

## PREFACE

This Report for the year ended 31 March 2017 has been prepared for submission to the Governor of Chhattisgarh under Article 151 of the Constitution of India.

This Report contains results of the Performance Audit (PA) on (i) National Rural Health Mission (NRHM) and (ii) implementation of National Food Security Mission (NFSM) and Compliance Audit on (i) e-Procurement system in Chhattisgarh; and (ii) Follow-up audit of the PA on development of roads under Central Road Fund (CRF) and Minimum Needs Programme (MNP). In addition, the Report contains seven Audit paragraphs based on Compliance Audit of 35 Departments.

The Audit was aimed at assessing the functioning of schemes/programmes during 2012-17 viz., human resource management, financial management, management of implementation of schemes/programmes, supervision and monitoring, internal oversight etc., and report the results in the Audit Report as per the audit mandate of the Comptroller and Auditor General of India to the State Legislative Assembly for ensuring accountability of officials of the concerned administrative Departments.

Significant deficiencies noticed in the execution of schemes/programmes by the concerned Departments are mentioned below:

### **PA on National Rural Health Mission (NRHM)**

Audit reviewed the National Rural Health Mission (NRHM) scheme aimed to provide accessible, affordable, accountable, effective and reliable health care facilities in rural areas to strengthen public health systems.

The State suffers from shortages of human resources in critical positions in the District Hospitals (DHs), Community Health Centres (CHCs) and Primary Health Centres (PHCs) which adversely affected the delivery of mandate of NRHM. These included shortages of specialist doctors to the extent of 89 *per cent*, Medical Officers (MO) by 36 *per cent*, staff nurses by 34 *per cent* and paramedics by 12 *per cent* against their sanctioned strengths. These shortages could not be bridged as 752 doctors appointed during 2012-13 to 2017-18 (February 2018) did not join the Department, for reasons not known to the Department. Even where doctors were available<sup>1</sup>, the patients were still deprived of necessary treatments for various illnesses and diagnostic services in these health centres due to shortages<sup>2</sup> of medical equipment, drugs and consumables, laboratory services, and were referred to other hospitals such as Dr. Bhim Rao Ambedkar Hospital, Raipur, Chhattisgarh Institute of Medical Sciences, Bilaspur etc., as observed from the indoor patient department (IPD) registers.

<sup>1</sup> Between 75 and 100 *per cent* in four out of seven sampled DHs, six out of 14 sampled CHCs and nine out of 28 sampled PHCs

<sup>2</sup> Shortages of equipment were in the range of 27 to 41 *per cent* in DHs, 25 to 69 *per cent* in CHCs and 32 to 64 *per cent* in PHCs. Similarly the shortage of drugs and consumables were in the range of 40 to 76 *per cent* in DHs, 52 to 75 *per cent* in CHCs and 45 to 67 *per cent* in PHCs and shortage of laboratory services was 45 to 63 *per cent* in DHs, 36 to 58 *per cent* in CHCs and 38 to 71 *per cent* in PHCs

The State could not create sufficient infrastructure to bridge the gaps between requirement and available health facilities as 186 construction works could not be completed by the Department despite lapse of 20 to 56 months from the date of sanction on grounds of non-participation of bidders, high tender premiums, delays in identification and finalisation of availability of land. The State suffered from significant shortages of essential drugs, consumables and equipment at various levels of health centers as Chhattisgarh Medical Services Corporation limited tasked with these supply failed on grounds of non-availability of rate contract for medicines, non-receipt of tenders, late receipt of annual demand from Directorate of Health Services etc. Due to shortage of specialists and MOs, the Department could not upgrade 39 *per cent* of targeted CHCs as first referral units and 45 *per cent* of targeted PHCs to provide 24x7 services.

### **PA on implementation of National Food Security Mission (NFSM)**

National Food Security Mission (NFSM), a centrally sponsored crop development scheme that, aimed to increase the production of food grains, was implemented in Chhattisgarh in 13 districts for rice, nine districts for coarse cereals and all the 27 districts for pulses. However, only four *per cent* farmers (1.38 lakh) who owns six *per cent* (2.76 lakh ha) of cultivated land in the State were benefitted. The production and yield of different crops (rice, pulses and coarse cereals) remained range bound during 2012-17, and no dramatic increases attributable to NFSM could be accomplished. The yield of rice, pulses and coarse cereals of Chhattisgarh was less<sup>3</sup> when compared with the neighbouring States of Jharkhand, Madhya Pradesh and Uttar Pradesh and also against the National yield for the period 2012-13 to 2014-15<sup>4</sup>. NFSM had suffered from implementation deficits such as demonstration done in less than the norms of 100 ha area, absence of soil health of cultivable land, failure to ensure visits of scientists, non-organisation of field day, low utilisation of hybrid/ high yield variety seeds, micronutrients and soil ameliorants, absence of trainings to farmers for improved crop production practices etc., under important components which resulted in short achievement of targets. Monitoring and supervision was not effective and district level seed committee was not formed to monitor the distribution of seeds to farmers.

