



OVERVIEW

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Section A: General, Social and Economic Sectors

This section of Report of the Comptroller and Auditor General of India on the General, Social and Economic sectors for the year ended 31 March 2020 includes one performance audit on 'Functioning of District Hospitals', one detailed compliance audit on 'Development of sewerage infrastructure in Patna under Namami Gange Programme' and six audit paragraphs on Government Departments.

2.1 Performance Audit on 'Functioning of District Hospitals'

The main objective of District Hospital (DH) is to provide comprehensive secondary health care services to the people in the district at an acceptable level of quality. DH also needs to be ready for epidemic and disaster management all the times. Further, according to Health Department, Government of Bihar (GoB) resolution (May 2006, August 2010 and August 2014), Government is committed to provide drugs, pathological and radiological test services free of cost to patients in DH.

(Paragraphs 2.1 & 2.2.4)

Performance Audit for the period 2014-15 to 2019-20 was conducted through test-check of records of the offices of the Principal Secretary (Health Department), State Health Society (SHS), Bihar Medical Services & Infrastructure Corporation Ltd. (BMSICL) at the State level. At district level, records of District Hospitals, CMO office and District Health Society (DHS) were examined in five districts- Biharsharif (Nalanda), Hajipur (Vaishali), Jehanabad, Madhepura and Patna.

(Paragraph 2.1.6)

Planning

- Data pertaining to 2013 and 2018 disclosed that position of Bihar in terms of health indicators was not at par with the national average. This called for a better planning on the part of State Government to address the requirement of population of the district. However, Audit noted deficiencies in planning.
- In comparison to IPHS norm, shortfall of beds ranged between 52 and 92 *per cent*. Except DH-Biharsharif and DH-Patna, even available beds were only 24 to 32 *per cent* of what was sanctioned by GoB (June 2009). GoB had sanctioned the bed strength of these hospitals in the year 2009 and despite lapse of more than 10 years, actual bed strength was not raised to the sanctioned level (March 2020).
- Department neither prepared its own norms/standards nor did it adopt those prescribed by the Government of India (GoI) in respect of out-patient and in-patient services and diagnostic services *etc.* As a result, a methodical gap analysis was not carried out. This would, and has, impacted the availability of resources and services in the DHs.

- Only, DH-Biharsharif and DH-Hajipur were provisionally registered in January 2016 and May 2016 respectively under Clinical Establishment Act 2010. Other three test-checked DHs were not registered under the Act. Thus, in absence of registration, these hospitals are escaping from requirements of mandatory conditions/minimum standards for running clinical establishments.
- Contrary to General Administration Department (GAD) (January 2006), yearly assessment of vacancy and sending proposal to recruiting agency for filling them was not followed. Widespread vacancies of doctors, nurses and paramedics were noticed.

(Paragraph 2.1.7)

Out-patient services (OPD)

- Out of 24 OPD of curative services prescribed in NHM Assessor's Guidebook, only nine to 12 types of services were available which mainly included General Medicine, Gynecology, Pediatric *etc.* Services like Cardiology, Gastro entomology, Nephrology, Endocrinology, Oncology, Skin & Venereal Disease, Psychiatry, Ear, Nose and Throat (ENT) *etc.*, were not available.
- 97 *per cent* patients in General Medicine OPD and 62 *per cent* patients in Gynecology OPD of test-checked hospitals could avail on an average less than or equal to five minutes of consultation time in the test-checked months during 2019-20. Such a short consultation length is likely to adversely affect patient care and may enhance the workload and stress of the consulting physician.
- Audit observed that only 41 *per cent* patients could fully get prescribed drugs in District Hospitals, as evident from scrutiny of 500 OPD prescriptions during month of July-August 2021.

(Paragraph 2.2)

Diagnostic services

- Out of required 121 diagnostic facilities as per IPHS, among test-checked DHs, maximum number of diagnostic services was available in DH-Hajipur which was only 33 *per cent* while DH-Madhepura offered minimum diagnostic services which was 26 *per cent*.
- None of the test-checked DHs had all essential equipment/machines for diagnostic services and shortage ranged from 62 to 84 *per cent*.

(Paragraph 2.3)

In-patient services

- Out of nine types of IPD services prescribed in IPHS, available services mainly included (March 2020) General Medicine (three DHs), Ophthalmology (three DHs), General Surgery (three DHs), Physiotherapy (two DHs), Burn (one DH), Dialysis (one DH) and Orthopaedics (One DH).

