

OVERVIEW

Overview

This Report of the Comptroller and Auditor General of India (C&AG) contains one performance audit and 17 paragraphs relating to suspected fraudulent/excess payments, unfruitful/avoidable expenditure, fictitious purchases, irregularities in allotment, lapses in internal control, short/non-recoveries, shortcomings in implementation of rules and programmes, *etc.*, involving ₹2,809.97 crore. The major findings are mentioned below:

Performance Audit

Department of Health and Family Welfare Services

Arogya Kavacha – 108 Project

Emergency medical services (EMS) is defined as the system that organises all aspects of care provided to patients in the pre-hospital or out-of-hospital environment. It is a critical component of health systems and is necessary for improving outcomes of injuries and other time-sensitive illnesses. Government of Karnataka aimed to provide a comprehensive Emergency Response Service, from the time of event occurrence to shifting to an appropriate hospital, through a single toll free number ‘108’ for which, it had entered into a Public Private Partnership arrangement (Design, Build, Operate and Maintain model) with GVK Emergency Management Research Institute, Secunderabad through a Memorandum of Understanding (MOU).

(Paragraph 2.1.1)

The success of EMS is largely dependent on its responsiveness to emergencies and the adequacy of the infrastructure in place. The performance audit conducted for the period 2014-15 to 2018-19 intended to ascertain whether EMS was appropriately responsive and equipped to deliver quality pre-hospital emergency care and the Information and Communication Technology deployed in the project was supporting the overall activities and the objective of delivering quality emergency care adequately. Though the project envisaged catering to police, fire and medical emergencies, 99 *per cent* of the emergencies attended to were medical emergencies.

(Paragraph 2.1.5)

Audit noticed that EMS fell short of achieving the desired objectives completely. The project aimed to reach the patients/sites within 20 minutes on an average in urban areas and 30 minutes on an average in rural areas. However, rural-urban classification of data was not available. Hence, maximum 30 minutes’ response time was considered for audit analysis and we noticed that this was achieved in only 72 *per cent* of the cases. The response time comprised triage time, chute time and travel time. The triage time was more than the stipulated three minutes in 47 *per cent* of the cases. In 85 *per cent* cases, the chute time was more than the stipulated one minute and was up to 100 minutes and beyond in few cases. Studies indicate that the response time for cardiac, respiratory and stroke cases was to be less than 10 minutes. However, the ambulances reached the patients after the stipulated 10 minutes in 62, 66 and 63 *per cent* cases respectively. In 50 *per cent* of the trauma

cases, the patients were admitted to the hospital after the crucial one-hour time. In the absence of adequate follow-up data, the impact on the final outcome of the patients could not be ascertained.

(Paragraph 2.1.9.4 and 2.1.9.5)

The total calls received comprised 64 *per cent* ineffective calls, out of which no response and disconnected calls were 42 and 34 *per cent* respectively. The callers were called back only in three *per cent* of the disconnected cases indicating absence of call monitoring mechanism.

(Paragraph 2.1.9.2)

Pre-arrival instruction is a critical component in EMS. There was no mechanism in place for alerting the hospitals in advance about arrival of ambulances. In 18 *per cent* of the cases, there was a delay in handing over the patients beyond 15 minutes because of which 1.75 lakh ambulance hours were lost. This was compounded by the delay in reporting closure of cases by the crew even after reaching the base station leading to loss of 31.87 lakh ambulance hours. Ambulances were despatched only in 3.74 lakh cases out of the 8.87 lakh requests transferred to vehicle busy desk. The allocation of ambulances was not based on criticality of emergencies as ambulances with Basic Life Support system were allocated in 75 *per cent* of the cases to critical emergencies such as cardiac, respiratory and trauma that required allocation of Advanced Life Support systems.

(Paragraph 2.1.9.6, 2.1.9.7 and 2.1.10.4)

The project adopted population as the criteria for deployment of ambulances. In the absence of policy regarding positioning/location of the ambulances, we observed that ambulances were stationed mainly within the Government hospital premises and not within the vicinity of black spots. The round trips undertaken by the ambulances impacts the responsiveness of EMS.

