

CHAPTER-I
PERFORMANCE AUDIT

HEALTH AND FAMILY WELFARE DEPARTMENT

1.1 NATIONAL RURAL HEALTH MISSION

Highlights

The National Rural Health Mission was launched by the Government of India in April 2005. The Mission seeks to provide universal access to equitable, affordable and quality health care facilities in rural areas. It aims at strengthening rural health care institutions by provision of infrastructure facilities and funds. A review of the implementation of the National Rural Health Mission in the State revealed improvement in flow of funds to rural health institutions and better health awareness among the rural population. However, deficiencies like lack of surveys and absence of a Perspective Plan, effective financial management, community participation, sufficient infrastructure, other equipment, adequate human resources and timely upgradation of health units were noticed.

The State Health Society failed to prepare a Perspective Plan for the Mission period as well as Annual Plans during 2005-09 despite incurring an expenditure of Rs 48.05 lakh.

(Paragraphs 1.1.6.2 and 1.1.6.3)

Against the prescribed norms of Indian Public Health Standards, only 53 per cent Health Sub-centres, 59 per cent Primary Health Centres and eight per cent Referral Hospitals were available in the State.

(Paragraph 1.1.8.1)

The number of indoor patients (26023), outdoor patients (9.31 lakh) and institutional deliveries (2344) in 2005-06 increased to 3.13 lakh, 61.33 lakh and 2.54 lakh respectively in 2008-09.

(Paragraphs 1.1.8.2, 1.1.9.1 and 1.1.11.1)

In the test-checked districts, 97,146 out of 4,70,307 lactating mothers were not provided cash incentives under the Janani Suraksha Yojana for want of funds. Payment of Rs 25.19 crore was made to 1.82 lakh beneficiaries after delays of eight to 732 days.

(Paragraph 1.1.11.1)

Cold chains for preserving the potency of vaccines were not maintained properly. Defective equipment in the test-checked districts ranged between 36 and 69 per cent against the prescribed limit of two per cent.

(Paragraph 1.1.11.5)

Community Monitoring and Planning Committees at different levels and Village Health and Sanitation Committees at the village level were not formed.

(Paragraph 1.1.16)

1.1.1 Introduction

The National Rural Health Mission (NRHM) was launched by the Government of India (GOI) in April 2005 throughout the country with special focus on 18 States for strengthening rural health care institutions by providing adequate infrastructure facilities and funds. The Mission aimed at providing accessible, affordable, accountable, effective and reliable health care facilities in rural areas by reducing the infant and maternal mortality rates, stabilising the fertility rate of the population and preventing and controlling communicable and non-communicable diseases including locally endemic diseases by involving the community in planning and monitoring. The key strategy of the Mission was to bridge the gaps in health care facilities, facilitate decentralised planning in the health sector, provide an overarching umbrella to the existing programmes of health and family welfare including Reproductive and Child Health-II and various disease control programmes. It sought to provide health to all in an equitable manner through increased outlays, horizontal integration of existing schemes, capacity building and proper human resources management.

1.1.2 Organisational set-up

At the State level, NRHM functions under the overall guidance of the State Health Mission (SHM) under the Chairmanship of the Chief Minister. The activities of the SHM are carried out through the State Health Society (SHS) headed by the Secretary, Health and Family Welfare (H&FW) Department. The Executive committee of SHS is headed by Chief Executive Officer (Executive Director).

At the district level, there are District Health Missions and District Health Societies (DHSs) headed by the Chairpersons of Zila Parishads. The Executive Committees are headed by District Magistrates (DMs). The implementation of various diseases control programmes is supervised by the respective heads of the Diseases Control Programmes (*Appendix 1.1.1*).

1.1.3 Audit Objectives

The objectives of the performance audit were to assess whether:

- the planning processes at the village, block, district and State levels were adequate;
- the assessment, release and utilisation of funds were efficient and effective;
- capacity building and strengthening of physical and human infrastructure were as per the Indian Public Health Standard norms;

- the performance indicators and targets fixed, especially in respect of reproductive and child healthcare, immunization and disease control programmes were achieved and
- the level of community participation, monitoring and evaluation was as per the guidelines.

1.1.4 Audit criteria

The criteria adopted to arrive at the audit conclusions were:

- the GOI framework on implementation of NRHM;
- guidelines issued by GOI for various components, disease control programmes, financial aspects etc.;
- circulars issued by GOI, containing directions for NRHM activities;
- orders and instructions issued by the State Government and
- Indian Public Health Standards (IPHS) for upgradation of health centres.

1.1.5 Audit coverage and methodology

The performance audit of NRHM for the period 2005-09 was conducted during March 2008 to October 2009 through test-check of records of the State Health Society, 10 out of 38 DHSs¹, 20 out of 70 Referral Hospitals (RHs), 122 out of 398 Primary Health Centres (PHCs), 323 out of 1243 Additional Primary Health Centres (APHCs) and 2682 out of 8858 Health Subcentres (HSCs). Audit of 16 RHs and 38 PHCs were conducted by visiting these health units. The sample for audit of districts was drawn by using the simple random sampling without replacement method. Joint physical verification of units with departmental officials in 65 health units² was also conducted.

An entry conference was held in April 2008 with the Chief Executive Officer-cum-Member Secretary, Health and Family Welfare Department and the Executive Director, SHS, Bihar to explain the audit objectives, audit criteria and methodology. The audit findings as well as conclusions were discussed with the Principal Secretary, H&FW Department, Government of Bihar and the Executive Director, SHS during the exit conference held in December 2008 and their replies have been incorporated at the appropriate places.

¹ Bhagalpur, Bhojpur, Darbhanga, East Champaran, Gopalganj, Kishanganj, Muzaffarpur, Nalanda, Samastipur and Sheikhpura.

² APHCs (6), HSCs (10), PHCs (34) and RHs (15).

Audit findings

Findings of the performance audit are discussed in the succeeding paragraphs.

1.1.6 Planning

NRHM aimed to improve health care through a wide range of interventions at the household, community and health units' level through decentralised convergent planning right from villages to district levels.

1.1.6.1 Household and facility surveys

Facility and household surveys were required to be carried out and completed in all the districts by 2008. These surveys were essential for planning and monitoring so as to construct a baseline Annual Plan for each health facility with a clear assessment. The household surveys were also intended for collection of information on availability of other determinants of health such as drinking water, sanitation etc. However, work on household and facility surveys was not done by SHS (September 2009).

1.1.6.2 Action Plans

Annual Plans and Perspective Plans for the Mission period were not prepared

The SHS had to identify the gaps in health care facilities, areas of intervention, probable investment, the share of the Centre and State that would be required for the Mission period (2005-2012) and the financial and physical targets to be framed in the form of Perspective Plans. The Perspective Plans were to be prepared for the State as a whole as well as the districts. An Annual Programme Implementation Plan (PIP), based on resource availability and prioritization was to be prepared at the village and block levels and consolidated at the district level.

Scrutiny of records at SHS/DHS revealed that neither the Perspective Plans nor the Annual Plans were prepared during 2005-09. However, the SHS prepared PIPs for the years 2006-07, 2007-08 and 2008-09, which were approved by the National Programme Co-ordination Committee³.

The SHS intimated (November 2009) that District Health Plans for the period 2008-09 had not been prepared and that preparation of the Plans for the year 2009-10 was in progress.

1.1.6.3 Unfruitful expenditure

Scrutiny of records revealed that the work of preparation of District Health Action Plans and PIPs was outsourced (March 2006) to a private agency who was to submit the District Health Action Plan for the following years by September 2006 and the State PIP by November 2006. Besides, the agency was to impart training to the core groups⁴ at the block and district levels.

³ A committee under Government of India which approves the programmes/plans of NRHM proposed by State Health Societies.

⁴ A group of health personnel selected for implementation of NRHM.

As per Schedules I and III (Para 6.11) of the contract with the agency, it was to submit evidence of its achievement along with invoices and submit weekly reports to the Nodal Officer of the SHS. Though evidence of achievement of benchmarks and weekly reports were not submitted by the agency, the SHS released (between April and June 2006) Rs 48.05 lakh to it in violation of the aforesaid clause of the contract. However, due to slow progress of work, the SHS issued (August 2006), a notice for termination of the contract. It was noticed that SHS did not safeguard its own interest, as the bank guarantee of the agency valuing Rs 25.47 lakh was not renewed after November 2006 and was withdrawn by the agency.

Civil Surgeon and District Magistrate of 20 districts⁵ reported (between August and December 2006) that household survey conducted at the panchayat level and training imparted by the agency was of poor quality as the primary data submitted by the agency in respect of the household survey was not realistic and the personnel engaged for imparting training had no knowledge about the assigned work. Thus, the payment of Rs 48.05 lakh made to the firm against unreliable and poor quality of work was largely unfruitful. In reply, the SHS stated (December 2008) that suitable legal action for recovery would be taken. However, no such action had been taken upto September 2009.

Financial Management

1.1.7 Financial performance

**Non-submission/
delayed submission of
utilisation certificates
led to short release of
grants by
Government of India**

The Mission was financed by GOI till 2006-07. From 2007-08, the funding was to be shared in the ratio of 85:15 between GOI and the State Government. Scrutiny of records related to the funds released/utilised and the financial statements submitted by the SHS to Audit, revealed the following:

- During 2005-09, against the total proposed amount of Rs 1842.05 crore in the PIPs, Rs 2005.42⁶ crore was approved by GOI however, only Rs 1339.50 crore was released (**Appendix 1.1.2**) due to non-submission/delayed submission of utilisation certificates (UCs). Reasons for non/ delayed submission of UCs and non-utilisation of funds, though called for (September 2009) were not intimated. **Table No. 1** shows Grants received by SHS and expenditure incurred during 2005-09.

⁵ Arwal, Aurangabad, Banka, Begusarai, Bhagalpur, Darbhanga, Jamui, Jehanabad, Khagaria, Kishanganj, Madhubani, Munger, Nalanda, Nawada, Purnea, Rohtas, Samastipur, Saran, Sheikhpura and Supaul.

⁶ The approved PIP includes an amount of unspent balances of Rs 293.03 crore at the end of 2006-07 under Mission Flexible Pool (created for providing funds to different components of NRHM in case of shortage of Funds in that component) and. Reproductive and Child Health (RCH) Programme

Table No. 1
Receipt and expenditure of GOI funds

(Rupees in crore)

Year	Opening balance	Grants received by SHS	Total Funds	Expenditure at the SHS	Expenditure in districts	Total Expenditure	Balance (per cent)
2005-06	47.66 ⁷	129.81	177.47	1.71	53.99	55.70	121.77 (69)
2006-07	121.77	341.26	463.03	6.18	81.38	87.56	375.47 (81)
2007-08	375.47	247.45	622.92	6.89	230.90	237.79	385.13 (62)
2008-09	385.12	645.10	1030.22	9.78	329.97	339.75	690.47 (67)
Total		1363.62		24.56	696.24	720.80	

(Source : State Health Society, Bihar, Patna)

- There were significant savings at the end of each financial year. During 2005-09, Rs 58.57 crore was received under the National Disease Control Programmes and expenditure of Rs 49.17 crore was incurred, there was a balance of Rs 9.40 crore (*Appendix 1.1.3*).
- During 2005-09, the State Government released Rs 227.40 crore to the SHS, of which Rs 214.72 crore was released to DHSs and the Building Construction Department (BCD) for construction of health units (*Table No. 2*)

Table No. 2

Funds released by the State Government to SHS during 2005-09

(Rupees in crore)

Year	Opening Balance	Funds received by SHSs	Funds released to executing agencies ⁸	Funds refunded to SHS by BCD	Balance
2006-07	Nil	51.84	51.84	Nil	Nil
2007-08	Nil	175.37	162.88	Nil	12.49
2008-09	12.49	00.19	00	112.78	125.46
Total		227.40	214.72		

(Source : State Health Society, Bihar)

- During 2007-08, Rs 162.88 crore was released (February 2008) to the BCD for construction of health units. Thereafter, the SHS decided (November 2008) to construct these health units through the respective DHSs and requested the BCD to refund the entire amount. The BCD refunded (February 2009) Rs 112.78 crore to the SHS but the balance amount of Rs 50.10 crore was not refunded as the tender process of the respective works was in progress, the refunded amount had been kept in the bank.
- SHS were required to maintain physical and financial progress reports of works allotted to the implementing agencies. The SHS stated (December 2008) that the implementing agencies had been requested to provide physical and financial progress reports. However, no such reports were furnished (December 2009) to Audit though called for (August 2009).

⁷ Opening balances have been taken from figures of unspent balances furnished by the SHS in its Statements of Expenditure to GOI as the opening balances intimated by the SHS were inconsistent.

⁸ DHSs, BCD, Rural Engineering Organisation.

1.1.7.1 Discrepancies in maintenance of accounts

During audit, it was noticed that standard books of accounts like cash books, journals and ledgers etc. required to be maintained were not maintained at the SHS level. Only cheque issued and received registers were maintained during 2005-09. Non-maintenance of accounts records in the proper form caused the following discrepancies:

- Four different amounts (ranging from Rs 43.69 crore to Rs 52.67 crore) of opening balances as on 1 April 2005 were noticed from the records of the SHS (**Appendix 1.1.4**). Reasons for the varying opening balances were not furnished to Audit though called for (August 2009).
- Scrutiny of Statements of Expenditure (SOEs) submitted (upto September 2007) to GOI disclosed that carrying forward of incorrect opening balances in respect of three quarters resulted in depicting Rs 46.48 crore less in the accounts of the SHS (**Appendix 1.1.5**).
- As per the SOEs received from SHS during April 2005 to September 2007, an amount of Rs 383.74 crore was shown as advance to the districts, Rs 76.87 crore were shown reduced from the column of total available funds in the SOEs for the quarters ending September 2005 and June 2006 only balance Rs 306.87 crore was not deducted from the total available funds. This also pointed towards the incorrect preparation of SOEs.

Further, in place of SOEs, the SHS had submitted (May 2008) a Financial Management Report (FMR) pertaining to the remaining period (October 2007 to March 2008) of the year 2007-08 to GOI without mentioning the closing and opening balances though discrepancies were noticed in opening balances as mentioned above. In reply, the SHS stated (December 2008) that the observations of Audit had been noted for future guidance. During 2008-09 the closing balances were mentioned in the FMR.

- SHS provided (August and December 2008) two SOEs for 2005-08 to Audit along with copies of bank pass books/ statements and release orders of grants by the GOI/ State Government. Audit analysis disclosed that the expenditure provided to GOI by SHS was higher by Rs 31.56 crore in these statements. Reasons for increase of Rs 31.56 crore in the expenditure were not furnished by the SHS (November 2009) though called for (August 2009) (**Appendix 1.1.6**).

This indicated that financial management at the SHS level was weak as the financial statements were not based on accurate facts and figures.

1.1.7.2 Irregular operation of bank accounts and loss of interest

SHS operated 17 bank accounts instead of one

As per the Memorandum of Understanding (MoU) signed (November 2006) between GOI and the State Government and the guidelines of NRHM (December 2006), the funds received were to be credited into an interest-bearing single bank account. However, in violation of the guidelines, 17 bank accounts were operated in different branches of five nationalized banks. The SHS replied (December 2008) that the extra bank accounts would be closed. The present status of these bank accounts were not furnished by the SHS though called for (August 2009). Further, a draft for Rs 106.76 crore was received (December 2006) by the SHS but not deposited into the bank till February 2007. The same was deposited in the Bihar State Co-operative Bank Limited in March 2007 without earning any interest. In April 2007, the entire amount was transferred to the Allahabad Bank. This resulted in loss of interest of Rs 1.25 crore (at the rate of 3.5 *per cent* per annum). Also, due to unnecessary transfer of funds in four different bank accounts in the middle of the month, the SHS suffered a loss of interest of Rs 0.86 crore (**Appendix 1.1.7**). The total loss was Rs 2.11 crore. In reply, the SHS stated (December 2008) that the transfer of funds was done by the order of the competent authority in view of the necessity of funds in various banks. No justification for late deposit of the bank drafts of Rs 106.76 crore and transfer of funds in the middle of the month was intimated. Thus, due to non-observance of NRHM guidelines stipulating maintenance of a single bank account, the SHS suffered loss of interest.

Unnecessary transfer of funds resulted in loss of interest of Rs 2.11 crore

Further scrutiny revealed that the DHS, Bhojpur kept its funds in the current account of a bank instead of in an interest-bearing account. However, the funds were transferred to a saving account in July 2008. The DHS sustained an interest loss of Rs 37.42 lakh during 2005-06 to June 2008. In the rest of the nine DHSs, however, the funds were kept in interest-bearing accounts.

