Audit Report of the Comptroller and Auditor General of India (Performance and Compliance Audit) for the year ended 31 March 2021

Government of Bihar

Report No. 5 of the year 2022

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Preface

This Report of the Comptroller and Auditor General of India for the year ended March 2021 has been prepared for submission to the Governor of Bihar under Article 151 of the Constitution of India.

This Report contains significant results of the Performance Audit and Compliance Audit of the departments of Agriculture, Finance, Science and Technology, Road Construction, Public Health Engineering and Social Welfare.

The instances mentioned in this Report are those which came to notice in the course of test-audit for the period 2020-21 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports. Instances relating to the period subsequent to 2020-21 have also been included, wherever necessary, giving updated position. The audit observations contained in this Report are based on a limited test-check.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Overview

OVERVIEW

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2021 includes findings on one Performance Audit on '*Pradhan Mantri Kisan Samman Nidhi Yojana*, two detailed compliance audits on 'Internal control in Finance Department' and 'Functioning of Engineering and Polytechnic Institutes established under *Avsar Badhe Aage Padhein*', and four audit paragraphs. A summary of important audit findings is given below.

Performance Audit

2 *Pradhan Mantri Kisan Samman Nidhi Yojana*

- *Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Scheme with 100 per cent Government of India (GoI) funding, provides income support of ₹ 6,000 per annum to all eligible farmer families in three equal instalments of ₹ 2,000 every four months to supplement their financial needs to ensure proper crop health and appropriate yields, as well as their domestic needs.*

  (Paragraph 2.1)

- *An early onboarding on the scheme portal ensures timely accrual of benefits of the scheme. However, Department not having any existing list of potential beneficiaries deprived 71,45,065 beneficiaries of ₹3,443.55 crore.*

  (Paragraph 2.6 and 2.6.1)

- *The number of registered beneficiaries was only 82.50 lakh (50 per cent) (August 2021). Inadequate coverage may be attributed to Department not having any existing list of potential beneficiaries, not accessing the existing databases, non-acceptance of offline applications etc.*

  (Paragraph 2.6.2)

- *By not providing the option for an offline application, the State Government prevented those farmers from the benefits of the scheme who could not apply online.*

  (Paragraph 2.6.3)

- *Agriculture Department was dependent on self-declarations made by the beneficiaries about status of income tax payment and other information determining the eligibility. As a result, out of 82,50,032 registered beneficiaries, 48,366 income tax payer beneficiaries received ₹ 39.05 crore (November 2021). On an average, it took the Department 16 to 24 months to detect these ineligible beneficiaries. Similarly, 19,485 ineligible beneficiaries (on the ground of employment of beneficiary, death cases etc.) received payment of ₹23.62 crore (November 2021) which was detected by the Department on an average in two years.*

  (Paragraph 2.6.4)

- *In 10 sampled districts, inadmissible benefits amounting to ₹ 23.59 crore were paid to 22,301 minor beneficiaries(91 per cent of total registered minor beneficiaries) as application for benefits under PM-KISAN did not capture the age of beneficiary on the cut-off date i.e. 1 February 2019.*

(Paragraph 2.6.5)

- *610 (73 per cent) out of 841 sampled beneficiaries did not have land in their own name and they received scheme benefits of ₹58.46 lakh, contrary to the scheme guidelines. If similar cases are examined in the whole State, there is a possibility that a large amount of benefits would have gone to ineligible beneficiaries. This is an area of serious concern. The process of updating land records in the State is cumbersome and digitisation of land records in the State is still ongoing. GoB did not resolve this difficulty which culminated in irregular payment.*

(Paragraph 2.6.6)

- *₹ 50.48 crore could not be transferred to beneficiaries of the State due to failed and pending payments which indicated that necessary verifications and updating the details by the Department was wanting. Audit noted that instances of failed and pending payments accompanied by inaction on the part of State Government towards necessary verifications may create a conducive environment in which money may not be transferred to intended recipients.*

(Paragraph 2.7.1)

- *Application of 67,535 beneficiaries were rejected by PFMS due to bank account related discrepancies. Such rejections were due to the fact that State DBT portal did not have facility to check bank account details and State Nodal Officer did not bring this fact to the knowledge of the Central Government.*

(Paragraph 2.7.2)

- *Scheme benefits of ₹22.62 lakh pertaining to 175 beneficiaries were transferred to bank accounts of other persons confirming the weakness in the existing mechanism of ensuring correctness of bank account details of beneficiaries. Amount is yet to be recovered (November 2021).*

(Paragraph 2.7.3.1)

- *In six out of 10 sampled districts, despite Stop Payment requested by the DAOs to the State Nodal Office, payment of ₹6.96 lakh was made to 138 beneficiaries.*

(Paragraph 2.7.3.2)

- *70 out of 98 persons received irregular payment of ₹7.40 lakh due to negligence of the DAO Siwan and amount was yet to be recovered (September 2021).*

(Paragraph 2.7.3.3)

- *Against ₹ 62.67 crore recoverable from 67,851 ineligible beneficiaries, approximately ₹ five crore (eight per cent) was recovered (upto February 2022) and was yet to be transferred to GOI as the reconciliation process was not complete.*

(Paragraph 2.7.6)

- *GoB could not claim ₹9.48 crore for the period 2018-21 from GoI due to non-setting up of the dedicated PMU. Absence of dedicated PMU affected effective monitoring.*

(Paragraph 2.8.1)

- *Only one meeting of the State Level Monitoring and Grievance Redressal Committee was held in September 2021 as frequency of meeting of the Committee was not prescribed until 9 September 2021. In sampled districts, no meeting of District Level Monitoring and Grievance Redressal Committee was held.*

(Paragraph 2.8.2)

- *No effective step was taken by Agriculture Department to ensure holding of prescribed review meetings at the Divisional Commissioner/District Magistrate level.*

(Paragraph 2.8.3)

- *Since inception of the scheme (February 2019) to August 2021 i.e. during 31 months, only 9,408 grievances (23 per cent) were resolved while during three months i.e. September 2021 to November 2021 the remaining 30,674 (77 per cent) grievances were resolved. However, in absence of related records, it could not be verified whether the redressal of 30,674 pending grievances which were communicated as resolved, actually redressed the grievances of the beneficiaries. Also, various officers did not verify grievance cases.*

(Paragraph 2.8.4)

- *There was an overall reduction of 1,30,492 beneficiaries in comparison to the number of beneficiaries who received at least one instalment since inception of the scheme. Reasons for reduction of beneficiaries was not analysed by the Department which contained the risk of non-recovery from the ineligible beneficiaries and some eligible beneficiaries not receiving subsequent instalments due to certain inadvertent errors viz. non-payment due to errors in bank account details etc.*

(Paragraph 2.8.6)

- *Delay in processing of applications for more than 124 days (one trimester) led to non-payment of ₹92 lakh to potential beneficiaries.*

(Paragraph 2.8.9)

Detailed Compliance Audits

3 Internal Control in Finance Department

- Finance Department did not ensure the proper/ effective functioning of post of District Accounts Officer to ensure transparent financial management at district level DDOs, which resulted in complete lack of financial discipline.

(Paragraph 3.6)

- There were cases of surrender/ lapse of funds, indiscriminate operation of multiple bank accounts, diversion of funds, persistent unadjusted advances *etc*. persisting at district/ block level offices.

(Paragraph 3.2)

- There were irregularities in maintenance of General Provident Fund/ Contributory Pension Scheme accounts which had possibility of malfeasance and frauds.

(Paragraph 3.3)

- Inadequate management of functioning of internal audit arrangement in the Department had adversely affected its intended objective of ensuring proper monitoring of compliance of financial rules/regulations/ instructions. All of these affected the internal control mechanism of the Department where audit was only on requests.

(Paragraph 3.4)

- Substantive shortage of man power in various offices under Finance Department ultimately affected the internal control mechanism which created possibility of misappropriation, embezzlement, fraud *etc*. of Government funds.

(Paragraph 3.5)

4 Functioning of Engineering and Polytechnic Institutes established under *Avsar Badhe Aage Padhein*

- *Avsar Badhe Aage Padhein* (ABAP) was one of the *Saat Nischay* for providing technical and professional skill based education in Bihar.

(Paragraph 4.1)

- Department of Science and Technology was responsible for its implementation through construction and establishment of different institutions under its aegis.

(Paragraph 4.2.1)

- Objective of the scheme was defeated by delayed acquisition of land, acquisition of unsuitable lands, non/delayed construction of buildings by the Building Construction Department, insufficient infrastructure, equipment, facilities *etc*.

(Paragraph 4.3)

- ❖ The Department could not implement the scheme properly due to acute shortage of teaching and almost non-availability of non-teaching staff that could adversely affect the quality of technical education.

(Paragraph 4.4)

- ❖ Further, due to absence of effective monitoring mechanism of the Department, unsuitable land was selected, buildings/portable cabins were not constructed and adequate laboratories were not available.

(Paragraph 4.7)

- ❖ With colleges/institutes accommodating students three times their capacity and students having to travel a distance of 30 kms to 187 kms to reach the college/ institute, the purpose of the resolve to establish an Engineering/ Polytechnic Institute in every district is defeated.

(Paragraph 4.6)

Audit Paragraphs

Audit observed significant deficiencies in critical areas, which impact the effectiveness of the State Government. Some important findings arising out of Compliance Audit (four paragraphs) are featured in the Report. Major observations relate to non-compliance with rules and regulations, audit against propriety and cases of expenditure without adequate justification and failure of oversight/governance as mentioned below:

- Construction of High Level Bridges without ensuring land for approach road led to unfruitful expenditure of ₹11.70 crore.

(***Paragraph 5.1***)

- Provision of water meters in the village water supply scheme without any plan for their use, rendered expenditure of ₹1.99 crore infructuous.

(***Paragraph 5.2***)

- In violation of guidelines, payment of ₹ 45.43 lakh as cash incentive was made by Child Development Project Officers to beneficiaries.

(***Paragraph 5.3***)

- The Department could not utilise *Aadhaar* Enrolment Kits valuing ₹ 6.26 crore due to lack of required manpower and the kits remained idle.

(***Paragraph 5.4***)

Chapter-I
Introduction

CHAPTER-I
INTRODUCTION

1.1 About this Report

This report relates to matters arising from the Performance audit of Agriculture Department and compliance audit of some selected departments of the Government of Bihar (GoB).

The primary purpose of this section of the report is to bring to the notice of the Legislature, audit findings of significant materiality in respect of performance and compliance audits conducted during 2020-21. The audit findings are expected to enable the executive to take corrective actions as also to frame policies and directives that will lead to improved financial management of the organisations, thus contributing to better governance and improved public service delivery.

This Report comprises five chapters. This chapter provides a brief analysis on the expenditure of the departments and responses of the Government to the Audit Inspection Reports/ Audit Reports and action taken on them. Chapter II to V present detailed findings and observations on the performance and compliance audits conducted during 2020-21.

1.2 Auditee profile

There are 44 Departments in the State. During 2020-21, against the total budget of ₹ 2,45,522.62 crore the State incurred total expenditure of ₹ 1,67,915.40 crore.

1.3 Response of the Government

1.3.1 Response of the Government to Inspection Reports

The Accountant General (Audit), Bihar conducts periodical inspection of Government Departments by test-check of transactions and verifies the maintenance of important accounting and other records as per the prescribed rules and procedures. These inspections are followed by issue of Audit Inspection Reports (IRs) to the Head of the office with request to furnish replies within four weeks. When irregularities *etc*., detected during audit inspection are not settled on the spot, these IRs are issued to the Heads of offices inspected, with copies to next higher authorities.

Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations pointed out in these Inspection Reports are processed for inclusion in the Audit Reports of the Comptroller and Auditor General of India, which are submitted to the Governor of Bihar under Article 151 of the Constitution of India.

During 2020-21, Compliance Audits of 128 Drawing and Disbursing Officers (DDOs) of the State and four autonomous bodies were conducted by the office of the Accountant General (Audit), Bihar.

Serious irregularities were also brought to the notice of the Heads of the Departments through a half yearly report of pending IRs.

A detailed review of the IRs issued to 2,538 DDOs up to September 2020 pertaining to 39 Departments revealed 42,348 paragraphs having financial implication of about ₹ 10,82,916.30 crore covered in 5,684 IRs remained outstanding at the end of 31 March 2021 as shown in **Table 1.1**. The year wise position of outstanding IRs/ Paragraphs and types of irregularities is detailed in ***Appendix-1.1*** and ***Appendix-1.2*** respectively.

Table 1.1
Outstanding Inspection Reports/ Paragraphs

Sl. No.	Period	No of outstanding IRs (*per cent*)	No of outstanding paras (*per cent*)	Amount involved (*₹ in crore)*
1	Less than one year	55 (01)	704 (2)	1,95,818.91 (18)
2	1 year to 3 years	1,159 (20)	11147 (26)	6,70,458.88 (62)
3	More than 3 years to 5 years	1,953 (35)	14511 (34)	80,373.02 (7)
4	More than 5 years	2,517 (44)	15986 (38)	1,36,265.48 (13)
	Total	**5,684**	**42,348**	**10,82,916.30**

**Figures in parenthesis denotes percentage*

The departmental officers failed to take action on observations contained in outstanding IRs within the prescribed time frame resulting in erosion of accountability.

Recommendation

It is recommended that the Government may look into the matter to ensure prompt and proper response to the audit observations.

1.3.2 Response of the Government to significant audit observations (Performance Audits/ Compliance Audit Paragraphs)

In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/activities as well as on the quality of internal controls, which have negative impact on the success of programmes and functioning of the selected departments. The focus was on auditing the specific programmes/ schemes and to offer suitable recommendations to the executive for taking corrective action and improving service delivery to the citizens.

As per provisions of the Comptroller and Auditor General of India's Regulations on Audit and Accounts, 2020, the departments are required to send their responses to draft performance audit reports/ draft paragraphs proposed for inclusion in the Comptroller and Auditor General of India's Audit Reports within six weeks. Draft reports and paragraphs proposed for inclusion in the Report were forwarded to the Heads of Departments seeking their replies. It was brought to the personal attention of the Heads of Departments that in view of likely inclusion of such paragraphs in the Reports of the Comptroller and Auditor General of India to be placed before the State Legislature, it would be desirable to include their comments in the matter. They were also advised to meet with the Accountant General to discuss the draft reports of Performance Audits and draft audit paragraphs.

For Audit Report 2020-21, reply of the Government in respect of performance audit on '*Pradhan Mantri Kisan Samman Nidhi Yojana'* and reply of Finance Department on Internal Control in Finance Department were received. However, reply of Science and Technology Department on 'Functioning of Engineering and Polytecnic institutes established under *Avsar Badhe Aage Padhein*'was not received.

1.3.3 Response of the Government and auditee units during the conduct of Performance/ Compliance audits

Section 18 (1) (b) of the Comptroller & Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 stipulates that the CAG has the authority in connection with the performance of his duties under the said Act to requisition any accounts, books and other documents which deal with or form the basis of or are otherwise relevant to the transactions to which his duties in respect of audit extends. This provision has been further amplified by Regulation 181 of the Regulation on Audit and Accounts 2020, which stipulates that every department or entity shall establish and implement a mechanism to ensure that data, information and documents that are required by Audit are made available to it in time.

Despite such clear provisions, instances of non-production of records to Audit are many. Though such instances are brought to the notice of the authorities on each occasion, follow up by the concerned authorities has not been uniformly swift and effective.

For the Audit Report 2020-21, one Performance Audit (PA) and two detailed compliance audits are included in this report. However, despite repeated efforts, records requisitioned by the Audit teams were not made available and replies to audit memos issued during audit were not provided in many cases. Seventy one out of 93 auditee units did not produce certain records requisitioned by audit as detailed ***Appendix 1.3.***

Non-production of records severely limits the exercise of CAG's constitutional mandate and may result in lack of accountability by State Government functionaries and concealment of fraud, misappropriation, embezzlement etc. The State Government should take appropriate action including flagging of individual instances of non-production of records from a vigilance angle and initiation of disciplinary action against the concerned officials.

Out of 1,266 audit memos issued in respect of one PA and two DCAs, replies were not received for 266 audit memos and only partial replies were received in respect of six audit memos as detailed in ***Appendix- 1.3***.

1.3.4 Follow-up on Audit Reports

According to the Rules of procedure for the internal working of the Committee on Public Accounts, the Administrative Departments were to initiate, *suomotu* action on all Audit Paragraphs and Performance Audits featuring in the Comptroller and Auditor General's Audit Reports (ARs) regardless of whether these are taken up for examination by the Public Accounts Committee or not.They were also to furnish detailed notes, duly vetted by audit indicating the remedial action taken or proposed to be taken by them within two months of the presentation of the ARs to the State Legislature.

The position regarding receipt of Action Taken Notes (ATNs) on the paragraphs included in the ARs upto the period ended 31 March 2020, as on 30 September 2021 is given in **table 1.2.**

Table 1.2

Position regarding receipt of ATNs on the paragraphs included in the ARs (GS&ES)

Audit Reports for the year	ATNs pending as of 30 September 2021 (No. of Paragraphs)	Money Value (₹in crore)	Date of presentation in the State Legislature	Due date for receipt of ATNs
2017-18	12	896.66	23.03.2021	23.05.2021
2018-19	5	1,876.53	29.07.2021	29.09.2021
2019-20	Not yet Presented in State Legislature			

The above table reflects the slow response of Departments on Audit Report.

1.3.5 Recoveries at the instance of Audit

Audit findings involving recoveries that are noticed in the course of test-check of accounts of the Departments of the State Government are referred to the authorities concerned for confirmation and further necessary action under intimation to Audit.

1.4 Status of placement of Separate Audit Reports of Autonomous Bodies in the State Legislature

The audit of accounts of six autonomous bodies in the State had been entrusted to the Comptroller and Auditor General of India out of which entrustment in respect of accounts of four Autonomous Bodies have not been renewed. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Report and its placement in the Legislature is indicated in ***Appendix-1.4***.

Chapter-II
Pradhan Mantri Kisan Samman Nidhi Yojana

CHAPTER – II

AGRICULTURE DEPARTMENT

2. *Pradhan Mantri Kisan Samman Nidhi* (PM-KISAN) *Yojana*

2.1 Introduction

Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Scheme was launched in February 2019, effective from 1 December 2018 for disbursement of benefits to farmers. The scheme aims to provide income support to all landholding farmers' families[1] by supplementing their financial needs while procuring various inputs to ensure proper crop health and appropriate yields, as well as their domestic needs. This is a Central Sector Scheme with 100 *per cent* Government of India (GoI) funding, operated through Direct Benefit Transfer (DBT) mode. Under the Scheme, irrespective of the farm size, income support of ₹6,000 per annum is provided to all eligible farmer families with certain exclusions[2], in three equal instalments of ₹ 2,000 every four months *viz.* December-March, April-July and August-November.