- Accident and Trauma and Psychiatry were not available in any DH.
- Out of sampled 14 types of drugs, on an average only seven to 10 were available.
- Out of 15 types of equipment as per NHM Assessor's Guidebook, only seven to 14 types of equipment were available during 2019-20. Major shortage of equipment was noticed in DH-Jehanabad (53 *per cent*) and DH-Madhepura (40 *per cent*). Dressing Trolley, ET Tubes (used in resuscitation) and Doppler (used in examination & monitoring of patients) were not available in three test-checked DHs.
- Positive and negative isolation wards were not available in any of the test-checked DHs. Thus, DHs did not ensure segregation of infectious patient for the sake of public and patient safety.

(Paragraph 2.4)

Operation Theatre (OT)

- Contrary to IPHS requirement of Operation Theatre (OT) for elective major surgeries, emergency surgeries and ophthalmology/ENT for District Hospitals, OT for elective major surgeries was not available in three DHs, OT for emergency surgeries was not available in any test-checked DHs and OT for ophthalmology/ENT was not available in two test-checked DHs.
- Out of 22 types of test-checked drugs as prescribed in NHM Assessor's Guidebook, on an average only two to eight were available. Even timely indent of unavailable/short available drugs was not made in DH-Biharsharif and DH-Jehanabad.
- Only seven to 13 types of equipments were available in OTs of test-checked DHs against the IPHS requirement of 25 types of equipment.
- Contrary to NHM Assessor's Guidebook surgical safety checklist, pre-surgery evaluation records and post-operative evaluation records for OTs were not maintained in test-checked except DH-Jehanabad.

(Paragraphs 2.4.6, 2.4.8 & 2.4.10)

Intensive Care Unit (ICU)

- ICU services were available only in DH-Jehanabad.
- Only one Nurse was deployed in second and third shift in place of requirement of five in ICU.
- Out of 14 types of test-checked drugs, only nine types were available.
- Out of eight types of test-checked consumables, only four types were available.
- Out of nine types of equipments, only three types of equipments were available.

- Contrary to NHM Assessor's Guidebook, regular monitoring of infection control practices of hospital acquired infection like fever and purulent discharge from surgical site, reporting cases of acquired infection and periodical medical check-up was not followed in the DH.

(Paragraph 2.4.12)

Blood Bank

- As per Indian Public Health Standards (IPHS), a DH should essentially have a round the clock blood bank irrespective of the bed strength but nine (including test-checked DH-Patna) out of 36 DHs were without blood bank.
- Blood banks at DHs (except Lakhisarai and Sheikhpura) were running without the valid license during 2014-20 as their licenses were expired and could not be renewed due to non-compliance of Central Drugs Standard Control Organisation (CDSCO) observations during inspection and lack of required infrastructure.

(Paragraph 2.4.15)

Maternity

- Details of Antenatal Care (ANC) check-ups of all registered pregnant women were either not properly maintained during 2014-20 (except DH-Hajipur where from 2019-20 ANC register was properly maintained). In DH-Hajipur, all four ANC check-ups were ensured in only four *per cent* cases. Thus, monitoring of antenatal check-up was deficient.
- In DH-Biharsharif, DH-Hajipur, DH-Jehanabad and DH-Patna only 53, 46, 61 and 39 *per cent* of registered pregnant women were given IFA supplementation during 2014-20 whereas in DH-Madhepura it was 87 *per cent* during 2014-20.
- Out of 21 types of test-checked drugs, on an average availability ranged between 21 to 54 *per cent*.
- Out of 20 types of test-checked consumables, on an average only seven to 14 types were available. Essential consumables such as draw sheets, baby wrapping sheets, thread for suture, gown for labouring woman, plastic apron (disposable) and identification tags were mainly not available in test-checked DHs during entire test-checked months.
- Out of 28 types of equipment, only 12 to 19 types of equipment were available.
- In 43 pre-term deliveries which needed administration of Corticosteroid injection, in 13 cases it was not administered as it was not in stock. However, in 30 cases Corticosteroid was not administered even after availability of the injection in stock. Resultantly, two neonates did not survive and one was born as stillbirth.

- Total 21 cases of maternal deaths occurred in three test-checked DHs during the period 2014-20 against which maternal death review was conducted in only seven cases. Reasons for death were not recorded in four out of seven cases.
- High stillbirth rate was observed in DH-Madhepura (2.17 *per cent*) and DH-Biharsharif (1.63 *per cent*) *vis-à-vis* State average of 0.96 per 100 live births.