### **Audit on e-Procurement system in Chhattisgarh**

Department of Electronics and Information Technology (DEIT), Government of Chhattisgarh decided to set up an integrated e-Procurement system to ensure transparency and efficiency in all Government procurements. However, the system was declared go-live on 1 April 2016 with only four operational modules (vendor management, e-tendering, e-payment and MIS) as against eight modules planned and rolled out in 35 entities/Departments. Though user acceptance test (UAT) report from these Departments was the pre-requisite for go-live, only 22 entities gave user acceptance test (UAT) for the four modules while 13 entities did not give UAT for any module for want of customisation of the software. As a result of non-functioning of the integrated modules, functions

---

<sup>3</sup> Except Madhya Pradesh for rice in 2012-15 and coarse cereals in 2013-14; and Jharkhand for pulses in 2014-15

<sup>4</sup> Only data for up to 2014-15 pertaining to yield of various crops of different States was available in the web site of NFSM, Ministry of Agriculture (GoI).

---

---

such as award of work after tendering, record of measurement, preparation of progress reports etc., were done manually while payments to the contractors/suppliers were routed through another system (e-works<sup>5</sup> portal) which limited the effectiveness of the e-Procurement system. The system was not transparent and has control failures. It could not detect and prevent use of 74 common computers by bidders and Government officials in respect of 1,921 tenders valued at ₹ 4,601 crore; use of two sets of PAN by 79 contractors/vendors; use of common e-mail ID by multiple bidders in 133 tenders valued at ₹ 225.14 crore; suppression of bid capacity of a contractor to award 11 works valued at ₹ 23.77 crore which is a red flag to unfair tender practice and merits investigation from vigilance angle and for disciplinary action against the tender committee members for awarding such works.

### **Follow-up Audit of the PA on development of roads under Central Road Fund and Minimum Needs Programme**

No significant improvement was noticed in the implementation and execution of road works under CRF/ MNP despite serious concerns highlighted<sup>6</sup> in the Audit Report on General, Social and Economic (Non-PSUs) Sectors for the year ended 31 March 2013.

### **Audit paragraphs**

The seven Audit Paragraphs covered in this Report relate to various Departments and contain deficiencies like absence of compliance with rules and regulations, audit against propriety, cases of loss, wasteful/unfruitful expenditures, avoidable extra expenditure, and extension of undue favours. Significant observations include the fraudulent payment of scholarships to non-functional private schools, fraudulent payments to firm.

### **Non-production of records to Audit**

The records<sup>7</sup> of appointments and promotions of the staff of Chhattisgarh Vidhan Sabha Secretariat were not furnished by the Deputy Secretary (Accounts) to Audit twice, first in February 2017 and again in August-September 2018, though requisitioned and reminded repeatedly by Audit. Such non-production of records severely limits the exercise of CAG's constitutional mandate under section 18 (1) (b) of the C&AG's (Duties, Powers and Conditions of Service) Act, 1971 and may result in possibility of wrong doing, wrong appointments etc. This is a red flag which should be investigated from vigilance angle and considered for disciplinary action against the concerned Deputy Secretary (Accounts).

The instances mentioned in this Report are among those which came to notice in the course of test audit for the period 2016-17 as well as those which came to notice in earlier years but could not be reported in previous Audit Reports.

---

<sup>5</sup> e-Works is a separate portal which was prepared by NIC for works Department particularly for PWD, PHE and WRD and through this portal, these Departments makes payment to the contractors

<sup>6</sup> For instance, execution of work without detailed survey, execution of work without adhering to specifications, execution of additional work without inviting tender etc.

<sup>7</sup> Service book, personal files of officials, appointment and promotion orders, gradation list etc.

Instances relating to the period subsequent to year 2016-17 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards and Regulations on Audit and Accounts, 2007 issued by the Comptroller and Auditor General of India.