have room for its safe storage.	In GNM DMCH, there was only two lecture halls against the required number of minimum three as per the norms. Size of the lecture halls were less against the norms and the requisite facilities for conducting classes were also deficit. Besides, in GNM PMCH there was no audio-visual aids room & store room with basic as well as advanced training aids.
3	<b>Library:</b> (Clause 4 for Physical facilities) There should be a separate library in the school with specified required accommodations.	Three GNM Schools (College of Nursing IGIMS Patna, GNM PMCH and GNM DMCH) had less sitting capacity and shortage ranged between 85 to 100 <i>per cent</i> and without specified amenities. All the test-checked GNM schools had no separate budget for library. All test-checked GNM schools had no updated edition of books except College of Nursing IGIMS Patna. In GNM DMCH there was no library committee, no Internet facility in the library, poor lighting facilities without ventilation, no cabin for librarian, no intercom facility, no provision for catalogue cabinets, racks for student bags, book display racks, bulletin boards and stationery items like index cards, borrowers cards, labels and registers, no separate record room with steel racks, built-in shelves and racks, cupboards and filing cabinets for proper storage of records and other important papers/ documents belonging to the college and no librarian was posted in the school library.
4	<b>Hostel facility:</b> (Clause of physical facilities): There should be separate hostel for boys and girls with required amenities and infrastructure in respect of hostel rooms, toilets and bathroom, recreation facilities, visitors room, kitchen and dining hall, pantry, washing and ironing space, warden's room, telephone facility, canteen, transport etc.	Two GNM Schools (College of Nursing IGIMS Patna and GNM DMCH) had hostel without adequate seats. In GNM DMCH, girls had to live together in six to eight numbers in the same room as there were less number of available free rooms due to unauthorised occupant. In two GNM Schools (GNM DMCH and GNM PMCH), required furniture in the hostel was not as per the norms. None of them had intercom and washing & ironing facility, three GNM schools (GNM DMCH, GNM PMCH & GNM NMCH) had no transport and pantry facility, three GNM schools (GNM DMCH, GNM PMCH & College of nursing IGIMS Patna) had no canteen, two GNM schools (GNM DMCH and GNM PMCH) had no geyser facility, three GNM schools (GNM NMCH, GNM PMCH & College of nursing IGIMS Patna) had insufficient space in dining hall and GNM DMCH had non-functional/ non-furnished dining hall. Two GNM schools (GNM PMCH and GNM NMCH) had no recreation room while two GNM schools (GNM DMCH and GNM NMCH) had no reading room. In GNM DMCH, visitor room was not available.
5	<b>Multipurpose Hall:</b> (Clause 3 of General facilities) stipulates for multipurpose hall (MP Hall) with aids.	GNM DMCH had no multipurpose hall, College of Nursing, IGIMS Patna had no separate MP Hall. GNM PMCH had multipurpose hall but not with prescribed dimensions.

Sl. No.	Syllabus and regulations of GNM and regulation for anti-ragging measures	Audit Observations
6	<b>Other Facility:</b> (Clause 8 of general facilities): There should be safe drinking water & adequate sanitary/ toilet facilities available for men and women separately.	Two GNM Schools (GNM DMCH and GNM PMCH) such facilities were deficit against the norms. In GNM DMCH sufficient toilets were available but were kept locked by staff nurses who reside in other rooms of the academic building.
7	<b>Laboratories:</b> (Clause 2 & 6): There should be at least six laboratories with specified equipment (1. Nursing Practice Laboratory, 2. Community Health Nursing & Nutrition Laboratory, 3. Advance Nursing Skill Laboratory, 4. Computer Laboratory, 5. OBG & Paediatric Laboratory, 6. Pre-Clinical Science Laboratory)	<p>1. In all the GNM Schools except College of Nursing, IGIMS, the demonstration beds-students ratio were in the range from 1:33 to 1:66 against the minimum norms of 1:6; College of Nursing IGIMS Patna (1:5), GNM DMCH (1:50), GNM NMCH (1:66) and PMCH (1:33).</p> <p>2. Two GNM Schools (GNM DMCH and GNM NMCH) had no Community Health Nursing &amp; Nutrition Laboratory while there were deficiencies in articles and equipment against the prescribed norms in the laboratory of GNM PMCH.</p> <p>3. Audit observed that out of four test-checked GNM schools, in GNM DMCH due to space constraint skill lab was not running efficiently and effectively.</p> <p>4. Two GNM Schools (GNM DMCH and GNM NMCH) were deficit in number of computers in the laboratory. In GNM DMCH computer laboratory was used as office room and Principal, teachers and other staff used that room for various official purposes.</p>
8	<b>Playground:</b> (clause 11 of physical facility): As per the norms, playground should be spacious for outdoor sports like Volleyball, football, badminton and for Athletics.	In GNM DMCH, playground was not available.
9	<b>Close watch:</b> The institution shall identify, properly illuminate and keep a close watch on all locations known to be vulnerable to occurrences of ragging incidents.	In GNM DMCH and GNM NMCH, no CCTV facilities were available.

**E. ANM Schools**

Sl. No.	Syllabus and Regulation of ANM school and anti-ragging guidelines	Audit Observations
1	<b>Classroom and Audio Visual Aid:</b> (Clause of physical facilities): There should be two adequately large classrooms having sufficient accommodation capacity with necessary audio visual aid and other equipment and articles.	Three ANM schools (Chhapra, Bhagalpur and Sitamarhi) had only one classroom. Classrooms were overcrowded in seven ANM schools (In Biharsharif 95 students were accommodated in the classroom of 50 capacity whereas in Chhapra and Gaya 90 and 140 students were respectively accommodated in the class room having less area than the norms for 40-60 students. Four ANM schools (Samastipur, Saharsa, Sitamarhi and Begusarai) had less area than the minimum norm). Further, five ANM Schools (Begusarai, Chhapra, Gaya, Saharsa and Sitamarhi) had no audio-visual aid facilities. In ANM Samastipur such audio-visual aid facilities were available but were un-installed and were non-functional whereas in ANM Biharsharif these were non-functional and no visual classes were organised since 2015-16. In ANM Chhapra, two rooms of teaching block were occupied by office of the Regional Additional Director, Health Department, Saran, Chhapra.

Sl. No.	Syllabus and Regulation of ANM school and anti-ragging guidelines	Audit Observations
2	<b>Library:</b> (Clause of physical facilities): There should be a library room of adequate size in order to accommodate 40 students with sufficient number of books and amenities. Besides, library should have updated edition of textbooks, referral books, few professional journals and general knowledge magazines as well as story books etc. in sufficient numbers.	ANM Sitamarhi has no library facility. In seven test-checked ANM schools library was running in very small rooms with seating capacity ranging from zero to 20 (Biharsharif (Nil), Begusarai (Nil), Chhapra (Nil), Bhagalpur (7), Sitamarhi (Nil), Saharsa (20) and Samastipur (12)) and shortage range from 50 <i>per cent</i> to 100 <i>per cent</i> . Besides, in five test-checked ANM schools (Biharsharif, Samastipur, Sitamarhi, Saharsa and Bhagalpur) updated edition of books were not available.
3	<b>Nursing Laboratory:</b> (Clause of physical facilities)	Six ANM schools (Sitamarhi, Biharsharif, Bhagalpur, Chhapra, Gaya and Samastipur) were running without nursing lab while in ANM school, Sitamarhi nursing lab was in condemned condition.
4	<b>Nutrition Laboratory:</b> (Clause of physical facilities).	Nutrition laboratory was not available in five ANM Schools (Biharsharif, Bhagalpur, Chhapra, Gaya and Sitamarhi) whereas in ANM school, Samastipur the lab was running in too small a room to run efficiently and effectively.
5	<b>Hostel Facilities:</b> (Clause Residential Facilities for students): ANM training School being a residential programme, has to have adequate hostel for the students with specified facilities.	None of schools (except Saharsa and Chhapra) had separate building for the school and hostel and all students were accommodated in academic building. In all test-checked schools (Except Sitamarhi) students were accommodated in few rooms ranging from 06 to 14 students in each room. Besides, in two ANM schools (Bhagalpur and Sitamarhi) students were accommodated in groups of 35 to 40 students in a hall. In two ANM schools (Begusarai and Gaya) the buildings used for hostel purpose were badly damaged while in ANM school, Sitamarhi, the building of the school was in dilapidated condition and was declared condemned. In two ANM schools (Biharsharif and Samastipur), a dining hall with accommodation capacity for 20 was without proper seating arrangement and purified water facility, a very small store room, no recreation room, no facilities for hot and cool water and no telephone connection was available. Besides, there was no sick room and visiting room in ANM school, Biharsharif. A two seater sick room (presently used by Principal as Principal Chamber) and a visiting room without amenities was available in ANM school, Samastipur. There were insufficient toilets (70 <i>per cent</i> ) available in ANM school, Samastipur. In ANM school, Chhapra, there was water logging and unhygienic condition around the bathrooms of hostel and surrounding of hostel was also found water logged.
6	<b>Transport facilities:</b> (Clause for physical facility): There should be transport facilities for community health nursing practice.	None of the test-checked ANM schools had own transport facilities.
7	<b>Toilets facility:</b> As per the norms, there should adequate toilet facility in the school building for the students and teachers at least in the ratio of 1:10.	In ANM school, Biharsharif only one toilet was available in the school building for teachers (Male and Female), official staffs, guards and 200 students. Thus, the ratio was 1:214 in comparison to 1:10. There was only one bathroom available in teaching block of ANM school, Chhapra.

Sl. No.	Syllabus and Regulation of ANM school and anti-ragging guidelines	Audit Observations
8	<b>CCTV Camera</b>	There were no CCTV facilities in four ANM schools (Begusarai, Saharsa, Biharsharif and Samastipur) for close watch as anti-ragging measures.
9	<b>Staff Quarters:</b> There should be family accommodation available in or near the campus of the Hospital/CHC Rural Health Treatment Centre for 80 <i>per cent</i> of the teaching staff. A family quarter should be provided for the warden in the hostel so that she could be residential to look after the students, and available at the time of emergency.	Such quarters were not available in two ANM Schools (Biharsharif and Samastipur).