(*Paragraph 2.5*)

Infection Control

- Stray dogs were seen in the campus of DH-Jehanabad. Herd of stray pigs were seen in DH-Madhepura (August 2021). This may be hazardous for staff, attendants and patients (particularly kids) in the hospital.
- In DH-Madhepura, scattered garbage and open drainage were seen. Liquid waste was poured into the open drain in front of the emergency. These may be infectious.
- In DH-Jehanabad, drain water, garbage, faeces, hospital waste were found scattered. Space behind the newly established PICU was used for open defecation. An open drain of the town passed through the middle of the DH that may be hazardous for locality.

(*Paragraph 2.6.1*)

Bio-medical waste

- All the test-checked DHs were tied up with a particular operator for bio medical waste management. None of the test-checked DHs had system of segregation of hazardous, toxic and infectious waste as per Bio Medical Waste Management Rules 2016. Further, none of the test-checked DHs pre-treated the laboratory waste, microbiological waste, blood samples and blood bags through disinfection or sterilisation. Also, none of the test-checked DHs segregated liquid chemical waste at source and pre-treated or neutralised them prior to mixing with other effluent.

(*Paragraph 2.6.3*)

- Short availability of drugs was mainly due to the fact that drugs were not supplied to DHs by Bihar Medical Services & Infrastructure Corporation Limited (BMSICL) because of delay in framing of BMSICL's procurement policy, coverage of only nil to 63 *per cent* of EDL drugs under rate contract, delay in supply of drugs by Suppliers. Resultantly, in test-checked DHs, availability of drugs throughout the year could not be ensured.
- Short availability of equipment was mainly attributable to non-identification of essential medical equipment imperative for the functioning of the hospitals, inadequate coverage of medical equipment under rate contract, delay in placement of procurement orders, delay in delivery of medical equipment by the Suppliers *etc.*

- Health facilities in State did not work with full sanctioned strength and GoB could not recruit doctors and nurses. Even total vacancies were not published to get them filled. This was evident from shortage of doctors and other staff in district hospitals.
- Because of deficiencies, patients approaching district hospitals for OPD services, IPD services, maternity services, surgeries, treatment in emergent conditions were likely to be referred and/or passed on to higher facilities, public or private hospitals. Moreover, patients were to purchase drugs from outside and bear out of pocket expenditure.

{Paragraphs 2.1.7.1 & 2.5.8.5(B)}

Recommendations

- State Government should prescribe/adopt standards and norms for provisioning of services and resources for District Hospitals as envisaged in Clinical Establishment (Registration and Regulation) Act 2010 and Bihar Clinical Establishments (Registration and Regulation) Rules 2013.
- Gaps between the prescribed standards and existing services delivery should be reviewed and efforts may be made to address the gaps.
- Long term planning of the Health Department may be based on gap analysis and improvement in line and support services may be attempted accordingly.
- Budgeting exercise of the Health Department should take input of District Hospitals into consideration so that funds may be allotted as per the requirement to improve service.
- Department should ensure recruitment of required number of Doctors, nurses, paramedical and other support staffs to operate essential medical services.
- Availability of adequate manpower, drugs and equipment in District Hospitals may be closely monitored by the top management of the Department.
- BMSICL/Health Department should review the gaps in supply chain of drugs and medical equipment and address the delay and shortage in supply.
- The monitoring mechanism should be revamped by including measurement of outcome indicators pertaining to productivity, efficiency, service quality and clinical care capability of the hospitals.
- Department should ensure active surveillance regarding adherence to Bio-Medical Waste Rules 2016 to identify any potential issues for reducing the spread of infectious diseases.
- Maintenance management of hospitals buildings should be strictly monitored to ensure a conducive environment in the hospitals.

(Paragraph 2.10)

Compliance Audits

Detailed Compliance Audit

3.1 Development of Sewerage Infrastructure in Patna under Namami Gange Programme

There was inadequate planning for sewage treatment of Patna town as the sanctioned capacities of STPs were only able to treat, half of the total present sewage discharge. Further, the execution of different projects was inordinately delayed due to slow progress by the agencies, non-identification of land for SPSs, puncturing of effluent line of sewerage networks *etc.* There were issues relating to injudicious award of work leading to extra expenditure, delay in obtaining NOC for execution of work from different departments/authorities, inadequate house connection with sewerage networks *etc.* Further, no plan has been prepared for re-use of treated water as the preparation of DPR for re-use of water is still in progress. The qualities of works were found sub-standard and substantive funds were parked in bank accounts. The BUIDCO failed to adhere to the stipulated time line for completion of works, as no STP along with sewerage network completed till date and the discharge of sewage in Ganga and its tributaries could not be stopped in Patna as desired. Monitoring mechanism in respect of ensuring timely completion as well as maintenance of proper quality in execution of works was inadequate.