Responsibility for identification of beneficiaries and ensuring correctness of their details lies with the State Governments.

The benefits are to be paid to only those farmers' families whose names are entered into the land records. The cut-off date for determination of eligibility of beneficiaries under the scheme is 1 February 2019. The different ways, through which the States are allowed to onboard on the PM-KISAN portal of GoI, are depicted in **Chart 2.1**.

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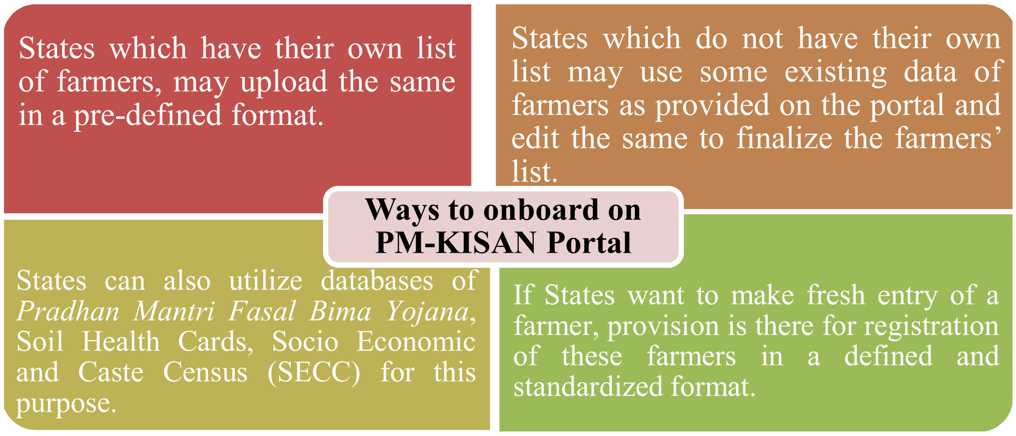
[1] *A landholding farmer's family under the scheme is defined as "a family comprising of husband, wife and minor children who owns cultivable land as per land records of the concerned State".*

[2] *(a) All Institutional Land holders; and (b) Farmer families in which one or more of its members belong to following categories: (i) Former and present holders of constitutional posts; (ii) Former and present Ministers/State Ministers and former/present Members of Lok Sabha/Rajya Sabha/State Legislative Assemblies/State Legislative Councils, former and present Mayors of Municipal Corporations, former and present Chair persons of District Panchayats;*
(iii) All serving or retired officers and employees of Central/ State Government Ministries/ Offices/ Departments and their field units, Central or State PSEs and Attached offices/ Autonomous Institutions under Government as well as regular employees of the Local Bodies (Excluding Multi-Tasking Staff (MTS)/Class IV/Group-D employees);
(iv) All superannuated/retired pensioners whose monthly pension is ₹10,000 or more (Excluding MTS/ Class IV/Group-D employees; (v) All Persons who paid Income Tax in last assessment year; (vi) Professionals like Doctors, Engineers, Lawyers, Chartered Accountants, and Architects registered with Professional bodies and carrying out profession by undertaking practices; (c) Non resident Indians (NRIs) in terms of the provisions of the Income Tax Act, 1961.

Chart-2.1
Ways to onboard on PM-KISAN Portal



(Source: PM-KISAN Guidelines, GoI)

2.2 Organisational set-up

Agriculture Department, Government of Bihar (GoB), headed by the Secretary, is the nodal department for implementation of the scheme in the State and co-ordinates with the Central Government. Director (Agriculture)/Additional Director (Agronomy) had been nominated (February/March 2019) by the Agriculture Department as the State Nodal Officer (SNO) for the scheme.

At district level, Additional District Magistrate/Revenue (ADM) approves the beneficiaries based on beneficiary identification carried out by Agriculture Co-ordinators (ACs) at Panchayat level and land verification by Circle Officers (COs) at Block level.

2.3 Audit objectives

The objectives of the Performance Audit were to assess: -

- efficiency and effectiveness of the system put in place for identification and verification of beneficiaries;
- Financial Management of the scheme including processing of payments to beneficiaries, DBT, refunds, and their accounting; and
- efficiency and effectiveness of the monitoring mechanisms for the scheme.

2.4 Audit criteria

The audit criteria were sourced from the following: -

- Operational Guidelines/FAQs of the scheme;
- Guidelines and Standard Operating Procedures (SOPs) on fund transfer, refund mechanism, reimbursement of expenses, *etc*. pertaining to the scheme;
- Correspondence and instructions issued by the Ministry of Agriculture & Farmers Welfare, GoI and the Agriculture Department, GoB;
- Minutes of the Monitoring Committee meetings;
- Agriculture Census 2015-16 (Ministry of Agriculture, GoI);

- Report of Digital India Land Records Modernization Programme (DILRMP) by Ministry of Rural Development, GoI.

2.5 Audit scope, methodology and limitations

Performance Audit for the period 2018-19 to 2020-21 was conducted during August to November 2021 through test-check of records of the offices of the Agriculture Department along with its 10 District Agriculture Offices and 20 Block Agriculture Offices; and Revenue and Land Reforms Department along with its field formations *viz*. offices of 10 ADMs (at district level) and 20 COs (at block level) on a sample[3] basis.

Audit methodology comprised document analysis, response to audit queries, collection of information through questionnaire, scrutiny of records of sampled 841 beneficiaries[4] and out of them, physical verification of 300 sampled beneficiaries. An entry conference was held in July 2021 with the Directors of the Agriculture Department and the Revenue and Land Reforms Department wherein audit objectives, audit criteria and methodology were discussed. An exit conference with the Secretary of the Agriculture Department and the Director-cum-Additional Secretary of the Revenue and Land Reforms Department was held in February 2022 to seek their responses to audit observations. Responses of the Agriculture Department and the Revenue and Land Reforms Department have been suitably incorporated in the report.

There were some limitations to this Performance Audit. One of them was that, despite several requests (August-September 2021), the Agriculture Department did not allow access to the scheme database of the State which hampered substantive testing of data during audit. Another limitation was unorganised maintenance/non-maintenance/non-production of certain records and information. As a result, Audit could not ascertain the exact extent of deviations.

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[3] *Using Stratified Random Sampling method, records of 900 beneficiaries spread across 10 districts (Banka, Darbhanga, Jamui, Khagaria, Madhubani, PurbiChamparan, Purnia, Saharsa, Saran and Siwan), 20 blocks (Two blocks in each sampled district) and 60 villages (Three villages in each sampled block) were sampled. Out of the sampled 900 beneficiaries' (15 in each sampled village) records, 300 beneficiaries were also sampled for physical verification during field audit.*

[4] *Against 900 beneficiaries sampled, records of only 841 beneficiaries were made available and could be verified during field audit and out of that physical verification of 300 beneficiaries (five from each of 60 sampled villages) was conducted. District-wise details of records of 59 beneficiaries not produced include - Darbhanga (12), Jamui (Five), Khagaria (Three), Madhubani (11), Purbi Champaran (Seven), Purnea (Three), Saharsa (One), Saran (11) and Siwan (Six).*

Audit Findings

2.6 Efficiency and effectiveness of beneficiary identification and verification process

GoI announced the PM-KISAN scheme on 1 February 2019 in the interim union budget for 2019-20. On the same day, Department of Agriculture Cooperation and Farmers Welfare (DoAC&FW) intimated the State Government regarding GoI's decision to implement the scheme wherein the benefits shall be admissible for the transfer to beneficiaries retrospectively with effect from 1 December 2018. DoAC&FW asked (11 February 2019) the State Government to start data uploading, at a fast pace, so that substantial entries were made by 20 February 2019. Accordingly, the Agriculture Department, GoB issued (12 February 2019) instructions to its field formations regarding the implementation modalities of the scheme. DoAC&FW also advised (18 February 2019) the National Payments Corporation of India (NPCI) to take necessary steps so that the benefits to farmers were transferred on 24 February 2019 itself, after launching of the scheme.

The correspondences (26/28 February 2019) of DoAC&FW, revealed that the State had uploaded erroneous data and some non-beneficiaries had received payments but the mechanism to auto-reverse these payments was absent.

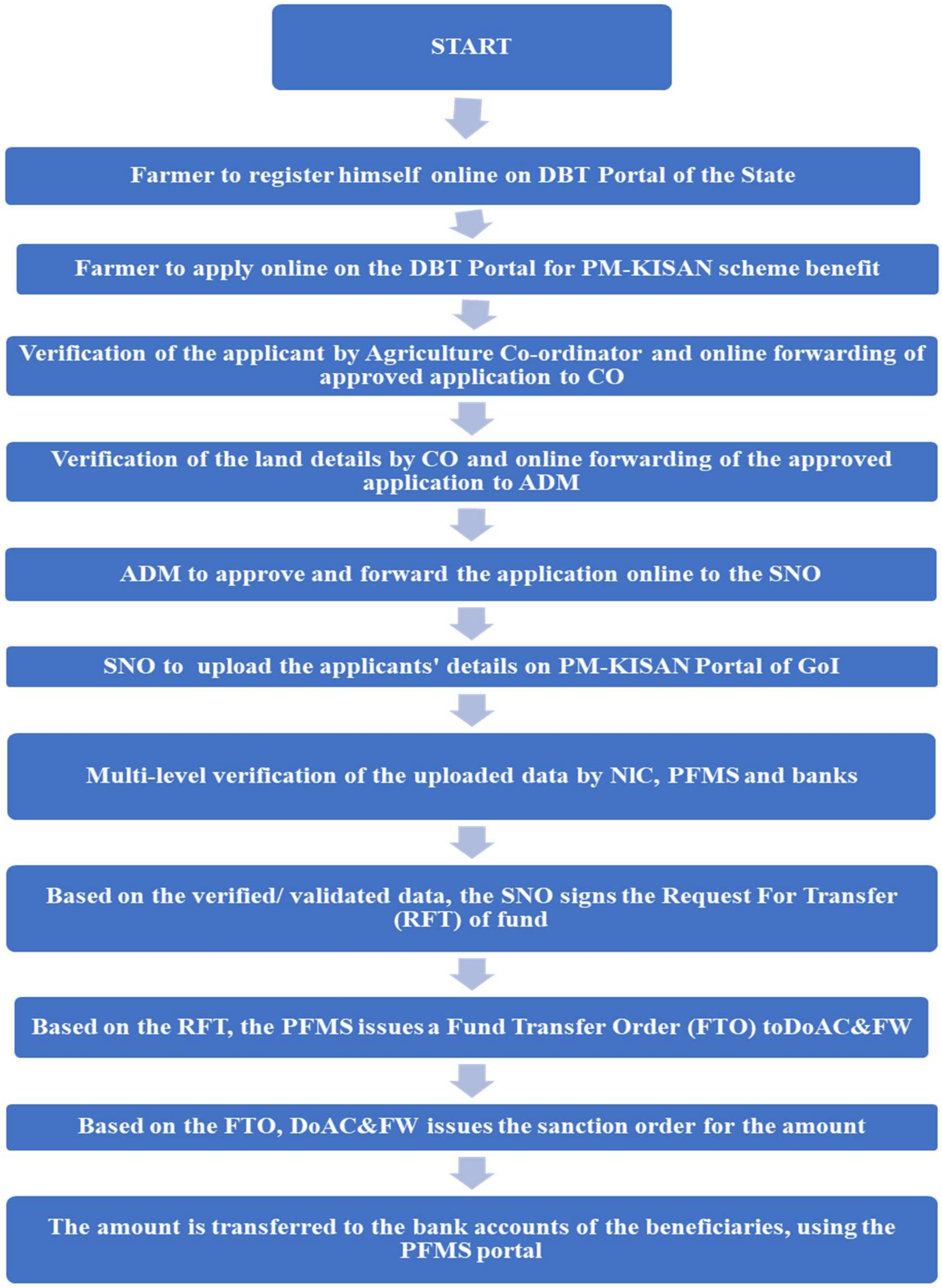
The Secretary, Agriculture Department also admitted (February 2022) that non-availability of landholding data and of digitized land records were the problems at that time.

2.6.1 No existing list of potential beneficiaries

The scheme guidelines, issued by GoI, mentioned that the details of farmers are being maintained by the States either in electronic form or in manual register. It further provided that the States may also onboard on the PM-KISAN portal by uploading the list of farmers maintained by them. As such, the States were expected to have maintained a list of farmers in their States and were allowed to onboard on the PM-KISAN portal by uploading this list of farmers.

However, Agriculture Department had no such list maintained with them. Therefore, it was not in a position to upload any list of farmers on the PM-KISAN portal. As such onus of providing details and uploading documents fell upon potential beneficiaries. Agriculture Department called for individual applications from farmers on its DBT portal. After processing these applications, it uploads the farmers' details on the PM-KISAN portal of GoI. The step-wise process of granting scheme benefits to the farmers of the State is shown in the **Chart 2.2** below:

Chart 2.2
Process of registration and benefits transfer for PM-KISAN Scheme in the State



(Source: PM-KISAN guidelines by GoI and GoB)

GoI guidelines further stipulated that farmers whose names would be uploaded on PM-KISAN portal in a particular four-monthly period, would be entitled to receive the scheme benefits with effect from that four-monthly period itself. Thus, an early onboarding on the PM-KISAN portal of GoI meant early accrual of scheme benefits to farmers. However, as Agriculture Department had not maintained any list of farmers which could have facilitated their early onboarding on the PM-KISAN portal of GoI, the majority of the farmers of the State were deprived of this benefit.

Scrutiny of the scheme data disclosed that only 7,19,497 (nine *per cent*) out of 78,64,562 beneficiaries of the State received benefits of all the seven instalments released by GoI, as they were onboarded early due to applying during the first instalment period itself (ending March 2019). As such, it left 71,45,065 (91 *per cent*) beneficiaries who received scheme benefits of instalments ranging from one to six against all the seven instalments released by GoI (March 2021) as detailed in **Table 2.1** below.

Table 2.1
Statement showing loss to beneficiaries due to delay in onboarding at the scheme portal

Instalment number and period of the instalment	No. of beneficiaries registered during the period and receiving continued benefits	Loss of number of instalments to beneficiaries registered during the concerned period	Total number of instalments loss calculated for all the beneficiaries of the concerned period	Total amount (₹ in crore)
A	**B**	**C**	**D (B x C)**	**E (D x ₹ 2000)**
1st (12/2018 to 3/2019)	719497	0	0	0
2nd (4/2019 to 7/2019)	2592595	1	2592595	518.52
3rd (8/2019 to11/2019)	1585075	2	3170150	634.03
4th (12/2019 to 3/2020)	1309969	3	3929907	785.98
5th (4/2020 to 7/2020)	986205	4	3944820	788.96
6th (8/2020 to 11/2020)	447039	5	2235195	447.04
7th (12/2020 to 3/2021)	224182	6	1345092	269.02
Total	**7864562**	**1 to 6**	**17217759**	**3443.55**

(Source: Agriculture Department)

Thus, lack of an existing list of farmers with the Agriculture Department deprived 91 *per cent* beneficiaries of scheme benefits amounting to ₹3,443.55 crore which an early onboarding (during the first instalment period of scheme ending March 2019) by uploading an existing list, if maintained, would have ensured.

The Secretary, Agriculture Department admitted (February 2022) that at the inception of scheme, the Department had no database of potential beneficiaries with their land ownership records. Land records digitisation was, however, ongoing in the State.

2.6.2 Coverage of the potential beneficiaries

The Central Government had estimated the number of eligible families under the scheme on the basis of operational land holdings mentioned in Agricultural Census 2015-16 and construed operational land holdings as eligible farmers. Audit compared registered beneficiaries of the scheme with the number of operational land holdings in the State. This comparison showed that against 164 lakh operational land holdings in the State, the number of registered beneficiaries under the scheme was only 82.50 lakh (August 2021) which implied coverage of approximately 50 *per cent* of farmers under the scheme.

The inadequate coverage is mainly due to Agriculture Department's not having any existing list of potential beneficiaries, not accessing the database of Central Government schemes like *Pradhan Mantri Fasal Bima Yojana*, Soil Health Cards, Socio-Economic and Caste Census, *Krishi Vigyan Kendras* (KVKs) and registered farmers under State schemes such as diesel subsidy, *Krishi* inputs schemes *etc*.

The Secretary, Agriculture Department admitted (February 2022) that non-availability of database of beneficiaries with their land ownership records had caused problem in estimation of total potential beneficiaries in the state.

2.6.3 Denial of benefits to potential beneficiaries

(i) No provision for offline application

Scheme guidelines stipulate that eligible farmers may also make offline application. Contrary to this stipulation the State Government did not provide option for offline application.

Thus, by not providing the option for an offline application, the State Government prevented those farmers from the benefits of the scheme who could not apply online.

Further, according to the reply of Ministry of Communications in Parliament, 109 out of 8,404 Gram Panchayats in the State did not have broadband connectivity (July 2021) and 245 out of 39,073 inhabited villages, did not have mobile internet connectivity (December 2021).This had an impact on capability of prospective beneficiaries to apply online.

The Secretary, Agriculture Department replied (February 2022) that online application checks duplication and ensures avoidance of the possibility of one person availing multiple benefits. No farmer had complained regarding the online process. The reply was not tenable as *Aadhaar* being a unique identifier under the scheme, it could have been used by the Department to check duplication. Moreover, expecting those potential beneficiaries, who may be unable to apply online, to lodge a complaint regarding the application process is not a realistic approach.

(ii) Non-processing of applications made on PM-KISAN Portal of the Central Government

The scheme guidelines, mentioning procedure for processing applications of new farmers to register themselves on the PM-KISAN Portal of the Central Government, provide that once the Form is filled in and submitted successfully, the same is forwarded by an automated process to the SNO for verification. The SNO verifies the details and uploads the verified data on the PM-KISAN Portal.

Audit scrutiny disclosed that the State did not process the applications of the farmers who registered themselves directly on the PM-KISAN Portal/App of the Central Government. However, details of such applicants were not provided to Audit. The SNO stated (November 2021) that such farmers were informed to re-apply on the State portal for the scheme benefits. But, he did not provide any evidence regarding communication of such information to those farmers.