**Appendix-2.8**  
**(Refer: Paragraph-2.8.4; Page-27)**  
**Shortage of equipment in medical colleges**

Sl. No.	Department	Requirement	IGIMS, Patna	GMC, Bettiah	DMC, Darbhanga	NMC, Patna	PMC, Patna	Total
			Less than norms (in per cent)	Less than norms (in per cent)	Less than norms (in per cent)	Less than norms (in per cent)	Less than norms (in per cent)	Less than norms (in per cent)
1	Anatomy	38	45	71	18	42	68	49
2	Physiology	85	72	76	95	54	86	77
3	Biochemistry	32	44	91	91	62	-	72
4	Pathology	82	51	100	51	70	-	68
5	Microbiology	52	48	94	-	50	79	68
6	Community Medicine	76	78	97	92	80	92	88
7	Forensic Medicine	91	77	100	88	75	92	86
8	Pharmacology	14	-	93	64	71	86	78
9	Medicine	53	89	100	70	79	87	85
10	Paediatrics	49	65	98	-	10	-	58
11	Surgery	42	69	95	76	76	-	79
12	Orthopaedics	25	16	100	80	-	-	65
13	Otorhinolaryngology	178	25	99	60	-	62	61
14	Obs. & Gynaecology	97	27	69	-	56	77	57
15	Anaesthesiology	51	25	96	75	-	94	72
16	TB & Chest	13	85	100	-	69	85	85
17	Dermatology, Venerology & Leprosy	8	100	100	88	50	25	73
18	Psychiatry	13	100	100	100	85	77	92
19	Ophthalmology	39	8	-	62	44	-	38
20	Radio-Diagnosis	10	10	100	90	40	-	60

**Appendix-2.9**  
**(Refer: Paragraph-2.8.5; Page -30)**  
**Rural Internship/community Health Nursing Program**

Norms of the regulatory body	Deficiencies observed
<p>MCI stipulates successful completion of one-year compulsory rotating internship including two months' time for community medicine is essential for award of MBBS degree. In community medicine interns get exposure to immunization programmes, family welfare planning procedure, locally prevalent endemic disease, national health programmes, linkage with other agencies as water supply, food distributions and environment/social agencies, provide health education to individual/ community and get managerial skill, delegation of duties to paramedical staff and other health professional. For these they required to be attached with community health centres, district hospitals, primary health centres, rural health training centres <i>etc.</i> and at least one week village attachment such as village health centres, ASHA Sub centres <i>etc.</i> Every medical college was to have three primary health centres (PHC)/rural health training centres (RHTC) attached to it for this.</p>	<ul style="list-style-type: none"> <li>• Interns of PMC Patna and NMC Patna were not exposed to prevention and control of locally prevalent endemic diseases, nutritional disorders and health education programme during 2013-18. Interns of PMC Patna were attached to village for one day only as transportation could not be arranged by college. Interns of NMC Patna and IGIMS Patna were not attached to village during 2013-18, resultantly they were not exposed to village community health issues, working of ASHA <i>etc.</i> None of the medical colleges organised any training programme during 2013-18 for interns showing linkages with other agencies such as water supply, food distribution and other environmental/social agencies.</li> <li>• Residential facilities for interns were not available in RHTCs attached to three<sup>1</sup> medical colleges. Although residential facility was available in RHTC, Kalyanpur attached with DMC Darbhanga but students did not stay there. Transport facility was not available in NMC Patna for rural and RHTC visits.</li> <li>• All the test-checked 16 interns of PMC Patna and five out of 15 test-checked interns of NMC Patna attached for one month with RHTC Fatuha (2016-17) and RHTC Sampatchak (2014-18) respectively did not complete the internship programme as per schedule.</li> <li>• In IGIMS Patna attached RHTC Maner, attendance of one student (September–October 2017) was found marked only for five days but RHTC reported 'nil' absent to IGIMS Patna. Further one student (period October-November 2017) was not found enrolled in attendance register but RHTC reported 'nil' absent for the student.</li> <li>• In DMC Darbhanga attached RHTC, Kalyanpur attendance of two students was not found marked for four days in attendance register (November 2016) but nil absentee was sent by the RHTC. MO, RHTC Kalyanpur (November 2018) replied that the attendance was missed to mark due to mistake.</li> <li>• It was noticed that 11 interns of PMC Patna were attached to PHC Fatuha during April 2016 to September 2016 for rural internship. Cross check of records (November 2018) of PHC Fatuha disclosed that these interns did not attend the internship at PHC Fatuha and they graduated without exposure to community health education. Principal PMC replied (February 2019) that investigation would be done and the facts would be intimated.</li> </ul>

<sup>1</sup> GMC Bettiah, NMC Patna and PMC Patna



Norms of the regulatory body	Deficiencies observed
As per DCI, interns were to pursue three months' rural services for understanding different aspects of community related dental health aspects.	<ul style="list-style-type: none"> <li>• In Patna Dental College Patna (PDC Patna), interns did not pursue three month rural services during 2013-17. Besides, PHC for internship was attached with the college only from 2017-18.</li> </ul>
Norms of GNM education requires adequate infrastructure for students for exposure to community health nursing experience.	<ul style="list-style-type: none"> <li>• In three<sup>2</sup> out of four test-checked GNM schools/College of Nursing, there was no accommodation facility for students at Community Health Nursing Centre which may adversely affect the intended aim and benefit of community health nursing field program.</li> <li>• Besides, due to paucity of funds, 76 students of Batch 2013 and 2014 did not complete rural internship in GNM PMCH, thus depriving them of necessary exposure.</li> <li>• Further, three PHCs were attached with GNM NMCH Patna. Out of three, Audit test-checked records of one PHC Sampatchak and observed that 165 students sent on community visit (2015-16 and 2017-18) did not attend the programme at PHC, Sampatchak.</li> </ul>
Provisions of ANM Guidelines of INC	<ul style="list-style-type: none"> <li>• Audit observed that out of eight test-checked ANM schools, in five<sup>3</sup> ANM schools six to 24 students, instead of four to five in a batch, were posted in sub centre/PHC.</li> <li>• In two ANM Schools (Samastipur and Gaya) students were not exposed to national health and family welfare programs during internship.</li> <li>• Besides, none of the test-checked ANM schools (except Sitamarhi) had residential facility at the attached PHC.</li> <li>• In ANM School, Saharsa community health nursing at PHC was not running after 28/7/2016.</li> </ul>

<sup>2</sup> GNM DMCH, GNM NMCH and GNM PMCH

<sup>3</sup> ANM School, Biharsharif (6 to 15), ANM School, Bhagalpur (8 to 24), ANM School, Gaya (13), ANM School, Samastipur (22) and ANM School, Sitamarhi (6-7).

**APPENDIX-2.10**  
**(Refer: Paragraph-2.9; Page-30)**  
**Financial irregularities in construction/management of medical institutes**

Sl. No.	Name of the Medical College	Name of the Contractor/ Consultant	Name of the Executing Agency	Amount (in crore)	Nature of payment
1	Vardhman Institute of Medical Sciences, Pawapuri	M/s Nagarjuna Construction Company Ltd., Hyderabad	BRPNNL	5.21	As per clause of the contract, sales tax, purchase tax, turnover tax, service tax, VAT, octroi or any other tax on the material in respect of the contract shall be payable by the contractor and BRPNNL will not entertain any claim whatsoever in respect of the same. Contrary to this clause BRPNNL paid ₹0.93 crore and ₹4.28 crore to the contractor against reimbursement of Excise duty on steel and VAT respectively to the Contractor.
2	Vardhman Institute of Medical Sciences, Pawapuri	M/s Nagarjuna Construction Company Ltd., Hyderabad	BRPNNL	23.29	Clause 11 of General Conditions of Contract stipulates that compensation for escalation in price shall be available only for the work done during the stipulated period of the contract. No escalation shall be paid for the work executed in the extended contract period even if extension of time is granted without any action. Contrary to this clause, BRPNNL made payment to the contractor for price escalation for the work done after the stipulated period of time.
3	Vardhman Institute of Medical Sciences, Pawapuri	M/s Nagarjuna Construction Company Ltd., Hyderabad	BRPNNL	45.41	Rule 159(vii) of Bihar Public Works Department Code stipulates that in exceptional cases only, time extension can be allowed. Clause 5.3 of the contract also stipulates that request for extension of time may be considered if application is received within 14 days of happening of events. Contrary to this, due to irregular recommendation as well as grant of time extension to the contractor by the executing agency, Government was deprived of liquidated damage charges which was a maximum of 10 per cent of the tendered value from the contractor.