The matter was reported (February 2021) to the Department, however, their comment/reply not received (September 2021).

Draft Paragraphs

- Due to improper planning, intended objective relating to procurement of 455.45 MT DDT and 313.83 MT SP could not be achieved and led to unfruitful expenditure of ₹ 11.12 crore.

(Paragraph 3.2)

- Non-adherence of provisions of the IRC in preparation of estimate and unable to take the appropriate decision to raise the height of embankment as pointed out by the contractor's/local residents' resulted in an additional burden of ₹5.60 crore.

(Paragraph 3.3)

- Execution of strengthening work on portion of newly built up road by the Road Construction Department led to avoidable expenditure of ₹ 6.85 crore.

(Paragraph 3.4)

- Non-installation of equipment for development of e-classroom concept in the University resulted in idle expenditure of ₹1.43 crore on procurement.

(Paragraph 3.5)

- Due to non-notification of multiplication factor by the Urban Development and Housing Department (Department), Patna Municipal Corporation realised less amount of property tax of ₹1.72 crore.

(Paragraph 3.6)

- Non-adherence to the provisions of Bihar Treasury Code and inaction of authorities of District Election Offices led to accumulation of unadjusted advances of ₹15.19 crore against 4388 persons for a period ranging from one to 36 years.

(Paragraph 3.7)

Section B: Revenue Sector

This section of Report contains seven paragraphs. The total financial implication of the Report is ₹74.22 crore. Some of the major findings in this report are summarised below:

4. General

The total receipts of the GoB for the year 2019-20 amounted to ₹1,24,232.53 crore, of which, revenue raised by the State Government from its own sources was ₹33,857.58 crore (27.25 per cent). The share of receipts from the GoI amounting to ₹90,374.95 crore (72.75 per cent of the total receipts) comprised of State's share of divisible Union taxes of ₹63,406.33 crore (51.04 per cent of the total receipts) and grants-in-aid of ₹26,968.62 crore (21.71 per cent of the total receipts).

(Paragraph 4.1)

Arrears of revenue as on 31 March 2020 on taxes on sales, trade etc., taxes on goods and passengers, taxes and duties on electricity, taxes on vehicles, other taxes and duties on commodities and services, land revenue, state excise, Stamps duty and Registration fees and non-ferrous mining and metallurgical industries amounted to ₹4,584.73 crore, of which ₹1,357.78 crore was outstanding for more than five years.

(Paragraph 4.2)

Audit observed (between April 2019 and March 2020) under assessment/short levy/loss of revenue aggregating to ₹4,417.05 crore in 1,265 cases. The departments concerned accepted (between April 2019 and March 2020) under assessment and other deficiencies of ₹1,249.81 crore in 1,318 cases, out of which, 151 cases involving ₹329.56 crore were pointed out during 2019-20 and the rest in earlier years.

(Paragraph 4.5)

5. Commercial Taxes

The Assessing Authorities failed to detect availing of inadmissible deductions by dealers which resulted in short levy of tax for ₹1.10 crore including leviable interest.

(Paragraph 5.3)

The Assessing Authorities failed to detect the application of incorrect rate of tax which resulted in short levy of tax for ₹2.87 crore including interest.

(Paragraph 5.4)

6. Taxes on Vehicles

Concerned DTOs did not ensure renewal of fitness certificates of 22,684 vehicles during January 2017 and January 2020. This resulted in non-realisation of ₹48.36 crore (testing fee of ₹96.74 lakh, renewal fee of ₹45.37 lakh and additional fee of ₹46.94 crore).

(Paragraph 6.3)

Despite availability of information of non-payment of motor vehicle taxes by defaulter vehicle owners, the DTOs did not monitor or review tax table of VAHAN to generate tax defaulter list. As a result, no demand notice was issued by the DTOs to the tax defaulters and consequently tax of ₹17.97 crore remained unrealised.

(Paragraph 6.4)

Irregular availing of amnesty scheme by owners of vehicles registered after notification of amnesty scheme resulted in loss of revenue for ₹1.51 crore.

(Paragraph 6.5)

The DTOs concerned did not ensure realisation of due tax of ₹1.44 crore at the time of acceptance of application and consequent generation of registration mark in VAHAN-2.0.

(Paragraph 6.6)

Due to non-mapping of RSC in SARATHI software, the Department could not ensure levy of RSC for ₹95.44 lakh on renewal of DL.