1.1.7.3 Execution of basic activities

Basic activities of NRHM not executed

Government of India released Rs 158.22 crore during 2005-09 for execution of 15 activities. These related to the preparation of Village Health Plans, District Health Plans, upgradation of health care units etc. (**Appendix 1.1.8**). However, it was noticed that despite availability of Rs 63.10 crore, no expenditure was incurred in respect of seven activities, in the remaining eight activities, Rs 28.13 crore was incurred against Rs 95.12 crore assigned for these activities. Thus, only 18 *per cent* of the funds released by GOI were spent, which indicated ineffective execution of approved activities as per the PIPs.

1.1.7.4 Utilisation of funds in the districts

Funds were provided by the SHS to the districts under different activities without any demand from the health units. The position of utilisation of funds in test-checked districts is shown in **Table No. 3**

Table No. 3
Receipt and expenditure in test-checked districts during 2005-09

<i>(Rupees in crore)</i>						
Year	Opening balance	Receipt	Total funds	Expenditure	Balance	Percentage of balances
2005-06	Nil	34.03	34.03	6.50	27.53	81
2006-07	27.53	68.80	96.33	59.47	36.86	38
2007-08	36.86	123.93	160.79	100.08	60.71	38
2008-09	60.71	113.05	173.76	126.69	47.07	27

(Source : District Health Societies)

Funds remained unspent in the districts

The fund position in the **Table No. 3** indicates that though sufficient funds were provided to the districts by SHS however substantial funds remained unspent at the end of the financial years. The major portion of unspent funds were for activities like preparation of District Action Plans, health camps at PHCs, training to Grade 'A' nurses and skilled birth attendants, activities of IMNCI⁹, medical kits, operationalisation of blood storage facilities/ data centres and various civil works. Bank reconciliation was also not done by DSH in four¹⁰ out of 10 test-checked DHSs.

1.1.7.5 Fraudulent payments

Fraudulent payments under JSY in 14 PHCs of five districts

In 14 PHCs of five districts¹¹, Rs 9.17 crore was paid to women beneficiaries during 2005-09 as cash incentive under the *Janani Suraksha Yojana (JSY)*. During test-check of records related to the payments of cash incentives, it was found that 298 beneficiaries (detected on the basis of their photographs and registration numbers/dates mentioned on the JSY payment registers) were paid two to five times within a period of one day to two months, which resulted in fraudulent payment of Rs 6.66 lakh (**Appendix 1.1.9**). Under the circumstances, the possibility of doubtful payments in other PHCs in the State cannot also be ruled out. However, on this being pointed out (August 2008) by Audit, the DHS, Nalanda recovered (August 2008) Rs 4.84 lakh from the Accountant of RH, Asthama. Though the DHS, Bhagalpur recommended (June 2009) appropriate action against the Medical Officers-in-charge of the respective health units, the DHS Kisanganj had not taken any action against the officials of the respective health units even after noticing irregularities during its own investigations.

The Principal Secretary to the Government stated (December 2008) that after investigating the entire matter, suitable action would be taken. However, action taken in this regard was not intimated to Audit (September 2009).

1.1.8 Capacity Building

1.1.8.1 Creation and strengthening of infrastructure

Revamping of the health infrastructure is one of the important aspects of the NRHM. The position regarding shortfalls in creation of health centres,

⁹ *Integrated Management of Neo natal and Childhood Illness*

¹⁰ *Bhojpur, East Champaran, Kishanganj, Sheikhpura*

¹¹ *Bhagalpur (Rs 245.57 lakh), East Champaran (Rs 57.02 lakh), Gopalganj (Rs 39.53 lakh), Kishanganj (Rs 38 lakh), Nalanda (Rs 21 lakh).*

strengthening of RHs, PHCs/HSCs and upgradation of PHCs to CHCs is discussed in the succeeding paragraphs.

- **Availability of Health Centres**

The rural population of the State (2001) was 829.98 lakh. Accordingly, the number of HSC/PHC/RHs required in the State as per Indian Public Health Standard (IPHS) norms and the number available as on March 2009 are indicated in the **Table No. 4**. There were huge gaps between required and available health units at different levels.

Table No. 4
Availability of health care units in the State as of March 2009

Health care units	Population norm for one health unit	Number of units required as per norms	Number of units available	Gap in number of units (percentage)
HSC	5000	16600	8858	7742 (47)
PHCs/APHCs	30000	2767	1641 ¹²	1126 (41)
RHs	100000	830	70	760 (92)

(Source : State Health Society, Bihar)

There were gaps between the required number and availability of health units

In the test-checked districts as against the required number of 5618 HSCs, 936 PHCs and 281RHs, as per rural population (280.88 lakh) of 2008-09, shortage of 2936 (52 per cent) HSCs, 491 (52 per cent) PHCs and 261 (93 per cent) RHs was noticed. The availability of health units remained stagnant during 2005-2009.

- **Creation of health care centres**

Non-upgradation of the PHCs/ APHCs

The State Government accorded (December 2006) sanctions to create 7765 HSCs and 1544 Additional Primary Health Centres (APHCs) and to upgrade 601 PHCs to Community Health Centres (CHCs) during 2005-10. The SHS released (February 2008 to January 2009) Rs 9.19 crore, Rs 4.92 crore and Rs 15.20 crore to the BCD and DHSs for construction of 435 HSC and 137 APHC buildings and for upgradation of 76 PHCs to CHCs respectively. However, no building was constructed as of March 2009. Thus, the availability of health units remained stagnant. In test-checked districts, funds of Rs 7.66 crore were made available by the SHS during 2008-09 for upgradation of 20 PHCs to RHs, construction of 37 APHC and 137 HSC buildings. Of them, only in Nalanda, Rs 53 lakh was released to the executing agencies for construction of two APHCs in March 2009. The balance amount of Rs 7.14 crore was kept idle in the bank accounts of the respective DHSs as of September 2009, reasons for parking of funds were not furnished by the DHSs.

It was also decided to upgrade 1243 APHCs to the level of PHCs by 2010 in accordance with the IPHS standards. Of them, 993 APHCs were envisaged to be upgraded by 2009. However, none of these was upgraded (March 2009).

¹² APHC: 1243 and PHC: 398.

The Government stated (December 2008) that due to slow progress of work by the executing agencies, it was decided (October 2008) to get the work done through DHSs/Rogi Kalyan Samities (RKSs) on an experimental basis. However, the position remained unchanged (September 2009). Thus, the efforts to increase the number of health care units to meet the health care needs of the rural people were far from satisfactory.

- **Existing health care centres**

To improve the condition of the existing health centre buildings, the Government released (2005-07) Rs 165.89 crore directly to 38 District Magistrates (DMs) for construction of 57 APHCs and 751 HSCs; repairs and maintenance of 2267 HSCs; creation of diagnostic centres in 398 PHCs and provision of water supply in 18 PHCs. The DMs, in turn, made the funds available to the respective DHSs for further release to the executing agencies. Progress reports of these works were not available with the SHS. In the test-checked districts, the status of civil works as of March 2009 was as shown in **Table No. 5**.

Table No. 5
Status of ongoing civil works during 2005-08

Year	Name of work (in existing health units)	No. of units	Fund available with DHS	Funds released to agencies	Expen- diture	Status of work		
						(Rupees in crore)	Com- pleted	In progress
2005-06	Construction of HSC	227	14.92	10.54	4.80	61	119	47
	Construction of diagnostic centre in PHC	118	25.62	21.80	13.95	65	46	7
2006-07	Repair/maintenance of HSC	723	15.62	4.85	2.34	107	98	518
	Construction of APHC buildings	28	4.10	1.77	0.09	-	1	27
	Repair/maintenance of PHC buildings	36	1.46	0.30	-	-	-	36
2007-08	Water and sanitation facility in PHC	18	1.45	Not released				
Total			63.17	39.26	21.18			

(Source- District Health Societies of ten districts test-checked)

Scrutiny of records relating to execution of works revealed the following:

Despite availability of funds, progress of civil works was slow

- Out of Rs 63.17 crore available with the DHSs, Rs 39.26 crore (62 per cent) was released to the executing agencies, of which only Rs 21.18 crore (52 per cent) was spent. The balance amount of Rs 41.99 crore remained unspent with the DHSs/executing agencies. Further, out of 345 works of construction of HSCs and diagnostic centres, only 126 (37 per cent) were completed after the lapse of four years though funds were available with them since 2005-06.
- Three DHSs (Bhojpur, Samastipur and Sheikhpura) did not release (September 2009) funds of Rs 6.61 crore received (May-June 2006) for repairs and maintenance of 396 HSCs. Besides, funds of Rs 1.17 crore and Rs 1.45 crore received between August 2006 and May 2007 by the DHSs, Bhagalpur, Gopalganj and East Champaran respectively for

renovation of 36 PHCs and installation of water supply in 18 PHCs was lying idle in the bank accounts of the respective DHSs (September 2009).

- No physical and financial progress reports were available with the DHS Darbhanga (September 2009) regarding construction of 24 APHCs with whom funds of Rs 1.67 crore were available since 2006-07.

The above position indicated the lack of interest of the DHSs in releasing the amounts to the construction agencies which resulted in the slow progress of civil works.

1.1.8.2 Status of infrastructure in health units

PHCs and RHs lacked essential facilities

Under NRHM certain guaranteed services/ supporting infrastructural facilities (as per the IPHS) at the HSC, PHC, and RH level were to be ensured. Information furnished by the Medical Officers of the test-checked health units in the 10 test-checked districts (**Appendix 1.1.10**) revealed that basic essential facilities like separate utilities for men and women, accommodation facilities for attendants of admitted patients and facilities for medical waste disposal were absent in the health units. Other basic infrastructure was also inadequate in a large number of PHCs and RHs and was almost non-existent in the APHCs and HSCs. Further, Boyle's apparatus, cardiac monitors, ventilators for operation theatres (OT), oxygen cylinders, etc. required for RHs and PHCs as OT equipment, were not available in any of the test-checked 20 RHs and 122 PHCs.



Labour room of RH, Sahpur, Bhojpur

Blood storage facility was absent in test-checked RHs

As per IPHS norms, a blood storage unit was required to be operational in every RH but this was not available in any of the test-checked RHs. In the absence of these, patients requiring emergency care were deprived of the same.

Availability of beds and other infrastructure was inadequate

The NRHM guidelines provided for six and 30 beds for indoor patient services at PHCs and RHs respectively (i.e. one bed per 2000 population). In all the test-checked districts (total population: 280.88 lakh) only 700 beds were available (i.e. one bed for 40126 people). The number of indoor patients in RHs had increased from 13002 in 2005-06 to 68528 in 2008-09 and in the PHCs it increased from 13021 in 2005-06 to 244526 in 2008-09 yet, the

availability of beds and other infrastructure was inadequate During the exit conference, the Government accepted the fact and stated that the dismal scenario required improvement (December 2008).

1.1.8.3 Human Resources

The availability of human resources in the State as of March 2009 is given in **Table No. 6.**

Table No. 6
Shortfall in manpower

Sl. No.	Post	Sanctioned	Men-in-position	Vacant*
1	Medical Officer	5124	3860	1264 (25)
2	Staff Nurse	451	256	195 (43)
3	Auxilliary Nurse Midwife (ANM)	11294	10055	1239 (11)
4	Male Health Worker (MHW)	2562	1298	1264 (49)
5	Lady Health Visitor (LHV)	1126	662	464 (41)

(Source: Data furnished by SHS)

* Figures in brackets represent the percentage of vacant posts to sanctioned posts.

Vacancies of Medical Officers and staff nurses were 25 per cent and 43 per cent respectively

As may be seen from **Table No. 6**, vacancies were very high in respect of the posts of MHW (49 per cent) and Staff Nurse (43 per cent).

The vacancy position in respect of key health care personnel in the test-checked districts are indicated in **Appendix 1.1.11.**

Vacancies against the post of specialist doctors and Medical Officers in the RHs and PHCs were 80 per cent and 38 per cent respectively. Similarly, vacancies in the post of Staff Nurse, ANM, LHV and MHW were 72, 47, 55 and 44 per cent respectively.

- **Shortage of manpower with reference to Indian Public Health Standards**

Health units were not strengthened with adequate manpower

As per IPHS guidelines, six specialist doctors, nine Staff Nurses and one public health nurse are required for each RH. Two MOs, three Staff Nurses and one pharmacist are required for each PHC and two ANMs are required for each HSC. The shortage of manpower in the test-checked RHs, PHCs and HSCs as of March 2009 with reference to IPH Standards is depicted in **Table No. 7.**

Table No. 7
Vacancy position in the test-checked districts

Post	Test-checked health centres								
	20 RHs			445 PHCs			2682 HSCs		
	Req.	M.I.P.	Sh*	Req.	M.I.P.	Sh*	Req.	M.I.P.	Sh*
Medical Officer	120	16	104 (87)	890	630	260 (29)	NR	--	--
Staff Nurse	140	32	108 (77)	1335	0	1335 (100)	NR	--	--
Public Health Nurse/ Educator/ ANM	20	0	20(100) #	445	0	445 (100)\$	5364	3112	2252 (42)@
Pharmacist	20	11	9 (45)	445	103	342 (77)	NR	--	--

(Source: Test- checked DHSs and Health Units)

Req.: Requirement as per IPH standard; M.I.: Men-in-position; Sh: Shortage; NR: Not required

* Figures in bracket represent percentage of shortage.

#: Public Health Nurses; \$: Health Educator; @: ANM.

There was a shortage of specialist doctors in Referral Hospitals

There was a severe shortage of key health care personnel in the test-checked 20 RHs; the shortages of specialist doctors were between 29 and 100 *per cent*. The RHs of Bhagalpur, Kishanganj and Sheikhpura districts had no specialist doctor. However, in the 35 test-checked APHCs¹³, 48 specialist doctors¹⁴ were posted though, as per the norms, their services were required in RHs where there was an acute shortage of specialist doctors. In the absence of necessary medical and support staff in the health units, the delivery of essential health services suffered and affected the goal of reliable and quality health services in the rural areas.

- **Engagement and training of ASHAs**

Prescribed training not imparted to ASHAs

Under NRHM, the concept of Accredited Social Health Activists (ASHA) was introduced to act as a link between the health centres and the rural population. After receiving five modules of training, the ASHAs were to be able to advise the village population about sanitation, immunization, primary medical care etc. and to escort patients to medical centres. Performance based compensation (as cash incentive) was to be given to ASHAs for tracking of pregnant women, promoting institutional delivery etc. As per the timeline for NRHM activities, 100 *per cent* selection with fully trained ASHAs was to be completed by 2008.

As of March 2009, against the total requirement of 87135 ASHAs in the State, 67506 ASHAs (77 *per cent*) were selected. Of them, only 63802 (73 *per cent*) were imparted training of module I. In test-checked districts, out of the total target of selection of 26895, only 20783 ASHAs had been selected and one module of induction training was provided to only 18367 (68 *per cent*) ASHAs. In the absence of the five stipulated scheduled training modules to the ASHAs, they were not fully acquainted with the knowledge to provide primary health care advice/service to the rural people, thereby defeating the very purpose of their selection.

The SHS was still to evaluate the training and functioning of ASHAs as required under NRHM guidelines. The guidelines provided for weekly meetings of ASHAs at HSCs and monthly meetings at the PHC level. In test-checked health units, there were no records to show that these meetings had taken place. The services of the ASHAs were mainly confined to escorting pregnant women upto PHCs / RHs. Thus, due to these deficiencies, the important objective of linking the community with the healthcare facilities as envisaged under NRHM remained partially achieved.

1.1.9 Facilities at Health Centres

1.1.9.1 Outdoor Patient Department services

The number of outdoor patients increased from 9.31 lakh in 2005-06 to 61.33 lakh (more than 658.75 *per cent*) during 2008-09 in the test-checked districts. However, no Outdoor Patient Department (OPD) facility was

¹³ Bhojpur : 11, Darbhanga : 7, East Champaran : 1, Gopalganj : 1, Samastipur : 13 and Muzaffarpur : 2

¹⁴ MD-15, MS-24, DM-1, Orthopedic-2, Gynaecologist-2, Paediatricians-4

available in 27 PHCs and 134 APHCs out of the selected 122 PHCs and 323 APHCs as no doctor was posted in these APHCs and PHCs.

1.1.9.2 Services of AYUSH

AYUSH doctors were prescribing allopathic medicine

NRHM aimed to provide AYUSH¹⁵ services in accordance with the local tradition by providing an AYUSH doctor at the PHCs. Test check, however, revealed that 11 homoeopathic and 29 ayurvedic doctors were posted in 36 APHCs in six districts¹⁶, who were prescribing allopathic medicines as no ayurvedic/ homoeopathic medicines were supplied by the DHS. The CS-cum-CMO also accepted (June 2008) the fact. This affected the aim of mainstreaming of AYUSH services in the NRHM.