The Secretary, Agriculture Department replied (February 2022) that application through PM-KISAN portal came late into existence and before that the State had already initiated its application process. The reply was not tenable as applications submitted on the PM-KISAN portal could have been processed irrespective of the period.

2.6.4 Inadequacies of self-declarations

Scheme guidelines stipulate that State Government can certify the eligibility of the beneficiaries based on self-declaration made by the beneficiaries. It further stipulates that State Government is free to decide about the appropriate mechanism/ authority for validation of information/ declaration furnished by the beneficiary.

Audit observed that aforesaid enabling provision of scheme guidelines was not exercised by the State Government. It was dependent on self-declarations made by the beneficiaries. State Government did not have any mechanism to cross-check self-declaration about status of income tax payment and exclude other ineligible beneficiaries.

Validations done at the Central Government level have disclosed (November 2021) that out of 82,50,032 registered beneficiaries of the State, 48,366 ineligible beneficiaries were income tax payers and had received scheme benefits of ₹ 39.05 crore, as detailed in **Table 2.2** below.

Table 2.2
Instalment-wise benefits received by Income Tax payer ineligible beneficiaries

No. of instalments	No. of months covering the instalments	No. of ineligible beneficiaries	Total instalments received by ineligible beneficiaries	Total amount (₹ in crore)
A	B (A x 4 months)	C	D (AxC)	E (D x ₹ 2000)
1	4	2011	2011	0.40
2	8	2499	4998	1.00
3	12	14110	42330	8.47
4	16	8863	35452	7.09
5	20	14859	74295	14.86
6	24	6024	36144	7.23
Total	**-**	**48366**	**195230**	**39.05**

(Source- Agriculture Department)

The average number of instalments received by these 48,366 beneficiaries was four which went up to six in some cases. This also implies that on an average basis, it took the department 16 months to 24 months (time period of four instalments to six instalments) in some cases to detect these ineligible beneficiaries.

Audit noted that GoB did not create mechanism to verify Income Tax payment status of farmers. Calling for the applicants' Permanent Account Number (PAN) allotted by the Income Tax department, if held and copies of income tax return, if filed may have reduced the instances of scheme benefits payment to income tax payers.

The Secretary, Agriculture Department, accepted that there was no mechanism at the State level to ascertain income tax payer farmers. He further replied (February 2022) that the Department followed a rigorous mechanism to ensure that no ineligible beneficiary gets scheme benefits and more than 39 lakh applications had been rejected at different levels of verification. The reply was not tenable as the department had not exercised available mechanism to weed out 48,366 income tax payers *viz.* calling for PAN and copy of ITR, which might have further strengthened the verification process.

Further, Audit observed that out of 82,50,032 registered beneficiaries, 7,951 ineligible beneficiaries had received scheme benefits amounting to ₹ 8.13 crore even though the Agriculture Department, had various validations to detect ineligible beneficiaries *viz.* employment status of beneficiary, multiple number of beneficiaries from one family, death cases *etc.* The number of such ineligible beneficiaries increased to 19,485 involving payment of ₹ 23.62 crore (November 2021), as detailed in **Table 2.3** below.

Table 2.3
Instalment-wise benefits received by other ineligible beneficiaries

No. of instalments	No. of months covering the instalments	No. of ineligible beneficiaries	Total instalments received by ineligible beneficiaries	Total amount (₹ in crore)
A	B (Ax4 months)	C	D (A x C)	E (D x ₹2000)
1	4	152	152	0.03
2	8	438	876	0.18
3	12	1194	3582	0.72
4	16	1995	7980	1.60
5	20	3178	15890	3.18
6	24	3821	22926	4.59
7	28	3968	27776	5.56
8	32	3846	30768	6.15
9	36	893	8037	1.61
Total	**-**	**19485**	**117987**	**23.62**

(Source- Agriculture Department)

The SNO mentioned lack of clarity in exclusion criteria as one of the reasons for selection of ineligible beneficiaries but the specific points lacking clarity were not pointed out by him. However, the SNO neither sought any clarification from GoI on the points lacking clarity nor issued any specific checklist or SOP for guidance of the officials involved in implementation of the scheme which might be one of the reasons for selection of ineligible beneficiaries. Audit also noticed that mechanism of self-declaration form lacked of any provision obligating beneficiaries/family members to inform the authorities regarding any subsequent change in their eligibility in future.

The average number of instalments received by these 19,485 beneficiaries was six which went up to nine in some cases. On an average, it took the department two years (time period of six instalments) which extended to three years (time period of nine instalments) in some cases to detect these ineligible beneficiaries. Thus, the controls placed were not working as desired as the ineligible beneficiaries could not be prevented at the entry level itself. Thereafter their detection too took considerable amount of time.

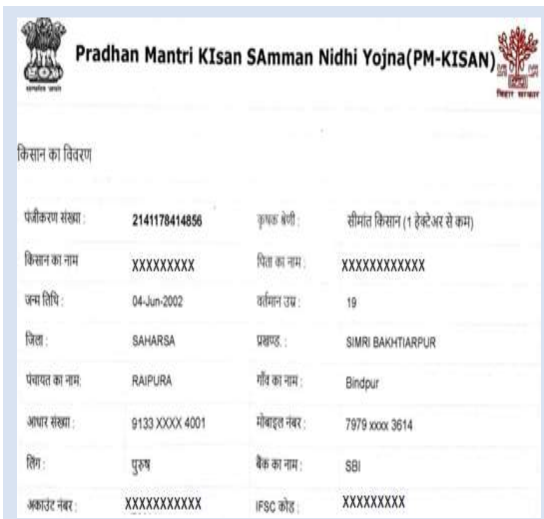
The Secretary, Agriculture Department replied (February 2022) that it is very difficult to verify ineligibility due to employment, death or pension and such details can only be furnished by farmers and their families. However, he also replied that the Department was conducting physical verification of beneficiaries which would help in elimination of such ineligible beneficiaries.

The reply corroborated audit assertion that obligating beneficiaries/family members to inform the authorities regarding any subsequent change in their eligibility in future might have helped in weeding out ineligible beneficiaries. Efforts towards physical verification of beneficiaries may be sustained.

2.6.5 Ineligible minor beneficiaries

The scheme guidelines provide that the cut-off date for determination of eligibility of beneficiaries under the scheme shall be 1 February 2019 and no changes thereafter shall be considered for eligibility of benefits under the scheme for next five years. Further, the cut-off date for minor children becoming major was 1 February 2019.

Audit scrutiny disclosed that contrary to the above provisions, the Department registered 53,393 beneficiaries who became major after the cut-off date of 1 February 2019. Audit further observed that in 10 sampled districts, inadmissible benefits amounting to ₹ 23.59 crore were paid to 22,301 such beneficiaries as detailed in **Table 2.4** below. Similar cases (eight) were also observed during test-check of sampled beneficiaries' records. This was mainly attributable to the fact that application for benefits under PM-KISAN on DBT portal of the State did not capture the age of beneficiary on the cut-off date *i.e.* 1 February 2019 as depicted in the image of a test-checked application shown below.



Pradhan Mantri KIsan SAmman Nidhi Yojna(PM-KISAN)

किसान का विवरण

पंजीकरण संख्या :	2141178414856	कृषक श्रेणी :	सीमांत किसान (1 हेक्टेअर से कम)
किसान का नाम	XXXXXXXXX	पिता का नाम :	XXXXXXXXXXXX
जन्म तिथि :	04-Jun-2002	वर्तमान उम्र :	19
जिला :	SAHARSA	प्रखण्ड :	SIMRI BAKHTIARPUR
पंचायत का नाम	RAIPURA	गाँव का नाम :	Bindpur
आधार संख्या :	9133 XXXX 4001	मोबाइल नंबर :	7979 xxxx 3614
लिंग :	पुरुष	बैंक का नाम :	SBI
अकाउंट नंबर :	XXXXXXXXXXX	IFSC कोड :	XXXXXXXXX

Image of application form (27 October 2021) depicting non-capturing of age of applicant as on cut-off date 1 February 2019.

The above image confirmed that the age of the applicant as on cut-off date 1 February 2019 was not captured in the application. The application captured only the present age of the applicant. However, any applicant, born after 1 February 2001, being minor on the cut-off date was ineligible for scheme benefits. But the date of birth field at the DBT portal was not designed to raise an alert on this to check minor beneficiaries' registration.

Table 2.4
Payment to ineligible minor beneficiaries in sampled districts

Sl. No.	Name of district	No. of minor beneficiaries registered	No. of minor ineligible beneficiaries paid	Total no. of instalments paid up to the 9th instalment	Amount paid (₹ in lakh)
A	B	D	E	F	G (F x ₹ 2000)
1	Banka	540	480	2,306	46.12
2	Darbhanga	203	203	1,475	29.50
3	Jamui	5,029	4,681	22,695	453.90
4	Khagaria	1,496	1,398	6,262	125.24
5	Madhubani	793	760	5,257	105.14
6	Purbi Champaran	4,070	3,786	20,509	410.18
7	Purnia	961	835	3,507	70.14
8	Saharsa	3,029	2,636	14,105	282.10
9	Saran	6,183	5,376	29,514	590.28
10	Siwan	2,241	2,146	12,304	246.08
	Total	**24,545**	**22,301**	**1,17,934**	**2,358.68**

(Source: Ministry of Agriculture and Farmer Welfare, GoI and auditee entities)

Moreover, Agriculture Department was not aware about the ineligibility of minors becoming major after the cut-off date, as evident from the fact that the Department sought clarification from the PM-KISAN central monitoring team in this regard (September, November and December 2021). However, the clarification is yet to be received (February 2022).

The Secretary, Agriculture Department replied (February 2022) that there was no last date for registration/accepting applications from the eligible farmers under the scheme. The Secretary also mentioned that the Department had not uploaded the data of beneficiaries below the age of 18.

The reply was not tenable. The fact that there was no last date for registration/application was applicable only to the eligible farmers on the cut-off date and not to the ineligible minor farmers. Scheme guidelines categorically mentioned the cut-off date for deciding eligibility (including 18 years of age) as 1 February 2019.

2.6.6 Payment to ineligible beneficiaries not having land in their own name

Scheme guidelines categorically stipulate that for availing of the benefits under the scheme, a farmer must have land in his own name.

Scrutiny of sampled beneficiary records disclosed that 610 (73 *per cent*) out of 841 sampled beneficiaries did not have land in their own name and yet received (March 2021) scheme benefits amounting ₹58.46 lakh. This irregularity was noticed in all the 20 sampled blocks of 10 sampled districts. Details of district wise sampled beneficiaries and benefits extended is given in **Table-2.5**.

Table 2.5
Land ownership not in the name of sampled beneficiaries

Sl. No.	Name of district	No. of beneficiaries	No. of instalments transferred as on 31/3/2021	Total Amount transferred (₹ in lakh)
1	Banka	80	435	8.70
2	Darbhanga	40	232	4.64
3	Jamui	68	283	5.66
4	Khagaria	54	211	4.22
5	Madhubani	58	305	6.10
6	PurbiChamparan	66	317	6.34
7	Purnea	25	116	2.32
8	Saharsa	70	335	6.70
9	Saran	72	314	6.28
10	Siwan	77	375	7.50
	Total	**610**	**2923**	**58.46**

(Source: PM-KISAN Portal of GoI and records of auditee entities)

In five out of 20 sampled blocks, COs[5] informed that the beneficiaries were selected on the basis of *Vanshavali*[6] (Lineage), whereas, other COs did not furnish specific information in this regard. Approval of beneficiaries except those having land in their own name as per land records of the State was irregular as per the scheme guidelines. This is further corroborated by the fact that the DMs/ADMs of six[7] sampled districts issued directions (during August 2020 to September 2021) to COs concerned to approve applications of only those beneficiaries who have land in their own name. Moreover, the Central Government permitted scheme benefits on the basis of *Vanshavali* in case of only Jharkhand and that too after carrying out specified procedures for authentication of the *Vanshavali*. Thus, non-adherence to scheme guidelines and dilution of procedure of land verification by the COs, resulted in grant of irregular benefits to persons not having land in their own name. Moreover, payment to farmers on the basis of *Vanshavali* was fraught with the risk of payment to many persons in place of one farmer.

Above observation is based on test check and if similar cases are examined in the whole State, there is a possibility that a large amount of benefits would have gone to ineligible beneficiaries.

Director, Revenue and Land Reforms Department informed (March 2022) that a special survey relating to land records updation was ongoing in all 38 districts in the state and land records would be updated based on survey report.

The Secretary, Agriculture Department replied (February 2022) that Department opted the established land possession verification procedure, for the purpose of verification of land possession of the applicant. Land Possession Certificate (LPC) was issued by the CO, based on the *Vanshavali*.

[5] *Baunsi, Keoti-runway, Jamui, Chautham and Kasba.*
[6] *Genealogical Table.*
[7] *Banka, Darbhanga, Madhubani, Purnea, Saharsa and Siwan.*

The reply was not tenable as scheme guidelines categorically provide for transfer of benefits only to those farmers who have land in their own name. Moreover, LPC/*Vanshavali* certified by the COs was available in only four cases.

2.6.7 Absence of database containing details of all family members

Scheme guidelines stipulate for an *Aadhaar* linked electronic database containing details of all members of the families of the farmers whose names appear in the land records. Only one member of the family, the landowner, is entitled to get the scheme benefits.

Audit observed that GoB had no existing database containing details of all members of the families of the farmers whose names appeared in the land records. Even at the time of application for the scheme benefits, GoB did not obtain details of all members of the families of the farmers despite there being no constraint in obtaining such details, as confirmed by SNO during Audit. This deprived GoB of a mechanism to cross check whether the other members of the same family were also availing of the scheme benefits, contrary to the scheme guidelines. During scrutiny of records of 841 sampled beneficiaries, Audit noticed 41 instances (five *per cent*) involving payment of ₹3.40 lakh, where more than one member of the same family got the benefits.

Audit noted that instances of payment to members of same family could have been avoided by adhering to scheme guidelines stipulating for *Aadhaar* linked database containing details of all members of the families of the farmers.

The Secretary, Agriculture Department replied (February 2022) that the Department was working on creation of a refined application module incorporating all the data requirements as mentioned in the operational guidelines of the scheme. However, had the scheme guidelines been followed, and the details of the family members also captured, it could have been ensured at the time of application itself and would have also helped to check more than one beneficiary from the same family.

2.6.8 Other ineligible beneficiaries

Other instances of payment to ineligible beneficiaries *viz.* deceased beneficiaries, those not having agricultural land and those in Government job/pensioner were also noticed during scrutiny of records of 841 sampled beneficiaries, as detailed in **Table 2.6** below.

Table 2.6
Criteria-wise ineligible beneficiaries

Criteria of ineligibility	No. of ineligible beneficiaries	As a percentage of sampled beneficiaries	Amount paid (₹ in lakh)
Benefits extended to deceased beneficiaries	9	1	0.44
Beneficiaries not having agricultural land	6	1	0.40
Beneficiary in Govt. Job/Pensioner	3	-	0.36

(Source- PM-Kisan Portal and auditee units' records)

(i) Benefits extended after death

As per the scheme guidelines, in case of death of the land owner, family of the successors would be entitled to the benefits, if otherwise eligible as per scheme guidelines. Thus, it may be inferred that transfer of scheme benefits to the deceased beneficiaries should be stopped.

During beneficiary records survey, audit noticed that out of 841 sampled beneficiaries, scheme benefits amounting to ₹ 0.44 lakh was extended to nine beneficiaries after their death in six[8] test-checked blocks. In one[9] instance, the beneficiary died in March 2019 but was found registered under the scheme in July 2019.

Audit noticed that instalments ranging from one to eight (totalling of 22 instalments) were transferred to these beneficiaries. On an average basis, these beneficiaries received approximately three instalments which also implied that the Department could not detect them even after one year (the time period for three instalments) of their death.

Thus, it pointed towards lack of mechanism to ensure detection of beneficiaries' deaths and initiating action to stop transferring benefits into their accounts. The Agriculture Department should have directed the District Agriculture Officers (DAOs) to promptly detect such cases through their field staffs *viz.* Agriculture Co-ordinator and initiate action to stop benefits transfer to their accounts.

The Secretary, Agriculture Department replied (February 2022) that death cases were always to be reported by farmers' families and where reporting is delayed, benefits would continue to be disbursed. He further replied that directions had been issued to conduct death cases check before each and every list freezing activity. Reply indicated that ineligibility and death cases check needed further improvement.

(ii) Beneficiaries not having agricultural and cultivable land

The scheme guidelines provide that for eligibility under the scheme, the land owned by the farmer must be cultivable and agricultural.

Audit observed that out of 841 sampled beneficiaries, scheme benefits amounting to ₹0.40 lakh were extended to six ineligible beneficiaries not having agricultural and cultivable land in three test-checked blocks.

Department was not aware of the criteria regarding classifying a landholding as uncultivable/non-agricultural land. As such, the Department was not in a position to guide the field staff in this matter. It had also not conducted (November 2021) any special drive to ascertain cases of agricultural land being used for non-agricultural purposes.

The Secretary, Agriculture Department assured (February 2022) that the Department would work for the better understanding of the scheme and reach out to the potential beneficiaries as well as carrying out activity prohibiting ineligible beneficiaries. Directions had been issued to conduct ineligibility check before each and every list freezing activity. However, the fact is that even

[8] *Darbhanga Sadar, Jamui, Chautham, Kasba, Madhaura and Simri Bakhtiyarpur.*

[9] *Under Bhagdeva Village in Simri Bakhtiyarpur Block of Saharsa District.*

after three years of implementation of the scheme, these proposed actions had not been carried out.

(iii) Other ineligible beneficiaries

Contrary to the scheme guideline, three beneficiaries, who were in Government job/pensioner, received 18 instalments amounting to ₹0.36 lakh.

The Secretary, Agriculture Department assured (February 2022) of creating a new and swift mechanism for simple, effective, and efficient mechanism for getting such details in real-time or on quick basis. However, the fact is that even after three years of implementation of the scheme, these proposed actions had not been carried out.