Sl. No.	Name of the Medical College	Name of the Contractor/ Consultant	Name of the Executing Agency	Amount (in crore)	Nature of payment
4	Vardhman Institute of Medical Sciences, Pawapuri	M/s. D.D.F. Consultant Pvt. Ltd.	BRPNNL	0.63	As per clause of agreement, supervision fee to the consultant was linked with the actual cost of work executed and was fixed @ 0.75 per cent of the work value executed. 1. The gross amount paid to the contractor was ₹539.59 crore, against which supervision fee @ 0.75% comes to ₹ 4.05 crore. Against this, the consultant was paid ₹ 4.64 crore. 2. Further as the amount of ₹ 5.21 crore paid towards reimbursement of additional VAT and Central Excise Duty was inadmissible hence supervision fee and fee for preparation of DPR on this amount would also be inadmissible. Thus, gross payment to the contractor towards works executed excluding these inadmissible payments was ₹ 534.38 crore and supervision fee @ 0.75% comes to ₹ 4.01 crore against the paid amount of ₹ 4.64 crore resulting in excess payment of ₹ 0.63 crore.
5	Government Medical College, Madhepura	M/s L&T Ltd.	BMSICL	3.55	As per clause of contract, the mobilisation advance given to the contractor was to be recovered along with interest at the rate equivalent to SBI PLR. However, it was recovered @ 10% contrary to the SBI PLR which was ranging from 13.40 to 14.75 per cent during the period. Due to this less recovery of interest, excess payment was made to the contractor.
			<b>Total</b>	<b>78.09</b>	
6	Government Medical College, Madhepura		BMSICL	1.79	Besides preparation of PPR, DPR, design and drawing, the executing agencies also engaged consultants for supervision of works including checking of bills of the contractor and recording of measurement. These functions were to be performed by the executing agencies for which they were charging centage to the Government. Hence payment to supervision consultant should have been met from the centage itself but the executing agency charged these to works expenses resulting in loss to the exchequer
7	Government Medical College, Bettiah		BMSICL	0.48	
8	Vardhman Institute of Medical Sciences, Pawapuri		BRPNNL	5.08	
			<b>Total</b>	<b>7.35</b>	

*Audit Report (General, Social and Economic Sectors) for the year ended March 2018*

Sl. No.	Name of the Medical College	Name of the Contractor/ Consultant	Name of the Executing Agency	Amount (in crore)	Nature of payment
9	Government Medical College, Madhapura		BMSICL	10.97	Despite revision in centage charge on 25.01.2016, BRPNNL continued charging centage at the old rate and BMSICL started charging at revised rate <i>w.e.f.</i> August 2017 instead from 25.01.2016 which resulted in excess charge of centage.
10	Vardhman Institute of Medical Sciences, Pawapuri		BRPNNL	7.54	Centage on inadmissible payments as referred in Sl. No. 1 & 2 above was also not admissible. Price escalation of ₹23.29 crore was paid prior to January 2016 and in respect of reimbursement of VAT and additional Excise duty ₹3.84 crore out of total ₹5.21 crore was paid prior to January 2016. Hence centage on ₹27.13 crore (23.29 + 3.84) @ 9 per cent <i>i.e.</i> ₹2.44 crore was also inadmissible.
11	Vardhman Institute of Medical Sciences, Pawapuri		BRPNNL	2.44	
12	Vardhman Institute of Medical Sciences, Pawapuri		BRPNNL	0.46	BRPNNL charged centage also on fees paid to supervision consultants. As discussed at Sl. No. 08 above, charging of fee paid to supervision consultant to work expense was inadmissible. Hence, centage charged on these professional fees was also inadmissible.
			<b>Total</b>	<b>21.41</b>	
13	Government Medical College, Bettiah		BMSICL	<b>45.71</b>	The work was assigned to BMSICL in November 2012, There was delay at every stage. First NIT was invited in August 2013. NIT was cancelled thrice. 4 <sup>th</sup> NIT was invited in June 2016, Letter of acceptance was issued in November 2016 and agreement was executed in May 2017. In 2 <sup>nd</sup> NIT, all the tender evaluation formalities such as evaluation of technical and financial bid, selection of agency and negotiation of rate was completed but this NIT was arbitrarily and injudiciously cancelled which resulted into cost overrun besides delay in execution as the rate in BOQ had to be revised in the third NIT on the basis of SoR of 2014 which was earlier based on SoR of 2013 due to which BOQ amount was escalated by ₹45.71 crore. The selected agency in 2 <sup>nd</sup> NIT agreed to execute the work on his quoted price.

Sl. No.	Name of the Medical College	Name of the Contractor/ Consultant	Name of the Executing Agency	Amount (in crore)	Nature of payment
14	Construction of 10 ANM school		BMSICL	3.20	Further, in 4 <sup>th</sup> NIT, the amount of BOQ was kept lower by reducing the scope of work however, test check of certain items in BOQ revealed that there was increase to the extent of approximately 10 per cent. BMSICL received ₹45.42 crore for construction of 10 ANM schools under CSS and spent ₹42.22 crore under the scheme. All the works were completed and handed over (May 2018) but BMSICL did not refund the unspent balance of ₹3.20 crore to GoB.
15	Vardhman Institute of Medical Sciences, Pawapuri and Government Medical & Hospital, Bettiah			190.5	Administrative approval for establishment of medical college at Madhepura, Bettiah and Nalanda (Pawapuri) was accorded in March 2007 with the condition that a college fee and user charges of the hospital would be fixed in such a manner that there will be no burden of recurring expenditure on the government. Medical college at Pawapuri i.e. VIMS was functioning since 2013-14. Medical College and Hospital at Bettiah i.e. GMC&H, Bettiah was functioning since 2013-14. VIMS, Pawapuri and GMC&H, Bettiah incurred recurring expenditure of ₹83.58 crore and ₹108.01 crore respectively on college and hospital during 2013-18. VIMS, Pawapuri generated fees and user charges of ₹1.09 crore during the 2013-18. This implied that the colleges & hospital were not generating sufficient revenue to cover their recurring expenditure as envisaged in their administrative approval causing extra burden on the state exchequer.

Sl. No.	Name of the Medical College	Name of the Contractor/ Consultant	Name of the Executing Agency	Amount (in crore)	Nature of payment
16	Darbhanga Medical College, Government College, Patna, Ayurvedic College, Patna, RBTS Homeopathy college, Muzaffarpur and Nalanda Medical College, Patna			7.30	Bihar Treasury Code, 2011 stipulates submission of DC bills within 06 months from the month of drawal of AC bills. DC bills of ₹7.29 crore out of ₹43.38 crore was pending from one to 12 years which was attributable to the fact that the amount was transferred to different agencies and subsequently the DDOs failed to obtain utilisation certificates from those agencies. Pending DC bills in DMC Darbhanga was ₹1.18 crore, in NMC Patna ₹2.23 crore, in RBTS Muzaffarpur ₹0.46 crore and in GAC Patna ₹3.42 crore.
17	Patna Medical College, Patna and Darbhanga Medical College, Darbhanga			0.15	To discourage PG students from leaving the course midway, GoB decided (April 2017) that from 2017-18 session, every student taking admission in PG courses would execute and submit a bond for payment of ₹15 lakh and all the stipend received if they left the course midway would be recovered. Department did not prescribe the manner of deposit or utilisation of amount taken from student as bond money. As a result in PMC, ₹15.00 lakh taken (April 2018) from one student of the 2017-18 batch, who left the course midway, was lying idle in the bank account. Further, in DMC college authorities had taken bond from only 09 students out of 107 admissions.
18	Patna Medical College & Hospital Patna, Nalanda Medical College & Hospital Patna, Darbhanga Medical College & Hospital Darbhanga, ANM Medical College & Hospital Gaya, SK Medical College & Hospital Muzaffarpur, JN Medical College & Hospital Bhagalpur			2.76	A Centrally Sponsored Scheme (CSS) to increase PG seats in the six state government medical colleges was initiated in 2009-10 with funding pattern of 75 per cent by GoI and 25 per cent by GoB. GoI released (March 10 to September 2012) ₹29.06 crore against which the State could release (2018) only ₹6.93 crore (19 per cent) in place of ₹9.69 crore.

Sl. No.	Name of the Medical College	Name of the Contractor/ Consultant	Name of the Executing Agency	Amount (in crore)	Nature of payment
19	Government Ayurvedic College, Patna			2.95	In CSS for development of model Ayurvedic institutions / Centre of Advanced Studies, it was directed that the grantee institute shall maintain a separate account of grant received with a scheduled national bank. Under the scheme, GACP received ₹2.95 crore from GoI during 2010-13 but did not maintain separate bank account. Rather it kept the funds in already existing bank accounts of the college. Besides, no cashbook was maintained for this fund. Utilisation certificate revealed that the college had spent ₹1.80 crore from this fund. Scrutiny of Bank statement disclosed that only ₹0.82 crore was available (September 2018) in the bank in place of ₹1.15 crore, indicating short balance of ₹0.33 crore. Short balance of ₹0.33 crore was attributable to diversion of the funds towards salary payment during 2012-13 as banker cheques of salary was not credited to the bank. The amount was yet to be recouped (September 2018). To check the actual balance in bank, Bank Reconciliation Statement was to be prepared but no reconciliation of bank balance was carried out by the college (September 2018).
20	Patna Medical College Patna, Nalanda Medical College Patna and Darbhanga Medical College Darbhanga			15.18	Under CSS to increase PG seats, in three test checked medical college an amount of ₹28.57 crore (DMC - ₹7.09 crore, NMC - ₹18.79 crore and PMC - ₹2.69 crore) was approved (August 2010) by GoI against which ₹15.96 crore, including interest of ₹2.57 crore was made available to these three colleges (DMC - ₹3.83 crore, NMC - ₹10.64 crore and PMC - ₹1.49 crore). PMC refunded (August 2015 and March 2018) an amount of ₹1.14 crore as it could not utilise the same. Despite availability of ₹15.96 crore to the colleges, they could spend only ₹9.42 crore (November 2018). An amount of ₹15.18 crore could not be released to the colleges due to non-utilisation of earlier released funds.