In reply, the SHS stated (December 2008) that corrective steps would be taken in future. However, the position remained unchanged (March 2009).

1.1.9.3 Pathological and radiology services

X-ray facilities were not available in 80 per cent of Referral Hospitals

The Governing body of the SHS decided (December 2005) to outsource pathological and radiology services in all RHs and PHCs on public private partnership basis. Accordingly, the SHS executed (March/ April 2006) agreements with three agencies¹⁷ for providing these services. The agencies were to establish pathological centres upto June 2006 and install X-ray machines upto December 2006.

Scrutiny of records at the SHS disclosed the status of these services as of March 2009 (**Table No. 8**).

Table No. 8
Availability of pathological and diagnostic facilities

Facilities	In State		In test-checked districts	
	70 RHs	398 PHCs	20 RHs	122 PHCs
X-ray	9 (13)	53 (13)	4 (20)	10 (8)
Pathology	15 (21)	136 (34)	4 (20)	20 (16)

(Source: SHS and test-checked health units)

Note: Figures in brackets indicate percentage of availability of services in health units

It was noticed that the services could not be made available because DHSs failed to provide space, piped water supply and electricity at the respective health units as per the agreements. Hence, the objective of providing pathological and radiological services to patients in each RH and pathological services in each PHC as per the IPHS norms could not be ensured.

¹⁵ Ayurvedic, Yoga, Unani, Sidha and Homoeopathy

¹⁶ Bhojpur, Darbhanga, East Champaran, Gopalganj, Samastipur and Muzaffarpur.

¹⁷ Sen Diagnostic (P) Ltd., Patna and Central Diagnostics, Patna for pathology and IGE Medical System, Silvassa for X-ray.

1.1.9.4 APHCs outsourced

Outsourced APHCs were running without essential equipment and with untrained para-medical staff

The SHS had initiated (December 2005) the Static Medical Units (SMUs) under NRHM campaign to provide good primary health care services. Under this campaign, health care services in 36 APHCs in six districts¹⁸ were outsourced and agreements were executed with four agencies¹⁹ for one year (2006-07). As per the agreements, the agencies were to provide general OPD, mobile medical van facility for eight days in a month for outreach areas, minor pathological investigation/family planning operations, medicines to patients, immunizations and general awareness in rural areas for which one doctor, three Staff Nurses, one lab Technician and three other office staff members were to be posted by the outsourced agencies at these APHCs.

During July 2006, the SHS had conducted physical inspection of the 10 outsourced APHCs in Gaya district, where it was observed that the agency was not using mobile medical vans, and no minor investigations or operations were being carried out. During physical verification arranged by the SHS in July 2006 in the remaining three districts (Aurangabad, Begusarai and Sheikhpura), similar deficiencies were noticed.

Further, in May 2008, an agreement to outsource the services of eight APHCs in Bhojpur district was executed with an agency by the DHS, Bhojpur.

During a joint physical inspection in August 2008 of two outsourced health units²⁰ conducted by Audit with the Medical Officers in-Charge, it was noticed that these were running in dilapidated single rooms without essential medical equipment (like stethoscopes, BP instruments etc.). The para-medical staff had no technical training. Only one doctor was functioning at each centre against the provision of two doctors.

Thus, the health services provided by the outsourced agencies as well as monitoring at the APHCs level was inadequate, as indicated by the fact that the SHS had not taken any action regarding the deficiencies in the services noticed by it.

1.1.9.5 Mobile Medical Units

Under the guidelines of NRHM, all the districts of the State were to be provided with Mobile Medical Units (MMUs) by 2009. The objective of the MMU campaign was to provide and supplement primary health care services in far flung areas. However, during 2005-09 mobile clinic services were provided only in four districts (Bhagalpur, Muzaffarpur, Patna and Purnia) by an outsourced agency for a short period from June to December 2006. Thereafter, no mobile clinic was in operation till March 2009.

¹⁸ Aurangabad, Begusarai, Gaya, Kaimur, Rohtas and Sheikhpura.

¹⁹ M/s Aryabhatt Computers Patna (Gaya-10 APHCs), M/s Shantidoot, Nalanda (Sheikhpura – 5 APHCs) M/s DORD, Patna (Aurangabad 10 APHCs) and M/s Vanvasi Seva Kendra, (Kamaur -3 APHCs, Rohtas- 3 APHCs).

²⁰ APHC, Sripalpur under Koilwar block and APHC, Ekauna under Barhara block.

The non-functioning of the MMUs affected the goal of improving accessibility to health care services, leaving remote and difficult areas without any reliable and quality medical care.

1.1.10 Procurement of drugs

There was no mechanism for assessment of the requirement of drugs and keeping buffer stocks at the health unit level. The SHS had been declared (July 2006) as the procurement agency for drugs to be used at all the health units in the State by the State Government. The SHS had prepared a list of essential drugs for different levels of health care units and accordingly, rate contracts for supply of 279 drugs to all health units were executed (June 2006 to February 2008) with 31 agencies after inviting tenders. The DHSs were directed to purchase the required drugs as per the rate contracts.

Purchase of medicine from local suppliers led to extra expenditure of Rs 1.70 crore

However, the CS-cum-CMOs of Bhagalpur, Darbhanga, Gopalganj, Motihari and Purnia had purchased medicines through local purchase committees at the district level during 2006-08 on higher rates against the approved rate of the SHS. This resulted in extra payment of Rs 1.70 crore (*Appendix 1.1.12*).

The CS-cum-CMOs replied that the purchases were made for urgent supply of medicines to health units. The purchases did not seem to be urgent nature as these were supplied after 15 to 90 days of the supply orders. However, no extra payment was noticed in the purchase of medicines in the year 2008-09.

1.1.11 Implementation

Implementation of some important activities under NRHM is discussed in the succeeding paragraphs:

1.1.11.1 Janani Suraksha Yojana

The Reproductive Child Health (RCH) Programme was launched in 1997 and its second phase was started from 2005-06. One of its important components was to encourage mothers to undergo institutional deliveries to reduce infant and maternal mortality rates. To encourage institutional deliveries, the Janani Suraksha Yojana (JSY) provided a cash incentive of Rs 1400 to all pregnant women in the State, irrespective of their age and the number of previous children. The ASHAs, who helped the pregnant women, also got cash incentives of Rs 600 per case inclusive of Rs 200 as transportation cost for carrying beneficiaries to health unit.

In the test-checked districts, the number of institutional deliveries during 2005-06 which was 2344, sharply increased to 2.54 lakh during 2008-09, mainly due to provision of cash incentives to lactating mothers. Details of institutional deliveries carried out in the State and in the health units test-checked in 10 districts vis-à-vis the expenditure incurred under JSY during 2005-09 are given in **Table No. 9**.

Table No. 9
Details of Institutional deliveries during 2005-09

(Rupees in crore)

Year	No. of institutional deliveries		No. of beneficiaries to whom payments were made in test-checked PHCs/RHs	Fund with test-checked PHCs/RHs	Payments made in test-checked RHs/PHCs		Total expenditure	Balance
	In State	In test-checked PHCs/RHs			Beneficiary	ASHA		
2005-06	NA	2344	NA	0.27	0.01	--	0.01	0.26
2006-07	112371	25957	12716	2.50	1.24	0.25	1.49	1.01
2007-08	838481	188310	155887	34.14	22.48	5.27	27.76	6.38
2008-09	902667	253696	204558	42.65	27.47	7.40	34.87	7.78
Total	1853519	470307	373161	79.56	51.20	12.92	64.13	15.43

(Source : SHS and RH/PHCs of test-checked districts) NA : Not Available

Delayed payments and non-payments to JSY beneficiaries

As per guidelines prescribed (October 2006) by GOI, payments to JSY beneficiaries were to be made before their release from the health centres or within seven days of delivery. However, due to non-availability of funds in time in the health units, payments to 97146, out of 470307 (21 per cent) beneficiaries could not be made. Out of Rs 51.20 crore paid to 3.73 lakh beneficiaries during 2005-09, payments of Rs 25.19 crore were made to 182037 beneficiaries after delays of eight to 732 days. Non-payment and delayed payment to beneficiaries defeated the very purpose of the programme to provide post-delivery care to them.

1.1.11.2 Pulse Polio Immunization Programme

The National Pulse Polio Immunization (PPI) programme was launched under RCH II to eradicate polio and ensure zero transmission by the end of 2008. As per an MoU signed (November 2006) with GOI by the State Government, polio free status was to be achieved by March 2008. Polio vaccines are given to children upto the age of five years in different rounds in a year. Pulse Polio workers are required to visit every house so that no child upto the age of five years is left without receiving a polio vaccine dose.

The Financial position of the PPI programme was not available with the SHS. However, the number of polio cases and immunization during 2005-09 in the State and in test-checked districts were as shown in **Table No. 10**

Table No. 10
Performance of Pulse Polio campaign during 2005-09

Year	Number of pulse polio rounds	State level		In test-checked districts	
		No. of children given P.P. vaccines (in lakh)	New cases detected	Number of children given P.P. vaccines (in lakh)	New cases detected
2005-06	11	1621.65	30	261.59	22
2006-07	8	1584.32	61	278.41	74
2007-08	8	2121.51	503	324.26	149
2008-09	8	1616.08	233	532.12	91

(Source: SHS and DHSS of test-checked districts)

New polio cases increased from 30 to 503 during 2005-08 in the State

From Table No. 9, it would be evident that the data provided by the SHS in respect of PP vaccines given in 38 districts and the data provided by the test-checked districts had no correlation. As per information furnished by the SHS, new polio cases detected during 2006-07 were only 61 in the State, whereas in the test-checked districts, the same was 74. This showed that data provided by the SHS was unreliable. In the test-checked districts, 22 new polio cases (State: 30 cases) were detected in 2005-06 which climbed to 149 (State: 503 cases) in 2007-08, showing an increasing trend. This was mainly attributable to the poor cold chain system, resulting in administration of polio vaccine of less potency to the children. The implementation of the programme was not very effective and despite more than 60 rounds of PPI, polio was not eradicated.

1.1.11.3 Routine Immunization

The immunization of children against six preventable diseases, namely tuberculosis, diphtheria, pertussis, tetanus, polio and measles is the cornerstone of routine immunization. As per the National Family Health Survey-III (NFHS-III) (April-June 2006), the level of immunization in Bihar was 32.8 *per cent* against the all India level of 43.5 *per cent* though the level was to be raised to 75 *per cent* during 2008-09. The basis on which targets were fixed to complete the immunization and administration of Vitamin-A was not maintained in any of the test-checked DHSs. The fund position relating to Routine Immunization (RI) was not available with the SHS. No information was available in the SHS in respect of the targets set and actual achievements in the State with regard to administration of Tetanus Toxoid (10) and Diphtheria Tetanus (DT) injection and the number of fully immunized children during 2005-09 though these were required to be compiled by the SHS.

1.1.11.4 Unjustified expenditure on generator : Rs 44.30 lakh

In Bhojpur and Muzaffarpur districts, generator services were outsourced to a private agency since July 2006. The agency was to provide electricity for 24 hours in the health units. Thus, no separate funds were assigned for maintaining the cold chain system. RHs and PHCs of Bhojpur district submitted expenditure of Rs 25.70 lakh whereas in Muzaffarpur district Rs 18.60 lakh was spent. As all the health units were getting power from outsourced generators, extra expenditure of Rs 44.30 lakh on operation of additional gensets was not justified. CS-cum-CMO, Muzaffarpur agreed with the audit observation and ordered (November 2009) the recovery of the extra amount paid for POL from the concerned RHs and PHCs.

1.1.11.5 Cold chain system of immunization

Availability of cold chain facilities at two to eight degrees centigrade was a pre-requisite for preserving the potency of vaccines. The State had a shortage of cold chain equipment and accordingly the SHS used to send requirements for equipment to GOI during 2006-09. The status of requirements sent to GOI and equipment received by the SHS were given in the **Table No.11**:

Table No. 11
Status of equipment received from GOI during 2006-09

Name of equipment	2006-07		2007-08		2008-09	
	Requirement sent to GOI (March 2006)	Equipment received from GOI	Requirement sent to GOI (April 2007)	Equipment received from GOI	Requirement sent to GOI (December 2008)	Equipment received from GOI
(In number)						
Ice Line Refrigerator (ILR):						
Large	50	0	120	0	145	0
Small	100	100	195	0	331	0
Deep Freezer (DF):						
Large	90	0	180	0	214	0
Small	100	40	236	80	363	0
Cold Box: Large	1500	1476	1600	24	5000	0
Small	1000	500	1600	500	2500	500
Vaccine Carrier	15000	7000	38000	1672	50000	5356
Ice Pack	400000	25000	300000	0	500000	111000
Thermometer	800	1014	1000	0	5000	0

(Source: Information furnished by SHS)

As evident from **Table No. 11**, the number of cold chain equipment supplied by GOI was much below the requirement. The SHS never issued any reminders for supply of the required equipment. Besides, belts and covers of 7000 vaccine carriers (valued at Rs 25.13 lakh) supplied by GOI during 2006-07 were found to be defective by the SHS but were not returned to the supplier and were issued (May- June 2006) to districts. The short and defective supply of equipment by the GOI hampered the maintenance of the cold chain system in the State.

The status of the cold chain systems in test-checked districts as of March 2009 was as shown in **Table No. 12**.

Table No. 12
Availability of cold chain equipment

Sl. No.	Name of equipment	Available	Functional	Defective (Percentage)
1	ILR: Large	32	14	18 (56)
	Small	184	108	76(41)
2	DF: Large	51	16	35 (69)
	Small	142	76	66(46)
3	Cold Box: Large	1055	661	394 (37)
	Small	1105	532	573(52)
4	Vaccine Carrier	20290	12930	7360 (36)
5	Ice Pack	153188	123392	29796 (19)
6	Thermometer	422	378	44 (10)

(Source: Data collected from test-checked health centres)

Defective cold chain equipment ranged between 36 and 69 per cent against the norm of two per cent

From the table above, it would be evident that the number of defective cold chain equipment ranged between 10 per cent and 69 per cent (36 per cent to 69 per cent in respect of Sl. Nos. one to four). As per directions (December 2007) of GOI the sickness rate of the equipment at Sl. Nos. one to four was not to be more than two per cent at any point of time and the State was required to organise a one time crash repair programme (special drive) for all the defective cold chain equipment. However, no special drive was organised

by the State as of March 2009. Thus, the SHS failed to ensure preservation of potency of the different vaccines.

1.1.11.6 Physical verification of immunization centres /teams

OPV vials which had already lost their potency administered to children

During joint physical verification conducted by Audit with DHS officials at the district immunization centre in Bhojpur district, it was observed that temperature was not being maintained properly by the guessing method. Further, verification of 32 health units of nine districts²¹ disclosed that in 19 health units of six districts²², the temperature of the Deep Freezers and ILRs containing vaccine vials ranged between 13⁰ C to 22⁰ C against the required temperature of two to eight degree celsius. In two PHCs (Saraiya in Muzaffarpur and Chakia in East Champaran) vaccine vials were found in frozen condition as these were kept between (-) 1⁰ C to (-) 20⁰ C. Similarly, verification in 27 Routine Immunization Centres (RHs: two; PHCs: 18; HSCs: seven) in above six districts²² disclosed that instead of ice, the vaccines were kept in water at normal temperature and immunization was being performed without maintaining vaccine at prescribed temperature.

During joint physical verification of the 21 teams administering polio vaccines to children in two districts (Muzaffarpur and East Champaran), the following was noticed:

In East Champaran, all the 11 pulse polio teams inspected were carrying ice packs inside the vaccine carriers containing water. Two teams were found to be routinely ticking the tally sheets without actually performing vaccination.

In Muzaffarpur, the vaccine vials to be used were available in the outer pockets of the yellow jackets of the volunteers of all the 10 teams inspected. Though the colour of the OPV vial was changed yet vaccines were being administered from these vials.

The increasing trend in new pulse polio cases was mainly attributable to the defective cold chain system and administration of less potency polio vaccines to the children. On this being pointed out, the CS-cum-CMO, East Champaran stated (October 2008) that proper training would be imparted to the person incharge of the cold chain system. The SHS accepted the poor condition of cold chain system and stated that efforts were being made to administer only potent vaccine.

1.1.12 National Programme for Control of Blindness

- With a view to reducing the prevalence of blindness, GOI had launched the National Programme for Control of Blindness (NPCB) in 1976. The main objective of the programme was to provide high quality eye care services to the masses through proper infrastructural (both in institutional capacity and adequate human resources) development. During 2005-08, against the target of establishing 50 vision centres, two eye banks, three

²¹ Bhagalpur (2), Bhojpur (6), Darbhanga (1), East Champaran (4), Gopalganj (4), Kishanganj (1), Muzaffarpur (7), Nalanda (3) and Samastipur (4).