2.6.9 Irregular approval of benefits on the basis of residential land (Vasgit Parcha)

Revenue and Land Reforms Department, GoB (July 1999) provides for distribution of 12.5 decimal land to homeless rural families for residential purpose, which is commonly referred to as land issued on *Vasgit Parcha*. Test-check of records disclosed that in Banma Itahari block under Saharsa district, beneficiaries have been approved on the basis of their land allotted for residential purpose. This was in contravention to the scheme guidelines according to which the land holding farmers' families having cultivable and agricultural land holding in their names are eligible to get benefits. Audit observed that against the list of 36 persons reported (September 2021) as ineligible by the Agriculture Co-ordinator to Block Agriculture Officer (BAO), Banma Itahari, four cases were found active in the system (November 2021) implying that they can still get the benefits under the scheme. On being pointed out, status of these four beneficiaries was marked as inactive (November 2021) by DAO Saharsa. Further, DAO directed (November 2021) Agriculture Co-ordinator for recovery of amount from all ineligible beneficiaries. Approval of such ineligible beneficiaries resulted in an irregular payment of ₹4.92 lakh during September 2019 to August 2021. DAO, Saharsa and ADM, Saharsa did not furnish reasons for approval of such persons for benefits under PM-KISAN.

The Secretary, Agriculture Department, while agreeing to the audit observation, assured (February 2022) that the Department would issue a circular in this regard to all officials concerned. The inclusion criteria for the scheme would be published in the newspapers for better clarity and understanding of the landholding farmer families. The fact is that it was the Government officials who had approved the ineligible beneficiaries and publishing the criteria would not possibly reduce the errors of omission or commission.

2.6.10 Bypassing of necessary land verification

The State Government adopted (February 2019) an online application based approach for the scheme benefits. After receipt of the online application, Agriculture Co-ordinator at the Panchayat level will, verify that the applicant is a farmer. Then the AC, through the online portal, will forward the application to the CO for verification of details of land records of the applicant. The CO will, verify and forward the application to ADM who will, forward the same to SNO for transfer of benefits. The SNO will upload the same on PM-KISAN portal of the Central Government.

Audit scrutiny disclosed that the subsequent instructions, issued (May 2019) by the Agriculture Department provided that in the cases where applications are rejected by ACs, the reconsideration applications would be submitted to DAOs who would then forward the applications approved by them to ADMs for final submission to SNO. Thus, in the cases of these reconsideration applications, the necessary provision of land verification by COs has been by-passed. Audit noticed that up to March 2021, out of 1,35,276 applications forwarded by DAOs, ADMs had approved 1,20,087 applications. ADMs and DAOs of the sampled districts could not provide evidence of land verification by COs in such cases. In four[10] sampled districts, test-check of reconsideration applications made available disclosed that cases of 31 ineligible beneficiaries, involving total payment of ₹ 1.72 lakh, were approved despite not having land in their own name.

Thus, these applications were approved without the necessary land verification by COs, who are custodian of land records and, as such, possibility of ineligible beneficiaries getting the scheme benefits could not be ruled out.

The Secretary, Agriculture Department in reply (February 2022) reiterated the prevalent procedure in the cases of reconsideration of applications. He further added that this process no way by-passed any level of application verification. Reply was not acceptable as it was contrary to scheme provisions.

2.6.11 Digitisation and linking of landholding records with Aadhaar and bank account

Scheme guidelines stipulate that State Government will expedite the progress of digitisation of the land records and linking the same with *Aadhaar* as well as bank details of the beneficiaries.

The process of updation and digitisation of land records in Bihar started about 10 years ago and is still ongoing (March 2022). Revenue and Land Reforms Department, without mentioning the total number of *Jamabandi*[11] in the State, stated (March 2022) that approximately 3.78 crore *Jamabandi* have been digitised in the State. However, the data entered and updated by the GoB on Digital India Land Records Modernization Programme (DILRMP)[12] disclosed (March 2022) that records of 45,401 (95 *per cent*) out of 47,589 villages were computerized and computerisation of records in 493 villages was ongoing while no information was available regarding the rest 1,695 villages. Thus, digitization of the land records was yet to be completed.

Further, Audit observed that the digitized landholding records in the State were not linked with the corresponding *Aadhaar* and bank account, as envisaged under the scheme. As a result, this data was not used for the Scheme. Thus, the State is deprived of a swift mechanism for processing the applications under the scheme.

10 *Darbhanga, Madhubani, Purbi Champaran, and Saharsa.*

11 *A number showing the page allotted to all tenants in Tenants Ledger Register where entries of details of their tenancies etc. are made.*

12 *Under the Department of Land Resources, Ministry of Rural Development, GoI.*

Director, Revenue and Land Reforms Department replied (March 2022) that linking of landholding records with *Aadhaar* and bank account would be possible through a special survey by 2023-24. Besides, this is a policy matter which would be acted upon after decision by the Government and banks.

The Secretary, Agriculture Department while agreeing to audit observations stressed (February 2022) on creation of a versatile database. Availability of such data would have greatly benefitted the farmers in cases of PM-KISAN. However, the fact is that even after three years of implementation of the scheme, these proposed actions had not been carried out.

2.6.12 Irregularities in approval of applications by Circle Officers

As per provision of the Agriculture Department, the Agriculture Co-ordinator will verify the particulars submitted by the farmers and forward it to CO of the concerned block through online portal. Responsibility of verifying theauthenticity of land owned by the beneficiaries lies with CO of the concerned block only.

During records verification of 841 sampled beneficiaries, it was noticed that in 24 cases involving payment of ₹ 2.46 lakh, under seven blocks, the COs approved the applications containing the records of land situated in other blocks contrary to the provision *ibid*, reasons for which were not communicated to Audit.

Director, Revenue and Land Reforms Department replied (March 2022) that the Department had directed all ADMs and COs for verification of such cases.

The Secretary, Agriculture Department stated (February 2022) that the land records cases related to bordering areas of a block can have such issues. He assured that the Department would circulate additional instructions to COs and ADMs, and the online application process design would be revised to include landholding under the same circle only.

2.7 Financial management

Year-wise total amount paid to beneficiaries of the State is detailed in **Table-2.7** below.

Table 2.7
Year-wise details of payment made to the beneficiaries

Year of payment	2018-19	2019-20	2020-21	Total Amount paid
Amount paid during the year (₹ in crore)	50.04	2,915.54	4,556.83	7,522.41

(Source: Agriculture Department)

Scrutiny of data provided by the Agriculture Department disclosed that 2,81,025 (three *per cent*) out of 82,50,032 registered beneficiaries of the State had not received any payment while 3,52,218 (four *per cent*) beneficiaries received only partial payment (August 2021). The SNO did not communicate reasons for non/ partial payment and steps taken by the State Government in this regard, as no detail was available with the Department.

The Secretary, Agriculture Department replied (February 2022) that as on 2 February 2022, the State had 84,95,702 farmers registered on PM-KISAN portal and out of that 2,12,436 farmers did not receive any instalment while 3,40,400 farmers received partial instalments. He further informed that the pending corrections stood at 1,30,948 and 51,386 farmers were marked ineligible as they were income tax payer. The Department was committed to provide benefits to all the eligible beneficiaries of the scheme.

However, the above summation is not fully explanatory as against 5,52,836 non/partial payment cases, the reported pending correction/marked ineligible cases are 1,82,334. As such, no information was provided regarding 3,70,502 cases.

2.7.1 Failed and pending payments

Fund Transfer Guidelines (February 2019) for the scheme stipulate that DoAC&FW will share the details of failed transactions with state functionaries for necessary verifications and updating of details. Upon receipt of the details from the State level functionaries, the DoAC&FW will re-process the failed transactions.

Year-wise details of failed and pending payments to the beneficiaries of the State is detailed in **Table 2.8** below.

Table 2.8
Failed and pending payments to beneficiaries

Year	No. of RFT* signed	No. of FTOs# generated	No. of successful payments	No. of failed payments	No. of paymentswith pending response
2018-19	250,835	250,796	250,211	585	0
2019-20	1,46,08,460	1,46,06,738	1,45,77,717	25,835	3,186
2020-21	2,30,07,491	2,30,07,195	2,27,84,406	87,828	1,34,961
Total	**3,78,66,786**	**3,78,64,729**	**3,76,12,334**	**1,14,248**	**1,38,147**

(Source-PM-KISAN Portal)   ** Request for Transfer # Fund Transfer Order*

The above table shows that the scheme benefits amounting to ₹ 50.48 crore could not be transferred to the beneficiaries of the State due to failed and pending payments.

The SNO informed (November 2021) that such cases were already notified to Central Government and payment can only be initiated by them. However, the SNO did not furnish the details of transactions credited to the concerned accounts after actions taken by the State, if any. Moreover, it is not clear whether the State Government conducted necessary verifications and updation of details. Linking of bank accounts of beneficiaries with their respective *Aadhaar* was also not ensured by GoB as stipulated in scheme guidelines.

The Secretary, Agriculture Department replied that the Central Government using DBT mode had complete control on payments in the scheme. The matter of making payment to failed and pending cases had been regularly taken up during the video conferencing sessions with the PM-KISAN monitoring team.

Audit noted that instances of failed and pending payments accompanied by ineffective action on the part of State Government would result in money not being transferred to the intended recipients.

2.7.2 Applications rejected by PFMS due to bank account related discrepancies

Fund Transfer Guidelines for the scheme stipulate that the State Government is to ensure correctness of beneficiary details including their *Aadhaar* number, bank account number and IFS Code of the bank. Further, speedy reconciliation in case of wrong/ incomplete bank details of the beneficiary should be ensured.

Audit scrutiny disclosed (August 2021) that applications of 67,535 beneficiaries were rejected by PFMS due to bank account related discrepancies such as bank currently inactive and merged with another bank, IFS Code either not present or currently inactive, account does not exist in bank, account status is closed, bank account number invalid *etc*.

SNO attributed such rejection to the fact that their DBT portal did not have facility to check bank account details, non-covering of Rural and Cooperative banks under CBS, duplicate bank accounts *etc.* and stated that the concerned beneficiaries were asked to correct their bank account details.

However, the SNO did not bring to the notice of the Central Government that the Rural and Cooperative banks were not covered under CBS. Further, the scheme guidelines issued by the State did not specify that bank accounts of the beneficiaries must be covered under CBS.

The Secretary, Agriculture Department replied (February 2022) that PFMS correction currently stood at 27,310 (40 *per cent*) and all such applicants have been informed through SMS for correcting their bank accounts and IFS Codes. Field functionaries of the Department had also been sensitized regarding account correction.

2.7.3 Discrepancies in the scheme outside the sampled beneficiaries list

2.7.3.1 Transfer to incorrect bank accounts

Scrutiny of records related to applications submitted by the beneficiaries for corrections in bank accounts in the sampled districts disclosed that scheme benefits of ₹22.62 lakh pertaining to 175 beneficiaries were transferred to bank accounts of other persons.

This irregularity confirmed the weakness in the existing mechanism of ensuring the correctness of bank account details of beneficiaries. This may have been avoided if the State had developed a mechanism for bank account validation of beneficiaries as envisaged in scheme guidelines. Further, the authorities had not initiated action to recover the amounts transferred to other persons' bank accounts (November 2021).

The Secretary, Agriculture Department stated (February 2022) that the bank account details were provided by the beneficiaries themselves during online registration. He further stated that even though the existing solution was still prevalent and had helped to a larger extent, the Department is committed to developing a rapid solution that would enable beneficiaries to make changes in their bank accounts. However, it is also a fact that linking of bank accounts of beneficiaries with their respective *Aadhaar*, would have helped to check such instances.

2.7.3.2 Release of payments despite 'Stop Payment' requests

The scheme guidelines provide for effecting stop payment to farmers who are found ineligible. The SNO could not provide lot-wise details of cases where stop payment was implemented.

Audit noticed that in six out of 10 sampled districts, even after DAOs requests to the SNO to effect Stop Payment, payment of ₹6.96 lakh was made to 138 beneficiaries. Thus, absence of timely action by the concerned authorities resulted into payment to ineligible beneficiaries.

Secretary, Agriculture Department did not furnish specific response to this.

2.7.3.3 Inaction resulting in irregular payment

Scheme guidelines stipulate for effecting stop payment by the authorities for farmers who are found ineligible. Audit scrutiny disclosed that BAO, Barhariya informed (September 2020) DAO, Siwan about unauthorised approval of 87 applications by some unknown person by stealing user ID and password of an Agriculture Co-ordinator. Also, BAO, Siwan *Sadar* and BAO, Mairwa informed (September/October 2020) DAO, Siwan about 11 ineligible beneficiaries and requested necessary action. Audit noticed that DAO, Siwan did not take any action on these requests (September 2021). Resultantly, 70 out of aforesaid 98 persons received irregular payment of ₹7.40 lakh. Thus, due to negligence of the DAO, irregular payment was made and it was yet to be recovered (September 2021).

The Secretary, Agriculture Department admitted (February 2022) that it was duty of the officials to take necessary precautions regarding their logins. All the work cleared, using unauthorized logins, must have been reverted back.

However, the fact remained that payment was made to unauthorized beneficiaries despite information regarding the unauthorized approval given by the BAOs to the DAO and no amount had been recovered.

2.7.4 Utilisation Certificate not sent to GoI

Rule 238(1) of General Financial Rules 2017 stipulates submission of Utilisation Certificate (UC) within 12 months of the closure of the financial year.

GoI transferred (June 2019) a sum of ₹ 63.40 lakh to the State for meeting the expenditure on webcasting of the launching ceremony of the scheme. However, UC for this amount was not sent to the Central Government (September 2021), contrary to the provision of GFR.

The Secretary, Agriculture Department informed (February 2022) that out of ₹ 63.40 lakh, UC for ₹60.76 lakh had been sent to GoI on 8 February 2022. Thus, part UC was submitted nearly one year after the stipulated time as per GFR and ₹2.64 lakh remained unutilised even after almost three years of completion of the purpose for which the amount was sanctioned. In the absence of UC, it could not be ascertained whether the amount was lying unspent/spent on the intended purposes or not.

2.7.5 Furnishing of wrong Utilisation Certificates

Scrutiny of records at two districts (Purnea and Purbi Champaran) disclosed (September-October 2021) that DAOs furnished Utilisation Certificates (UCs) of ₹ 3.77 lakh to the Department well before incurring actual expenditure of funds as is evident from the fact that amount remained available with them even after furnishing UC (**Table 2.9**).

Table 2.9
Submission of UCs before expenditure

Name of District	Amount (₹in lakh)	Date of furnishing of UC	Date on which actual expenditure started
Purbi Champaran	3.49	24/8/2020	25/11/2020
Purnea	0.28	13/8/2020	17/8/2020
Total	**3.77**	-	-

(Source: Records of DAOs)

No reply was furnished by the concerned DAOs.

The Secretary, Agriculture Department assured (February 2022) that the Department would initiate an internal enquiry and take necessary actions in this regard.

2.7.6 Recovery and refund

The scheme guidelines provide that in case of incorrect declaration, the beneficiary shall be liable for recovery of transferred financial benefits. DoAC&FW communicated (April 2021) the SOP to ease the process of refund and reconciliation and for recovery of funds through Non-tax Receipt Portal from the ineligible beneficiaries like Income Tax payers identified by the system, death cases and cases where money is credited to wrong bank account.

Audit observed that as per GoB's estimate, ₹62.67 crore was recoverable from 67,851 ineligible beneficiaries of the State (upto November 2021). The SNO informed (November 2021) that approximately ₹4.00 crore (six *per cent*) had so far been recovered from the ineligible beneficiaries. The amount was yet to be transferred to the Central Government as the reconciliation process was not complete. Cash Book of the scheme maintained at DBT Cell did not depict entries of the amount recovered from individual beneficiary and/or unit-wise and the recovered amount was entered in lump sum. As a result individual and/or unit-wise recovery effected could not be traced.

The Secretary, Agriculture Department, while informing that ₹5.00 crore had been recovered, replied (February 2022) that the Department was trying to create an effective methodology for recovery and refund process.

Recovery of only ₹5.00 crore (eight *per cent)* from ineligible beneficiaries was indicative of deficient recovery process of the State. Non-refund of the recovered amount to the Central Government due to pending reconciliation pointed towards deficiencies in accounting process of the recoveries. Further, if the ineligible beneficiaries had been checked at the entry level, not only the irregular payment could have been avoided but the resources required in the recovery process could also have been saved.

2.7.7 Penal action not taken

The scheme guidelines provide that in case of incorrect self-declaration, beneficiary shall be liable for recovery of transferred financial benefits and other penal actions as per law.

Audit noticed that no penal action was taken by Agriculture Department against the ineligible beneficiaries who received scheme benefits by submitting wrong declaration (November 2021). As per data provided by SNO, there were 67,851 such beneficiaries (48,366 income tax payer beneficiaries and 19,485 other ineligible beneficiaries) from whom recovery was to be made.

The Secretary, Agriculture Department, while mentioning that the Department had issued directions regarding recovery to be made from the ineligible beneficiaries, further informed (February 2022) that the Department was working on a better and easy method to deal with recovery and its reporting. However, he did not furnish any reply regarding the penal action as envisaged.

2.8 Efficiency and effectiveness of the monitoring mechanism

2.8.1 Non-setting up of Project Monitoring Unit

As per the scheme guidelines, Project Management Unit (PMU), at the Central level, was responsible for overall monitoring of the scheme, undertaking publicity/communication campaign and was to be headed by a Chief Executive Officer. The guidelines further stipulate that, on the lines of PMU at Central level, State Government may consider setting up a dedicated PMU. Based on the amount of instalments transferred to beneficiaries, a certain *per cent*[13] can be transferred by Central Government to State Governments to cover the expenditure on their PMUs, if established.

Audit observed that dedicated PMU was not set up in the State. As a result, ₹ 9.48 crore could not be claimed by GoB during 2018-21.

Monitoring of the scheme was being carried out by DBT Cell headed by Additional Director, Agriculture Department. The DBT Cell was also entrusted with the responsibility of other schemes of the Agriculture Department. No monitoring reports were obtained from the district level for monitoring purposes. Absence of a dedicated PMU was also responsible for several irregularities such as non-identification of ineligible beneficiaries, payment to minor beneficiaries *etc.* which were contrary to the guidelines. Except for two newspaper advertisements in 2019, no mass media campaign was launched by the State to raise awareness about the scheme among the intended beneficiaries. Not setting-up the dedicated PMU affected overall monitoring of the scheme.

The Secretary, Agriculture Department replied (February 2022) that a PMU in the form of DBT Cell was working for PM-KISAN scheme. He also mentioned that one dedicated consultant and two programmers along with other administrative/supporting staff members were assisting in implementation of the scheme. However, Audit noted that one consultant and two programmers, as mentioned in reply, were selected only in January 2022. Thus, non-setting up of

[13] *0.25 per cent of the amount for first instalment and 0.125 per cent for subsequent instalments*

a dedicated PMU not only affected the quality of monitoring but also deprived the State from the fund of ₹9.48 crore.