(Paragraph 6.7)

Section C: Public Sector Undertakings

7. Summary of Financial Performance of State Public Sector Enterprises (SPSEs)

There were 79 State Government Public Sector Enterprises (SPSEs) under the audit jurisdiction of the CAG of India as on 31 March 2020. These included 72 Government Companies, four Government Controlled Other Companies and three Statutory Corporations. This Report deals with 17 Government Companies, two Government Controlled Other Companies and one Statutory Corporation. 57 SPSEs (including two Government Controlled Other Companies) and two Statutory Corporations whose accounts were in arrears for three years or more or were defunct/under liquidation or first accounts were not received are not covered in this Report.

(Paragraph 7.1.3)

Contribution to Economy of the State

The SPSEs covered in this report registered an annual turnover of ₹19,376.01 crore as per their latest finalised accounts. This turnover was equal to 3.17 *per cent* of Gross State Domestic Product (GSDP) for the year 2019-20 (₹6,11,804.00 crore).

(Paragraph 7.1.4)

Equity Holding of State Government

As on 31 March 2020, the total investment (equity and long term loans) in SPSEs covered in this report was ₹44,997.29 crore. The investment consisted of 85.88 *per cent* (₹38,644.41 crore) towards equity and 14.12 *per cent* (₹6,352.88 crore) in long-term loans. The State Government had an equity holding of ₹38,349.13 crore in share capital. The loans given by State Government outstanding as on 31 March 2020 amounted to ₹1,499.78 crore. Compared to the previous year, holding of the State Government in equity of SPSEs registered a net increase of ₹3,079.20 crore and loans outstanding increased by ₹116.56 crore during 2019-20.

(Paragraphs 7.2, 7.2.1 and 7.2.2.1)

Returns on Investment

Out of 20 SPSEs covered in the report, 10 SPSEs earned profit during the year 2019-20. The profit earned increased to ₹641.60 crore in 2019-20 from ₹321.95 crore in 2018-19. The top profit making companies in 2019-20 were Bihar State Power Transmission Company Limited (₹460.16 crore) and Bihar Grid Company Limited (₹31.63 crore). Return on Equity of all the 20 SPSEs including six loss making and four no profit no loss companies was -12.33 *per cent* in 2019-20.

(Paragraph 7.3.1)

Dividend Paid by SPSEs

The State Government had not formulated a dividend policy under which all profit making SPSEs are required to pay a minimum return. During the period 2017-18 to 2019-20, SPSEs ranging from 10 to 12 earned profits. However, only two SPSEs declared/paid dividend to GoB during the mentioned period. The Dividend Payout Ratio was 1.68 *per cent*, 2.26 *per cent* and 1.13 *per cent* during 2017-18 to 2019-20 respectively.

(Paragraph 7.3.2)

Net Worth/Accumulated Loss

As on 31 March 2020, there were only six SPSEs which incurred losses amounting to ₹3,220.84 crore. The accumulated losses and net worth of these six SPSEs were ₹20,131.71 crore and ₹8,698.68 crore respectively against equity investment of ₹28,820.34 crore. Of these, the net worth of three SPSEs was completely eroded and it was (-) ₹597.22 crore against equity investment of ₹85.58 crore.

(Paragraphs 7.6.1 and 7.6.2)

8. Oversight Role of CAG

Out of 79 SPSEs (including three statutory corporations) under the audit jurisdiction of CAG, Financial Statements for the year 2019-20 were received from only two SPSEs on or before 31 December 2020. These two accounts of SPSEs have been reviewed by the CAG. 1,303 Financial Statements of 77 SPSEs were in arrear due to different reasons as on 31 December 2020. Among non-functional SPSEs, 42 SPSEs (including five SPSEs under liquidation having 101 arrear of accounts) had a whopping 1,166 accounts in arrears. It is a serious lack of accountability and transparency and the Government needs to take urgent steps to consider winding up of these non-functional SPSEs.

(Paragraphs 8.3.2 and 8.5.1)

Subsequent to the audit of the financial statements by statutory auditors, the CAG conducted supplementary audit of the financial statements of the State Government Companies and Government Controlled Other Companies during the calendar year 2020. CAG issued comments in respect of six financial statements of five SPSEs during the calendar year 2020.

The financial impact of significant comments, issued on the six financial statements of five SPSEs, on profitability and assets/liabilities was ₹2,238.28 crore and ₹4,949.14 crore respectively.

(Paragraph 8.5.2)

Deviations from the provisions of Accounting Standards/Ind AS in preparation of the Financial Statements were noticed in nine SPSEs by the Statutory Auditors.

(Paragraph 8.6)