²² Bhagalpur (1), Bhojpur (3), East Champaran (4), Gopalganj (3), Kishanganj (1), Muzaffarpur (7).

eye donation centres and two pediatric ophthalmic units besides collection of 1500 eyes as donation, there was nil achievement. However, an amount of Rs 22.50 lakh released to DHS, Muzaffarpur (March 2007) for upgradation of an eye care unit (Rs 12.50 lakh) and an eye bank (Rs 10 lakh) was lying unspent in a bank account (May 2009).

- Details of targets/achievements in respect of cataract operations in the State during 2005-09 were shown in **Table No. 13**.

Table No. 13
Cataract operations during 2005-09

Year	Target	Target as per norm ²³	Intra cataract care	Intra ocular lens	Achievement	Shortfall against target (in per cent)	Shortfall against norm (in per cent)
2005-06	140000	513256	49273	82587	131860	6	74
2006-07	140000	524625	12420	116644	129064	8	75
2007-08	140000	546264	9767	127918	137685	2	75
2008-09	150000	497988	5152	149665	154817	-	69

(Source : State Health Society, Bihar)

However in the test-checked districts 36386, 40248, 44636 and 49765 cataract operations were carried out during 2005-06, 2006-07, 2007-08 and 2008-09 with a shortfall of 21, 14, seven *per cent* and nil respectively. The achievement improved during 2005-09 because the target was not fixed as per the population norms. Further, in the test-checked districts, no eye surgeon was posted by Government in any RHs against the requirement of one eye surgeon in each RH.

- The programme envisaged screening refractive errors among students and free distribution of spectacles to students having refractive errors. The number of free spectacles issued did not correspond with the number of students having refractive errors. During 2005-06, 2006-07, 2007-08 and 2008-09 only, 406, 262, 821 and 631 spectacles were issued against the total detection of 7145, 4324, 6228 and 8526 cases of refractive errors. Reasons for short distribution of spectacles was not furnished by the SHS, though called for (August 2009).

1.1.13 Kala-azar Elimination Programme

Inadequate DDT spray led to increase in the number of Kala-azar patients

Kala-azar, an endemic vector borne disease is prevalent in 31²⁴ out of 38 districts of the State. It is a slow progressing indigenous disease caused by the parasite of genus *leishmania* and transmitted by sandflies, which are the vectors of the disease. The preventive measure for this endemic disease was Intensive Residual Spray (IRS) of Dicholro Diphenyl Trichloroethane (DDT) in the affected area whereas to prevent the malaria menace, spraying was to be done twice a year (DDT and anti-larvae solution).

²³ 600 cataract operations per lakh population per year. (Population-2005-06: 855.43 lakh; 2006-07: 874.37 lakh; 2007-08: 910.44 lakh; 2008-09: 829.98 lakh).

²⁴ Araria, Arwal, Banka, Begusarai, Bhagalpur, Bhojpur, Buxar, Darbhanga, East Champaran, Gopalganj, Jehanabad, Katihar, Khagaria, Kishanganj, Lakhisarai, Madhepura, Madhubani, Munger, Muzaffarpur, Nalanda, Patna, Purnia, Saharsa, Samastipur, Saran, Sheohar, Sitamarhi, Siwan, Supaul, Vaishali and West Champaran.

In the 10 test-checked districts, it was observed that 41 to 97 *per cent* of villages and seven to 100 *per cent* of municipal bodies were not covered with DDT spray during 2005-09. Besides, only one round of DDT spray was done in six districts²⁵ while in one district (Sheikhpura) not a single round of spray was done (*Appendix 1.1.13*). Further, it was also noticed that against the sanctioned strength of 3289 (under different types of posts), only 712 persons (22 *per cent*) were working which adversely affected the implementation of the programme. These staff members were responsible for looking after the Kala-azar elimination programme.

Table No. 14
Physical performance of Kala-azar elimination programme during 2005-09

Year	Kala-azar cases detected	Medical treatment provided	Death cases reported
2005-06	23383	16825	125
2006-07	29711	23293	162
2007-08	37822	31684	172
2008-09	28489	24177	142
Total	119405	95979	601

(Source : SHS)

From **Table No. 14**, it would be evident that cases of Kala-azar patients and death cases were increasing till 2007-08 after which these were reduced. Due to poor coverage of DDT spray by the State, mortality rate was also increasing till 2007-08. However, the rate decreased in 2008-09 but it does not seem to be sustainable in the absence of preventive measures of spraying DDT in prescribed manner. Further, the State Government decided (2007-08) to provide free medicines, diet and Rs 50 per day towards loss of wages to Kala-azar patients at the hospital. However, during joint physical verification of three health units²⁶, patients suffering from Kala-azar reported that neither cash incentives nor diet had been provided to them. Also, they had to purchase medicines and saline water from the market at their own cost.

The SHS accepted (PIP 2007-09) that due to the huge manpower gap, there was poor surveillance, poor blood slide collection rate and examination of collected blood slides.

1.1.14 Village Health and Sanitation Committees

VHSCs not formed in the State

As per the NRHM framework, all the Village Health and Sanitation Committees (VHSCs) in the State were to be constituted by 2008 in every village within the overall purview of the Gram Panchayat, to be responsible for village level planning and monitoring. However, VHSCs were not formed as of March 2009, in respect of any of the 37741 villages, although Rs 10 crore was received by the SHS for this purpose from the GOI in April 2007. The amount was not utilized as of March 2009. Non-existence of these committees resulted in lack of participation of the village community in planning and monitoring in key areas such as nutrition, sanitation and other public health measures at the grass root level.

²⁵ Bhagalpur, Bhojpur, Darbhanga, Kishanganj, Muzaffarpur and Nalanda.

²⁶ PHC : Keoti and Kanti ; RH : Sakra.

The Department did not provide any reasons for non-formation of VHSCs (September 2009).

1.1.15 Rogi Kalyan Samitis

**Functioning of RKSs
was not effective**

The NRHM guidelines stipulated the formation of Rogi Kalyan Samitis (RKS) for the health centres in RHs and PHCs for effective monitoring and management of health care delivery. These bodies were to regularly review the functioning of health care facilities, fix user charges, decide about the use of funds (grants, user charges, donations etc.) and to suggest appropriate actions to the DHS. These were to be constituted under the Societies Registration Act, 1860 with PRI and community representation.

As per information provided by the SHS, out of 70 RHs and 1641 PHCs (PHC: 398 and APHC: 1243) in the State, RKSs were formed in 52 RHs and 345 PHCs by the end of September 2009. In the test-checked districts, it was however seen that RKS was not set up in four, out of 20 RHs and in 18 out of 122 PHCs. No RKS was formed in any of the 1243 APHCs in the State, though as per guidelines 100 *per cent* RKSs were to be formed by March 2009.

In the test-checked districts, Rs 1.53 crore was released (during 2007-09) by the SHS to DHS. Of that, Rs 1.51 crore was released to RKS of the health units (upto March 2009). During audit, it was noticed that 33 health units of three districts (Bhagalpur, Nalanda and Samastipur) had incurred expenditure of Rs 22.78 lakh. These health units submitted UCs for the same to their respective DHSs (March 2009). For the remaining Rs 1.30 crore, the test-checked DHSs had no UCs (September 2009). Poor utilisation of funds was mainly attributed to ad-hoc functioning of RKSs at health units as periodical meetings were not held and need for utilisation of fund at the disposal of RKSs could not be identified.

During 2006-09, in the test-checked districts, Rs 71.58 lakh was realized as user fees by 112 health units (PHCs: 95 and RHs: 17). The fees realized were lying idle in the bank account of RKSs at the health unit level.

Thus, apathy of the RKS towards use of funds affected the viability of the long term goal of community ownership of the health centres through RKS.

The functioning of the RKS, where formed, was also not very effective as (i) no regular meetings as required under the guidelines were held (ii) review of health care needs of the health units was not done, (iii) neither Citizen Charters was displayed nor redressal of grievances of the community regarding delivery of health care was ensured. Further as per guidelines of the NRHM, a monitoring Committee was to be formed by every RKS. But, the same was not formed in test-checked health units. The RKSs were also not maintaining records on the problems being faced by the patient, complaint received and action taken thereagainst, if any. Thus, the monitoring, management of health care delivery and redressal of patient complaints was ineffective.

1.1.16 Monitoring

Non-formation of monitoring committees, resulted in lack of community participation

It was made compulsory for all hospitals and health centres to prominently display information regarding grants received, medicines and vaccines in stock, the services to be provided to the patients, user charges to be paid etc. Rogi Kalyan Samitis at the health unit level and Village Health and Sanitation Committees at the village level were also to monitor performance of health care units on the basis of systematic information/ feedbacks about community needs. Health Monitoring and Planning Committees were to be formed at Block, District and State levels to ensure regular community based monitoring of activities at respective levels. Further, monitoring through periodic *Jansunwai/ Jansambad* and publication of Public Reports on health both at district and State level was to be done.

It was found that Health Monitoring and Planning Committees at various levels and VHSCs at village level were not formed. Dependable data on the status of public health indicators were not available. No public dialogue (*Jan-sambad*) or public hearing (*Jan sunwai*) were organised as per the guideline of the Mission either at PHC, block and district levels in the test-checked districts. Periodical supervisions by the State and district level functionaries were not conducted. Thus there was absence of effective monitoring at all the levels.

1.1.17 Conclusion

The execution of projects by the State Health Society without the Perspective Plan by specifying the project activities in a critical path resulted in the projects being implemented without adhering to the time schedules. Thus, the SHS could not spend the funds released by GOI, huge amounts were kept in banks and the accounts were not finalised in time.

There were deficiencies in infrastructure facilities and equipment and vacancies of medical and para-medical staff in the Referral Hospitals and Primary Health Centres in the State. Though funds were available, the entitled grants were not released to the health units and payment of cash incentives to lactating mothers under the Janani Suraksha Yojana were not made or made after delays upto 732 days. As a result, the health care services could not be improved upto the desired level as measured against the Indian Public Health Standards.

Recommendations

- Annual Plans and Perspective Plans for the remaining period of the NRHM should be prepared on the basis of proper household and facility surveys.
- Financial management at the State and district levels should be based on the standard accounting procedure envisaged under NRHM.
- The scheduled five modules of training should be provided to ASHAs for effective utilisation of their services.

- Cash incentive programmes like Janani Suraksha Yojana should be strictly monitored to avoid fraudulent payments.
- Constitution of Village Health and Sanitation Committees at the village level should be expedited and the Rogi Kalyan Societies should be activated.

RURAL WORKS DEPARTMENT

1.2 MUKHYA MANTRI GRAM SADAK YOJANA

Highlights

The Government of Bihar launched a new scheme viz. the Mukhya Mantri Gram Sadak Yojana in June 2006 for providing rural connectivity through all-weather roads to small villages and habitations of population between 500 and 999 which were not being covered under the Pradhan Mantri Gram Sadak Yojana. This scheme was aimed at boosting the rural economy by facilitating marketing for agriculture produce. Audit revealed delays in selection of roads as well as in other formalities like tendering and issuing of work orders. The utilisation of funds was poor, mainly due to lack of competent contractors, multi-allotments of work, procedural delays etc. Quantities and quality of material as per prescribed specifications were not ensured. Regular monitoring by higher authorities and the District Steering Committee was inadequate. Due to the above facts, the basic purpose of early connectivity through the scheme could not be achieved. The major findings of the review are as under:

Incorrect selection of 72 roads under the Mukhya Mantri Gram Sadak Yojana was done in violation of the guidelines for selection and prioritisation of the road works.

(Paragraph 1.2.6)

Government provided adequate budget allocation of Rs 1339.14 crore for the scheme. However, the expenditure ranged between 10 and 47 per cent as compared to the funds available with the Bihar Rural Road Development Agency during 2006-09.

(Paragraph 1.2.7)

Against 982 roads in the State during 2006-08, for which agreements valuing Rs 1723.90 crore were executed, only 392 (40 per cent) roads could be completed as of March 2009. No new work was taken up out of the works selected for 2008-09.

(Paragraph 1.2.8.1)

There were procedural delays of up to 33 months at various stages from administrative approvals to execution of works.

(Paragraph 1.2.8.2)

The allotment of more than one work to the same contractor without proper scrutiny and non-adherence to the compensation clauses of agreements led to delays in execution of road works.

(Paragraphs 1.2.8.3 and 1.2.8.4)

Correctness of quantities and specification of material used in the constructions of roads as per the agreements were not ensured.

(Paragraphs 1.2.9.2)

Quality monitors for the scheme were not appointed either at the district level or at the State level to ensure quality of work.

(Paragraphs 1.2.10)

Periodical monitoring by higher authorities was not done to ensure timely progress of the scheme and quality of works.

(Paragraphs 1.2.11)

1.2.1 Introduction

Rural road connectivity is a key component of rural development in India and an effective tool for poverty alleviation. In Bihar, 75 per cent of the habitations are unconnected and the Centrally sponsored scheme of Pradhan Mantri Gram Sadak Yojana (PMGSY) covers only villages having populations of 1000 and above. Therefore, the department launched a new scheme, the Mukhya Mantri Gram Sadak Yojana (MMGSY) in June 2006 for providing rural connectivity through all-weather roads to small villages and habitations of population between 500 and 999 from State funds. The scheme aimed at improving rural connectivity, boosting rural economy, obtaining remunerative prices for agriculture produce and also providing better connectivity for better banking, transport, education and medical facilities to the rural populace.

1.2.2 Organisational set-up

The Secretary, Rural Works Department (RWD) is responsible for implementation of the scheme. He is assisted by an Engineer-in-Chief, three Chief Engineers (CEs), 10 Superintending Engineers (SEs) and 45 Executive Engineers (EEs) at the division level (*Appendix 1.2.1*). At the district level, there are District Steering Committees (DSC) headed by the Ministers, with the District Magistrate (DM) as Member Secretary. The committee is responsible for selection, periodic supervision and monitoring of the scheme. The execution of the scheme is to be done by the divisions of RWD.

1.2.3 Scope of Audit

The performance audit of the scheme was conducted for the period 2006-09 through test check of records at the Secretariat and offices of two CEs. In addition, 12¹ districts covering 17 RWD (Works) divisions² out of 45 divisions in which the scheme was implemented were selected for audit. The divisions to be test-checked were selected randomly taking into consideration geographical locations and expenditure incurred. Issues related to planning, execution, quality control, monitoring etc. were also scrutinised during audit.

¹ Aurangabad, Bhojpur, East Champaran, Jehanabad, Kishanganj, Madhubani, Munger, Nalanda, Samastipur, Saran, Supaul and Vaishali.

² Ara (Bhojpur), Aurangabad (Aurangabad), Benipatti (Madhubani), Biharsharif (Nalanda), Chapra (Saran), Dhaka (East Champaran), Hajipur (Vaishali), Hilsa (Nalanda), Jehanabad (Jehanabad), Jhanjharpur (Madhubani), Kishanganj (Kishanganj), Madhubani (Madhubani), Motihari (East Champaran), Munger (Munger), Rosera (Samastipur), Samastipur (Samastipur) and Supaul (Supaul).

1.2.4 Audit objectives

The audit objectives were to assess:

- whether proper planning and surveys were conducted for selection of roads as per the guidelines adopted by the Rural Works Department;
- whether financial management was adequate and efficient;
- whether the quality control measures adopted were as envisaged in the guidelines and
- whether an effective monitoring system was in place

1.2.5 Audit criteria and methodology

Audit assessed the implementation of the scheme on the basis of the following criteria:

- guidelines issued by RWD for implementation of the scheme;
- Rural Roads Manual;
- provisions of the Bihar Public Works Account (BPWA) Code, the Bihar Public Works Departmental (BPWD) Code, the Bihar Treasury Code (BTC) etc. and
- the instructions issued by RWD from time to time regarding execution of road works.

Audit was conducted between February and August 2009. The audit methodology included the collection of documentary evidence from the test-checked offices and analysis of information collected from RWD. The audit objectives and audit criteria were discussed with the Secretary, RWD in an entry conference held in August 2009. Major audit findings were discussed during the exit conference held on 9 December 2009. The replies and views of RWD have been incorporated at appropriate places.