2.8.2 Monitoring committees

According to the scheme guidelines, State Government shall notify the State and District Level Review / Monitoring Committee.

GoB constituted (February 2019) a five-member Monitoring and Grievance Redressal Committee under the chairmanship of the Principal Secretary of Agriculture Department. No meeting of the Committee was held during 2018-19 to 2020-21 and subsequently only one meeting was held in September 2021. This was mainly attributable to the fact that frequency of meeting of the Committee was not prescribed until September 2021, thereafter, it was decided to hold the meeting of the committee once in every three months.

In course of audit in sampled districts, it was noticed that no meeting of Monitoring and Grievance Redressal Committee was conducted during 2018-21. No effective step was taken by the Agriculture Department to ensure holding of the meetings of the committee at the district level.

Absence of regular meeting of monitoring committees for a long period of 2018-19 to 2020-21 deprived the field formations (responsible for implementation of PM-KISAN) of the guidance of higher authorities on a regular basis.

The Secretary, Agriculture Department, while mentioning that State level meeting was organised on 9 September 2021 and some districts have also conducted meetings, replied (February 2022) that the Department had issued instructions to conduct meeting both at State and district levels at an interval of every three months.

2.8.3 Review of the scheme by the Divisional Commissioners and the District Magistrates

Agriculture Department made provisions (February 2019) for weekly review of the scheme by the Divisional Commissioners (DCs) and the District Magistrates (DMs). At this frequency, more than hundred review meetings should have been conducted by each of DCs and DMs by the end of March 2021.

Audit observed that upto March 2021, out of the seven involved DCs, two[14] did not conduct any such meetings, DC Kosi conducted one meeting and DC Purnea conducted four meetings, while three[15] DCs did not furnish any reply in this regard.

With regard to review meetings by the DMs of the 10 sampled districts, Audit found that six[16] DMs did not conduct any such meeting during the period while the remaining four[17] DMs did not furnish any reply in this regard.

[14] *Bhagalpur and Munger.*
[15] *Darbhanga, Muzaffarpur and Saran.*
[16] *Banka, Jamui, Khagaria, Purbi Champaran, Purnea and Siwan.*
[17] *Darbhanga, Madhubani, Saharsa and Saran.*

Negligible review meetings during the period of 2018-19 to 2020-21 deprived the field formation of guidance of Divisional Commissioner/District Magistrate on a regular basis.

However, Audit noted that Agriculture Department did not ensure holding of prescribed review meetings at the Divisional Commissioner/District Magistrate level.

The Secretary, Agriculture Department replied (February 2022) that during designing of the scheme, it was proposed that the DCs and DMs must weekly monitor the scheme but now it had been decided that the review by the DMs must be done once in every three months.

2.8.4 Grievance redressal

Scheme guidelines stipulate that any grievances or complaints which are received by Monitoring and Grievance Redressal Committee should be disposed of on merit preferably within two weeks' time.

(i) Details of Grievance Officers not notified

GoI requested (March 2019) State Governments to urgently notify the details of Grievance Officers prominently in the respective State vernacular as well as Hindi and English newspapers and electronic media.

However, the State is yet to notify the Grievance Officers. As such, the beneficiaries were deprived of the requisite mechanism to register their grievances. Also, new potential beneficiaries were unable to lodge their grievances as the responsibility of identification and preparation of database of eligible farmer family was of the State Government.

The Secretary, Agriculture Department replied (February 2022) that orders nominating SNO as Grievance Redressal Officer at State level and DAO as Grievance Redressal Officer at the District level had been issued. However, Audit noted that orders nominating DAOs as Grievance Redressal Officer at the District level was issued on 22 February 2022 but its publication in the newspapers and electronic media was not mentioned in the reply. Hence, without awareness, the purpose of their nomination may not be fulfilled.

(ii) Grievances Redressal

Audit scrutiny revealed that as per the grievance report provided by the SNO, only 9,408 out of 40,082 grievances received, were resolved and the rest 30,674 grievances were pending (August 2021).

SNO informed (November 2021) that they have expedited the disposal process and currently the pendency is nil. However, the SNO could not provide the date-wise details of grievance registration and its disposal. As such, it could not be verified whether the grievances were disposed of in the stipulated period of two weeks. Further, it was noticed that during 31 months (February 2019 to August 2021), only 9,408 grievances (23 *per cent*) were resolved while during the next three months *i.e.* September 2021 to November 2021, the remaining 77 *per cent* grievances were communicated as resolved to audit. However, in absence of related records, it could not be verified whether the 30,674 pending grievances which were reportedly resolved, actually redressed the grievances of the beneficiaries. Also, various officers did not verify grievance cases, as discussed in the succeeding paragraph.

The Secretary, Agriculture Department did not furnish specific reply in this regard.

(iii) Grievance verification

GoB directed (February 2019 and July 2021) various officers at different levels to verify and redress grievance cases. Audit observed that no verification of grievances was done by the officers in the sampled districts/blocks during 2018-21.

The Secretary, Agriculture Department did not furnish any reply in this regard.

2.8.5 Physical verification of beneficiaries by State Government

According to the direction (August 2019) of Ministry of Agriculture and Farmer Welfare, GoI, the State Government is required to undertake physical verification of around five *per cent* beneficiaries for ascertaining eligibility during every year.

Physical verification for the period 2020-21 was not conducted (August 2021) in eight out of 38 districts carrying 78,551 beneficiaries to be physically verified. Against a total of 3,13,660 beneficiaries required to be verified in the State, only 1,03,518 (33 *per cent*) beneficiaries were verified. Out of the 1,03,518 beneficiaries verified, 2,683 (three *per cent*) were found ineligible by the Department.

Audit further observed that SNO neither took any remedial action nor issued guidance for future identification of beneficiaries on the basis of the findings of physical verification.

The Secretary, Agriculture Department replied (February 2022) that as on 22 February 2022, out of 3,13,660 beneficiaries, 2,73,095 beneficiaries (87 *per cent*) have been physically verified for the year 2020-21. Out of the 2,73,095 physically verified beneficiaries, 13,496 (five *per cent*) beneficiaries were either found ineligible or were reported dead.

This indicates that nearly five *per cent* of the disbursed amount may have gone to ineligible beneficiaries. As such, timely verification would have detected the ineligible beneficiaries and benefits transfer to those beneficiaries would also have been stopped early.

2.8.6 Reduction in number of beneficiaries

Scrutiny of data furnished by Agriculture Department disclosed that the number of beneficiaries between first instalment and upto the receipt of seventh instalment decreased gradually, as detailed in **Table 2.10** below.

Table 2.10
Reduction in number of beneficiaries

Registration Period	Payment of instalments to beneficiaries for the period since inception of the Scheme to March 2021							
	1 Dec 2018 to 31 Mar 2019	1 Apr 2019 to 31 Jul 2019	1 Aug 2019 to 30 Nov 2019	1 Dec 2019 to 31 Mar 2020	1 Apr 2020 to 31 Jul 2020	1 Aug 2020 to 30 Nov 2020	1 Dec 2020 to 31 Mar 2021	Reduction of beneficiaries
1/12/2018 to 31/3/2019	7,35,478	7,35,358	7,35,356	7,25,841	7,25,592	7,25,332	7,19,497	15,981
1/4/2019 to 31/7/2019	-	26,46,949	26,46,628	26,10,184	26,09,405	26,07,771	25,92,595	54,354
1/8/2019 to 30/11/2019	-	-	16,16,692	15,94,531	15,94,383	15,94,097	15,85,075	31,617
1/12/2019 to 31/3/2020	-	-	-	13,38,138	13,20,128	13,19,919	13,09,969	28,169
1/4/2020 to 31/7/2020	-	-	-	-	9,86,428	9,86,283	9,86,205	223
1/8/2020 to 30/11/2020	-	-	-	-	-	4,47,187	4,47,039	148
1/12/2020 to 31/3/2021	-	-	-	-	-	-	2,24,182	-
Total	**7,35,478**	**33,82,307**	**49,98,676**	**62,68,694**	**72,35,936**	**76,80,589**	**78,64,562**	**1,30,492**

(Source: Agriculture Department)

There is an overall reduction of 1,30,492 beneficiaries in comparison to the number of beneficiaries who received at least one instalment.

SNO replied that reasons for reduction of beneficiaries have not been analysed. Not analysing reduction in number of beneficiaries contains the risk of non-recovery from the ineligible beneficiaries getting scheme benefits and also some eligible beneficiaries not receiving subsequent instalments due to certain inadvertent errors *viz.* non-payment due to errors in bank account details *etc.*

The Secretary, Agriculture Department replied (February 2022) that reduction of beneficiaries could be attributed to the income-tax payer beneficiaries, now deemed ineligible, and other ineligible beneficiaries who became ineligible due to various reasons. However, Audit noted that during the corresponding period, the number of aforesaid mentioned ineligible beneficiaries was 56,317 and thus 74,175 beneficiaries still remained unaccounted.

2.8.7 Non-validation of identified beneficiaries

The scheme guidelines stipulate that the list of beneficiaries identified by State Government shall be valid for one year.

As such, the list of beneficiaries of the State who were identified through the DBT portal of the State were valid for one year from the date of their identification and had to be re-validated after one year. Scrutiny of the scheme data revealed that 63,66,837 beneficiaries of the State had completed more than one year as on 31 March 2021 and therefore warranted re-validation as per the guidelines. However, no drive to re-validate these beneficiaries has been carried out in the State (October 2021). This is fraught with the risk of ineligible beneficiaries remaining undetected and getting the benefits.

The Secretary, Agriculture Department replied (February 2022) that verification of all beneficiaries would take place during the upcoming social audit of the scheme. He also mentioned that list freezing activity performed by the DAOs to verify that no ineligible or deceased farmer got the benefits, was essentially validation of the existing beneficiary list. However, Audit noted that the list freezing activity was a normal process for the benefits transfer before each instalment and could not be considered as a substitute for the yearly verification as it did not contain the result of verification of all the beneficiaries.

2.8.8 Lack of transparency and information

The scheme guidelines stipulate that the list of eligible beneficiaries will be published at the village/*Panchayat* level to provide an opportunity to those farmers who are eligible but have been excluded, to represent their case.

Audit scrutiny disclosed that list of beneficiaries was not displayed at the village/*Panchayat* level in the State. As a result, the intended objective of providing opportunity to excluded farmers to represent their cases was not ensured.

Further, for achieving the goal that no eligible beneficiary remained left out and that ineligible beneficiaries were removed, DoAC&FW instructed (September 2020) that the social audit of the scheme by involvement of *Gram Sabha* may be completed within 60 days from the receipt of this instruction. However, social audit of the scheme was not conducted in any of the 60 sampled villages. This deprived the Department from the benefits of a grass root level institutional arrangement for close monitoring of the scheme.

The Secretary, Agriculture Department replied (February 2022) that social audit process could not be conducted due to COVID-19 and the *Panchayat* elections. The Department had issued (February 2022) instructions to all DMs to get the social audit conducted in the district within 60 days. However, no reply was furnished regarding non-publishing of the list of eligible beneficiaries at the village/*Panchayat* level.

2.8.9 Delayed processing of applications

As per instructions issued (February 2019) by the Agriculture Department for implementation of the scheme in the State, application of a fresh beneficiary is to be processed by ACs in five days, by COs in five days, by ADMs in two days and by SNO in one day. The SNO could not provide the details of actual time taken for the processing and uploading of the approved applications of all beneficiaries.

Scrutiny of data furnished for the 28,473 beneficiaries of the sampled 60 villages disclosed that applications were processed with delay at different stages as detailed in **Table-2.11** below.

Table-2.11
Delay in processing of applications at various levels

Sl. No.	Delay range	Number of applications (percentage)				Loss of instalments due to delay	Total amount (₹ in lakh)
		AC	CO	ADM	SNO		
1	Pending/rejected	671	6890	2774	302	--	--
2	No delay	8,373*(29.40)*	5,245 *(18.86)*	10,281(*49.16*)	5,686 (*31.35*)	--	--
3	1-124 days	17921 *(62.94)*	14,059 *(50.57)*	7,844 *(37.51)*	12,056 *(66.47)*	--	--
4	125-249 days	951 *(3.34)*	1,104 *(3.97)*	11 *(0.05)*	48 *(0.26)*	2,114	42.28
5	250-374 days	513 *(1.80)*	400 *(1.44)*	2 *(0.01)*	9 *(0.05)*	1,848	36.96
6	375-499 days	44 (*0.15)*	58 *(0.21)*	0	4 *(0.02)*	318	6.36
7	500-624 days	0	41 *(0.15)*	0	32 *(0.18)*	292	5.84
8	More than 625 days	0	5 *(0.02)*	0	1 *(0.01)*	30	0.60
	Total	**28,473**	**27,802**	**20,912**	**18,138**	**4,602**	**92.04**

(Source: Agriculture Department)

There was delayed processing of 68, 56, 38 and 67 *per cent* cases at AC, CO, ADM and SNO level respectively. Delay in processing of application for more than 124 days (one trimester) led to non-payment of 4,602 instalments amounting to ₹92.04 lakh to beneficiaries as scheme benefits eligibility becomes due only after uploading details on the portal.

The Secretary, Agriculture Department, in his reply (February 2022) attributed the delay to the large number of applications and incomplete digitization of land records.

2.8.10 Pending Applications

Audit scrutiny of data of pending applications showed that 6,63,651 and 4,85,907 applications were pending for verification on 31 March 2021 and 17 September 2021 respectively at different levels as detailed in **Table 2.12** below.

Table 2.12
Applications pending at different levels

Reporting Date	Pending with ACs	Pending with COs	Pending with ADMs	Total applications pending
31/3/2021	1,76,866	4,16,204	70,581	6,63,651
17/9/2021	2,27,451	2,20,499	37,957	4,85,907

(Source: Agriculture Department)

SNO, attributing large size of data, expressed difficulty in providing the duration of pendency at different levels. This indicated that the pendency of applications at different levels was not monitored by the Agriculture Department.

The Secretary, Agriculture Department replied (February 2022) that the application and verification was a continuous process and 92 *per cent* applications were verified till date. However, no reply was furnished regarding the monitoring of the pendency at different levels. Delayed processing resulted into deprivation of benefits to the beneficiaries for such period.

2.8.11 Saturation with Kisan Credit Cards

GoI directed (February 2020) the State Government to campaign for saturation of all PM-KISAN scheme beneficiaries with Kisan Credit Cards (KCCs) in a special 15 day drive. The GoB had to ensure adequate publicity for KCC saturation drive and to review progress thereof. All PM-KISAN beneficiaries were auto approved for issue of KCC and were to be sanctioned credit limit subject to completion of application formalities.

Audit observed that out of 164.13 lakh land holdings construed as farmers, 81 lakh were registered for PM-KISAN benefits whereas only 28.42 lakh farmers of the State were KCC holders (March 2021). Thus, GoB did not take effective steps to increase the saturation of KCC. This is evident from the fact that number of KCC holders decreased from 31.38 lakh (January 2020) to 28.42 lakh (March 2021). Against the national average of about 56 *per cent*, KCC coverage was only 17.32 *per cent* in Bihar.

The Secretary, Agriculture Department replied (February 2022) that the Department had organised special drives to facilitate KCC to PM-KISAN beneficiaries. He also informed that till 21 March 2020, 4,69,524 PM-KISAN beneficiaries applied for the KCC, out of which 3,70,504 applications were submitted to the concerned banks but only 50,678 applications were sanctioned by the banks.

During test check of sampled 841 beneficiaries, Audit noticed that 73 *per cent* of the beneficiaries did not have land in their own name. Thus, sanctioning of KCC in the names of such beneficiaries was also difficult. Besides, Department did not act in accordance with the GoI direction to campaign for saturation of all PM-KISAN scheme beneficiaries with KCC and directed field formation to target at least 10 *per cent* of the sanctioned beneficiaries. It might have led field formation becoming complacent after fulfilling the minimum target.

2.8.12 Impact evaluation of the programme

The scheme was launched in February 2019, however, the Agriculture Department did not undertake (November 2021) impact evaluation of the scheme. Department had no mechanism to receive and evaluate feedbacks from the stakeholders. As such, remedial actions in the light of stakeholders' feedback for better implementation of the scheme could not be ensured. Also, Department was not in a position to ascertain whether the intended objectives of the scheme were achieved or not. However, there were large number of ineligible beneficiaries taking advantage of the scheme as detailed in **Table 2.13** below.

Table 2.13
Payment to ineligible beneficiaries

Ineligibility	No of beneficiaries	Amount (₹ in crore)	Remarks
Income Tax Payers	48,366	39.05	Validations at the Central Government level disclosed (November 2021) that out of 82,50,032 registered beneficiaries, 48,366 income tax payer beneficiaries had received scheme benefits of ₹39.05 crore. Since extent of actual validation is not known to Audit, the number of ineligible beneficiaries may be more.
Other ineligibilities like being employed, death cases, *etc.*	19,485	23.62	Agriculture Department, through various validations found that out of 82,50,032 registered beneficiaries, 19,485 other ineligible beneficiaries had received scheme benefits of ₹23.62 crore.
Minors	22,301	23.59	In 10 sampled districts, 22,301 (91 *per cent*) out of 24,545 registered minor beneficiaries were paid inadmissible benefits of ₹23.59 crore. The number and the amount may increase when calculated for all 38 districts of the State.
Had no land	610	0.58	Among 841 sampled beneficiaries, 610 (73 *per cent*) did not have land in their own name and had received scheme benefits amounting ₹58.46 lakh.
More than one member in a family	41	0.03	Among 841 sampled beneficiaries 41 (five *per cent*) had more than one member of the same family as beneficiary and had received scheme benefits amounting ₹ 3.40 lakh.
Benefits/ to deceased/without agricultural land/ to Government job/ pensioner	18	0.01	Out of 841 sampled beneficiaries nine were deceased, six did not have agricultural land and three were in Government job/pension and had received scheme benefits amounting ₹ 1.10 lakh.
Benefits on the basis of residential land	36	0.05	Outside sampled beneficiaries 36 beneficiaries had received scheme benefits amounting ₹ 4.92 lakh on the basis of residential land (*Vasgit Parcha*).
Irregular benefits due to by-passing of land verification	31	0.02	In reconsideration of rejected applications (1,20,087), there was no provision for land verification by COs. Test check revealed that out of these, 31 beneficiaries who did not have land in their name, had received scheme benefits amounting to ₹ 1.72 lakh.