*Audit Report (General, Social and Economic Sectors) for the year ended March 2018*

Sl. No.	Name of the Medical College	Name of the Contractor/ Consultant	Name of the Executing Agency	Amount (in crore)	Nature of payment
21	Government Tibbi College, Patna	M/s New Patliputra Security Services, Patna	Respective colleges	0.17	Excess payment in the form of Service Tax was made to the outsourced agency hired for security, cleaning and other housekeeping services though the services were exempted from Service Tax during July 2012 to March 2017 vide serial No. 9 of Mega Exemption Notification No. 25/2012-ST dated 20.06.2012 as amended vide Notification. No. 06/2014-ST dated 11.07.2014 and 10/2017-ST dated 08.03.2017
22	Government Ayurvedic College, Patna	M/s Pragati Constructions, Patna		0.04	
23	Patna Dental College, Patna	M/s Elite Falcon's, Patna and Intelligence Services, Patna		0.02	
24	Government Medical College, Bettiah	M/s Lahri Enterprises, Bettiah and M/s Goswami Security Service Pvt. Ltd., Muzaffarpur.		0.15	
			<b>Grand Total</b>	<b>0.38</b>	
				<b>374.98</b>	



**APPENDIX- 2.11**  
**(Refer: Paragraph-2.10.5; Page-35)**  
**Excess selection/nomination of candidates over approved intake capacity of INC**

SL	Name of Institute	2015-16		2016-17		2017-18	
		Sanctioned seat by INC	Admission done	Sanctioned seat by INC	Admission done	Sanctioned seat by INC	Admission done
1	GNM PMCH	40	65	40	65	40	65
2	GNM DMCH	40	50	40	50	40	50
3	ANM School, Gaya	30	135	30	134	30	123
4	ANM School, Bhagalpur	30	99	30	98	30	91
5	ANM School, Chhapra	50	66	50	83	50	87
6	ANM School, Begusarai	20	50	-	-	20	50
7	ANM School, Biharsharif	48	100	30	95	30	95
8	ANM School, Sitamarhi	20	49	20	46	20	45
9	ANM School, Saharsa	20	51	20	49	20	51
	<b>Total</b>	<b>298</b>	<b>665</b>	<b>260</b>	<b>620</b>	<b>280</b>	<b>657</b>

(Source: Data provided by BCECE Board and nursing school)

**APPENDIX-3.1**  
**(Refer: Paragraph-3.1.4; Page-40)**

**(A) Statement showing list of selected units (PRIs)**

District (ZPs)	Panchayat Samiti (PSs)	Gram Panchayat (GPs)
Begusarai	Bhagwanpur	Banwaripur, Jokia, Kiratpur, Sanjat
	Matihani	Matihani, Sonapur, Ramdiri-2, GP Maniappa
Gaya	Bodhgaya	Kurmawan, Bara, Parariya, Bakror
	Khizirsarai	Naudiha, Hathiawan, Hemara, Horma
Kishanganj	Kochadhaman	Purandaha, Bualdah, Modho, Kutti, Majkuri, Kaththamaththa
	Terhagachh	Khaniabad, Jhunki Mushara, Matiyari
Nalanda	Ekangarsarai	Mandachh, Gyaspur, Ekangarsarai, Dhoorgaon, Aungari
	Noorsarai	Muzafara, Andhana, Ajaypur, Jagdishpur Tiyari
Samastipur	Khanpur	Kanubishanpur, Puroshottampur annu, Shivaisingpur, Rebra, Sripur Gahar Paschim
	Sarai Ranjan	Bajitpur Meyari, Bhagwatpur, Gangsara, Jitwarpur, Musapur, Rupauli Buzurg
Vaishali	Goraul	Mahammadpur Pojha, Rasalpur Turki, Ismailpur, Goraul Bhagwanpur
	Rajapakar	Rampur Ratnakar, Rajapakar South, Bishanpur Balbhadra
<b>Total- 6 ZPs</b>	<b>12 PSs</b>	<b>52 GPs</b>

**(B) Statement showing list of selected units (ULBs)**

Nagar Nigam (NN)	Nagar Parishad (NP)	Nagar Panchayat (NPY)
Chhapra	Aurangabad	Areraj
Gaya	Fatuha	Bodhgaya
	Khagaul	Khusurupur
	Kishanganj	Islampur
	Mokama	Nasiriganj
	Masaurhi	Naugachia
	Saharsa	Sherghati
	Siwan	Warsaliganj
	<b>2 NNs</b>	<b>8 NPs</b>

**APPENDIX-3.2**  
(Refer: Paragraph- 3.1.6; Page- 43)

**Status of implementation of the recommendations by the State**

Sl. No.	Para no.	Recommendations	Status of implementation
1	9.56	The grants should be spent only on the basic services within the functions assigned to Local Bodies (LBs) under relevant legislations. <b>(To be implemented by States)</b>	<p><b>PRIs:</b> The PRD issued guidelines to undertake works by GPs for providing basic services only from FFC grants. But Annual Plan, Perspective Plan, Monthly Progress Report (MPR) etc., regarding planning and execution of works by GPs during the period 2015-18 were not submitted to the PRD. Hence, the PRD was unaware of the types of works executed by GPs. However, in all 52 test-checked GPs, works relating to basic services were undertaken.</p> <p><b>ULBs:</b> FFC grants were utilised for providing basic services in 18 test checked municipalities except NP Siwan which utilised ₹3.15 crore on land purchase.</p> <p style="text-align: right;"><b>Implemented</b></p>
2	9.61	The books of accounts of LBs should distinctly capture income on own taxes and non-taxes, assigned taxes, devolution and grants from the State, grants from the FC and grants for any agency functions assigned by the Union and State Governments. The TGS arrangements by the C&AG should be continued. The States should take action to facilitate LBs to compile accounts and have them audited in time. <b>(To be implemented by States)</b>	<p>The books of accounts were not maintained by the test checked LBs. Instead individual subsidiary cash book in single entry system on cash basis was maintained separately for each scheme. PRIs did not maintain their accounts in eight MAS formats (based on double entry system cash basis) prescribed by the CAG of India and adopted by the State (April 2010) while ULBs did not maintain accounts in the formats as per codification pattern stipulated in the Bihar Municipal Accounting Manual (based on National Municipal Accounting Manual). The UD&amp;HD had engaged (June 2014 to October 2016) CA firms to compile accounts of Municipalities on accrual based Double Entry Accounting System (DEAS).</p> <p>The PRD had engaged CA firms (August 2017) to audit (scheme wise and unit wise) the accounts of PRIs and to compile the UCs of grants released during the period 2015-18. The CA firms did not submit audit reports (December 2018) to the District and PRD. However, in the test-checked GPs, statement of receipt and expenditure for the period 2015-17 for each head of grant were prepared by the GPs and certified by the CAs.</p>

Sl. No.	Para no.	Recommendations	Status of implementation
			<p>The UD&amp;HD had engaged (March 2016) CAs for internal audit of the accounts of Municipalities for the period 2014-17 and audit for the period 2014-16 was completed (December 2018).</p> <p>In Bihar, audit of the accounts of LBs under TGS arrangement by the CAG of India commenced from January 2017. The role of primary auditor for audit of LBs was shifted to Directorate of Local Fund Audit (DLFA) established under control of Finance Department, GoB. Audit by DLFA is at a nascent stage and its first Annual Report on the accounts of LBs is awaited.</p> <p>The PRD did not take step to facilitate compilation of accounts by PRIs while the UD&amp;HD had engaged CAs for compilation of accounts of Municipalities. The LBs lacked human resource and accounting infrastructure. The posts were vacant on a large scale (60 per cent) and the existing manpower were not skilled enough to compile the accounts and they were not imparted training for compilation of accounts.</p> <p style="text-align: right;"><b>Not implemented</b></p>
3	9.64	The grants to States will be disbursed by using 2011 population data with weight of 90 per cent and area with weight of 10 per cent. <b>(To be implemented by GoI)</b>	-
4	9.69	Total grants for LBs is ₹ 2,87,436 crore for the period 2015-20. Out of this, the grant recommended to panchayats is ₹ 2,00,292.20 crore and that to municipalities is ₹ 87,143.80 crore. <b>(To be implemented by GoI)</b>	-
5	9.70	Grants are in two parts- a Basic Grant (BG) and a Performance Grant (PG). In case of Gram Panchayats (GPs), 90 per cent of grants will be BG and 10 per cent will be PG. In the case of municipalities, the ratio is 80:20. <b>(To be implemented by GoI)</b>	-
6	9.72	In Panchayati Raj Institutions grants are given only to GPs while grants are given to all tiers of municipalities. The grants are to be disbursed using latest SFC formula for distribution of resources. <b>(To be implemented by States)</b>	As per FFC recommendation, the State had released grants to GPs and all tiers of Municipalities. The grants for the year 2015-16 were disbursed to GPs using 4 <sup>th</sup> SFC formula (5 <sup>th</sup> SFC report was not received at that time), whereas grants for the year 2016-17 onwards were disbursed as per formula recommended by 5 <sup>th</sup> SFC (with modification).

Sl. No.	Para no.	Recommendations	Status of implementation
			<p>The 5<sup>th</sup> SFC had recommended distribution of grants to GPs equally from the share (with 50 <i>per cent</i> weightage to population and 50 <i>per cent</i> weightage to the Under Development Index of Block) of the respective Block but the State distributed grants on the basis of population only.</p> <p>In case of Municipalities, the 4<sup>th</sup> SFC recommended to distribute the funds on the basis of population, area and number of BPL families in proportion of 60:20:20 respectively while the 5<sup>th</sup> SFC recommended to distribute the funds on the basis of population, area and number of BPL families in proportion of 70:10:20 respectively and if the recent BPL data was not available, weightage for BPL was to be added to the weightage for population. GoB distributed FFC grants to municipalities for the period 2015-18 in the ratio of population (90 <i>per cent</i>) and area (10 <i>per cent</i>) as the latest BPL data was not available with the State.</p> <p style="text-align: right;"><b><i>Implemented partly</i></b></p>
7	9.73	<p>In case the SFC formula is not available, then the share of each GP and each Municipality should be distributed using 2011 population with a weight of 90 <i>per cent</i> and area with a weight of 10 <i>per cent</i>.</p> <p><b>(To be implemented by States)</b></p>	<p>In Bihar, the SFC formula was available for distribution of grants to GPs and municipalities and the State applied the same for distribution of grants to LBs.</p> <p style="text-align: right;"><b><i>Implemented</i></b></p>
8	9.75	<p>The PGs are provided for addressing the issue of: (i) making available reliable data on LBs receipt and expenditure through audited accounts; and (ii) improvement in own revenues.</p> <p><b>(To be implemented by States)</b></p>	<p>GPs of the State did not maintain books of accounts. The existing accounts were maintained on single entry system cash basis that did not include complete assets of GPs. Audit by CAs for the period 2015-18 was not concluded till December 2018. GPs had no revenue from own source as they did not impose taxes. Municipalities of the State also did not prepare financial statements as required under Bihar Municipal Act (BMA), 2007.</p>