Audit Findings

1.2.6 Planning and selection of roads

The guidelines for the implementation of the scheme were issued by RWD in June 2006. The planning process was to start from preparation of proformae 'Ka' and 'Kha' (*Appendix 1.2.2*) by RWD. These were to be prepared after conducting a survey by the RWD Works Divisions. This survey was to incorporate details of villages which were already connected by all-weather roads and those which were not connected and were likely to be taken up under the scheme. These proformae were to include information like population, physical status of existing roads etc. The RWD was to prepare district-wise and block-wise lists of those villages which remained unconnected by all-weather roads and where the population of villages/tolas was between 500 and 999 (as per census 2001). The block-wise lists were to be handed over to the respective Block Development Officers (BDOs) and other related officers for verification. After verification of the lists by the BDOs, a comprehensive district level list was to be forwarded to RWD. The

RWD in turn, was to prepare a consolidated State level list and forward it to the concerned districts. While proposing new roads, selection was to be made on the basis of general population (70 marks), SC/ ST population (20 marks) and length of the proposed road from the unconnected village to the existing road (10 marks) (**Appendix 1.2.3**). A priority list of all such roads which had at least 70 marks was to be finalised by the DSC. Any deviations from the scheme guidelines required prior approval of the Chief Minister.

Selection of roads were made in violation of the scheme guidelines

Scrutiny (February 2009 to August 2009) of records of 12 out of 38 districts for the period 2006-09 relating to selection of roads disclosed the following:

- District level priority lists were not prepared in four test-checked districts³ for the period 2006-08 by RWD. Instead, an Assembly constituency-wise priority list was prepared and selection of 38 roads was made exclusively on the recommendations of the MLAs/MLCs.
- Thirty eight roads⁴ were taken up during 2006-07 for execution from outside list submitted to DSC by RWD.
- In contravention of the guidelines, 34 roads⁵ with less than 70 marks were selected by DSC during the period 2006-08, while 83 roads⁶ with marks more than 70 were not selected.
- Proformae 'Ka' and 'Kha' were not prepared in Aurangabad District by RWD and there were no supporting records showing the basis of the marks allotted.
- As per orders (August 2006) of the Secretary, RWD with regard to the time frame circulated for implementation of MMGSY, the meetings of DSCs were held in time in 2006 for selecting roads for 2006-07. However, in 2007-08, the meetings for selection were held only in the last quarter of the year (January and February 2008) in two divisions⁷ and no meetings were held in Aurangabad and Munger, which delayed the overall process of execution of work. The meetings for selection of roads for the year 2008-09 were held only in five districts (Aurangabad, East Champaran, Madhubani, Nalanda and Saran). No meetings were held in the remaining seven districts. The procedure for holding DSC meetings for 2007-08, were to be completed by June 2007. However this was completed by February 2008. Meanwhile the other activities were not completed within stipulated time frame during 2007-08. On the other hand the selection process for eight districts⁸ for the year 2008-09 was not completed.

³ *Munger, Nalanda, Samastipur and Vaishali.*

⁴ *Jehanabad: 33 (2006-07: 20, 2007-08: 13) and Nalanda: 5 (2006-07: 1, 2007-08: 4)*

⁵ *Bhojpur: 17 (2006-07: 05, 2007-08: 12), East Champaran: 6 (2006-07: 01, 2007-08: 05), Munger: 2 (2006-07: 2), Samastipur: 8 (2006-07: 2, 2007-08: 6) and Vaishali: 1 (2006-07: 1).*

⁶ *Bhojpur: 14 (2006-07: 14), East Champaran: 7 (2006-07: 6, 2007-08: 1) Jehanabad: 33 (2006-07: 33), Nalanda: 25 (2006-07: 9, 2007-08: 16), Samastipur: 4 (2006-07: 2, 2007-08: 2).*

⁷ *Kishanganj and Supaul.*

⁸ *Bhojpur, East Champaran, Jehanabad, Kishanganj, Munger, Samastipur, Supaul and Vaishali.*

Therefore, selection of roads was made in violation of the scheme guidelines during 2006-08. The EEs stated (March to August 2009) that these violations were made under pressure from public representatives. Resultantly, roads having lower priority were selected while roads with higher priority were ignored violating the basic objective of the scheme.

The department accepted (December 2009) the irregularities in selection of roads and stated that all the DMs would again be advised to follow the rules and procedures as per the guidelines.

1.2.7 Financial management

The implementing divisions failed to utilise the available funds

Funds for implementation of the scheme were to be made available to RWD through the State budget. RWD was to transfer the budgetary allocations to the Bihar Rural Road Development Agency (BRRDA) in the shape of grants-in-aid. The amounts were to be kept in a bank account maintained at BRRDA and were to be made available to various RWD Works divisions responsible for implementation of the scheme as per the funds earmarked by the department for each district. The BRRDA was to issue withdrawal limits and the authorised signatories were to draw the amounts through cheques for the value of work done by different agencies. The authority was to be issued as per the requirements placed by the divisions on BRRDA.

The budgetary allocations, availability of funds with BRRDA and RWD divisions along with expenditure thereagainst for the years 2006-07 to 2008-09 are as shown in **Table No. 1**.

Table No. 1
Budget allocations and funds transferred to BRRDA

(Rupees in crore)

Year	Budget allocation		Funds transferred to BRRDA		Funds available with BRRDA	Funds transferred to divisions as per requirement	Opening balance with Division	Funds available with Division	Expenditure (Per cent w.r.t to col. 4)	Balance with Division (Col. 9-10)	Balance with BRRDA (Col. 6-7)
	Amount	Month	Amount	Month							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
2006-07	300.00	November 2006	300.00	November 2006	300.00	150.00	0.00	150.00	29.35 (10)	120.65	150.00
2007-08	566.12	August 2007 September 2007 March 2008	566.12	September 2007 October 2007 March 2008	716.12	338.26	120.65	458.91	339.35 (47)	119.56	377.86
2008-09	473.02	June 2008 October 2008	473.02	July 2008 October 2008	850.88	232.05	119.56	351.61	285.72 (34)	65.89	618.83
Total	1339.14		1339.14			720.31		960.52	654.42 (49)		

(Source : RWD and BRRDA)

The budget allocation of Rs 1339.14 crore during 2006-09 was transferred to BRRDA, against which Rs 654.42 crore (49 per cent) was spent as of March 2009. The expenditure with respect to the funds available with BRRDA during 2006-09 ranged between 10 to 47 per cent. **Table No. 1** shows that Rs 866.12 crore allocated during 2006-08 could not be fully utilised.

The above position indicates that though adequate budgetary provisions were made by the State Government, the implementing divisions failed to utilise the funds within the prescribed timeframe resulting in the large unspent balance of Rs 684.72 crore.

Expenditure against the total budgetary allocation was only 54 per cent during 2006-09

The availability of funds during 2006-09 and the expenditure incurred (**Appendix 1.2.4**) revealed that against allotted funds of Rs 458.76 crore to 17 test-checked divisions, Rs 265.36 crore was released by BRRDA and expenditure thereagainst was Rs 247.71 crore (93 per cent). However, the expenditure against the budgetary allocation was only 54 per cent as detailed in **Table No. 2**.

Table No. 2

(Rupees in crore)

Year	Budget allocation	Expenditure	Percentage w.r.t. Budget allocation
2006-07	102.01	15.35	15
2007-08	195.90	133.24	68
2008-09	160.85	99.12	62
Total	458.76	247.71	54

Thus, despite availability of adequate funds with the department in time, the implementing divisions failed to utilise the funds. The reasons for under-utilisation of funds were inordinate delays in finalisation of tendering formalities, allotment of several works to the same agency in violation of codal provisions, non-enforcement of penalty clauses in agreements, lack of competent contractors/agencies etc. The department accepted (December 2009) the audit observations.

1.2.8 Programme Implementation

1.2.8.1 Physical achievement of the works

As per the guidelines of the scheme, the roads costing thrice the earmarked funds were to be selected in the first phase during 2006-07. In the next phase, roads costing twice the earmarked funds were to be selected during 2007-08.

The year-wise budgetary allocations, amounts of administrative approvals, agreement values, number, length, expenditure and physical status of the roads for the entire State and for the test-checked divisions during the period 2006-09 are shown in **Table No. 3**

Table No. 3
Roads taken up and physical progress of roads as of March 2009

Year	Position relating to	Budget allocation	Administrative approval	Roads test-checked		Roads taken up			Expenditure	Physical progress (in km)			No. of roads completed (per cent)
				No. of roads	Length (in Kms)	Agreement value	Length (in Kms)	No. of roads		Sub base	Base	Surface	
2006-07	State	300.00	897.89	790	2646.13	882.67	2630.558	789	576.04	2337.115	2148.402	1366.909	378 (48)
	Test-checked divisions	102.01	301.10	259	941.79	281.97	907.068	259	214.33	812.847	763.97	564.727	150 (58)
2007-08	State	566.12	773.24	592	1682.70	841.23	571.140	193	77.81	354.384	194.775	70.299	14 (7)
	Test-checked divisions	195.90	238.04	224	622.93	95.52	225.64	83	33.18	161.03	119.64	41.600	9 (11)
2008-09	State	473.02	69.06	82	178.57	0.00	0.000	0	0	0	0	0	0
	Test-checked divisions	160.85	0.00	0	0	0.00	0.000	0	0	0	0	0	0
Total	State	1339.14	1740.19	1464	4507.40	1723.90	3201.698	982	653.85 ⁹	2691.499 (84)	2343.177 (73)	1437.208 (45)	392(40)
	Test-checked divisions	458.76	539.14	483	1564.72	377.49	1132.708	342	247.51	973.877 (86)	883.612 (78)	606.327 (54)	159 (46)

(Source: RWD and test-checked divisions)

Administrative approvals accorded for construction of roads were less than the requirement as per the scheme guidelines

Analysis of data in **Table No. 3** reveals that against the total budgetary allocation of Rs 300 crore, administrative approvals for Rs 897.89 crore was accorded during 2006-07. However, contrary to the guidelines which specify that administrative approvals of twice the budget allocation were to be made in the second and third years, administrative approvals of only Rs 773.24 crore were accorded during the year 2007-08 against the required Rs 1,132.24 crore. In 2008-09, against the requirement of Rs 946.04 crore, administrative approvals for only Rs 69.06 crore were given. Administrative approvals for less roads affected the process of preparation of estimates, technical approval and tendering.

In the State, only 40 per cent roads were completed

Against 982 roads in the State during 2006-08, for which agreements were executed for Rs 1723.90 crore, only 392 (40 per cent) roads were completed as of March 2009. However, in the test-checked districts, against the target of 342 roads valued at Rs 377.49 crore during 2006-08, only 166 (49 per cent) roads could be completed as of March 2009.

As far as the number of roads completed under the scheme during 2006-08 in the State and in the test-checked districts was concerned, only 452 roads and 165 roads respectively were completed up to June 2009. This was due to delays in the selection process, completion of tendering formalities and issue of work orders as also the lack of capable contractors.

The total length of roads taken up for the State was 3201.69 km, of which completed works of sub-base, base and surface up to March 2009 was 84, 73 and 45 per cent respectively.

⁹ The difference of Rs 0.57 crore and Rs 0.20 crore in the expenditure figures of the State and test-checked districts was due to expenditure on surveys and contingency.

No works could be carried out on the roads to be taken up during 2008-09 due to delays in the selection process in all the districts. However, in the test-checked districts, against the total length of 1132.708 km of roads, the work of sub-base, base and surface stood at 86, 78 and 54 *per cent* respectively during 2006-08.

Scrutiny of 147 (*Appendix 1.2.5*) out of 342 roads taken up by 17 divisions revealed that only 78 roads were completed as of March 2009. The reasons for delay in completion as analysed by Audit were as follows:

1.2.8.2 Delays in preparation of project reports and selection of roads

Secretary, RWD issued (August 2006) instructions detailing a time-bound programme for the implementation of the scheme right from the selection of roads to completion of the works. Accordingly, the preparation of proforma 'Ka' and 'Kha' by RWD, verification and certification of data by the respective BDOs and holding of DSC meetings for selection of roads were to be completed by 20 August 2006. The preparation of Detailed Project Reports (DPRs) was to be completed by 31 August 2006. Technical sanctions and administrative approvals were to be accorded by the DMs/Commissioners latest by 15 September 2006 and the works were to be started by the end of October 2006. The targets for completion of works up to Rupees one crore and works costing more than Rupees one crore were fixed as 15 March 2007 and 15 June 2007 respectively.

**Works Divisions
failed to act as per
the time frame set by
the Rural Works
Department**

However, it was observed that in nine out of the 12 test-checked districts, although meetings of DSCs for selection of roads for the year 2006-07 were held in time, there were delays of two to 27 months in according administrative approvals, which resulted in delayed commencement of works from two to 33 months. Thus, the RWD Works divisions failed to act as per the prescribed timeframe of the department, due to which 102 roads (*Appendix 1.2.6*) taken up for 2006-07, remained incomplete as of August 2009.

The department stated (December 2009) that since this was a new programme, many of the early teething problems were being sorted out and the programme was expected to perform better than earlier. However, instead of improvement with passage of time, even meetings of DSCs could not be held in 2008-09 to finalize the selection of roads to be taken up under the scheme.

1.2.8.3 Allotment of more than one work to the same contractor

As per clause 23 of the Notice Inviting Tenders (NIT), more than one work could be allotted to a contractor only if the earlier allotted work was completed or its progress was satisfactory. As per the NIT, even technical bids of the contractors which could not fulfill these criteria, were not to be considered at the time of opening of bids.

Two to 10 works were allotted to 23 contractors during 2006-08 in violation of the norms

Scrutiny of records relating to finalization of tenders revealed that in eight¹⁰ out of 17 test-checked divisions, two to 10 works were allotted to 23 contractors during 2006-08 in violation of the norms. A total of 79 works valued at Rs 105.95 crore were allotted to these 23 contractors. Out of these, agreements for 51 works were executed between February and August 2007. All these 79 works were to be completed within nine months from the date of commencement. However, due to allotment of works beyond the capacity of the contractors, 56 of these 79 works valued at Rs 86.59 crore remained incomplete after spending Rs 55.46 crore as of August, 2009 (*Appendix 1.2.7*). The audit observation was accepted by the EEs of all the eight test-checked divisions.

The department accepted (December 2009) the audit observations and stated that allotment of more than one work to the same contractor as well as lack of capable contractors were among the main reasons for delay in implementation of the scheme. Thus, due to non-adherence to the provisions of the NIT, the execution of work was delayed by more than two years, which defeated the basic objective of providing early connectivity.

1.2.8.4 Undue aid to contractors

Clause 2 of the agreements executed with the contractors provided that if a contractor did not execute a work within the stipulated period, half *per cent* of the estimated cost of work would be deducted as compensation for each day of delay, subject to a maximum of 10 *per cent* of the estimate. This clause was included in the agreements to compel the contractors to execute the works in time.

Penalty for delays in completion of works was not recovered

However, scrutiny of the records of the divisions revealed that in seven out of 17 test-checked divisions¹¹, none of the 37 works was completed within the stipulated date of completion i.e. August 2007 to June 2008. In spite of this, the EEs failed to deduct Rs 4.47 crore on account of compensation/penalty (*Appendix 1.2.8*) for delays in completion of works and thus, provided undue aid to contractors.

The department stated (December 2009) that the EEs were expected to adhere to the agreement clause but they also had to think about the interest of work. The department also stated that all executing agencies would be suitably advised on this issue. The reply is not acceptable as this penalty clause was made a part of the agreements in the interest of completion of the works in time.

¹⁰ Aurangabad, East Champaran, Jehanabad, Madhubani, Munger, Nalanda, Rosera and Samastipur.

¹¹ RWD Works Division, Benipatti (Rs 0.45 crore), Biharsharif (Rs 0.82 crore), Dhaka (Rs 0.69 crore), Hilsa (Rs 0.44 crore), Madhubani (Rs 1.00 crore), Rosera (Rs 0.62 crore) and Samastipur (Rs 0.44 crore).

1.2.9 Execution of works

During test-check of records relating to 147 out of 342 roads under the 17 test-checked divisions, the following irregularities were noticed:

1.2.9.1 Non-adherence to prescribed specifications

As per guidelines of the scheme, specifications prescribed in Indian Road Congress: SP: 20 - 2002 (specifications for rural roads) were to be followed in construction of roads under this scheme. During scrutiny of estimates, agreements, measurement books (MBs) etc., it was noticed that the prescribed specifications were not followed during the execution of road works as explained below:

WBM was covered by surfacing with delays between three months to over one year against the prescribed specifications

(A) As per clause 8.5.1 (d) of IRC : SP : 20 - 2002, in the case of WBM, the base course (WBM) was to be provided with bituminous surfacing and the latter was to be laid after the WBM course was completely dry and primed before allowing any traffic on it. Scrutiny revealed that WBM works of 23 roads valued at Rs 4.41 crore in five out of 17 test-checked divisions were executed between June 2007 and August 2008, but bituminous surfacing work worth Rs 5.85 crore was carried out with delays ranging between three months to one year (*Appendix-1.2.9*).