Ineligibility	No of beneficiaries	Amount (₹ in crore)	Remarks
Irregular approval of land records of other blocks	24	0.02	Out of sampled 841 beneficiaries, COs approved applications of 24 beneficiaries who had submitted details of lands situated in other blocks resulting into payment of ₹ 2.46 lakh to these beneficiaries.
Transfer to incorrect bank accounts	175	0.23	Outside of sampled beneficiaries, scheme benefits of ₹22.62 lakh pertaining to 175 beneficiaries was transferred to bank accounts of other persons.
Release of payments despite 'Stop Payment' requests	138	0.07	Outside of sampled beneficiaries, even after DAOs communicating to stop payment, ₹6.96 lakh were paid to 138 beneficiaries.
Inaction resulting in irregular payment	70	0.07	Unauthorised approval of 98 applications by stealing user ID and password of AC resulted in irregular payment of ₹ 7.40 lakh.
Total	**91,295**	**87.34**	

(Source: Agriculture Department, Ministry of Agriculture and Audit entities)

From the above it is evident that 91,295 ineligible beneficiaries had claimed undue benefits amounting to ₹ 87.34 crore while as per table 2.1 of para 2.6.1, 71,45,065 beneficiaries were deprived of ₹3,443.55 crore in absence of early on boarding.

The Secretary, Agriculture Department, while agreeing to the audit observation regarding conducting of impact evaluation of the scheme, assured (February 2022) that the Department would carry out impact evaluation at the earliest.

2.9 Beneficiary verification by Audit

Audit interacted with 300 beneficiaries; key observations are as follows:

- 297 beneficiaries reported that they received all instalments, and three beneficiaries did not receive any instalment as the same was under process.
- Six beneficiaries accepted having more than one beneficiary in their family. The SNO replied (February 2022) that recovery would be made from them.
- 296 out of 300 beneficiaries were not covered with *Kisan* Credit Card. The SNO replied (February 2022) that the Department would reach out to these beneficiaries.
- All the 300 beneficiaries denied having knowledge of holding of *Gram Sabha* meeting to ensure that no eligible beneficiary was left out of the scheme. No reply was furnished by the SNO in this regard.
- 80 beneficiaries denied having knowledge of any existing mechanism for grievance redressal under the scheme. The SNO replied (February 2022) that the Department would work on better reach out to all the farmers for scheme related issues.

2.10 Conclusion

PM-KISAN is a Central Sector Scheme with 100 *per cent* Government of India (GoI) funding envisaged to provide income support of ₹ 6,000 per annum to all eligible farmer families to supplement their financial and domestic needs.

Under the scheme, beneficiary identification and ensuring correctness of beneficiary details are the responsibility of State Government. Upto August 2021 *i.e.* in the span of approximately two and half years, only 50 *per cent* of farmers could be covered. Inadequate coverage may be attributed to Department not having any existing list of potential beneficiaries, not accessing the existing databases, lack of efforts on the part of State Government to increase awareness about the scheme amongst the farmers, non-acceptance of offline application *etc.* Audit noted that due to State's own laxity, at least 71,45,065 beneficiaries were deprived of ₹3,443.55 crore in the absence of early onboarding.

As Agriculture Department did not create mechanism to check self-declarations made by the beneficiaries, 48,366 income tax payer beneficiaries received ₹ 39.05 crore(November 2021); 19,485 ineligible beneficiaries (on the ground of employment of beneficiary, death cases *etc.*) received payment of ₹23.62 crore (November 2021). In 10 sampled districts, inadmissible benefits amounting to ₹ 23.59 crore was paid to 22,301 (91 *per cent*) minor beneficiaries as application for benefits under PM-KISAN did not capture the age of beneficiary on the cut-off date *i.e.* 1 February 2019. Besides, 610 (73 *per cent*) out of 841 sampled beneficiaries did not have land in their own name and they received scheme benefits of ₹ 58.46 lakh, contrary to the scheme guidelines due to dilution of land verification procedure. Instances of ineligible beneficiaries receiving scheme benefits which came to the notice of Audit was based on limited analysis and therefore actual number of ineligible beneficiaries may be more.

State DBT portal did not have facility to check bank account details. Resultantly, instances of failed and pending payments (₹ 50.48 crore), rejection of 67,535 applications by PFMS due to bank account related discrepancy, transfer to(₹ 22.62 lakh) incorrect bank accounts *etc.* were noticed. Instances of failed and pending payments accompanied by inaction on the part of State Government towards necessary verifications may create a conducive environment in which money may not be transferred to intended recipients.

Absence of dedicated Project Monitoring Unit (PMU) entailing forego of ₹ 9.48 crore; not obtaining monitoring reports from field formations; poor recovery (eight *per cent*) from ineligible beneficiaries and non-transfer of recovered amount (₹ five crore) to GoI; non/delayed and incorrect submission of Utilisation Certificate (₹63.40 lakh); release of ₹6.96 lakh despite stop payment requests; inadequate meetings/reviews by State/District level committees and designated officers; absence of Grievance Officers and grievance verification; absence of analysis of reduction of beneficiaries indicated the requirement of further strengthening of existing monitoring process.

Audit concluded that further strengthening of beneficiary identification process, ensuring correctness of beneficiaries' details and better monitoring may boost up the realization of the intended objectives of the scheme.

2.11 Recommendations

Government of Bihar may-

- ***prepare an Aadhaar or similar verifiable attribute linked electronic data base containing details of all members of the families of the farmers whose names appear in the land records.***
- ***ensure updation and digitisation of land records in the State within a fixed time frame.***
- ***work out ways to reduce dependency on self-declarations made by the beneficiaries regarding their eligibility.***
- ***ensure validation of the bank accounts of beneficiaries.***
- ***deactivate all ineligible beneficiaries, recover the amounts paid to them and fix the responsibility for their selection.***
- ***ensure setting up a dedicated PMU at State level for overall monitoring of the scheme and fix the responsibility for deficient monitoring.***

Chapter-III
Internal Control in Finance Department

CHAPTER – III

DETAILED COMPLIANCE AUDIT

FINANCE DEPARTMENT

3 Internal Control in Finance Department

3.1 Introduction

The Finance Department, Government of Bihar is responsible for management of finances of the State Government. Major functions and activities of the Department are budgeting and preparation of the annual financial statement, monitoring of expenditure, administration of treasuries and internal audit of Government Departments. Besides, it also carries out works relating to maintenance of General Provident Fund (GPF) and Contributory Provident Fund (CPF) of government employees, and printing works of Departmental Presses.

Finance Department is headed by an Additional Chief Secretary and assisted by two Secretaries for management of resources and expenditure control respectively. At department level, work of treasury administration and maintenance of GPF accounts are headed by Deputy Commissioner, Treasury and Accounts and Deputy Commissioner, GPF respectively.

At division level, there are offices of Assistant Director, Finance Audit, operational under the control of the Audit Director, Finance Department, Government of Bihar.

At district level, District Accounts Officer (DAO) under the control of District Magistrate is responsible for transparent financial administration and continuous monitoring of activities in Government offices. The District Magistrate concerned utilises the services of DAO for financial and accounts inspection, training and maintenance of records of district level offices.

3.1.1 Audit Objectives

In order to assess the internal control of the Finance Department, audit had set the objectives to examine whether:

- at district level the functioning of the DAOs ensured compliance to laid down financial provisions;
- records related to General Provident Fund and Contributory Provident Fund were maintained as per provisions;
- the internal audit was in place for effective monitoring.

3.1.2 Audit criteria

The audit has been conducted based on following criteria:

- Rules of Executive Business, 1979 of Government of Bihar;
- Bihar Financial Rules, 2005;
- Bihar Treasury Code 2011;
- Bihar Budget Manual and

- Directives/circulars issued by Finance Department from time to time.

3.1.3 Audit Scope and methodology

The compliance audit has covered the period from 2016-17 to 2020-21 and was conducted during December 2020 to September 2021. During audit, records of the Finance Department at Government level and its subordinate offices *i.e.* Directors of Finance Audit and Directorate, Provident Fund, Bihar, Patna were scrutinized at State level. Further, records of all the selected seven division/districts[18] Assistant Directors (Audit) Finance, District Provident Fund Officers (DPFOs), District Treasury Officers (DTOs) and records of one Block Development Officer[19] (BDOs) of each district and Superintendent, Government Presses (Gaya and Gulzarbagh) at field level were scrutinized for ascertaining the adequacy and effectiveness of controls of the Finance Department over its subordinate offices and control of the department over other administrative departments.

3.2 Audit Findings

3.2.1 Functioning of District Accounts Officers

As per Rule 10 of the Bihar Financial Rules (BFR), Head of a Department is responsible for enforcing financial order by observance of all relevant financial rules and regulations.

In order to maintain transparent financial administration and its continuous monitoring in the districts, duties and responsibilities of DAOs were fixed by the Finance Department (December 2017) which include the following:

- Ensuring proper maintenance of accounts and records and to ensure that the provisions of Bihar Budget Manual, Bihar Treasury Code, Bihar Financial Rules and other instructions issued from time to time are implemented by DDOs at district level.
- Monitoring the operation of bank accounts and amount deposited in the banks.
- Inspection of records of each DDO at least once in a year and perform the duties of Financial Advisor of field level offices.
- Provide directions in compliance of audit objections of the different offices under the control of Districts.
- Ensuring arrangement for training of district level officials.
- Examine the cases of financial irregularities in government offices.

Audit observed that due to non-creation of separate establishments for DAOs and supporting staff, none of the above-mentioned responsibilities were being discharged at the districts. The post of DAO was sanctioned in all the 38 districts. However, in the test checked seven districts, only four districts had regular DAOs[20] while the remaining three posts were operationalised as additional

[18] *Bhagalpur, Darbhanga, Gaya, Muzaffarpur, Patna, Saharsa and Saran.*

[19] *Danapur (Patna); Jagdishpur (Bhagalpur); Mushahari (Muzaffarpur); Kahara (Saharsa); Bahadurpur (Darbhanga); Gaya Sadar (Gaya) and Chapra Sadar (Saran).*

[20] *Bhagalpur, Muzaffarpur, Patna and Saharsa.*

charges of other District level officers[21] of the Bihar Accounts Service.

Audit also noticed that in Bhagalpur and Saharsa districts, regular posting of DAOs had been made but these officers were also given additional charges of DPFO and Senior Treasury Officer respectively. No separate budget was provided for operation of these offices and the office of the DAO was functional as a section under the control of District Magistrate.

Audit observed that cases of non-compliance of financial provisions, non-observance of Bihar Budget Manual, huge/delayed surrender of funds, indiscriminate operation of bank accounts, diversion of funds, persistent unadjusted advances, *etc*. were prevalent in all the seven test-checked districts (July 2021).

3.2.2 Budgetary and expenditure Control

As per Bihar Budget Manual 2016, the budget should be based on actual expenditure incurred in the previous years. Further, Rule 22 of chapter 4 of Bihar Budget Manual stipulates that all controlling officers[22] should prepare the estimates and send them to the Finance Department along with their comments. Further Rule 65 of the *ibid* manual describes that the controlling officers should examine the estimates received from disbursing officer[23] to see that they are correct and required details and explanations have been given.

The Comptroller and Auditor General of India's State Finance Audit Reports (SFARs) (upto 2019-20) provide an insight into the deficit management in financial matters which includes AC/DC bills, non-utilisation of budget allocation, persistent savings, unnecessary supplementary allocation/ re-appropriation of funds, substantial surrender of funds, cases of rush of expenditure, blockage of funds, PD Accounts *etc*.Further, scrutiny of budget estimates prepared by the test-checked subordinate offices of the Department revealed that they were not realistic as previous years actual expenditures were not considered while preparing budgetary estimates for the next year. Finance Department released funds to the DDOs under certain heads of expenditure without assessing the actuals of the past years and funds remained unspent and had lapsed/surrendered in the last week/day of the financial year ***(Appendix-3.1)***. Lapse of funds in salary head ranged between 12 and 38 *per cent.* Even under the heads of office expenses, electricity, TA *etc*, 100 *percent* funds had lapsed/ surrendered in the test-checked offices (***Appendix-3.2)***. Audit scrutiny also revealed that the Finance Department provided funds to subordinate offices *viz*. Government Presses (Gulzarbagh, Patna and Gaya), DPFOs, DTOs, Finance Audit offices *etc.* under the heads of Travelling Allowances, Maintenance of Vehicles (though no vehicle was available), Publication & Printing, Machine

21 *District Treasury Officer, District Statistical Officer, District Provident Fund Officer.*

22 *The head of the Department or other departmental officer who is entrusted with the responsibility of controlling the incurring of expenditure, collection of revenue of the concerned department and submission of the Budget Estimate. For Finance Department, Principal Secretary/Secretary, Director GPF, Director Press and Chief Controller of Accounts are the controlling officers*.

23 *As per definition no. 25 in Bihar Budget Manual, Drawing and Disbursing Officers (DDOs) means a Gazetted Officer who is authorized to draw bills/cheques, and make payments on behalf of the Government*.

& Equipment *etc*., though, entire funds had lapsed/surrendered in the previous five years.

In order to make all financial transaction including Budget preparation and allotment, E-billing, Treasury system, Payee management *etc*. online, Govt. of Bihar has implemented Integrated Financial Management System (IFMS) as Comprehensive Financial Management System (CFMS) from 1 April 2019.

Scrutiny of records revealed that the Finance Department had not carried out any pilot project study before rolling out CFMS in the State and issues related to design and minor bugs have not been addressed. This had resulted in incidences of multiple weakness of the project identified from time to time. There were cases of excess payment, double payment, duplicate bill generation (approx. 1,500 employees) through CFMS. Due to these deficiencies in the software architecture, the Finance Department had decided (September 2019) to re-develop CFMS version 2.0 for workable solution.

Finance Department in its reply admitted (November 2021) the audit observations that there was no requirement for supplementary grants given during the years. It also stated that in future, efforts would be made so that such mistakes would not occur. However, the fact remains that the DAO did not ensure the compliance of provisions of Bihar Budget Manual for preparation of budget estimates based on actual expenditure of past years.

3.2.3 Delayed surrender/ lapse of funds

According to Bihar Budget Manual, all savings anticipated by the controlling officer should be reported with full details and reasons to the Finance Department. Surrender of savings was also to be informed by 15th of February of the current year.

Scrutiny of records of 11 test-checked offices[24] revealed that time schedule for surrendering the savings to the Finance Department had not been adhered to by the DDOs from 2016-17 to 2020-21. Funds were surrendered in last week/day of the financial year (**Table no. 3.1**):

Table No. 3.1
Amount surrendered in last week/day of the financial year

(₹ in crore)

Year	Allotment	Expenditure	Surrender/Lapse
2016-17	6.91	6.27	0.64
2017-18	10.03	9.57	0.46
2018-19	10.46	9.73	0.73
2019-20	6.34	5.80	0.54
2020-21	23.72	17.76	5.96
Total	**57.46**	**49.13**	**8.33**

(Source: Records of test-checked offices)

Surrender of allotted funds in the last week of the financial year indicated that the Department failed to maintain the prescribed financial discipline. Test-checked DDO wise status is given in ***Appendix-3.1***.

[24] *DPFOs: Muzaffarpur, Gaya, Patna, Bhagalpur; DTOs: Muzaffarpur, Gaya, Saharsa, Chapra; Asstt. Director, Audit Directorate, Bihar, Patna; Asstt. Director, Finance Audit, Darbhanga Division, Darbhanga and Government Press, Gulzarbagh, Patna.*

3.2.4 Operation of Multiple Bank Accounts

According to Rule 34 of Bihar Treasury Code, 2011, moneys withdrawn from the Public/Government Account by a Government servant/Drawing Officer shall not be deposited in a bank account except with the special permission of the Government/Finance Department.

Further, the Finance Department, during the period 2000 to 2021, had on eight occasions expressed its concerns about opening of bank accounts by the DDOs without the permission from Finance Department. Scrutiny of records revealed that the Department was not aware of the number of bank accounts maintained and closed by DDOs. Instructions had been issued in 2017 to (i) review the number of bank accounts and to close all non-operational bank accounts by December 2017 and (ii) deposit unutilised funds into the consolidated fund of the State. Following non-compliance of above directions, timeline for closure of bank accounts (except one for petty payments) was extended till June 2020 which too was not complied with even up to March 2021. In the test-checked offices, Audit noticed that District Accounts Officers and respective administrative departments could not ensure adherence to prescribed timelines for closure of bank accounts and deposition of the funds into the consolidated fund of the State.

Scrutiny of records of the test-checked BDOs revealed that out of total 98 operational bank accounts shown in cash books, there were no transactions by three BDOs in 25 bank accounts for more than three years but had the balance of ₹ 1.12 crore (***Appendix-3.3***). In remaining 73 bank accounts, 12 were being operated in private sector banks by five BDOs which had a balance of ₹ 2.67 crores.

Audit further observed the following:

- In the test-check of 29 district level offices[25]/DDOs, seven BDOs were operating nine to 28 bank accounts related to social welfare schemes *Mukhya Mantri Kanya Vivah Yojana, Lohiya Swachchh Bihar, Swatantra Senani Yojana etc.* Nine DDOs[26] had no official bank account as of March 2021and they were withdrawing funds from the treasury into the accounts of sub-ordinate official's personal accounts for contingent payments.

  DPFO, Muzaffarpur stated that official bank account could not be opened due to lack of permission from Finance Department. The practice for keeping the government funds in personal accounts of officials can lead to the possibility of fraud/embezzlement.