Sl. No.	Para no.	Recommendations	Status of implementation
			<p>However, CAs had audited the accounts for the period 2014-16 maintained by the municipalities on single entry system cash basis. The UD&amp;HD had released PG for the year 2016-17 to 26 eligible municipalities (including 3 out of 18 test checked Municipalities). The State did not receive PG for the year 2017-18 for municipalities till January 2020 while only 15 out of 140 municipalities were eligible to receive PG for the year 2017-18.</p> <p style="text-align: right;"><i>Not implemented</i></p>
9	9.76	<p>To be eligible for PG, the panchayats will have to submit audited annual accounts not earlier than two preceding years. It will also have to show an increase in the own revenues over the preceding year, as reflected in the audited accounts.</p> <p><b>(To be implemented by States)</b></p>	<p>The GPs were not eligible for PG as they had no audited accounts and also had no own source of revenue. The PRD had engaged CAs to audit the accounts of PRIs for the years 2015-18 but audit was not concluded till December 2018.</p> <p style="text-align: right;"><i>Not implemented</i></p>
10	9.77	<p>The detailed procedure for disbursal of PG to GPs based on revenue improvement should be notified by the State Government by March 2016.</p> <p><b>(To be implemented by States)</b></p>	<p>No such notification was issued by the State Government.</p> <p style="text-align: right;"><i>Not implemented</i></p>
11	9.78	<p>To be eligible for PG, the municipalities will have to submit audited annual accounts not earlier than two preceding years. It will also have to show an increase in the own revenues over the preceding year, as reflected in the audited accounts. In addition, it must publish Service Level Benchmarks (SLB) relating to basic services each year.</p> <p><b>(To be implemented by States)</b></p>	<p>Internal audit of the accounts of municipalities for the years 2014-16 was completed by CAs. Only 26 and 15 of the total 140 municipalities had fulfilled the mandatory conditions for PG for the years 2016-17 and 2017-18 respectively. However, in 12 out of 18 test-checked municipalities, revenue from own source improved while only three test-checked municipalities had published SLB for the year 2015-16 and 2016-17.</p> <p style="text-align: right;"><i>Implemented partly</i></p>
12	9.79	<p>The Union Government may accept the detailed procedure for disbursement of PGs prepared by the States.</p> <p><b>(To be implemented by GoI)</b></p>	-
13	9.80	<p>No further conditions or directions other than those indicated by the FFC should be imposed by the Union or the States.</p> <p><b>(To be implemented by GoI and States)</b></p>	<p>GoI had prescribed (September 2017) eligibility criteria for receiving PG for GPs which includes uploading of GPDP on Plan Plus portal and uploading of sector-wise expenditure on Ministry's website/dashboard.</p> <p style="text-align: right;"><i>Implemented partly</i></p>

Sl. No.	Para no.	Recommendations	Status of implementation			
			Year	Instalment	Date of receipt for GPs	Date of receipt for municipalities
14	9.81	The grants shall be released in two instalments each year in June and October. The States should release the grants to the GPs and municipalities within 15 days of it being credited to their account by the Union Government. In case of delay, the interest is to be paid by the States from its own funds. <b>(To be implemented by GoI and States)</b>	2015-16	1 <sup>st</sup>	02.07.2015	01.07.2015
				2 <sup>nd</sup>	23.03.2016	11.12.2015
			2016-17	1 <sup>st</sup>	21.12.2016	30.06.2016
				2 <sup>nd</sup>	09.03.2017	21.12.2016
			2017-18	1 <sup>st</sup>	21.06.2017	28.07.2017
				2 <sup>nd</sup>	24.11.2017	23.01.2018
			GoI did not release FFC grants to the State in time (except two instalments to GPs and Municipalities each). Delay in release of grants was due to delay in submission of UCs by the State. GoB did not release the grants to LBs within 15 days and there were delays of 11 to 261 days in releasing the grants to GPs during 2015-18. GoB had released penal interest of ₹ 8.12 crore to GPs for belated release of grants for the first instalment of the year 2015-16 while penal interest of ₹ 37.32 crore was not paid to GPs for belated release of grants for the years 2016-18. In the year 2015-16, first instalment of grants was released to municipalities with delays of 21 to 39 days but penal interest of ₹ 59.37 lakh for the belated release of grants was not paid to Municipalities. <b>Implemented partly</b>			
15	9.82	Stern action should be ensured if irregularities in the application of funds are noticed or pointed out. <b>(To be implemented by States)</b>	Several irregularities were pointed out by audit. Compliance from the audited entities and authorities concerned was awaited. <b>Not implemented</b>			
16	9.84	The State Government should strengthen the State Finance Commission (SFCs). This would involve timely constitution, proper administrative support and adequate resources for smooth functioning and timely placement of SFC report before State Legislature, with action taken notes. <b>(To be implemented by States)</b>	The 5 <sup>th</sup> SFC was constituted in December 2013 and it had to submit its report till 31 March 2015. But the Commission submitted the report on 2 February 2016. GoB had issued (24 February 2016) resolution through gazette for implementation of 5 <sup>th</sup> SFC recommendations with minor modifications. However, administrative support and resources were provided to the SFC.  SFC report with Action Taken Notes on recommendations of the SFC was not placed before State Legislature. <b>Implemented partly</b>			

Sl. No.	Para no.	Recommendations	Status of implementation
17	9.90	The existing rules should be reviewed to facilitate the levy of property tax. (To be implemented by States)	<b>PRIs:</b> There is provision in the Bihar Panchayat Raj Act regarding levy of property tax but GPs did not impose tax as GoB did not frame regulation for taxation. <b>ULBs:</b> The provision contained in BMA, 2007 regarding levy of property tax was further modified in the year 2013 and Self-Assessment System for property tax on the basis of area was introduced. Levy of property tax was simplified (70 per cent of the built up area now considered for imposition of tax instead of area of each room, veranda, toilet, kitchen etc.). <b>Implemented partly</b>
18	9.91	Levy of vacant land tax by peri-urban panchayats be considered. A part of land conversion charges can be shared by State Government with LBs. (To be implemented by States)	Section 127 (1) (a) of BMA, provides for levy of vacant land tax by Municipalities. But GoB did not consider levy of vacant land tax by peri-urban panchayats. Though GoB had framed Bihar Agriculture Land (conversion for non-agriculture purpose) Act, 2010 and conversion fee was levied but a policy was not framed to share it with LBs. <b>Not Implemented</b>
19	9.92	The States should prepare a framework of rules for levy of betterment tax. (To be implemented by States)	GoB did not frame rules for levy of betterment tax. However, it was stated by the Department that framing of rules is under process. <b>Not implemented</b>
20	9.93	States may take steps to empower LBs to impose advertisement tax and improve own revenues from this source. (To be implemented by States)	<b>PRIs:</b> GoB did not take steps to empower PRIs to impose advertisement tax. <b>ULBs:</b> Section 127(1)(f) of BMA, 2007 contained provision regarding imposition of advertisement tax. But only Patna Municipal Corporation framed regulation (July 2012) for levy of advertisement tax. <b>Not implemented</b>
21	9.94	States may take action to increase the scope of entertainment tax. (To be implemented by States)	<b>PRIs:</b> GoB did not empower PRIs to impose entertainment tax. <b>ULBs:</b> Section 127(1)(g) of BMA, 2007 contained provision regarding imposition of entertainment tax by municipalities but the tax was not imposed by the municipalities. The State did not take steps for facilitating imposition of the tax. <b>Not implemented</b>



Sl. No.	Para no.	Recommendations	Status of implementation
22	9.97	The ceiling of professional tax from ₹2,500 to ₹12,000 per annum. The Article 276 (2) of the Constitution may be amended to increase the limits on the imposition of professional tax by States. <b>(To be implemented by GoI)</b>	-
23	9.98	The State Governments take action to assign productive local assets to the panchayats. <b>(To be implemented by States)</b>	In the jurisdiction of the test-checked GPs, there were no productive local assets. However, GoB did not conduct survey to ascertain the availability of productive assets in the jurisdiction of LBs and had also not framed regulation in this respect.  <i>Not implemented</i>
24	9.99	The municipalities should rationalise their service charges in a way that they are able to at least recover the O&M costs from the beneficiaries. <b>(To be implemented by States)</b>	Though GoB had notified the rate for realisation of user/service charges from the beneficiaries, two out of 18 test-checked municipalities provided water supply service and one municipality provided door-to-door services for waste management but service charges were not realised by them.  <i>Implemented partly</i>
25	9.101	Some of the income from royalties should be shared with the LBs in whose jurisdiction the mining is done. <b>(To be implemented by States)</b>	GoB did not make regulation to share income from royalties with LBs. However, in the jurisdiction of test checked LBs units, there was no source of mining.  <i>Not implemented</i>
26	9.102	The Union and State Governments examine the issue of properly compensating LBs for the civic services provided by them to government properties. <b>(To be implemented by the GoI and States)</b>	The Bihar Municipal Property Tax Rules 2013 provides that the non-commercial State and Central Government offices and establishments shall be exempt from paying holding tax but shall be liable to pay service charge which shall be 75 per cent of the normal holding tax. This provision was implemented from 11 November 2013. Accordingly, test-checked municipalities had collected service charge from State and Central Government. But service charge was not being collected from Railways in respect of railway buildings situated in municipal area. However, PRIs did not levy service charge and a provision in this respect was not made in the Bihar Panchayat Raj Act, 2006.  <i>Implemented partly</i>

Sl. No.	Para no.	Recommendations	Status of implementation
27	9.107	The LBs and the States should explore the issuance of municipal bonds as a source of finance with suitable support from the Union Governments. <b>(To be implemented by States)</b>	Municipalities did not explore the issuance of municipal bonds as a source of finance. GoB had to frame a comprehensive debt limitation policy applicable in the case of loan to be raised by the municipalities which was not framed till December 2018. However, UD&HD had taken initiative for credit rating of 27 municipalities (towns covered under AMRUT) by ECRA and India rating agencies and only Patna Municipal Corporation had rated potential for investment. <b>Not implemented</b>
28	9.110	The Union Government should consider a larger, sustained and more effective direct intervention for the up-gradation of administration as well as development of the areas covered under Article 275(1) of the Constitution and excluded from the consideration of Finance Commission in the ToR. <b>(To be implemented by the GoI)</b>	-

(Source: FFC report and information furnished by UD&HD and PRD, GoB)

## APPENDIX-3.3

(Refer: Paragraph- 3.1.9.3; Page-56)

Statement showing construction of PCC roads without drains under MMNY  
(₹ in lakh)