(Paragraph 2.1.10.2)

There were 20 and 21 *per cent* vacancies in the post of ambulance drivers and emergency management technicians respectively. The shortage of ambulance staff led to ambulances remaining off the road for 41,342 days during the audit period. Emergency Response Centre Physicians (ERCs) were required to provide virtual medical directions to EMTs who were in the field. There were only three ERCs available at the emergency response centre. The percentage of unanswered calls by ERCs was 58.20 and 65.52 during 2017-18 and 2018- 19.

(Paragraph 2.1.15)

There was no strategic management plan to ensure the availability of EMS to disadvantaged sections such as people living in remote/tribal areas, marine fishermen etc. In addition, assessment of effective response time for different categories of emergencies, pre-alerting mechanism, monitoring of patient outcomes, upgradation of ICT infrastructure and research of effectiveness of pre-hospital care remained out of the purview of the top management at Government level.

(Paragraph 2.1.17.1)

Validation procedures were absent which resulted in incomplete data, back-end insertion of data and incorrect reporting. Back up plans, incident management and business continuity plans that were necessary for taking remedial measures in cases of disruption were not prepared. There were no reporting arrangements between the Government and the Partner. There were 6,411 complaints received from emergency service users during the audit period. However, the Government was not informed of the public grievances by the Partner in the absence of any such mechanism. The State Government did not have access to project databases, which impaired monitoring of the project and the use of data to undertake research and development activities for improving patient care. The State and District level committees, which were supposed to monitor the project were not constituted.

(Paragraph 2.1.9.9, 2.1.16, 2.1.17.3, 2.1.17.4 and 2.1.17.5)

The Government decided to discontinue the association with the Partner before the scheduled 10-year period citing deficiencies in services. However, the existing service provider is continuing as identifying a replacement partner was delayed. The MOU did not provide for an exit strategy plan for fulfilment of the contractual obligations as regards transfer of assets and intellectual property rights. The consequent risk of disruption in implementation of the project could not be ruled out. The project was also not evaluated despite being in operation for over a decade.

(Paragraph 2.1.17.2 and 2.1.17.6)

Compliance Audit

Department of Labour

Functioning of Karnataka Building and Other Construction Workers' Welfare Board

The compliance audit showed that the Board was not able to achieve its objectives as the number of employers and construction workers registered with the Board remained low. There was laxity in taking corrective action on the findings of the previous audit. Absence of adequate checks and balances at the Board continued to exist and the Board suffered from systemic deficiencies relating to shortage of staff, poor publicity of schemes, lack of database, inordinate delays in processing claims, *etc.*

In spite of having the Expert Committee for advising the Government in drafting the rules, there were inconsistencies and unrealistic clauses which led to denial of assistance to construction workers and the Board could utilise only five *per cent* of the available funds on welfare schemes during the period from 2014-15 to 2018-19. The absence of internal control mechanism within the Board resulted in non/short realisation of cess (₹27.09 crore), inadmissible expenditure (₹67.98 crore), avoidable liability towards income tax (₹2,358.94 crore including penal interest) and non-monitoring of investments, *etc.*

Majority of the work at the Board was being managed with contractual staff who even handled cheques/demand drafts and accountability could not be fixed on them.

(Paragraph 3.1)

Rural Development and Panchayat Raj Department

Effectiveness of Social Audit

Though provisions of various schemes mandated conduct of Social Audit, there was no exclusive social authority to oversee the conduct of Social Audit of schemes implemented in the State. The Social Audit Unit in the State established exclusively for MGNREGS was entrusted with Social Audit of other schemes such as NRDWP, SBM, MDM and PDS. However, the Social Audit of these schemes was not a continuous process as in the case of MGNREGS. The inaction of the departments concerned on the findings of Social Audit rendered audit exercise becoming futile.

The Governing body of the SAU had not met regularly which led to absence of monitoring at the top level. This was coupled with the absence of monthly reviews by the State Government. Consequently, the follow up on the Social Audit Reports was weak and less than one *per cent* of the recoveries pointed out in Social Audit Reports was recovered. Concurrent Social Audit was also not conducted as stipulated for want of funds.

(Paragraph 3.2)

Department of Revenue

Suspected fraudulent/excess payment towards purchase of fodder

Doubtful supply of fodder and adoption of incorrect rate for purchase of fodder by Tahsildar, Kollegal resulted in suspected fraudulent payment of ₹9.38 lakh and excess payment of ₹77.51 lakh respectively to the suppliers.