Due to surfacing being done late, the quality of roads remained poor. The EEs accepted (March to August 2009) the audit observation and stated that the delays were mainly due to the steep rise in the cost of bitumen. The reply is not satisfactory as the works were not executed as per the prescribed specifications and voids as well as uneven surfaces were also seen during joint physical verification carried out during February to August 2009.

(B) As per clause 8.7.1 of IRC: SP: 20 – 2002, the prime coat is a spray application of low viscosity liquid bituminous material on top of the topmost granular layer of the base course. The prime coat provides adhesion or bond between the granular base and the bituminous layer, ultimately water proofing the surface of the base by inter-connected voids.

Agreements on seven roads were executed without the provision of prime coat and seal coat in the estimate

During scrutiny of records of RWD Works Division, Biharsharif, it was observed that agreements for seven roads were executed (February to May 2007) without the provision of prime coat and seal coat in the estimate and no justification for the same was given in the technical sanction by the CE. The tack coat was applied directly on the WBM surface and premix carpet was not covered by the seal coat. Thus, expenditure of Rs 4.93 crore¹² incurred on execution of seven roads was not as per the provisions of IRC: SP: 20 - 2002.

The EE stated (July 2009) that the estimates were approved by higher authorities and that the work had been executed as per the approved estimate. The reply is not satisfactory because no justification was provided for

¹² 65f₂/2006-07 : Rs 0.93 crore, 82f₂/2006-07 : Rs 0.42 crore, 1f₂/2007-08 : Rs 0.84 crore, 3f₂/2007-08 : Rs 0.94 crore, 5f₂/2007-08 : Rs 0.45 crore, 8f₂/2007-08 : Rs 0.49 crore, 9f₂/2007-08 : Rs 0.86 crore.

adopting higher specifications. It was also observed during audit that the estimates had been prepared by the EEs and sanctioned by the SE and the CE. Thus, the EEs as well as the CE and SE were responsible for execution of work in violation of provision of IRC : SP : 20 - 2002.

1.2.9.2 Quantity and specification of material not ensured

Rupees 14.79 crore was paid without verification of the details of material brought from quarries

As per Rule-28 of the BPWA code and special conditions of the agreement, bills relating to procurement of material such as stone metal, sand etc. used during executing works were required to be supported by M and N forms¹³ along with challans, duly verified by the respective District Mining Officers. These documents aimed to ensure the correctness of quantity and specification of material as per the agreements and also to ensure that the materials were brought from specified quarries as per the approved lead plan. The above documents were required to be attached to the bills for payment.

Scrutiny disclosed that the aforesaid procedure was not being followed in any of the test-checked divisions. The bills were passed after deducting royalty from the running account bills but the 'M' or 'N' forms, challans, vouchers were not submitted by the contractors. In the absence of the required documents, payment of Rs 14.79 crore on account of cost of material was irregular (*Appendix 1.2.10*).

The EEs accepted (August 2009) the audit observations and assured that adoption of this provision would be ensured in future. The department accepted (December 2009) that payments to contractors had been made before verification of M and N forms.

1.2.9.3 Irregular payment

As per the special conditions of the agreement, contractors should produce copies of challans of bitumen within 48 hours to the divisions in support of the quantities of bitumen lifted from the oil companies.

Payment of Rs 0.21 crore for 92.56 MT bitumen was made without verification of challans

Scrutiny of records relating to execution of bituminous work on nine roads pertaining to four divisions¹⁴ revealed that against 400.907 MT bitumen required and shown as used in the Measurement Books, the divisions could produce challans for only 308.35 MT (*Appendix 1.2.11*). Thus, payments for 92.56 MT bitumen amounting to Rs 0.21 crore were made without verification of challans.

The EEs stated (April to August 2009) that bitumen was borrowed from other work sites. The reply is not acceptable as no records were available in the division to support the fact that bitumen was borrowed from other work sites. The department stated (December 2009) that running payments were made to contractors as per the agreements to ensure the progress of work and the challans were obtained during the final bills. Therefore, such discrepancies

¹³ Form 'M' is an affidavit of the contractor for lifting of minor minerals from authorised quarries/sellers and form 'N' contains details of minor minerals issued by authorised quarries/sellers.

¹⁴ Ara, Hilsa, Kishanganj and Supaul.

could occur during intermediate stages. However, the department issued detailed instructions to all the divisions to take special care on these matters and not to repeat the above discrepancies in future. Challans should have been submitted to the divisions by the contractors within 48 hours of the lifting of the bitumen from the oil companies as per the special conditions of the agreement.

1.2.10 Independent quality test not ensured

The three-tier monitoring mechanism as envisaged in the scheme guidelines was not ensured

The scheme guidelines provided for three-tier quality testing to ensure the quality of material used and works executed. The first level of quality tests were to be carried out by the division with equipment provided by the contractor. District Quality Monitors and State Quality Monitors consisting of a group of retired Engineers and experts were to be appointed by the department. In the 17 test-checked divisions, only two contractors out of 45 had provision for testing facilities. In other cases, the quality tests were being done by Regional Soil Investigation Divisions. However, the results of these quality tests were not being made available to the divisions before they took up the works. In five out of 17 test-checked divisions, the reports were found to be incomplete in respect of remarks and signatures of the competent authorities. Scrutiny, however, showed that no Monitors were appointed either at the district or the State levels to ensure quality of work.

The department accepted (December 2009) that Quality Monitors for implementation of the scheme had not been appointed and stated that the setting up of district laboratories and 11 circle laboratories with adequate equipment and manpower was in progress.

Thus, the three-tier monitoring mechanism as envisaged in the scheme guidelines to ensure the quality of material used could not be ensured.

1.2.11 Monitoring

Monitoring by higher authorities such as CE/SE/DM and DSC was inadequate

Regular monitoring is a key factor for effective and efficient implementation of any scheme. As per the guidelines of the scheme, periodical monitoring¹⁵ by EE, SE and CE and DSC was to be done to ensure timely progress and quality of work. It was also obligatory for the EE to see whether the component of work had been executed as per the work plans submitted by the contractors at the time of the agreements.

No inspection reports were made available to Audit at the division level. However, the SE, RWD Circle, Muzaffarpur and Darbhanga provided four inspection reports. The reports contained deficiencies such as inadequate compaction of earthwork, defects in granular subbase etc. However, no compliance reports were made available either in the test-checked divisions or in the Muzaffarpur and Darbhanga Circle. Similarly, the DM, Supaul located the use of Grade-II bricks instead of Grade-I during inspection of Durgasthan-

¹⁵ At least three inspections were to be carried out by EE/SE/CE, two during execution of work and one after completion of work.

Bellapatti Road but no report regarding the action taken was available with the division. Inspection registers were also not maintained at any work site.

The DSCs were required to meet regularly to maintain the quality and progress of work of the department. The DSCs of Ara, Madhubani, Samastipur and Nalanda reviewed (October 2007 to January 2009) the progress of works under the scheme and expressed their dissatisfaction over the slow progress of works taken up during 2006-07 and inadequate provisions in the DPR of Madhubani. Adverse observations for specific roads were given by the DSC in Hilsa (Nalanda). However, the compliance reports of these observations were not submitted by the divisions. Only RWD Works Division, Madhubani revised the DPR in view of the observations of DSC. In case of other eight test-checked districts, though DSCs were set up, no review work was carried out. Thus, monitoring of implementation of the scheme was inadequate and the divisional authorities were not sincere in taking corrective action on the deficiencies pointed out by the concerned authorities.

1.2.12 Conclusion

The construction of roads under the Mukhya Mantri Gram Sadak Yojana could not be started on time as prescribed by the Government despite the availability of funds, mainly due to delays in selection of roads and procedural delays in completion of the various stages right from issuing of the tender to finalising work order. A total number of 72 roads were selected which were beyond the scope of the scheme guidelines. Utilisation of funds was only 54 *per cent* of the budget allocation and completion of roads selected during 2006-07 and 2007-08 was only 48 and seven *per cent* respectively. No work selected for 2008-09 was taken up. The reasons for non-completion of road works were multiple allotments of the work to the same contractors and non-recovery of compensation as per the clause of the agreements. The quantity and quality of material as per the prescribed specifications were not ensured while executing the works. The quality test mechanism as envisaged in the guidelines was not followed. Monitoring by higher authorities and the District Steering Committee was inadequate. Thus, the scheme could not fully achieve the target of providing rural connectivity.

Recommendations

- The procedure adopted for selection of roads should be expedited and District Steering Committee meetings should be held in time to avoid delay.
- Allotment of more than one work to the same agency should be avoided to ensure timely completion of the works.
- Setting up a tools and plant bank as done by the Road Construction Department should be considered for timely completion of roads.
- The department should ensure adherence to the prescribed specifications in execution of the road works.
- Quality testing facilities should be made available in each district.

- All records relating to inspections/monitoring along with compliance report on corrective actions should be maintained at the appropriate level and reviewed regularly.

PLANNING AND DEVELOPMENT DEPARTMENT

1.3 RASHTRIYA SAM VIKAS YOJANA

Highlights

Government of India introduced the Backward Districts Initiative under the Rashtriya Sam Vikas Yojana in 2003-04 for addressing the problems of low agricultural productivity and unemployment and to fill up the critical gaps in physical and social infrastructure. Under the scheme, Rs 15 crore per year per district was to be released by it for three consecutive years. In Bihar, the scheme was implemented in 21 backward districts. The implementation of the scheme suffered due to thin spreading of resources, delays in execution of works and inadequate monitoring.

Due to inclusion of too many sectors with large numbers of schemes in the District Plans, 18 to 72 per cent of the schemes were not implemented.

(Paragraph 1.3.4.1)

Out of Central assistance of Rs 922.50 crore, Rs 724.43 crore (77 per cent of allocation) was spent up to March 2009.

(Paragraph 1.3.5.1)

Release of funds was delayed by the State from 27 to 121 days and from districts to executing agencies by seven to 144 days, causing slow progress of work.

(Paragraph 1.3.5.2)

There were delays of 11 to 463 days in execution of agreements and in 68 cases agreements were not signed even after delays of 685 to 1038 days.

(Paragraph 1.3.6.1)

Evaluation of the scheme was not done at any stage to assess its impact and take corrective measures.

(Paragraph 1.3.7.1)

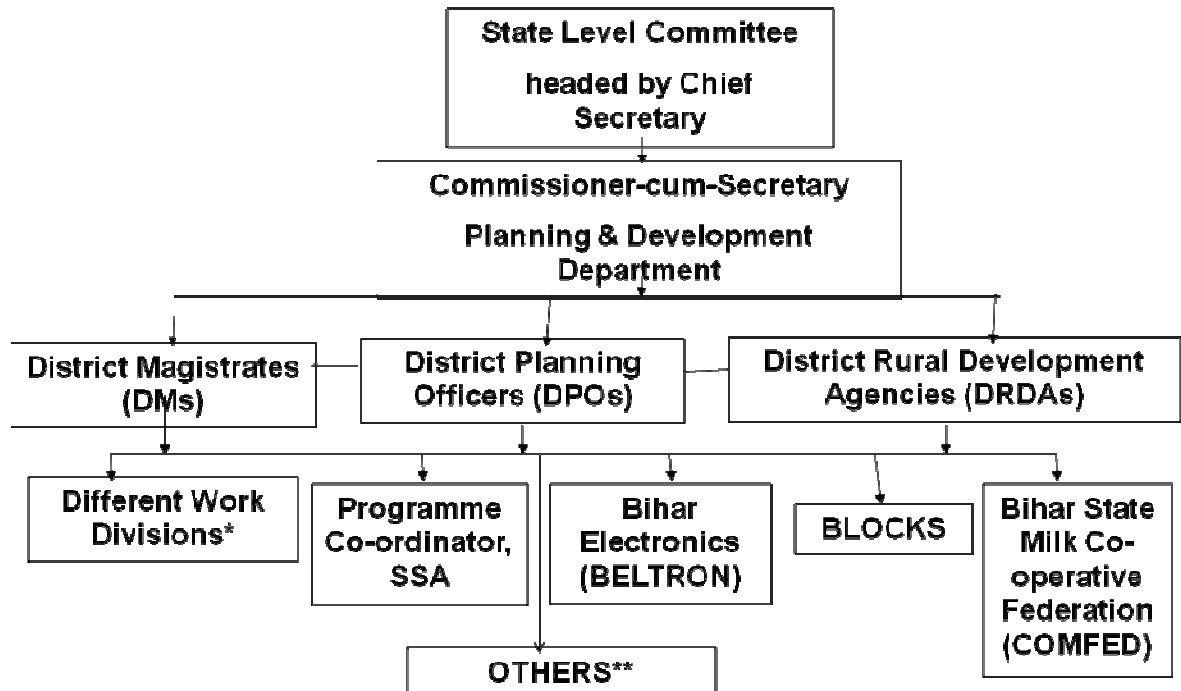
1.3.1 Introduction

Government of India (GOI) introduced the Rashtriya Sam Vikas Yojana (RSVY) to address the problems of low agricultural productivity and unemployment as well as to fill up the critical gaps in physical and social infrastructure in backward districts. RSVY aimed at focused development programme for backward areas, which would help to reduce imbalances and speedup development and improve the quality of life of people. In Bihar, the scheme was implemented in 21 backward districts from 2004-05 (*Appendix 1.3.1*). The identification of the districts was based on a backwardness index comprising the value of output per agricultural worker, the agriculture wage rate and the percentage of SC/ST population of the districts.

1.3.2 Organisational set-up

An Empowered Committee chaired by Secretary, Planning Commission approves the Annual Action Plans and monitors the progress of the scheme. The Principal Secretary, Planning and Development Department (department) was responsible for implementation of the scheme. Organisational set-up for implementation of RSVY is shown below:

Organisational set-up for RSVY



* Bagmati Division, Building Construction Division (BCD), Electric Works Division (EWD), Minor Irrigation Division (MI), National Rural Employment Programme Division (NREP), Public Health Engineering Division (PHED), Road Construction Division (RCD), Rural Works Division (RWD)

** Child Development Project Officer (CDPO), District Agriculture Officer (DAO), District Animal Husbandry Officer (DAHO), District Education Officer (DEO), Nagar Nigam (NN), Nagar Panchayat (NP), Krishi Vigyan Kendra (KVK), Society for Rural Industrialisation (SRI)

1.3.3 Audit scope and methodology

Records relating to the RSVY scheme were test-checked during May to November 2008 and May to August 2009 in the Planning and Development Department, offices of the Divisional Commissioners, District Planning Officers and DRDAs in seven¹ test-checked districts, 31 works divisions² and 41 other executing agencies³ for the period 2004-2009.

Audit Findings

1.3.4 Planning

A State Level Steering Committee (SLC) headed by the Chief Secretary was responsible for approval of the District Plans by the Planning Commission. As per RSVY guidelines (Paras 3.4 and 4.1) a three-year Master Plan along with District Annual Action Plans, were to be prepared by District Committees headed by District Magistrates (DMs). The District Plans were to be prepared based on SWOT⁴ analysis of the ongoing schemes and after identification of three to four lead sectors requiring focused attention, for which funding from the available sources were not sufficient. The scheme envisaged people's participation and involvement of other stakeholders viz. Panchayati Raj Institutions (PRIs)/ non-government organisations (NGOs) and self help groups (SHGs) and these stakeholders were to be members of the District Committees responsible for drawing up the District Plans. All the schemes included in the District Plans for 2004-07 were to be completed by March 2007.

District Committees headed by the District Magistrates (DMs) were to prepare the District Plans. The District Planning Officers (DPO) were the nodal agencies for implementing RSVY in the districts. The District Rural Development Agencies (DRDA) were to provide funds to various executing agencies (government departments⁵, works divisions⁶ and others⁷) under supervision of the District Magistrates.

¹ Araria, Bhojpur, Darbhanga, Gaya, Jamui, Muzaffarpur and Sheohar.

² Araria-4 (RCD, RWD, RWD2, BCD), Bhojpur-4 (RCD, RWD, RWD-II, BCD), Darbhanga-5 (RCD, RWD- Benipur and Darbhanga, RWD-2, BCD), Gaya-2 (RWD, EWD), Jamui-3 (RWD, RCD, MI), Muzaffarpur-8 (RCD1, RCD2, RWD, PHE, PHE(M), BCD, Forest, BRPNN), Sheohar-5 (RCD, Bagmati, RWD, RWD2, BCD).