District	Name of GP	Ward No.	No. of works	Expenditure
Gaya	Bara	4	1	4.96
	Bakror	14	1	6.00
	Kurmawa	12	1	4.24
		9	1	4.62
		11	1	2.99
Horma	1	2	7.59	
Vaishali	Goraul Bhagwanpur	4	1	8.68
Samastipur	Jitwarpur kumihara	8	1	0.00
Kishanganj	Bualdah	3	1	1.35
		3	1	3.32
		3	1	1.30
		3	1	3.60
		3	1	2.27
		12	6	7.70
	Majkuri	7	1	4.00
		12	1	2.45
Begusarai	Jokia	9	1	1.64
	Matihani-1	17	2	9.80
<b>Total</b>	<b>10 GPs</b>	<b>18 ward</b>	<b>25</b>	<b>76.51</b>

(Source: Records of test checked units)

**APPENDIX-3.4**

(Refer: Paragraph-3.1.11; Page-60)

**Statement showing serious irregularities noticed during physical verification of works**

(₹ in lakh)

Nature of irregularities	Name of Unit (District)	Scheme no./ year	Estimated cost	Expenditure	Remarks
Fake booking of MB	GP Dhurgaon (Nalanda)	23/15-16 (FFC)	2.73	2.55	The work was not found done at the place for which estimate was prepared. Rather the work done at another place was shown to audit and it was stated that there was a mistake in writing the name of the work. MB was booked but the JE concerned stated that this was a fake MB and he did not measure the value of work done and his fake signature was marked in MB.
Less quantity of work in comparison to value of works booked in MB	GP Angari (Nalanda)	3/15-16 (FFC)	4.00	3.96	PCC work in approx. 500 ft out of 601 ft from Ram Prasad Mahto shop to Satendra Prasad was not constructed.
	GP Dhurgaon (Nalanda)	6/15-16 (FFC)	0.52	0.44	Brick soling was done only in 240 sft in place of 900 sft for which payment was made.
		7/15-16 (FFC)	0.52	0.48	Brick soling was done only in 175 sft in place of 900 sft for which payment was made.
	GP Ajaypur (Nalanda)	5/15-16 (FFC)	0.62	0.62	Tubewell was not found at the place where execution of work was shown in the concerned scheme file.
	NPY Bodhgaya (Gaya)	5/15-16	5.15	4.59	Road was constructed only in 515 sft in place of 550 sft for which payment was made. The work of 35 sft worth ₹ 29,188 was not done.
		6/16-17	4.09	3.68	Pucca drain was constructed only in 350'×2'8" dimension in place of 350'×3'6". The work in 350'×10" worth ₹97,745 was not done.
	NPY Sherghati (Gaya)	45/17-18	4.35	3.84	Road was constructed only in 120 sft in place of 160 sft for which payment was made. The work of 40 sft worth ₹ 96,104 was not done.

Nature of irregularities	Name of Unit (District)	Scheme no./ year	Estimated cost	Expenditure	Remarks
Overlapping of works	GP Modho (Kishanganj)	1/15-16 (FFC)	4.33	4.30	From FFC grant PCC road was constructed from Sakulrani Hussain house to Kadir house in February 2016. The said PCC work was dismantled in 2017 by RWD and PCC road was constructed by the RWD under <i>Mukhyamantri Gramin Tola Sampark Yojana</i> from Sakulrani to Eidgah with estimated cost of ₹30 lakh which included the work done by the GP from the FFC grant.
Execution of works without proper sanction	GP Muzaffarpur (Nalanda)	33/15-16 (FFC)	2.90	2.89	PCC work was done in residence of two individuals (Arjun Singh and Sanjay Singh)
Non execution/ completion of works	GP Jokia (Begusarai)	5/15-16 (FFC)	3.14	3.03	The name of the work was “construction of PCC work from the house of Abhay Singh to the house of Ram Kishore Paswan” but the site of work could not be located during joint physical verification.
	GP Bishunpur Balbhadra (Vaishali)	2/17-18 (FFC)	4.21	1.07	As per estimate the PCC road was to be constructed in 250’ length. But the PCC work was not found done and only brick pieces were found piled in a haphazard manner on the site. The work was abandoned.
	GP Gahar West (Samastipur)	2017-18 (MMNY) Nal Jal Ward-05	13.11	6.95	The work was stopped since the six months. Water tower was not constructed and water tank was not purchased. It was stated by the local people that sand was coming with water. The Chairman and Secretary of WIMC stated that ₹45,000 has been spent on inauguration ceremony.
		2017-18 (MMNY) Nali-Gali Ward-01	5.25	-	Drain was already constructed beside road in 190’ length. Out of this, drain in 20’ length was destroyed. In the rest 170’ length, there was no system of outlet of drain. Estimated cost of the work was ₹5.25 lakh while ₹7.75 lakh was drawn for the work.
<b>Total</b>		<b>14 works</b>			

(Source: Physical verification report)

**APPENDIX-3.5**  
**(Refer: Paragraph-3.2.3.1; Page-67)**  
**Delay in obtaining Technical Sanction**

(Amount: ₹ in crore)

Name of the Division	Agr. No.	Package No.	Date of Technical Sanction	Date of Agreement	Agreement value	Payment
Road Division Motihari	17 MBD/13-14	03	03.06.2014	07.12.13	40.41	38.39
-do-	24 MBD/13-14	04	03.06.2014	4.1.14	29.57	25.27
New Capital Road Division, Patna	01 MBD/13-14	64	26.06.2016	02.12.13	38.25	38.21
Shahabad Road Division, Ara	04 MBD/13-14	53	Not accorded	29.11.13	41.80	38.20
Road Division, Buxar	11 MBD/13-14	57	08.05.2015	31.12.13	25.76	19.49
Road Division Bettiah	01 MBD/13-14	01	16.1.14	9.12.13	42.37	45.21
	02 MBD/13-14	02	16.1.14	10.12.13	37.48	35.82
Road Division, Madhubani	09 MBD/13-14	11	22.1.14	22.1.14	29.02	26.60
	10 MBD/13-14	12	22.1.14	22.1.14	24.26	22.77
Road Division Kishanganj	8 MBD/13-14	31	21.1.14	25.11.13	32.05	27.11
Road Division Sitamarhi	20 MBD/13-14	6	20.1.14	26.12.13	36.23	31.53
Road Division Araria	12 MBD /13-14	30	10.1.14	7.12.13	25.11	22.22
Road Division Pipra	12 MBD /13-14	24	23.1.14	15.1.14	22.36	21.66
<b>Total</b>					<b>424.67</b>	<b>392.48</b>

**APPENDIX-3.6 (A)**  
**(Refer: Paragraph-3.2.3.2; Page-67)**

**Non-compliance of MORTH specification for service level**

Name of division: Road Division, Buxar/ package no. 57 Agreement no. 11/13-14

Name of the Road	Km	Date of test	Chainage	Range of IRI	Remarks
Old Bypass Road	0 to 1.6	Not mentioned	0 to 1.2 & 1.4 to 1.6	3670.6 to 7962.6	IRI valuemore than the permissible limit (3500 IRI)
Dhansoi-Dinara Road	0 to 13.6	Do	0 to 0.6, 1.6 to 1.8, 2.8 to 3.0, 4.2 to 4.6, 4.8 to 5.0, 5.4 to 5.8, 6.0 to 6.4, 8.0 to 10.2, 10.4 to 10.6, 11.4 to 13.6	3786.6 to 9296.6	
Itarhi-Dhansoi Road	0 to 14	Do	0.4 to 2.0, 6.0 to 6.2, 6.8 to 7.0, 7.2 to 7.4, 13.2 to 13.4	3670.60 to 9702.6	
Parari- Sonbarsa Road	0 to 7	Do	0.0 to 1.6, 6.6 to 7.0	3612.6 to 7382.6	
Ara- Buxar	0 to 2.6	Do	2.2 to 2.6	4308.6 to 4424.6	
Chausa Chuni- Pwanai Kamrupur	0 to 10.69	Do	1.0 to 1.4, 5.2 to 5.4, 7.0 to 7.4, 9.2 to 9.4, 10.8 to 11.0	4482.6 to 5758.6	
Bhojpur- Simri	0 to 9.3	Do	0.0 to 0.4, 2.8 to 3.0, 6.4 to 6.6, 6.8 to 7.2	3670.6 to 5758.6	
Branmpur-Koransaria	0 to 23.7	Do	0.0 to 0.2, 0.4 to 0.6, 1.0 to 1.4, 17.8 to 18.0, 19.2 to 19.4, 22.6 to 22.8, 23.2 to 23.4	3612.6 to 4598.6	
Raghunathpur- Tulsisthan Road	0 to 1.25	Do	0.4 to 0.6 & 0.8 to 1.2	4192.6 to 4772.6	
Bhojpur-Dumri Road	0 to 7	Do	0.0 to 1.0, 4.0 to 4.2	4076.6 to 6396.6	

**APPENDIX-3.6 (B)**  
**(Refer: Paragraph-3.2.3.2; Page-67)**

**Non-compliance of MORTH specification for service level**

Shahabad Road Division, ARAPackage No.53/Agreement No. 04 MBD/13-14

Name of the Road	Km	Chainage	Range of IRI	Remarks
Ara – Sasaram Road	0-46.446	16.6 to 17.4, 17.6 to 18, 27.00 to 27.2, 27.4 to 27.6, 36.4 to 36.6, 37.0 to 37.4 , 45.8 to 46.2	3554.6-7150.6	IRI valuemore than the permissible limit (3500 IRI),
Piro-Sikarhatta-Bihta Road	0-22.2	13.0 to 13.2, 22.8 to 23	4772.6-6396.6	date of test not mentioned and the Report neither signed by contractor nor by employer
Nonar-Tarari Road	13-22	13.8 to 14, 16.2 to 16.4, 17.2 to 17.6, 20.8 to 21	3670.6-4714.6	

**APPENDIX-3.7**  
**(Refer: Paragraph-3.2.3.3; Page-68)**  
**Award of contract at higher rate than the actual threshold limit**

(Amount in ₹)

