

OVERVIEW

This Report includes three chapters containing performance audit reports of four selected programmes/schemes, 18 transaction audit paragraphs and an integrated audit report on the Environment and Forest Department.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling methods as well as on judgement basis. The audit conclusions have been drawn and recommendations made taking into consideration the views of the Government.

Audit comments on the performance of some Government departments and programmes as well as on the working of the Environment and Forest Department are given below:

Total Sanitation Campaign in Bihar

Sanitation is one of the basic determinants of the quality of life and human development index. Realising its importance, the Government of India launched the 'Total Sanitation Campaign' in 1999 for sustainable reforms in the rural sanitation sector. Though the programme implementation was to be done in a time-bound mode, it suffered at various stages due to the non-availability of reliable baseline data, slow and tardy expenditure on its various components, deficient Information, Education and Communication activities, lack of community participation and proper monitoring, despite expenditure of ₹ 360.07 crore out of total available funds of ₹ 478.18 crore during 2005-10. Rupees 118.11 crore, being 25 *per cent* of the total available funds, remained unutilised as March 2010.

Secondary Education Programme

Secondary education plays a vital role in preparing students (age group 14-18 years) for higher education. Though the enrolment of students increased by 60 *per cent* during 2005-10, the department did not prepare any long term/Annual Plan to meet the deficiencies in terms of number of schools, teachers and infrastructural facilities like classrooms, laboratories, libraries and computers in the existing schools. Even in the emerging technological scenario, computer and vocational education remained negligible at the secondary school level despite emphasis on these streams in the National Policy on Education.

Management of Prisons

The management and administration of prisons fall exclusively in the domain of the State Governments and are governed by the Prisons Act, 1894. The management of prisons in Bihar was adversely affected due to shortage of staff, lack or non-functioning of security equipment, overcrowding in prisons due to non-completion of buildings, non-compliance of precautionary and

safety measures, non-maintenance of essential records and periodical inspections of prisons not being conducted regularly by the Inspector General of Prisons and District Magistrates. Even the Model Prison Manual introduced by Government of India in 2003 was not adopted after seven years of its receipt.

Information Technology Audit of General Provident Fund System

The Directorate of Provident Fund, responsible for maintaining the General Provident Fund accounts of employees of the All India Services officers posted in Bihar and officers/officials of the Bihar Government, developed application software (Bhavishyanidhi), through National Informatics Centre Services Incorporated in 2005. The GPF accounting system, however, failed to achieve its intended objectives in the absence of a clear-cut Information Technology policy for the State. The programme implementation suffered due to absence of critical System Design Documents, installation of operating platforms and different system software from those contracted in the Memorandum of Understanding with National Informatics Centre Services Incorporated, inadequate number of trained personnel and avoidable hiring of Data Entry Operators. Further, the full benefits envisaged under the system such as quick settlement of subscribers final payments, creation of a statewide database or even the basic office procedure software for file and letter tracking system remained unutilised.

Audit of Transactions

Audit of financial transactions, subjected to test check, in various departments of the Government and their field formations, revealed instances of loss, fraudulent payment, excess, infructuous, wasteful, avoidable, idle and unfruitful expenditure of ₹ 45.10 crore as mentioned below:

In four cases losses and fraudulent payments amounting to ₹ 5.17 crore were noticed in the Health Department (₹ 3.52 crore), Water Resources Department (₹ 1.61 crore) and Rural Works Department (₹ 4.39 lakh).

(Paragraph 2.1.1 to 2.1.4)

Excess payment and infructuous expenditure of ₹ 22.72 crore were noticed in the Water Resources Department (₹ 10.27 crore), Human Resources Development Department (Higher Education Department) (₹ 6.75 crore), Road Construction Department (₹ 2.97 crore), Rural Works Department (₹ 2.46 crore) and Agriculture Department (₹ 27.22 lakh).

(Paragraph 2.2.1 to 2.2.6)

Cases of avoidable and unfruitful expenditure of ₹ 14.26 crore were noticed in the Road Construction Department (₹ 11.78 crore) and Public Health Engineering Department (₹ 2.48 crore).

(Paragraph 2.3.1 to 2.3.3)

Cases of under-utilisation of machines at Trauma Centres and wasteful expenditure on salary amounting to ₹ 2.95 crore were noticed in the Health Department (₹ 1.85 crore) and Human Resources Department (₹ 1.10 crore).

(Paragraph 2.4.1 to 2.4.2)

Integrated Audit of Environment and Forest Department

An integrated audit of the Environment and Forest Department revealed that the State had not framed its own Forest Policy though recommended by the National Forest Commission. Ninety *per cent* of the forest divisions were functioning without any Working Plan, though mandatory, as per the Manual of Bihar Forest Laws. Savings under the Plan head of expenditure indicated deficiencies in budgeting, programme planning and implementation. Absence of expenditure control registers showed weaknesses in financial management and non-compliance of financial rules. Achievement of Compensatory Afforestation was 'nil' despite huge amounts being available in the Compensatory Afforestation Fund Management and Planning Authority Fund. In the National Afforestation Programme, community participation was not ensured as envisaged in the Government of India guidelines. Improper funding and absence of management plans, coupled with inadequate patrolling, lack of infrastructure and large scale vacancies, adversely affected the development of wild life sanctuaries including the Valmiki Tiger Project. The department's manpower planning was deficient and no training was provided to forest personnel. A State level monitoring committee for review of progress of the Centrally sponsored schemes was not formed.