- It was noticed that all seven test-checked BDOs had operated multiple bank accounts (nine to 28), as on March 2021. All 98 bank accounts were in operation without the permission of the Finance Department. As against the accumulated cash book closing balances of ₹52.37 crore

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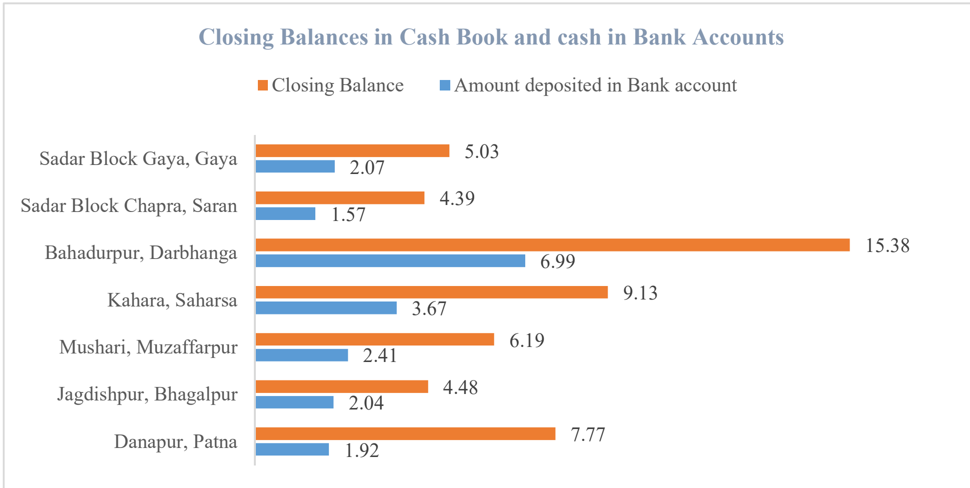
[25] *DPFOs (7), BDOs (7), Assistant Directors of Finance Audit (7), District Treasury Officers (6) and Government presses (2).*

[26] *DPFOs (4), Assistant Directors of Finance Audit (2) and District Treasury Officers (3).*

(March 2021), the bank balances were only ₹20.67 crore (39 *per cent*) (***Chart 3.1***).

Chart No.-3.1



(Source: Records of test-checked BDOs)

In the above chart, the difference between closing balance of cash book and bank balance was mainly due to unadjusted advances with different officials and diversion of scheme funds without authorization. These balances were maintained against those schemes which were either closed or operated from other method like DBT. Consequently, the vouchers relating to diverted amount remained unadjusted. The practice of bank reconciliation was non-existent in all test-checked BDOs. Cash books were not based on bank balances. Under the circumstances, accounts did not show the true financial position apart from the possibility of misappropriation. There was, however, no evidence of disciplinary action taken against any of the concerned officials.

In reply, the Department stated that the decision of opening /review of bank accounts is in control of administrative department. The respective financial provisions (as mentioned in Rule 34, 176 and 177 of BTC, 2011 and periodical instructions of the Department) were expected to be followed by Administrative Department. The reply was not acceptable as these provisions were grossly ignored in these offices.

3.2.5 Blockage of Funds

Finance Department instructed (November 2017) closure of subsidiary accounts/ cash book whose operations had been either closed or there was no possibility of operation in near future.

Scrutiny of records revealed that out of seven test-checked BDOs, six maintained 203 subsidiary cash books related to social welfare schemes, that were either closed or were operated under DBT. Unutilized funds since 2010 amounting to ₹18.21 crore had also not been remitted to the consolidated fund of the State.

The Finance Department replied (December 2021) that issue of non-compliance of financial rules by the BDOs had been raised at the Rural Development Department (RDD) level.

The reply was not satisfactory as this shows the need for effective compliance of financial management at district level.

3.2.6 Diversion of scheme funds

Rule 11 of BFR provides that a controlling officer must see that expenditure is incurred on the purpose for which the money was provided. The Finance Department had issued detailed guidelines for depositing the accumulated amount in the bank accounts as well as into treasury.

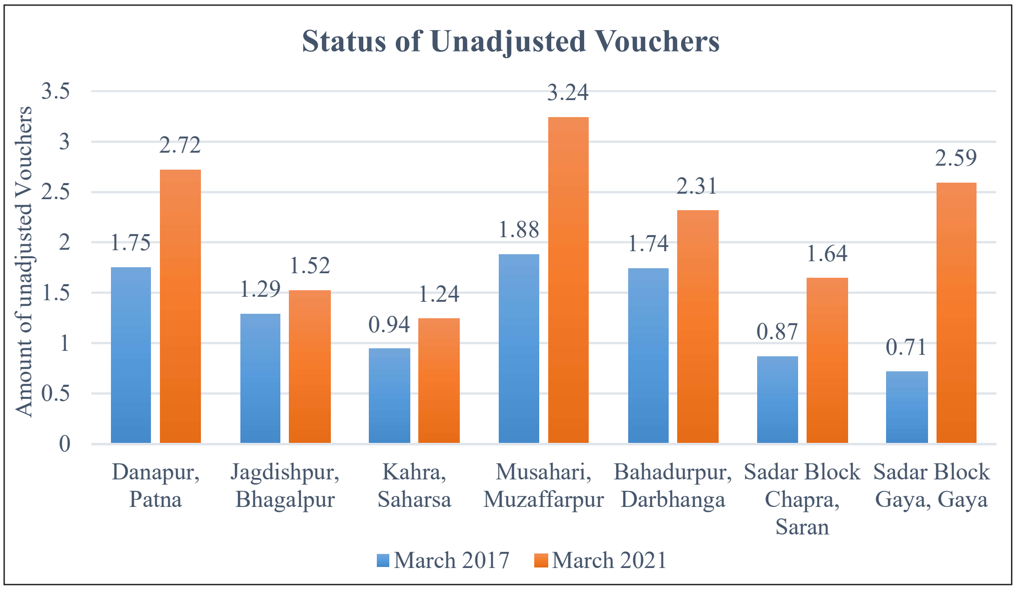
Scrutiny of records of seven test-checked BDOs revealed that there was a diversion of ₹15.26 crore from scheme funds whose expenditure vouchers remained to be adjusted for which sanction had not been obtained from the competent authorities.

The quantum of DDO wise unadjusted vouchers increased during the period 2016-17 to 2020-21 as given in ***Chart No. 3.2*** below:

Chart No. 3.2

Status of diversion of funds in shape of unadjusted vouchers in test-checked BDOs as of March 2021

(₹ in crore)



(Source: Records of test-checked BDOs)

It was further observed that in BDO, Bahadurpur (Darbhanga), vouchers amounting to ₹ 1.33 crore relating to period prior to March 2015-16 were missing resulting in possible embezzlement.

The Finance Department agreed with audit observations and stated (December 2021) that funds should be spent only on those purposes for which they were allotted and that matters have been raised with RDD for non-compliance of financial rules by BDOs. However, the fact is that no penal action was ever taken or responsibility ever fixed.

3.2.7 Unadjusted advances

Rule 318 of Bihar Treasury Code, 2011 provides that departmental advances for various purposes should be adjusted/recovered within twelve months of drawal. Further, Finance Department issued directions (May 2020) to all Heads of Administrative Departments for review of unadjusted advances lying with the DDOs. DAOs were also required to monitor the amount of advance and their adjustment by the Head of the offices/DDOs.

It was noticed in audit that out of 29 test-checked offices, including seven BDOs, there were pending cases of unadjusted/unrecovered advances since 1993-94 in 11 offices **(Table no. 3.2*)***:

Table No. 3.2
Status of unadjusted/unrecovered advances in test-checked BDOs as of March 2021

(₹ in lakh)

Sl. No.	Name of the BDO	Unadjusted advances as per cash book	Advances[27] given as per advance register			Pending since
			Officials of other departments	Private parties/ institutions	Own official/ staff	
1	Jagdishpur, (Bhagalpur)	76.00	32.00	10.16	38.08	1993-94 onward
2	Mushahari, (Muzaffarpur)	43.00	19.32	2.14	23.40	Prior to 2016
3	Bahadurpur, (Darbhanga)	688.00	167.74	1.63	509.45	1993-94 onward
4	Sadar Gaya, (Gaya)	31.28	25.81	1.15	4.33	Prior to 2015
5	SadarChapra, (Saran)	57.17	8.61	16.38	16.33	2013-14 onward
6	Kahara, (Saharsa)	421.00	169.91	48.19	196.52	1996-97onward
7	Danapur (Patna)	177.00	Details not available-			Prior to 2016
	Total	**1,493.45**	**423.39**	**79.65**	**781.65**	

(*Source: Records of test-checked BDOs)*

The above advances of ₹14.93 crore pending for recovery/adjustment as of March 2021 constituted 28 *per cent* of the available closing balances with the test-checked BDOs. The BDOs had given advances to Panchayat Sachivs, Junior Engineers, Mukhiyas and even to the private parties/firms *etc*. However, details of persons to whom the advances were issued were not maintained in the Advance Register. There was, hence, remote possibility of recovering the advances pending for almost 30 years. Some cases are highlighted below:

- BDO, Danapur (Patna) did not produce the details (name, pending since, amount, purpose *etc*.) of advances of ₹1.77 crore and in absence of such details there was no possibility either to adjust or recover the advances. Absence of respective records was also indicative of probable misappropriation.
- BDO, Jagdishpur (Bhagalpur) had advanced ₹33.17 lakh to officials which was not adjusted periodically. All the officials had retired/diedand hence there was no possibility of their recovery.
- In case of BDO, Bahadurpur (Darbhanga) a sum of ₹32.90 lakh was given to 137 people without receipts. Further, a sum ₹14.88 lakh was found as adjusted in the cashbook without any supporting vouchers.

[27] *The details given in the advance register of DDOs were not updated and did not tally with closing balance of cash book.*

- BDO, Chapra (Saran) advanced ₹19.98 crore to various officials for distribution of funds to beneficiaries under social welfare schemes of which, a sum of ₹10.89 crore was adjusted without production of vouchers (July 2021).
- In BDO, Kahara (Saharsa) advances of ₹ 6.71 lakh as per cash book did not tally with the advance register (September 2021). The absence of vouchers as well as improper maintenance of records indicated probable misappropriation of Government money.

The Finance Department in its reply stated (December 2021) that issues of non-compliance of financial rules by BDOs have been raised with RDD and directions have been issued from time to time for adjustment of advances.

The reply is not satisfactory as payment/ adjustment of advances without supporting vouchers, unadjusted advances for more than 30 years to private parties and others *etc*. were fraught with risk of embezzlement/ corruption/ fraud *etc*. An independent investigation should be conducted and responsibility of the concerned involved may be fixed.

Further, in remaining four offices[28] under control of Finance Department, advances given to suppliers (₹ 47.87 lakh) for printing work and temporary advances to staff (₹ 0.57 lakh) remained unadjusted since 2006-07.

3.2.8 Other important observations

In case of two BDOs[29], the purpose of issuing 287 cheques valued at ₹ 22.02 crore from April 2015 to December 2020 was not on record (***Appendix-3.4***). Audit also noticed that in the office of BDO, Danapur, a sum of ₹0.55 lakh was withdrawn from bank by the *Nazir* (Cashier) even after his superannuation.

In reply, the Finance Department stated (December 2021) that the audit observation was related to non-compliance of financial rules in Rural Development Department and its subordinate offices.

The reply of the Finance Department is a reflection of the nonchalant attitude.

3.3 Irregular maintenance of General Provident Fund/Contributory Pension Scheme(CPS) accounts

3.3.1 Non-Maintenance of GPF accounts

The work of maintenance of GPF accounts was taken over by the State Government in December 1985 from the Accountant General (A&E), Bihar. According to instructions issued by Government (December 1985), details of functioning of provident fund offices and system of maintenance of records of each individual subscriber as well as roles and responsibilities of different government departments dealing with GPF are as under:

- DDOs were required to prepare salary bills along with deduction schedule and send to treasury for payment.

[28] *Govt. Press Gulzarbagh (₹42.18 lakh),Govt. Press Gaya (₹5.69 lakh), DTO, Bhagalpur (₹0.26 lakh) and DTO Gaya (₹0.31 Lakh).*

[29] *Danapur (Patna), and Mushahari (Muffarpur).*

- Treasury office was required to provide Treasury Voucher No. (TV no.) along with pay bill schedules of Government officials to Provident Fund Directorate(PFD)and District Provident Fund Office (DPFO) in respect of all India cadre/State cadre and other officials respectively.
- PFD and DPFO were required to maintain GPF subscription ledger for GPF of subscribers' contribution as per Government Order (December 1985).

Audit observed that in the seven test-checked districts, GPF calculation of the subscribers were not being done on the basis of records prescribed by the government. GPF statements of the retiring officials were prepared on the basis of details provided by DDOs which was fraught with risk of misstatements. As a result, amount of GPF contribution made by employee during the period 1986 to 2011-12 was not available. It was only after the operationalisation of Comprehensive Treasury Management Information System (CTMIS) in March 2012 that some details became available. Out of total 1,70,520 accounts, available with PFD, 27,237 (16 *per cent*) GPF subscribers' accounts had no details due to non-maintenance of records and were opened with zero opening balance as on 1 April 2012 in CTMIS.

The Provident Fund Directorate accepted the audit observation and stated that efforts are being made to minimize the zero balance cases. As per Director, Provident Fund, Bihar, out of 27,525 cases of zero balance, 14,538 cases have been resolved and 12,714 cases are under process to resolve (January 2021). Further updated position is awaited. However, the cases of zero balances were found persisting at DPFO level during audit.

3.3.2 Denial of benefit to Contributory Pension Scheme Subscribers

The Contributory Pension Scheme (CPS) Scheme, 2005 was implemented for the employees who joined service between September 2005 and March 2010[30] in the State Government Services. The scheme envisaged deduction of 10 *per cent* of basic pay from the salary of the employees which was required to be transferred to National Securities Depositories Limited (NSDL) along with the equivalent Government contribution for management of fund. Interest was also payable equal to the prevalent GPF scheme. Each beneficiary of the scheme was to be allocated a Permanent Pension Account Number (PPAN) at DPFO level for recording of deduction, contribution, and interest payable thereupon.

Scrutiny of records available at Provident Fund Directorate (PFD), Patna revealed that there were 26,932 CPS subscribers who joined service during 2005-06 to 2009-10. However, details of contribution made by these subscribers and matching contribution by the Government along with payable interest to them were not available with PFD due to non-maintenance of records.

However, it was worked out by audit on the basis of records/information provided by Finance Department and Treasuries to AG (A&E), Bihar. Out of the accumulated CPS contribution of ₹70.17 crore up to March 2010 placed under

[30] *New Pension Scheme (NPS) was introduced after March 2010 for new joinees.*

the head 8011 as CPS contribution upto March 2010, ₹41.32 crore was yet to be transferred to New Pension Scheme (NPS). As a result, the subscribers had been denied the benefit of their own share of money, Government contribution and interest due against them. On this being pointed out to the PFD, no comment was offered by them.

3.4 Internal Audit

Though internal audit in Finance Department existed since 1953, the Department did not develop/ publish any code/manuals, guiding principle etc. for conducting audit. In their reply (February 2021), the Directorate of Audit stated (February 2021) that the Audit Code, Audit Manual and guidelines were under preparation for the first time.

3.4.1 Audit management

Audit Directorate, (Finance Department) had not maintained details regarding actual number of auditee units as well as any record to know the status of audit of auditable units in the State. In absence of such basic records, the Directorate was not in a position to know the pendency of audit of any particular unit.

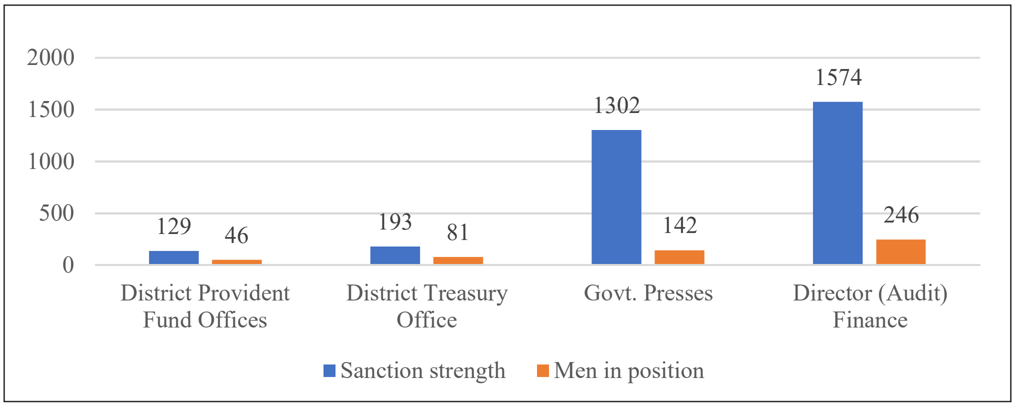
Regular internal audit was not conducted in the State during April 2015 to March 2021. There was no audit plan based on risk assessment. However, special audit was conducted on the basis of request made by the specific department/ office only. Scrutiny disclosed that out of 498 requisitions received during the said period, audit work of 261 requests (52 *per cent*) was completed, 14 were left incomplete and in 30 cases, audit works were in progress (March 2021). Of the remaining 193 requisitions, work for 143 (29 *per cent*) requests had not yet started though audit programmes were approved. The plans for 50 (10 *per cent*) requests were yet to be approved by the Directorate.

The Audit Directorate stated that shortage of audit personnel and non-production of records by auditee units were the main reason for non-inception/ non-completion of audit work. The fact is that this important responsibility of the Finance Department suffered and resulted in weakening of the function of internal watchdog in financial matters.

3.5 Manpower shortage

The overall sanctioned strength and men-in-position of the test-checked offices under the control of the Finance Department *viz*. Audit Offices, DPFOs, DTOs and Government presses are indicated in ***Chart 3.3*** below:

Chart 3.3
Status of Sanctioned strength (SS) and availability of man power (MIP) (March 2021)



(Source: Records of Department)

In the Audit Directorate Wing, 84 *per cent* posts were vacant. There was acute shortage of the audit personnel. The category wise sanctioned strength as well as men-in-position is indicated in the **Table No.-3.3** below:

Table No.-3.3
Category wise vacancy position of office of the Audit Directorate, Finance Department as of March 2021

Name of Post	Category	Sanctioned Strength	Men in Position	Shortfall (*per cent*)
Director, Jt. Director, Dy. Director, Under Secretary	Administrative Officials	18	0	18 (100)
Sr.Audit Officer/ Audit Officer	Audit Personnel	268	23	245 (91)
Asstt. Audit Officer		275	0	275 (100)
Sr. Auditor/Auditor		876	192	684 (78)
Section Officer, Assistant, UDC *etc.*	Other official staff	137	31	106 (77)
Total		**1,574**	**246**	**1,328 (84)**

(Source: Records of Director, Finance (Audit) office)

Audit noticed that posts of Sr. Audit Officer (Sr. AO), Audit Officer (AO) and Assistant Audit Officer (AAO) were sanctioned during 2018-19 only. Against a sanctioned strength of 1,419 audit personnel[31], only 215 (15 *per cent)* were in position.

In reply, Assistant Director, Audit Directorate, Patna stated (February 2021) that requisition for appointment of 138 AAOs had been sent to BPSC. Superintendent, Gulzarbagh Press, Patna admitted (February 2021) that appointment of staff was pending with Government since 1996 while Government Press, Gaya stated that Finance Department was taking necessary action in this regard (October 2021).