Name of Division	Package No./Agr No	Estimated Cost Value (ECV) calculated on the basis of TS					Agreement rate		Excess amount than actual threshold limit	Name of contractor
		5% above of (IR+PM+MI) excluding ST	5% above of (IR+PM+MI) including ST	10% above of (OM+IR+PM+MI) excluding ST	10% above of (OM+IR+PM+MI) including ST	IR+PM+MI	OM+IR+PM+MI			
1		2	3	4	5	6	7	8=7-4	9	
Road Division, Buxar	57 OPRMC /11 MBD/13-14	180792534	203138492	204336422	229592404	176985006	229500000	25163578	M/s Amhara Const. Pvt. Ltd. Patna	
Road Division, Kishanganj	31 OPRMC /08 MBD/13-14	207369527	233000401	246415567	276872531	232102985	275579903	29164336	M/s M K Gupta & Company, West Bengal	
							<b>Total</b>	<b>54327914</b>		



**APPENDIX-3.8**  
**(Refer: Paragraph-3.2.3.5; Page- 70)**  
**Excess payment on Road Marking work**

Package No.	Original Agr.No.	PM Work	Payment	MB No./Page & Date	Suppl. Agreement No.	Suppl. Agreement value	Payment	MB No./Page & Date
Package-11	09MBD/13-14	Single Lane	14999350	1586/37/ 01.09.18	09(S-2)/13-14	14286305	12934900	1586/44 /01.09.18
		Intermediate Lane	73970950	1586/38/ 01.09.18				
		Double Lane	116217000	1586/38/ 01.09.18				
		<b>Total</b>	<b>205187300</b>					
Package-12	10MBD/13-14	Single Lane	54758669	1517/62/ 04.09.18	10(S-1)/13-14	12698562	11052661	1517/64/ 04.09.18
		Intermediate Lane	26417800	1517/62/ 04.09.18				
		Double Lane	75817950	1517/62/ 04.09.18				
		<b>Total</b>	<b>156994419</b>					
Package-13	11MBD/13-14	Single Lane	24702350	1598/61/ 09.10.18	11(S-1)/13-14	14756825	11697737	1598/64/ 09.10.18
		Intermediate Lane	79437515	1598/60/ 09.10.18				
		Double Lane	84581630	1598/60/ 09.10.18				
		<b>Total</b>	<b>188721495</b>					
		<b>Grand Total</b>	<b>550903214</b>			<b>41741692</b>	<b>35685298</b>	

**APPENDIX-3.9**  
**(Refer: Paragraph-3.2.3.6; Page-71)**  
**Excess payment on PM work**

Name of Division	Package/Agreement no.	Total area(m2) total work recorded in MB	Km as per MB for which payment was made (by dividing 3050 M2)	Admissible KM for payment (by dividing 3750 m2)	Excess K M	Rate	Excess payment
RCD Motihari	04 /OPRMC	6112.25	2.00	1.63	0.37		
		16646.15	5.46	4.44	1.02		
		7714	2.53	2.06	0.47		
		19232	6.31	5.13	1.18		
		8936	2.93	2.38	0.55		
		13731.5	4.50	3.66	0.84		
		1982.50	0.65	0.53	0.12		
	11529	3.78	3.07	0.71			
			<b>Total</b>	<b>Total</b>	<b>5.26</b>	<b>1607000</b>	<b>8452820</b>
RCD Sitamarhi	06 OPRMC /20MBD(13-14)	6067.50	2.00	1.62	0.38		
		6180.80	2.05	1.65	0.40		
		2287.5	0.75	0.61	0.14		
			<b>Total</b>	<b>Total</b>	<b>0.92</b>	<b>1578658</b>	<b>1452365</b>
			<b>Total</b>				<b>9905185</b>

**APPENDIX-3.10**  
**(Refer: Paragraph-3.2.3.7; Page-70)**  
**Irregular payment on PM work**

(Amount: in ₹)

Name of the division (Package no.)/ Agr. NO.	Lane/Year	Quantity as per agreement (in Km)	Work done (in Km)	Excess quantity (in km)	Agreement rate per Km	Irregular Payment
New Capital Road Division Patna (64/OPRMC)/ Agr. No. 01 MBD/ 13-14	1st Year	12.7125	12.716	0.0035	4200000	14700
	2nd Year	12.7125	14.3046	1.5921	4500000	7164450
	3rd Year	12.7125	13.99989	1.28739	4700000	6050733
	4th Year	12.7125	12.7078		4900000	
	<b>Total</b>	<b>50.85</b>	<b>53.72829</b>			<b>13229883</b>
Road Division Motihari (03/OPRMC) Agr. No. 17 MBD/13-14	1 <sup>st</sup> Year	13.00	-	-	3000700	-
	2 <sup>nd</sup> Year	15.75	-	-	3000700	-
	3 <sup>rd</sup> Year	13.37	-	-	3000700	-
	4 <sup>th</sup> Year	3.95	-	-	3000700	-
	<b>Total</b>	<b>46.07</b>	<b>47.436</b>	<b>1.366</b>		<b>4098956</b>
Road Division Buxar (57/OPRMC) Agr. No. 11MBD /13-14	1st Year	0.735	0.763	0.028	2579000	72212
	2nd Year	0.95	1.04	0.09	2579000	232110
	<b>Total</b>	<b>1.685</b>	<b>1.803</b>			<b>304322</b>
Road Division Pipra (Supaul) (24 OPRMC Agr. No. 12MBD/13-14)	1st Year	30.36	30.583	0.223	1678989	374415
	2nd Year	3.50	8.60	5.10	1678989	8562844
	4th Year	28.58	32.89	4.31	1678989	7236443
	<b>Total</b>	<b>62.44</b>	<b>72.073</b>	<b>9.633</b>		<b>16173702</b>
						<b>33806863</b>

**APPENDIX-3.11**  
**(Refer: Paragraph-3.2.3.8; Page-71)**  
**Avoidable payment on DLP roads under item no. 2.1 of IR**

Roads under DLP	Last date of DLP	Date of execution of IR work	Chainage (km)		Length of road	Work done		Agreement rate (Rate /length of road)	Payment (in rupees)
			From	To		KM	Chainage		
<b>Road Division Motihari</b> <b>Package no. 3 / Agr No. 17 MBD/13-14</b>									
Main Service road	31.07.16	11.06.14	0.00	9.25	9.25	1,4p,7,9	3.5	16100700/113.4	496935
Arya Samaj Mandir Road	31.03.15 01.03.16	11.06.14	0.00	3.00	3.00		1	16100700/113.4	141981
Lake Road	19.04.16	11.06.14	0.00	3.50	3.50	3p,4p	1.4	16100700/113.4	198774
								<b>Total</b>	<b>837690</b>
<b>New Capital Division, Patna</b> <b>Package no. 64 / Agr No. 01 MBD/13-14</b>									
Shahid Bhagat Singh Chowk to BMP-16	10.04.16	28.01.14	0.00	1.20	1.20	-	0.5	6900000/34.99	98600
Bankipur Nadaul Road	02.04.14	28.01.14	0.00	1.71	1.71	-	0.065		12818
								<b>Total</b>	<b>111418</b>
<b>Road Division, Buxar</b> <b>Package no. 57 / Agr No. 11 MBD/13-14</b>									
Old Bypass Road	15.01.16	28.11.14	0.00	1.60	1.60		1.6	2540000/23.355	174010
								<b>Total</b>	<b>174010</b>

Roads under DLP	Last date of DLP	Date of execution of IR work	Chainage (km)		Length of road	Work done		Agreement rate (Rate /length of road)	Payment (in rupees)
			From	To		KM	Chainage		
<b>Road Division, Kishanganj Package No.31/Agr No. 08MBD/13-14</b>									
Kishanganj Bahadurganj Road	25.09.15	12.07.14	0-19.30 Km		19.30 Km	0.00-19.30	19.30 Km	15247308/157.05	1873753.82
Kishanganj Taiyabpur Thakurganj Galgalia Road	27.06.16	02.05.14	47.50-50.4&55.6-60.2		7.50 Km	47.50-50.4&55.6-60.2	7.50 Km	15247308/157.05	728142.67
College-Churipatti Road	26.03.16	12.07.14	0-3.10 Km		3.10 Km	0-3.10 Km	3.10 Km	15247308/157.05	300965.63
Bagalbari-Rahmatpura-Alta-Barbatta Road	04.07.15	10.03.14	0-20.70 Km		20.70 Km	0-20.70 Km	20.70 Km	15247308/157.05	2009673.78
Baisi-Amour-Bahadurganj-Dighalbank Road	29.09.16	10.03.14	56.6-73.84 Km & 76.5-77.0		18.74 Km	58-73.84 Km & 76.5-77.0 Km	17.34 Km	15247308/157.05	1683465.86
Kishanganj-Taiyabpur-Thakurganj-Galgalia Road	March 2017	02.05.14 02.06.14	Km 6 <sup>th</sup> , 9 <sup>th</sup> , 11 <sup>th</sup> , 15 <sup>th</sup> , 16 <sup>th</sup> , 23 <sup>rd</sup> , 26 <sup>th</sup> , 29 <sup>th</sup> , 32 <sup>nd</sup> , 34 <sup>th</sup> to 38 <sup>th</sup>		21.5 Km	Km 9 <sup>th</sup> , 15 <sup>th</sup> , 16 <sup>th</sup> , 23 <sup>rd</sup> , 26 <sup>th</sup> , 29 <sup>th</sup> to 32 <sup>nd</sup> , 34 <sup>th</sup> to 38 <sup>th</sup> Km 6 <sup>th</sup> & 11 <sup>th</sup>	16 Km	15247308/157.05	1553371.04
								<b>Total</b>	<b>8149372.77</b>
								<b>G. Total</b>	<b>9272490.77</b>