³ Araria-10 (DAHO, 09 blocks), Bhojpur-5 (SSA, KVK, BDOs, COMFED, BELTRON), Darbhanga-4 (NREP, DEO, DAHO, DAO), Gaya-11 (BDO, Dobhi, Belaganj, Guraru, Paraiya, Bodhgaya, Tekari, Wazirganj, Konch, Khizarsarai, Fatehpur, Atri), Jamui-3 (CDPOs, CS, DEO), Muzaffarpur-5 (NP Kanti, Motipur, NN, DEO, DAHO), Sheohar- 3 (NP, Sheohar, BDO-sheohar, piprahi).

⁴ Strengths, Weakness, Opportunities and Threats.

⁵ Blocks, Child Development Project Officer (CDPO), District Agriculture Officer (DAO), District Animal Husbandry Officer (DAHO), District Education Officer (DEO).

⁶ Bagmati Division, Building Construction Division (BCD), Electric Works Division (EWD), Minor Irrigation Division (MI), National Rural Employment Programme Division (NREP), Public Health Engineering Division (PHED), Road Construction Division (RCD), Rural Works Division (RWD earlier REO & RDS).

⁷ Bihar Electronic (BELTRON), Bihar State Co-operative Milk Federation (COMFED), Krishi Vigyan Kendra (KVK), Nagar Panchayat (NP), Nagar Nigam (NN), Sarva Shiksha Abhiyan (SSA), Society for Rural Industrialisation (SRI).

1.3.4.1 Preparation of District Plans

District Plans were not realistic and therefore, 18 to 72 per cent schemes were not completed

As per the monthly progress report compiled by the State as of March 2009, 190 to 1469 schemes from eight to 16 sectors were included in the Plans. Audit scrutiny revealed that too many schemes in the District Plans were taken up resulting in non-completion of 18 to 72 *per cent* of these schemes in the districts (**Appendix 1.3.1**).

- The slow progress was mainly due to non-availability of land, shifting of sites, procedural delays in finalisation of tenders, irregular award of works and inadequate monitoring, etc., as discussed in succeeding paragraphs.
- District Committees were not formed in any of the test-checked districts to ensure involvement of stakeholders.
- No efforts had been made to involve SHGs towards encouraging self-employment in any of the scheme.

The department, in its reply, stated (December 2009) that since Bihar was a development deficit State, scheme from all sectors had been taken up. The schemes were selected on the advice of public representatives at the district level. The fact, however, remained that inclusion of too many schemes/sectors diluted the focus of RSVY. In the absence of District Committees and non-involvement of PRI/ local NGOs and other stakeholders, proper identification of critical areas/ issues remained incomplete.

1.3.4.2 Improper inclusion of schemes under District Plan

As per the Planning Commission's directions, repair works, construction of administrative buildings and their approach roads, police morchas, boundary walls and purchase of furniture and utensils were not to be included in the District Plans.

Expenditure of Rs 14.16 crore made on 199 prohibited works

However, in the seven test-checked districts, 199 works were taken up in contravention of the above directions and expenditure of Rs 14.16 crore was incurred on them upto March 2009 (**Appendix 1.3.2**).

1.3.5 Financial Management

As per para 2.1 of the RSVY guidelines, Rs 15 crore per year for the period of three consecutive years (Rs 45 crore) was to be released by GOI for each selected district. RSVY funds were provided on 100 *per cent* grant basis in convenient instalments depending upon satisfactory progress of the Plans. Funds were to be released by the State Government to a separate head created for the purpose under DRDA within 15 days of the receipt of the said funds. The failure of the nodal agency to abide by the above provisions would lead to forfeiture of subsequent instalments and the funds released were to be treated as loans to the State thereafter.

1.3.5.1 Allocation and expenditure

Short releases by Government of India due to slow progress of the scheme

As per the funding pattern prescribed in March 2005, Rs 945 crore was to be released by GOI to the State Government for RSVY schemes during 2004-07 (stipulated period of completion). Details of funds released and expenditure thereagainst are given in **Appendix 1.3.3**.

Scrutiny of records revealed that Rs 922.50 crore was released by GOI, of which Rs 724.43 crore (77 per cent of allocation) was spent by March 2009. As a result, Rs 198.07 crore (21 per cent) remained unutilised with the implementing agencies (March 2009).

1.3.5.2 Delayed release of funds

Delay in release of funds by the State to districts ranged between 27 and 121 days

As per Para 2.2 of the RSVY guidelines, funds received from GOI were to be released by the State Government to the DRDAs within 15 days of receipt.

However, scrutiny showed that there were delays ranging between 27 to 121 days in the release of funds to test-checked districts by the State.

Delay in release of funds by districts to executing agencies ranged between seven and 144 days

Further, as per the Government's directions (July 2007), 65 per cent of the funds were to be provided as advance (1st instalment) to the executing agencies along with administrative approvals. In 203 cases, there were delays ranging between seven and 144 days in the release of Rs 26.99 crore from the districts to the executing agencies as given in **Table No. 1** below. These delays resulted in non-completion of the works on time.

Table No. 1
Delays in release of funds

(Rupees in crore)

Name of district	Delay in release of funds from State to districts			Delay in release of funds from district to executing agencies		
	In days	No. of cases	Amount	In days	No. of cases	Amount
Araria	NIL	NIL	NIL	7-19	68	3.13
Bhojpur	27-28	02	15.00	8-49	47	4.31
Darbhanga	28-59	02	15.00	8-83	19	3.02
Gaya	36-121	02	15.00	7-113	23	3.44
Jamui	NIL	NIL	NIL	8-31	08	2.49
Muzaffarpur	28-87	03	22.50	7-49	14	4.13
Sheohar	27-28	02	15.00	7-144	24	6.47
Total		11	82.50		203	26.99

1.3.5.3 Blocking of fund

Rupees 16.65 crore remained blocked for periods of 12 to 38 months

In the six test-checked districts, it was noticed that during 2004-08, Rs 16.65 crore⁸ was released to 25 executing agencies for 217 schemes and covered various sectors like building construction, construction of classrooms and Primary Health Centres/ Additional Primary Health Centres, roads, bridges etc. However, except in Gaya no expenditure was incurred in any other districts under these schemes as per the progress report of March 2009. Thus,

⁸ Araria 84 -(one agency) (Rs 4.97 crore) ; Bhojpur 20 -(eight agencies) (Rs 1.00 crore); Darbhanga 20- (four agencies) (Rs 84.68 lakh); Gaya 08 -(four agencies) (Rs 3.66 crore); Jamui 18 - (two agencies) (Rs 60.36 lakh); Muzaffarpur 67-(six agencies) (Rs 5.57 crore).

the funds remained blocked for periods of 12 to 38 months, mainly due to delays in finalisation of tenders, non-availability of land and various procedural delays, etc (*Appendix 1.3.4*).

RSVY laid emphasis on taking up schemes for agriculture and employment generation. Audit scrutiny showed that Rs 10.25 lakh sanctioned for two employment generation schemes⁹ in Araria district remained blocked for 15 to 18 months and Rs 1.79 crore in respect of Araria, Darbhanga and Jamui relating to 43 agriculture sector schemes¹⁰ remained blocked for 27 to 38 months.

In reply, the concerned DPOs accepted (December 2009) the fact and attributed the delays to preparation of Detailed Project Reports and estimates, administrative approvals, finalization of tenders and land problems. The fact remains that blocking of funds led to non-fulfillment of the objectives of RSVY.

1.3.5.4 Non-submission of detailed contingent bills

DC bills were not submitted for Rs 198.06 crore and false statements were given for submission of DC bills of Rs 101.94 crore

As per directions (March 2005) of the Government, DMs were to withdraw RSVY funds through Abstract Contingent (AC) bills. Notes below Rule 322 of the Bihar Treasury Code provides that Detailed Contingent (DC) bills in respect of withdrawals made in advance on AC bills were required to be submitted to the Accountant General not later than the 25th of the next sixth months.

In the test-checked districts, DC bills were not submitted for a total amount of Rs 198.06 crore¹¹ against 42¹² AC bills (Rs 300 crore) drawn during March 2005 to March 2009. The DPOs prepared five DC bills for Rs 101.94 crore¹³ based on allotments made without mentioning details of expenditure incurred. These were shown as submitted between May 2006 and September 2007 but were not received in the office of the Accountant General (Accounts & Entitlement) until December 2009.

The department, in reply, stated (December 2009) that Regional Officers had been asked to submit DC bills during the State level meetings.

⁹ Construction of fish resource- cum-development centre and fish farmers training centre.

¹⁰ Araria- Construction of RCC shade and platform (10), Jute rotting tank (18), Farmer training centre (one), Darbhanga- Construction of fisheries marketing complex (one), Renovation of ponds (two), Jamui- Renovation of ponds (11)

¹¹ Araria (Rs 37.50 crore), Bhojpur (Rs 23.07 crore), Darbhanga (Rs 14.64 crore), Gaya (Rs 45 crore) , Jamui (Rs 25.45 crore), Muzaffarpur (Rs 14.90 crore) , Sheohar (Rs 37.50 crore).

¹² Araria-six (Rs37.50crore), Bhojpur-six (Rs45crore), Darbhanga-six (Rs 45crore), Gaya- six (Rs45crore), Jamui-seven (Rs45crore), Muzaffarpur- six (Rs 45crore) and Sheohar-five (Rs 37.50crore).

¹³ Bhojpur- one – (Rs 21.93 crore), Darbhanga -two- (Rs 30.36 crore), Jamui -one- (Rs 19.55 crore), Muzaffarpur -one- (Rs 30.10 crore).

1.3.6 Programme Implementation

In the seven test-checked districts, Audit examined the records relating to payments of Rs 99.67 crore involving 492 contracts and 280 departmental works which disclosed the deficiencies discussed in the succeeding paragraphs.

1.3.6.1 Delays in finalisation of tenders

As per orders issued by the State Government (March 1982 and January 2006), a period of 15 days and one month is prescribed for completing the tendering process and execution of agreement respectively.

There were delays of 11 to 1038 days in finalising agreements

Test-check of records of 249 works in nine¹⁴ divisions disclosed that there were delays of 11 to 463 days (181 cases) in execution of agreements. It was also observed that agreements were not signed even after delays of 685 to 1038 days (68 cases) beyond the prescribed period which adversely effected the overall execution of works/schemes in the State (*Appendix 1.3.5*).

1.3.6.2 Allotment of works

Irregular allotment of work valuing Rs 3.40 crore to contractors

According to Rule 16 of the revised Bihar Enlistment of Contractors Rules, 1992 no contractor was to be allotted more than one work at a time even if their bids were valid / lowest unless the previously allotted work of the contractor was 75 per cent complete. Contrary to the provision, five contractors in three districts¹⁵ were awarded 10¹⁶ works irregularly at Rs 3.40 crore and as a result, nine works remained incomplete even after expenditure of Rs 1.19 crore as of March 2009 (*Appendix 1.3.6*). Since non-completion of the previous works was not taken into account, works beyond the competence of the contractors were awarded to them and thus their execution was delayed.

District Planning Officer, Gaya stated (December 2009) that all executing agencies had been directed to work according to the norms of the BPWD code and the Rural Works Division, Muzaffarpur noted the audit findings for future guidance.

1.3.6.3 Doubtful use of minor minerals

As per Rule 40 (10) of the Bihar Minor Mineral Rule 1972, no works department / office could receive a bill under any agreement, if the said bill was not accompanied by Form 'M'¹⁷, 'N'¹⁸ and 'F'¹⁹, indicating the source of purchase of minerals, amounts paid and quantities procured. This was re-iterated (October 2001) in clause 28 of the special condition of contract. Further, clause 16 of the special condition of contract stipulated advance

¹⁴ Araria (three), Gaya (one), Muzaffarpur(two), Sheohar (three).

¹⁵ Araria, Gaya and Muzaffarpur.

¹⁶ Six works (Agreed value Rs 49.85 lakh) were allotted before completion of previously allotted work (75 per cent) and four works (Agreed value Rs 2.90 crore) due to allotment on the same day.

¹⁷ Affidavit of a contractor for lifting of minor minerals from authorised quarry / seller.

¹⁸ Details of minor minerals issued by the authorised quarry / seller.

¹⁹ Challan issued by authorised quarry duly verified by the Mining Department.

approval of samples of materials before starting works. Divisions were required to send Forms M and N to the concerned mining offices for verification of lifting of minor minerals.

Rupees 6.16 crore was paid for carriage of minerals without verification of lifting of minor minerals

Scrutiny of the records showed that 13 divisions had paid Rs 6.16 crore for carriage of minor minerals in 171 contracts²⁰ without approving the samples, obtaining Forms 'M', 'N' and 'F' and without verifying the lifting of minor minerals from the concerned mining offices (*Appendix 1.3.7*). Thus, use of minor minerals of specified quality and in required quantities was not ensured.

1.3.6.4 Irregular payment for bitumen

As per clause 18 (b), (c) and (f) of the special conditions of contract (October 2001) read with a departmental letter of July 1991, bitumen was to be procured only from GOI undertakings and contractors were required to submit their documents to the Executive Engineers within 48 hours of the receipt of bitumen. Bitumen was also to be used only when their quality was found to be satisfactory after testing.

There were no invoices/ purchase vouchers for 91.276 MT bitumen

Test check of records of four executing divisions²¹ revealed that payments were made for works executed with 445.227 metric tonne (MT) bitumen but invoices / purchase vouchers of 353.951 MT bitumen only were available on record. Thus, there were no invoices and purchase vouchers for 91.276 MT bitumen, valuing Rs 17.71 lakh (*Appendix 1.3.8*).

The EEs, RWD, Muzaffarpur and RCD, Bhojpur stated that payments were made only after obtaining purchase vouchers. The records did, however, not support the replies.

1.3.6.5 Excess payments

Scrutiny of the records of nine divisions in four test-checked districts revealed that excess payment of Rs 55.99 lakh was made for 175 works as shown in **Table No. 2**.

**Table No. 2
Excess payments**

Sl. No.	Name of District	Name of Executing Agency	Type of work	Amount Involved Rs in lakh	Remarks
1	Araria	RCD	Construction of bridge and culvert (four)	15.08	Less deduction of penalty due to delayed work
2	Araria	RWD-1	Construction of raised platform (nine)	17.89	Less deduction of penalty due to delayed work
3	Araria	RWD- 2	Construction of raised platform (three)	3.70	Less deduction of penalty due to delayed work
4	Gaya	RWD	Widening and strengthening of road (one)	3.04	Excess carriage of 1080.05 ²² m ³ SMG- III at the rate of Rs 281.17 per m ³

Excess payment of Rs 55.99 lakh was made

²⁰ Araria (30)- Rs 58 lakh, Bhojpur (48)- Rs 17 lakh, Darbhanga (06)- Rs 59 lakh, Gaya (05) - Rs 63 lakh , Jamui (07) - Rs 1.29 crore, Muzaffarpur (55)- Rs 2.56 crore, Sheohar (20)- Rs 34 lakh

²¹ Bhojpur- RCD, Jamui – RWD, Muzaffarpur – RCD1 , RWD

²² 1976.08 m³ - (673.71 X 1.33) m³ = 1976.08 m³ - 896.03 m³ = 1080.05 m³

Sl. No.	Name of District	Name of Executing Agency	Type of work	Amount Involved Rs in lakh	Remarks
				1.27	Excess payment at the rate of Rs 2.65 ²³ per m ³ for 47761 m ³ earth
5	Muzaffarpur	BCD	Construction of halls, classrooms, aganwadi centres (84)	6.83	Contractor's profit was deducted at the rate of 7.5 per cent in lieu of 10 per cent
6	Sheohar	BCD	Construction of School building (two)	4.72	Less deduction of penalty due to delayed work
7	Sheohar	DPO	Purchase of cycles (69)	0.45	Floating of fresh tender when earlier supplier was ready to supply at the old rate
8	Sheohar	RWD-2 at Sitamarhi	Construction of drainage and PCC road (one)	2.17	Less deduction of penalty due to delayed work
9	Sheohar	RCD at Sitamarhi	Construction of culverts (two)	0.84	Less deduction of penalty due to delayed work
		Total	175 works	55.99	

RCD: Road Construction Department; RWD: Rural Works Department; BCD: Building Construction Department; DPO: District Planning Officer

1.3.6.6 Awareness, capacity building and training

No efforts for capacity building, awareness and training programmes were made

As per Para 4.2.5 of RSVY guidelines PRI, NGOs and SHGs were to be involved in awareness, capacity building, training etc. and about two per cent of the funds was to be utilised for such programmes. Audit scrutiny in the test-checked districts revealed that no expenditure had been made towards such programmes.