(Paragraph 3.3)

Department of Medical Education

Fictitious purchase of implants/equipment

The Director of the Koppal Institute of Medical Sciences had issued cheques worth ₹64 lakh out of SCP/TSP funds for purchase of implants/equipment which were never indented or supplied.

(Paragraph 3.4)

Procurement of disposables at higher cost

Failure of the Karnataka Institute of Medical Sciences, Hubballi to finalise its tender for procurement of disposables within the scheduled time resulted in re-tendering and additional expenditure of ₹1.18 crore.

(Paragraph 3.5)

Department of Health and Family Welfare Services

Procurement and utilisation of equipment in district/taluk hospitals

Equipment to all the hospitals, as assessed, was not supplied resulting in non-achievement of the objective of the Government to establish ICUs in all district and taluk hospitals. ICUs established at a cost of ₹98.71 lakh in five

test checked taluk hospitals and one district hospital were not functional. Besides, the non-utilisation of various equipment resulted in non-availability of clinical/diagnostic services to the patients.

(Paragraph 3.6)

Department of Collegiate Education

Exemption of fee concession not extended to girl students of Government aided private colleges

Non-implementation of the Government order by the Department of Collegiate Education resulted in collection of ₹9.68 crore of tuition and laboratory fee by the Government aided private colleges from the eligible girl students who were exempted from paying it.

(Paragraph 3.7)

Department of Urban Development

Irregularities in allotment of alternative site

Bengaluru Development Authority allotted and registered 14 alternative sites without approval of its Board and in violation of statutory provisions. This resulted in a loss of ₹10.24 crore to the Authority.

(Paragraph 3.8)

Undue benefit to contractor

Bengaluru Development Authority adopted rates of manual excavation for the work to be carried out through machinery resulting in extending undue benefit of ₹1.92 crore to the contractor.

(Paragraph 3.9)

Lapses in internal control procedure resulted in double refunds

Due to lapses in Bengaluru Development Authority's internal control procedure, there were double payment of refunds amounting to ₹8.55 crore in 307 cases. Though the Authority stated that the entire amount except ₹12.11 lakh was recovered, it failed to produce recovery particulars for ₹1.14 crore.

(Paragraph 3.10)

Payments to unauthorised works through false certification

Violation of the provisions of Karnataka Public Works Departmental code by the Engineers of Bengaluru Development Authority with regard to measurement book resulted in false certification of fictitious measurements and led to unauthorised expenditure to the extent of ₹88.91 lakh.

(Paragraph 3.11)

Avoidable expenditure on road side drains works

Adoption of incorrect item and incorrect rates for road side drain works by two Bruhat Bengaluru Mahanagara Palike divisions resulted in avoidable expenditure of ₹1.09 crore.

(Paragraph 3.12)

Avoidable expenditure due to non-reduction of quantity of bitumen during road formation

Non-reduction of quantity of bitumen in bituminous concrete works during road formation by the Engineering offices of Bruhat Bengaluru Mahanagara Palike resulted in avoidable expenditure of ₹82.17 lakh.

(Paragraph 3.13)

Short/non-recovery of royalty

Incorrect computation of royalty on compacted quantities for the various items of work instead of on actual quantities of minor minerals consumed for works and application of incorrect rate resulted in short recovery of royalty of ₹2.15 crore by Road Infrastructure and Ward divisions, Bruhat Bengaluru Mahanagara Palike.

(Paragraph 3.14)

Loss of revenue due to non-recovery of property tax

The Assistant Revenue Officer, Gandhinagar sub-division failed to pursue the recovery of property tax dues towards Kempegowda Metro Station resulting in non-payment of property tax of ₹6.76 crore including interest by Bengaluru Metropolitan Rail Corporation Limited.

(Paragraph 3.15)

Collection of scrutiny fees twice by BBMP resulted in excess collection of licence fee

Collection of full licence fee without deducting the part of licence fee collected as scrutiny fee by the Town Planning department of Bruhat Bengaluru Mahanagara Palike from public resulted in excess collection of licence fee of ₹4.05 crore.

(Paragraph 3.16)

Department of Housing

Loss due to incorrect interpretation of guidelines

Incorrect interpretation of the Government guidelines issued for operation of funds by Karnataka Slum Development Board resulted in loss of interest and penalty amounting to ₹1.20 crore.

(Paragraph 3.17)