**APPENDIX-3.12**  
**(Refer: Paragraph-3.2.3.9; Page- 72)**  
**Irregular payment on emergency work**

		(Amount: in ₹)		
Name of division/ package/ Agr. No.	Name of roads	Estimated value	Payment	Reason for work done/ item of work
RCD Buxar/57 / 11 MBD/13-14	Old Bypass Road	311400	263464	Damage of road crust due to rain water
	Brahmpur-Konasarai road	254600	247863	Water logging due to lack of drainage
	Bhojpur-Simri Road	2212000	2165383	Due to incessant rain
	Station Ramrekha Ghat Road	996300	921231	Water logging & movement of heavy vehicles
	Station Ramrekhaghat road& Old Bypass road	656300	637661	Road marking zebra crossing & traffic signboard for beautification of the city
	Station Ramrekhaghat road	274000	76189	Repair of road crust to widen the road at 2 <sup>nd</sup> km
	<b>Sub total</b>	<b>4704600</b>	<b>4311791</b>	
RCD Kishanganj/31/08MBD/13-14	Bagalwari-Rahmatpura-Alta-Barbatta Road	8,10,952/-	7,36,934/-	Repair of screw pile bridge in 15 <sup>th</sup> Km
	different roads under OPRMC package-31	3,86,710/-	3,68,295/-	Erecting of sign board
	Hard shouldering in flank in Pothia link road, Bagalwari-Rahmatpura road & DLC and PQC work in Simlibari-Derabari road	25,48,146/-	24,24,781/-	Hard shouldering in flank & DLC and PQC work
	(i) Erecting of boundary pillar in different roads (ii) Erecting of boundary pillar in K.T.T.G road and Pothia Link road (iii) Erecting of boundary pillar in B.A.B.D roads	3,81,042/- 4,93,788/- 5,67,439/-	7,85,928/-	Erecting of boundary pillar
	<b>Sub Total</b>	<b>51,88,077/-</b>	<b>43,15,938/-</b>	
	<b>Grand Total</b>	<b>98,18,884/-</b>	<b>8,62,729/-</b>	

## APPENDIX-3.13

(Refer: Paragraph-3.4; Page-75)

Statement showing loss of interest to Govt. due to change from sweep bank accounts to saving account

Name of Bank	Date	Rate of interest of savings accounts (per cent)	Amount of interest given by bank as per savings accounts	Rate of interest of sweep accounts	Amount of interest as per sweep accounts (4/3*5)	Difference
1	2	3	4	5	6 (4÷3×5)	7 (6-4)
IDBI, Patna	31/3/2015	4	4944849	8 (91-6M)	9889698	4944849
	30/9/2015	4	9557516	7.6 (181-270D)	18159280	8601764
	31/3/2016	4	8414791	6.75 (61-90D)	14199960	5785169
	25/6/2016	4	281923	6.5 (61-90D)	458125	176202
	24/9/2016	4	578380	6.5 (61-90D)	939868	361488
	24/12/2016	4	682736	6 (61-90D)	1024104	341368
	25/3/2017	4	364963	5.75 (61-90D)	524634	159671
	24/6/2017	4	405095	5.25 (61-90D)	531687	126592
	23/9/2017	4	1297373	5.25 (61-90D)	1702802	405429
	29/11/2017	4	895104	5.25 (61-90D)	1174824	279720
	23/12/2017	3.5	1977	4.25 (15-30D)	2401	424
	24/3/2018	3.5	8999	5.25 (61-90D)	13499	4500
	<b>Total</b>			<b>27433706</b>		<b>48620882</b>

Name of Bank	Date	Rate of interest of savings accounts ( <i>per cent</i> )	Amount of interest given by bank as per savings accounts	Rate of interest of sweep accounts	Amount of interest as per sweep accounts (4/3*5)	Difference
1	2	3	4	5	6 (4-3×5)	7 (6-4)
UCO Bank	6/1/2015	4	6431606	6.75 (15-29)	10853335	4421729
	5/1/2016	4	6602842	7.75 (1Year)*	12793006	6190164
	7/4/2016	4	2671554	6.5 (61-90)	4341275	1669721
	4/7/2016	4	477904	6.5 (61-90)	776594	298690
	3/1/2017	4	2895	6.75 (151-180)	4885	1990
	11/4/2017	3.5	36191	6.75 (91-120)	69797	33606
	3/7/2017	4	67672	6.5 (61-90)	109967	42295
	10/10/2017	4	143308	6.5 (61-90)	232876	89568
	15/11/2017	4	63528	5.5 (30-45)	87351	23823
	5/4/2018	4	61414	6.75 (91-120)	103636	42222
<b>Total</b>			<b>16558914</b>		<b>29372722</b>	<b>12813808</b>



Name of Bank	Date	Rate of interest of savings accounts (per cent)	Amount of interest given by bank as per savings accounts	Rate of interest of sweep accounts	Amount of interest as per sweep accounts (4/3*5)	Difference
1	2	3	4	5	6 (4-3*5)	7 (6-4)
<b>Bank of India</b>	12/2014 to 3/2015 *	4	552000	8 (91-180)	1104000	552000
	4/2015 to 3/2016 *	4	1656000	7.75 (12-24M)*	3208500	1552500
	4/2016 To 3/2018 *	4	3312000	6.4 (12-24M)*	5299200	1987200
	16/3/2016 to 12/6/2016(89 Days)	4	6249995	6.75 (61-90)	10546867	4296872
	13/6/2016 to 26/6/2016 (14 Days)	4	829721	4 (14 days) Saving	829721	0
	27/6/2016 to 31/7/2016 (35 Days)	4	2074301	5.25 (31-45)	2722520	648219
	1/8/2016 to 30/9/2016 (61 Days)	4	3615211	6.5 (61-90)Saving	5874718	2259507
	1/10/2016 to 3/10/2016 (3 Days)	4	177797	4 (3 Days)	177797	0
	4/10/2016 to 20/11/2016 (48 Days)	4	2318729	6.25 (46-60)	3623014	1304285
	21/11/2016 to 29/12/2016 (39 Days)	4	1883967	5 (31-45)	2354959	470992
	30/12/2016 to 21/2/2017 (54 Days)	4	2608570	5.5 46-60)	3586784	978214
	22/2/2017 to 28/3/2017 (35 Days)	4	1690740	5 (31-45)	2113425	422685
	29/3/2017 to 31/3/2017 (3 Days)	4	128482	4 (3 Days) Saving	128482	0
	1/4/2017 to 4/4/2017 (4 Days)	4	171310	4 (4 Days) Saving	171310	0
	5/4/2017 to 30/6/2017 (87 Days)	4	3725984	5.25 (61-90)	4890354	1164370
1/7/2017 to 30/11/2017(153 Days)	4	3326597	6.25 (271 Days to 1 Year)	5197808	1871211	
<b>Total</b>			<b>34321404</b>		<b>51829459</b>	<b>17508055</b>
<b>Grand total</b>			<b>78314024</b>		<b>129823063</b>	<b>51509039</b>

\* Interest calculated on Minimum rate of interest of ₹ 4.14 crore (₹ 5-94 crore - ₹ 1.80 crore (two percent of ₹ 90 crore released for administrative expenses))

**APPENDIX-3.14**  
**(Refer: Paragraph-3.5; Page-77)**  
**Details of additional expenditure made due to carriage of boulder through road instead of rail**

Sl. No.	Agreement Number (Date)	Group <sup>4</sup> No.	Amount of agreement (₹ in crore)	Amount of supplementary agreement (₹ in crore)	Amount of revised TS (₹ in crore)	Payment made (November 2017) as per MB (July 2017) done (₹ in crore)	Quantity of boulder used (M <sup>3</sup> )	Amount paid to contractor (@6085.20/M <sup>3</sup> )	Amount payable (@2608.93/M <sup>3</sup> )	Extra expenditure (₹ in crore)
1	2	3	4	5	6	7	8	9	10	10 (8x9)
1	01/SBD	9	6.06	0	6.19					
2	02/SBD	1	6.06	0	5.67					
	07/SBD	10	8.30	0	8.59					
3	03/SBD (4/4/2017)	4+8	5.13	12.35	12.93	12.93	13263.89	8.07	3.46	4.61
4	04/SBD (4/4/2017)	5+7+8	4.52	8.34	8.98	8.98	10104.79	6.15	2.64	3.51
5	05/SBD (4/4/2017)	2+3	7.14	11.24	13.15	13.15	11156.18	6.79	2.91	3.88
6	06/SBD (4/4/2017)	6+7	5.28	5.79	6.88	6.88	3971.85	2.42	1.04	1.38
	<b>Total</b>		<b>42.49</b>	<b>37.72</b>	<b>62.39</b>	<b>41.94</b>	<b>38496.71</b>	<b>23.43</b>	<b>10.05</b>	<b>13.38</b>
					<b>Less 10 per cent as per agreement</b>			<b>21.09</b>	<b>9.05</b>	<b>12.04</b>

<sup>4</sup> No bid received in Group 2 and successful bids of Group 7 and 8 cancelled due to fake Bank Guarantee

**APPENDIX – 3.15**  
**(Reference: Para no. 3.12; Page-88)**  
**Loss on purchase of dustbins/wastebins**

(Amount in ₹)

Sl. No	Name of the ULB	No of dustbins/wastebins	Rate per dustbin/wastebin	Amount of Bill	Amount as per MRP @ ₹ 7,415	Loss
1	2	3	4	5	6	7 (5-6)
	Nagar Parishad Siwan	1000	18700	1,87,00,000	74,15,000	1,12,85,000
		1000	18700	1,87,00,000	74,15,000	1,12,85,000
		1000	18700	1,87,00,000	74,15,000	1,12,85,000
		2000	18700	3,74,00,000	1,48,30,000	2,25,70,000
	Municipal Corporation Bihar Sharif	460	15100	69,46,000	34,10,900	35,35,100
		250	15000	37,50,000	18,53,750	18,96,250
		250	15000	37,50,000	18,53,750	18,96,250
		250	15000	37,50,000	18,53,750	18,96,250
		50	15000	7,50,000	3,70,750	3,79,250
		400	15000	60,00,000	29,66,000	30,34,000
		100	15000	15,00,000	7,41,500	7,58,500
<b>Total</b>		<b>6760</b>		<b>11,99,46,000</b>	<b>5,01,25,400</b>	<b>6,98,20,600</b>

(Source: Records of the Nagar Parishad Siwan and Municipal Corporation Bihar Sharif)





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