1.3.7 Monitoring

No system for regular monitoring of the scheme was evolved

Though a State Level Committee was set up (December 2003) to monitor the scheme every quarter and to send progress reports to the Planning Commission, a scrutiny of progress reports, revealed the following discrepancies indicating deficient monitoring:

- The number of schemes approved was shown as 12204 in the progress report of March 2007 which decreased to 11185 in March 2008 and finally to 11015 in March 2009;
- In March 2009, there was differences between the State level consolidated progress report and district level progress reports of Bhojpur, Sheohar and Darbhanga;
- In March 2009, 2969 schemes were shown as sanctioned in Gaya, Jehanabad and Rohtas districts. Of this, 1940 were shown as completed and 1086 as ongoing. Thus, 57 schemes were shown to have been started even before sanction.

²³ Rs 26.65- Rs 24= Rs 2.65

The Empowered Committee of the Planning Commission had nominated (January 2005) the National Bank for Agriculture and Rural Development (NABARD) to monitor the implementation of RSVY. Nothing was available on record to depict any monitoring carried out by NABARD in the State.

At the Divisional level, Divisional Commissioners were declared (June 2006) as regional extension officers for monitoring and evaluating RSVY schemes. The Divisional Commissioners were required to send inspection reports to the Planning and Development Department.

In the case of the two divisions test-checked, monitoring reports were not available in Muzaffarpur while Gaya division's records disclosed that monitoring and reporting to the department was not regular.

1.3.7.1 Evaluation of impact of schemes

Evaluation of the impact of the schemes was essential to assess how far the objective of solving problems of agriculture productivity and unemployment was achieved and how far the physical infrastructure gap was bridged. The Government had to earmark a sum of Rupees two lakh for funding a local institution, which had to do benchmark surveys, monitor the project, and provide relevant feedback.

Benchmark surveys and mid-course evaluation were not done

In the test-checked districts, benchmark surveys were not done and no efforts were made towards monitoring by any local institution. The State Government also did not carry out any mid-course evaluation, to assess the impact of scheme and carry out corrective measures.

1.3.8 Conclusion

Implementation of RSVY in State suffered due to thin spreading of resources without identifying three to four lead sectors coupled with delays in utilisation of funds. Out of schemes taken up 18 to 72 *per cent* schemes could not be completed up to March 2009. Although infrastructural schemes were taken up in all the District Plans, there were various instances of deviations from the approved District Plans, improper inclusion of schemes, etc. which diluted the achievement of the main objectives of the scheme. Emphasis was not given to monitoring at the level of the State and districts.

Recommendations

- The inclusion of too many schemes/sectors along with prohibited works/schemes in the District Plans needs to be reviewed.
- Timely release of funds to districts and other implementing agencies should be ensured.
- The Government should ensure completion of the works taken up in a time-bound manner.
- Monitoring at all levels should be strengthened to ensure better utilisation of funds.

The matter was reported to Government in October 2009. The replies received (December 2009) have been incorporated suitably in the report.

REVENUE AND LAND REFORMS DEPARTMENT

1.4 INFORMATION TECHNOLOGY AUDIT ON COMPUTERISATION OF LAND RECORDS

1.4.1 Introduction

The Revenue and Land Reforms Department was responsible for maintaining and updating land records in the State. Computerisation of Land Records (CLR), a centrally sponsored scheme was initiated in the year 1988-89 and aimed at providing landowners with computerised copies of Records of Rights (RoRs)¹ at a reasonable price. In the State, the scheme was implemented with technical support from the National Informatics Centre (NIC) at Patna. At the district level, the computerisation started with software called “*Bhu-Abhilekh*” developed in 2000 on UNIX based FOXBASE (DBMS)². A revised version of the software “*Bhu-Abhilekh-2*” with visual studio as front end and SQL³ Server as back end was launched in November 2007.

In the year 2006-07, the National Land Reform Management Programme (NLRMP) was launched in the State to augment the CLR project and to establish a Land Record Information Management System, which would provide anywhere anytime delivery of land records in an integrated, efficient and cost-effective manner.

For the implementation of the scheme, the Director of Land Records and Survey at Patna was the nodal officer at the State level. At the district level, the District Collectors were the implementing authorities who were assisted by Additional Collectors (Land Revenue). At the block level, the Circle Officers who were the custodians of land records were responsible for ensuring the availability and validity of land records.

The Government of India (GOI) released Rs 6.64 crore to the State during 1998 to 2009 for implementation of the project. The State, however, could utilise only Rs 3.97 crore as of July 2009.

1.4.2 Audit coverage

Information Technology (IT) audit of CLR for 2004-09 was conducted during April to August 2009 in the office of the Director, Land Records and Survey, 12 out of 38 districts including town circles⁴, also known as *anchals*⁵. CAATs⁶

¹ The document containing particulars of landholders

² Data Base Management System.

³ Structured Query Language

⁴ Bhojpur, Buxar, Darbhanga, Katihar, Kishanganj, Madhubani, Muzaffarpur, Nalanda, Patna, Saharsa, Samastipur and Vaishali.

⁵ The block level unit of the Revenue and Land Reforms Department where primary land records are kept.

⁶ Computer Assisted Audit Tools (IDEA, SQL-SERVER 2005, MS-ACCESS).

were used for analysis of the data along with issue of questionnaires and interactions with the officials of the department. The audit observations were communicated to the Government in October 2009 and reply is awaited (November 2009).

Audit findings

1.4.3 Programme implementation

1.4.3.1 Data entry of land records

As per the implementation arrangements, records were required to be brought from *anchals* to the districts for data entry and after completion of the data entry, printouts of the *khatiyans*⁷ etc. were required to be sent for verification to the concerned *anchals*. After the first verification, carried out at the *anchal* level, necessary changes were to be carried out by the vendor at the district centres. The corrections were required to be confirmed at the *anchal* level again. Further, data entry of land records in respect of *Khesra Panji*⁸ and Register-II⁹ was required to be completed within three years from the date of release of the first instalment (1998-99) of funds.

Scrutiny of records of the Directorate, Land Records and Survey disclosed (May-August 2009) that data entry was made in respect of only 19192 villages out of 45740 villages (42 *per cent*) involving all 38 districts of the State, up to July 2009. The data entry work was stopped in Buxar, Madhubani and Patna since 2005, in Nalanda since 2007, and in Katihar and Samastipur since 2008. Reasons for non-completion of data entry work were not available on record.

In all the 12 test-checked districts the department claimed that data was entered in respect of 4275 out of total of 8337 revenue villages and the data entry was completed/verified. It was, however, seen that the first printouts of *khatiyans* given for verification were still to be verified in respect of five¹⁰ districts. In three districts¹¹, the second level printouts of *khatiyans* were still to be verified at the *anchal* level. In Katihar district printouts of *khatiyans* were yet to be given for verification.

As the primary records were kept at the *anchal* level, the process of verification and confirmation at this level led to unnecessary delays. As a result, only 42 *per cent* data was captured in the State. The delays mainly occurred due to non-implementation of the computerisation at *anchal* level, though this was required under the revised guidelines (1999) of the CLR project. This indicated lack of planning and prioritisation.

⁷ Register of land records.

⁸ Details of land plots.

⁹ Lagan (land rent) register.

¹⁰ Bhojpur, Buxar, Muzaffarpur, Nalanda and Samastipur.

¹¹ Darbhanga, Kishanganj and Madhubani.

The department did not have a mechanism to monitor the software problems faced by the users and failed to obtain technical support from NIC. This resulted in delays in sorting out problems and facilitated inaccurate data entry in the system.

In reply, the department stated (December 2008) that Rs 19.61 crore had been given to BELTRON¹² in 2007-08 for procurement and installation of computers in *anchals*. Audit however noticed (August 2009) that though computers were supplied to *anchals*, they had not been installed at any of the test-checked *anchals*. Further, the *anchals* did not have any/sufficient trained manpower to operate these computers.

Verification of the data entered from the records of the *anchals* had also not been completed in any of the test-checked districts. Thus, Records of Rights could not be issued (August 2009) even though the target set for their issue was March 2004.

1.4.3.2 Payment made to vendors without verification

As per the procedure laid down, all payments to vendors were to be made after obtaining the first stage checklist (printouts) of the data entered. All the systems and peripherals used for this project were to be provided and maintained at the vendor's own cost.

In Samastipur district, however, it was noticed that the checklists were issued by the vendors only in case of 132 villages out of 750 revenue villages where data entry was completed. The department made payment of Rs 14.98 lakh to the vendors (June 2005 to August 2007) without verification of their work/services and also without obtaining the first stage checklists (printouts) of the data entered for 750 villages. It was also noticed that the vendors could not complete the work and had left the work midway after receiving payment.

1.4.3.3 Purchase of hardware

In five¹³ out of 12 districts test-checked, total amount of Rs 18.68 lakh was spent during 1999-2001 from scheme funds on the purchase of computers, uninterrupted power supply devices (UPS), printers and air-conditioners. It was noticed that the UPS purchased were of higher capacities (Katihar and Saharsa) and the computers purchased were used for other office work (Darbhanga and Kishanganj). In Katihar, Patna and Saharsa, printers were purchased though not required.

¹² Bihar State Electronics Development Corporation Limited.
¹³ Darbhanga, Katihar, Kishanganj, Patna and Saharsa.

1.4.3.4 Digitisation of cadastral map

As per the scheme guidelines, all cadastral map sheets¹⁴ were required to be digitised. The digitisation of map sheets of Musahari *sadar anchal*¹⁵ started as a pilot project in 1998-99, was to be completed by the end of 2000. All the 1152 map sheets were digitised. However, only 1083 map sheets were verified with the original maps as of July 2009. The rest of the maps could not be verified as the original maps were in damaged/torn condition.

In the second phase, 14672 maps of Ara, Buxar, Rohtas and Kaimur districts were digitised between November 2008 and August 2009. However, none of these maps were verified with the original maps as of August 2009. This indicated slow progress of the project and the task of digitising the entire 1.20 lakh map sheets of the State appeared distant.

1.4.4 Application Controls

Input controls and validation checks

Input controls and validation checks are vital for integrity of data and are essential to avoid incorrect data entry. Adequate inputs and validation controls ensure that the data entered is complete and correct. The following deficiencies were noticed due to lack of input controls and validation checks:

1.4.4.1 Data entry from old records

As per the State Government's instructions (2006-07), data entry was required to be done from up to date *continuous khatiyani*¹⁶ and if the *continuous khatiyani* was not updated, the data entry was to be updated from Register-II and *Khesra Panji*.

However, it was observed in five¹⁷ out of the 12 districts test-checked that the data adopted for entry was 37 years old (base year: 1971) from *revisional survey khatiyani*¹⁸ instead of *continuous khatiyani*.

Since the records of *revisional survey khatiyani* were not current, the purpose of capturing the up-to-date land records was defeated.

Scrutiny of the database in test-checked districts disclosed the following deficiencies, indicating weak input control:

¹⁴ Map of the land of concerned panchayat/halka

¹⁵ Anchal of the district headquarter

¹⁶ Updated land records register of raiyats (public) which was updated after every mutation.

¹⁷ Bhojpur, Darbhanga, Kishanganj, Muzaffarpur and Vaishali.

¹⁸ A register (khatiyani) which was made in 1971 after land survey.

- Landholders' names (9440 cases), fathers'/husbands' names (56652 cases), caste (407378 cases), addresses (146518 cases), land details (623550 cases), *khata* numbers (37565 cases) and *khesra* numbers (38035 cases) were not captured or contained only dots or junk characters or one or two character.
- Landholders' names (1801 cases), fathers' names (35849 cases), caste (268458 cases) and addresses (93822 cases) of the other shareholders were not captured.
- Circle ID was indicated as zero in 2376051 out of 2529373 cases while in 65577 cases, *mauza*¹⁹ ID was indicated as zero.
- *Lagan* paid/received against land was not captured in 1,13,82,480 cases. It was seen that the source document i.e., the *revisional survey khatiyani*, which was used for data entry did not have details of *lagan* in many cases. Absence of *lagan* details in the database, made it unusable for the purposes of collection of land revenue.

1.4.4.2 Uniform coding pattern

District Identification numbers (ID) were the primary identifiers of landholders while circle IDs were the secondary identifiers. Analysis of the captured database disclosed that same district IDs were found to have been adopted in Patna and Nalanda. In Muzaffarpur district, two district IDs were being used. One of these IDs was also being used for the district of Gopalganj. In 262 cases, district ID was entered as zero in Madhubani district. Similarly, the same circle IDs were used within the districts of Buxar, Darbhanga, Madhubani, Nalanda, and Saharsa. Thus, the data entered was inconsistent across the districts and *anchals* and its integration at the State level as planned in NLRMP would result in input and maintenance of an unreliable database.

1.4.4.3 Stabilisation of *Bhu-Abhilekh-2*

The IT audit of the Window-based version of software, *Bhu-Abhilekh-2*, with visual studio as front end and SQL Server as back end, which was to replace the UNIX based *Bhu-Abhilekh* disclosed that:

- The *Bhu-Abhilekh-2* designed to replace *Bhu-Abhilekh*, had not been installed in five²⁰ out of 12 test-checked districts.
- The system of *Bhu-Abhilekh-2* failed to generate copies of *khatiyani* in some of the *mauzas*, which could be used for verification of data entry. In cases, where copies of *khatiyani* were generated, the system was not able to carry out corrections, indicating system deficiencies.

¹⁹ A village as recognised and separately mapped at the time of the revenue survey.

²⁰ Buxar, Darbhanga, Madhubani, Patna and Samastipur.

- Details of log in/log out were not captured even though the provisions for capturing logs were available in the software. All users were using the same user ID for database administrator, thus rendering the activities of user and database administrator not sufficient for monitoring an audit trail, which was not in conformity with the best practice of IT security.
- NIC, though involved in the CLR scheme right from its inception as the technical partner and developer of software and for implementation of CLR could not develop technical documentation like data organisation, data flow, structure design, modular structure etc. in *Bhu-Abhilekh-2*. Lack of proper documentation was bound to make the department dependent on NIC for system support/updation which may not be possible in-house or through any other agency.

1.4.4.4 Business continuity plan

Test check of the CLR project disclosed that back-ups of available data were not retained by the department. Back-ups were not taken at regular intervals and were also not tested though as per the agreement between the department and the vendors, the vendors were to supply back-ups for final data entry only.

It was noticed in Bhojpur and Vaishali districts that data of 446 villages required re-entry as the data already entered was not provided by the vendors who had abandoned the work midway.

1.4.5 Training

As per GOI guidelines for the CLR scheme, the department was required to build up an IT Management group to implement the project effectively by imparting training to the staff dealing with the computerisation. All training programmes were to be completed by the year 2003 and a core group of staff was to be created for imparting training to trainers who in turn would train the field staff.

It was, however, seen that training programmes were conducted in only two²¹ out of 12 districts test-checked. These trained personnel were also not utilised for the CLR project. The department also failed to constitute a group of core staff.

In six²² out of 12 districts test-checked, the State implementing authority approached NIC for training its staff. But, none of the staff members was trained by NIC though the payment for the same was made to NIC in 1999-2000 and the said amount remained unutilised with NIC. Four test-checked districts²³ had not even approached NIC for training of their staff.

²¹ Buxar and Darbhanga.

²² Ara, Katihar, Madhubani, Muzaffarpur, Nalanda and Patna.

²³ Kishanganj, Saharsa, Samastipur and Vaishali.

1.4.6 Conclusion

Under the CLR project, GOI provided the necessary funds and support to the State for effective Information and Communication Technology, but the State could not utilise this support and was not able to complete the primary work of capturing data for its entire area. In cases where data was entered, it was not reliable since it was captured from 37-year old records. The CLR project also lagged behind due to deficient software, inadequate input controls and validation checks, use of inconsistent codes and inadequate supervision of data entry work and verification of the data entered. *Bhu Abhilekh-2* was not installed in all the districts. The computerisation of land records in the State was tardy and required to be monitored regularly by the Revenue and Land Reforms Department to sort out the problems.

Recommendations:

The Government/department may consider the following recommendations:-

- Computerisation at the *anchal* level should be given priority and the revenue staff of the concerned *anchals* should be trained for data entry and retrieval.
- The nodal agency should ensure proper co-ordination between the district level executing agencies including vendors and NIC for technical support and guidance.
- Time schedules for entry and updation of data should be prescribed and scrupulously followed. Similarly, a back-up and security policy should be prescribed and followed.
- Data should be captured from the *continuous khatiyani*, Register-II and *Khesra Panji* to ensure the latest data available in the system.
- *Bhu Abhilekh-2* should be implemented in all the districts and its deficiencies addressed beforehand to ensure uniformity of data captured and its subsequent utilisation.
- Value added services like making Records of Rights available on the website, grievance redressal, online mutation through establishment of connectivity with registrar offices etc. should be ensured through the use of updated, complete and integrated data.