[31] *Auditor, Sr. Auditor, Assistant Audit Officer, Audit Officer and Sr. Audit Officer.*

3.6 Conclusion

Finance Department did not ensure proper/effective functioning of post of District Accounts Officer to ensure transparent financial management by district level DDOs which resulted in complete lack of financial discipline. Despite repeated highlighting of deficit management of the department in Budgetary and financial matters in SFAR of Bihar upto the year 2019-20, there were cases of surrender/lapse of funds, indiscriminate operation of multiple bank accounts, diversion of funds, persistent unadjusted advances *etc*. persisting at district/block level offices. There were irregularities in maintenance of General Provident Fund/Contributory Pension Scheme accounts which had possibility of malfeasance and frauds. Inadequate management of functioning of internal audit arrangement of Finance Department had adversely affected its intended objective of ensuring proper monitoring of compliance of financial rules/regulations/instructions. There was substantive shortage of man power in District Provident Fund Offices, District Treasury Offices and Internal Audit Wing, Directorate of Audit which ultimately affected the internal control mechanism which creates possibility of misappropriation, embezzlement, fraud *etc*. of Government funds. All of these affected the internal control mechanism of the Finance Department where audit was only on request.

Chapter-IV
Functioning of Engineering and Polytechnic Institutes Established Under Avsar Badhe Aage Padhein

CHAPTER – IV

DETAILED COMPLIANCE AUDIT

SCIENCE AND TECHNOLOGY DEPARTMENT

4 *Functioning of Engineering and Polytechnic Institutes established under Avsar Badhe Aage Padhein*

4.1 Introduction

"*Avsar Badhe Aage Padhein* (ABAP)" is one of the *Saat Nischay* within the Good Governance Programme (2015-20) announced (December 2015) by Government of Bihar (GoB). It was promulgated with the motive of providing better opportunities of higher, professional and technical education in the State facilitating the contribution of youth towards economic and social betterment. Under the ABAP nine[32] types of institutions under the Departments of (i) Health, (ii) Science & Technology and (iii) Labour Resources Department were to be established. For the purpose of audit, Institutes under the Science & Technology Department (S&T) were selected.

4.1.1 Audit Objectives

The objectives of the Detailed Compliance Audit were to assess and examine whether: -

- planning for implementation of the scheme for establishment and running of the institutions was robust and effectively implemented;
- fund provisioning was adequate and its utilisation was efficient;
- infrastructure including workshop, equipment *etc*., and manpower, were adequate, effective and in consonance of prescribed norms; and
- monitoring mechanism was adequate and effectively operationalised.

4.1.2 Audit Criteria

The audit criteria were derived from the following sources:-

- Bihar Financial Rules, 2005 and Bihar Treasury Code, 2011.
- Norms prescribed by All India Council of Technical Education (AICTE, GoI) from time to time.
- Orders, circulars, guidelines etc. issued by the GoB and S&T Department.

4.1.3 Audit Scope, Sampling and Methodology

Detailed Compliance Audit was conducted during September 2020 to March 2021 covering the period 2016-21. Records of the office of the Principal Secretary, S&T Department at headquarters level and offices of the Principals

32 ***Health Department-*** *(i) One GNM School in every district, (ii) One Para Medical institute in every district, (iii) One Nursing college in all Medical College in every district, (iv) One ANM school in every sub-division, and (v) Five more new Medical Colleges in the State.**S&T Department-** (vi) One Polytechnic institute in every district and (vii) One Engineering College in every district. **Labour Resources Department-** (viii) One Women industrial training institute in every district and (ix) One Government Industrial Training Institute in every sub-division.*

(Engineering Colleges and polytechnic institutes) at field level were test-checked. Six[33] out of 31 Engineering Colleges and three[34] out of 15 Polytechnic institutes were selected by stratified sampling method.

The Audit methodology consisted of document analysis, response to audit queries, collection of information through questionnaires, proforma, *etc*.

4.2 Planning and Financial Management

4.2.1 Planning for the establishment of institutes

Science and Technology (S&T) Department was responsible for establishing one Engineering College and one Polytechnic Institute each in all the 38 districts. seven Engineering Colleges in seven districts and 29 Polytechnic Institutes in 23 districts were already functional. The GoB accordingly sanctioned the scheme (February 2016) for establishment of 31 Engineering colleges (25 new and six sanctioned earlier) with a cost of ₹ 3,015.96 crore and 15 Polytechnic institutes (11 new and four sanctioned earlier) with a cost of ₹ 841.10 crore for ensuring an Engineering College/Polytechnic Institute in each district. The construction of buildings and establishment of the institutes and commencement of the academic session was to be completed during the period 2016-21. There were, thus, going to be a total number of 38 Engineering Colleges and 44 Polytechnic Institutes in the state.

4.2.2 Financial Management

The GoB sanctioned (February 2016) ₹3,857.06 crore for establishment of 46 Engineering Colleges/Polytechnic Institutes. Under the scheme, funds for construction of buildings were provisioned to the Building Construction Department (BCD) under "Demand No. 3 major head 4202" and funds for acquisition of land, purchase of machines and equipment, furniture etc. were provisioned to the S&T Department under "Demand No. 43 major head 4202".

The financial status of the scheme during 2016-21(excluding establishment and committed expenditure) is shown in **table 4.1**:

Table No.-4.1
Financial status of scheme

(₹ in crore)

Year	Budgetary provision (BP)	Allotment	Expenditure	Surrender (*per cent* of BP)	Budgetary provision (BP)	Allotment	Expenditure	Surrender (*per cent* of BP)
	Demand No. 43, S&T Department				Demand No. 03, BCD			
1	2	3	4	5 (2-4)	6	7	8	9 (6-8)
2016-17	100.00	65.01	55.83	44.17 (44)	500.00	102.65	99.38	400.62 (80)
2017-18	87.45	32.33	25.87	61.58 (70)	305.00	271.47	233.60	71.40 (23)
2018-19	82.50	56.41	47.50	35.00 (42)	575.00	546.79	518.78	56.22 (10)
2019-20	88.50	55.93	41.56	46.94 (53)	665.00	654.68	641.94	23.06 (03)
2020-21	63.06	59.88	56.88	6.18 (10)	610.00	602.23	590.17	19.83 (03)
Total	**421.51**	**269.54**	**227.64**	**193.88 (46)**	**2,655.00**	**2,177.82**	**2,083.87**	**571.13 (22)**

(Source: Information provided by the S&T Department.)

33 ***Engineering college***- *Bakhtiyarpur, Begusarai, Buxar, Purnia, Rohtas and Vaishali.*
34 ***Polytechnic Institute***- *Jehanabad, Samastipur and West Champaran.*

It is seen from the above table that 46 and 22 *per cent* of the total budget provision were surrendered by the S&T Department and BCD respectively during the period 2016-21. This was due to delay in land acquisition, delayed construction of buildings consequently delayed establishment/functioning of the institutes. It is important to mention here that the scheme period was upto March 2021, but construction of 18 buildings out of 46 was not completed despite provisioning of funds.

4.2.3 Discrepancies in financial management

During the audit, following discrepancies were noticed in financial management of the scheme:

- **Excess sanctioning of funds**

Test check of records of the Department revealed (October 2020) that there was an excess sanctioning of ₹84.00 crore (March 2016) for the establishment of 15 Polytechnic Institutes during 2016-21. An amount of ₹3.50 crore was sanctioned for recurring expenditure per institute per annum. This amount should have been ₹ 192.50 crore but was wrongly calculated as ₹ 276.50 crore resulting in excess sanctioning of ₹84.00 crore ***(Appendix-4.1)***.

- **Non-deduction of TDS under GST**

Section 51 (1) of the Central Goods and Service Tax Act, 2017 and Bihar Goods and Service Tax Act, 2017 provides for deduction of tax at the rate of two *per cent* from the payment made to the supplier of taxable goods, where the total value of supply exceeds two lakh and fifty thousand rupees.

Test-check of records of the Department revealed (October 2020) that while making payment of ₹16.20 crore (March 2019) to the Bihar Police Building Construction Corporation (BPBCC) towards supply of prefabricated portable cabins (taxable goods) for 12 Engineering Colleges/Polytechnic Institutes[35], TDS amounting to ₹32.40 lakh was not deducted. Further, TDS amounting to ₹ 16.30 lakh was also not deducted while making payment of ₹8.15 crore (July 2019) to the Bihar State Electronic Development Corporation Limited (BELTRON) towards supply of computers (taxable goods) for 19 Engineering Colleges[36].

- **Non-deduction of TDS of VAT**

Section 40 (1) of the Bihar Value Added Tax Act, 2005 provides that tax at specified rate shall be deducted at the time of payment against the sale/supply of taxable goods, where the total value of supply exceeds two lakh and fifty thousand rupees.

Test check of records of Bakhtiyarpur Engineering College, Patna revealed (January 2021) that TDS amounting ₹13.70 lakh was not deducted while making payments of ₹1.27 crore to the suppliers (March 2016) for supply of taxable

[35] ***Engineering College***- *Darbhanga and Rohtas;* ***Polytechnic Institute***- *Bhagalpur, Gaya, Madhepura, Muzaffarpur, Nalanda, Patliputra Patna, Saharsa, Saran, Sheohar and Womens Polytechnic Phulwarisharif Patna.*

[36] *Araria, Arwal, Aurangabad, Bhojpur, Buxar, Gopalganj, Jehanabad, Kaimur, Khagaria, Kishanganj,Lakhisarai, Madhubani, Munger, Nawada, Samastipur, Sheikhpura, Sheohar, Siwan, and West Champaran.*

goods. Similarly, TDS amounting to ₹18.64 lakh was also not deducted by Shershah Engineering College, Rohtas while making payments of ₹ 2.36 crore to the suppliers (September 2016 to March 2017) towards supply of taxable goods.

The Principal of both the institutions replied (January/February 2021) that TDS were not deducted due to lack of knowledge.

➢ **Irregular payment of advance**

Rule 176 of the Bihar Treasury Code (BTC), 2011 provides that no money should be withdrawn unless it is required for immediate payment. Rule 177 of the BTC provides that no money shall be drawn to prevent lapse of budget. Further, rule 131 (Q) of the Bihar Financial Rules (BFR), 2005 provides that ordinarily, payments should be released only after the supplies made.

However, Audit observed that:

- The Department paid an advance of ₹16.20 crore (March 2019) to BPBCC for supply/construction of prefabricated portable cabins for 12 Engineering Colleges/Polytechnic Institutes with a cost of ₹23.86 crore in violation of the above mentioned rules.
- The Department paid ₹8.15 crore (July 2019) as hundred *per cent* advance to the BELTRON against pro-forma invoice for supply of computers and printers *etc*. to 19 Engineering Colleges in violation of the above mentioned rules. Despite of advance payments the BELTRON had not submitted the utilisation of advance.

4.3 Establishment of institutions

Under the scheme, Engineering Colleges and Polytechnic Institutes were to be established through acquisition of suitable land and construction of building thereon.

4.3.1 Deficiencies in acquisition of land

In the acquisition of land and construction of building thereon, audit noticed that there were issues in the land acquired for two institutions:

- Section 22 (2) of the Bihar Building By-Laws, 2014 provides that construction of any building shall not be allowed within a strip of 100 metres from the outer boundary of the riverfront. Test check of records of the Department revealed (October 2020) that the Department accorded (January 2019) an administrative approval for construction of building of Government Polytechnic, Jehanabad at a cost of ₹36.35 crore. However, the Executive Engineer, BCD, Jehanabad found (April 2019) that the proposed land was not suitable for construction. The Chief Architect, BCD declared the land unfit for construction and requested DM, Jehanabad (April 2019) to provide alternative land. Accordingly, allotment of land was changed and the Department informed accordingly to BCD (February 2021). Further information was not found on record.

Thus, due to selection of unsuitable land, the construction work had not started even though the scheme ended in March 2021. Since 2019-20, the Government

Polytechnic, Jehanabad was functioning from the premises of the Polytechnic, Patliputra, Patna.

- For construction of an Engineering College in Jehanabad, the land measuring 7.5 acre was transferred (March 2019) to the Department free of cost. A three-member site inspection committee[37] had mentioned in its report (November 2018) that the proposed land was 125 metres away from the highway and acquisition of additional 12,000 sqft land would be required for approach road. However, the Department accorded administrative approval of ₹73.13 crore (February 2019) for construction without ensuring availability of land for approach road.

  The construction of building was completed (May 2021) but without an approach road. This had been pointed out by audit in October 2020 itself. However, the Department issued a letter to the District Magistrate Jehanabad, for acquisition of land measuring 60.97 decimal (26,556 sqft) for the approach road only in January 2022.

Thus, in the absence of timely acquisition of land for approach road, the constructed building and the expenditure there against (₹79.29 crore) was rendered idle since May 2021. Since 2019-20, the Engineering College, Jehanabad had been functioning from the premises of Engineering College, Gaya (February 2022).

4.3.2 Non-achievement of targets of construction

Under the ABAP, buildings for 31 Engineering Colleges (25 new and six sanctioned earlier) and 15 Polytechnic Institutes (11 new and four sanctioned earlier) were to be constructed during the period 2016-21.

The target for completion of construction of the buildings for earlier sanctioned institutes and newly sanctioned institutes was three and two years respectively. Thus, construction of buildings of all Engineering Colleges and Polytechnic Institutes was to be completed by 2020-21. However, buildings of fourteen[38] out of 31 Engineering Colleges and four[39] out of 15 Polytechnic Institutes were not completed even the scheme ended in March 2021. Even, buildings of nine[40] Engineering Colleges and four Polytechnic Institutes were not completed yet (February 2022).

Delay in completion of construction of buildings was attributable to delayed availability of suitable land as well as delay in execution of construction work. This deprived the students enrolled in these institutions of proper infrastructure/ facilities.

4.3.3 Avoidable expenditure

Rule 126 of BFR, 2005 provides that authority delegated with financial powers has responsibility and accountability to bring efficiency, economy and transparency

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[37] *Comprises of representative of District Magistrate, Jehanabad, Officer on Special Duty, Engineering College, Gaya and Principal Polytechnic Institute, Tekari, Gaya.*

[38] *Arwal, Aurangabad, Bhojpur, Buxar, Jehanabad, Katihar, Khagaria, Madhubani, Munger, Samastipur, Sheikpura, Sheohar, Siwan and Vaishali.*

[39] *Arwal, Bhojpur, Jehanabad and West Champaran.*

[40] *Bhojpur, Buxar, Katihar, Khagaria,Samastipur, Sheikpura, Sheohar, Siwan and Vaishali.*

in public procurement. It also provides for fair and equitable treatment of suppliers and promotion of competition. Further, Rule 131(R) provides that all Government purchases should be made in a transparent, competitive and fair manner, to secure best value for money and Rule 131(H) provides for invitation of tenders by advertisement for procurement of goods of estimated value ₹25 lakh and above. Further, Rule 202 (4) provides that works estimated to cost above ₹10 lakhs may be got executed through a Public Works Organisation after consultation with the Building Construction Department.

Test-check of records of the Department (October 2020) revealed that the Department decided (February 2019) to make prefabricated portable cabins for classroom, staffroom, laboratory and library for thirteen[41] institutions. The work was sanctioned (February and August 2019) for ₹26.43 crore by the Finance Department, GoB on clarification from the Department that portable cabins could be set up quickly while construction of permanent buildings would take another two years. The work was allotted (February/August 2019) to BPBCC without inviting tenders. The BPBCC levies agency charges[42] for construction work whereas BCD, responsible for construction of Government buildings, does not levies agency charges. Construction works of buildings of Engineering Colleges/Polytechnic Institutes under ABAP was entrusted to the BCD. But, construction work of portable cabins was neither entrusted to the BCD nor consultation obtained from the BCD and work was allotted to the BPBCC in violation of provisions of the BFRs. Thus, the Department would have to pay ₹1.50 crore in the form of agency charges (centage) to the BPBCC for the allotted work. Out of ₹1.50 crore agency charges, ₹0.41 crore was adjusted by BPBCC against the completed work of ₹6.32 crore (February 2022).

It was observed that out of 13 institutes, work was completed only at two institutes (Women's Polytechnic Phulwarisharif Patna and Patliputra, Patna), cancelled at two institutes (Engineering College, Rohtas and Polytechnic Institute, Madhepura) and was under progress in remaining nine institutes (February 2022).

Thus, while the Department failed to comply with the prescribed provisions, selection of BPBCC without inviting tenders resulted in avoidable expenditure of ₹ 0.41 crore and non-completion of the construction work after lapse of three years from the date of sanctioning with stipulated period of six months.

4.3.4 Unfruitful expenditure

AICTE, Approval Process Handbook (APH) (Appendix 17.1.29) 2015-16 provides that applicant seeking approval of new technical institute shall submit an affidavit that no high-tension line was passing through the campus including hostel. In case high-tension line passes through the campus/hostel a certificate from competent authority (Electricity Board) that it will not affect the safety of building/students/faculty/staff *etc.* is required.

[41] ***Engineering college****- Darbhanga, Motihari and Rohtas;* ***Polytechnic institute****- Bhagalpur, Chhapra, Gaya, Madhepura, Muzaffarpur, Nalanda, Patliputra Patna, Saharsa, Sheohar, and Womens Polytechnic Phulwarisharif Patna.*

[42] *Agency charges @ 7 per cent up to ₹10.00 crore and 5 per cent for more than ₹ 10 crore*

Test-check of records of the Department revealed (September 2020) that for construction of building for Polytechnic Institute at Sheikhpura, a three-member site inspection committee[43] constituted (January 2014) by the S&T Department, submitted its report (September 2014) without mentioning the existence of a high-tension line passing through the site and declared it suitable. The Department issued a letter (February 2015) to the BCD to provide the technically approved estimate along with layout plan of the building. The BCD submitted (April 2015) lay-out plan to the Department for approval along with site map depicting existence of high tension line. The Department accorded (July 2015) administrative approval for ₹42.55 crore upon the conditional approval of lay out plan submitted by the BCD that high-tension line would be shifted before commencement of construction work.

It was further observed that the Department neither ensured shifting of high-tension line before commencement (September 2016) of construction work nor could obtain an NOC from electricity board. Meanwhile the construction work was completed (August 2018) at a cost of ₹ 48.70 crore but the same was not handed over and remained unoccupied due to non-shifting of high tension line which would entail an additional expenditure of ₹ 36 crore.

As an alternative, to make the building usable, it was decided (December 2021) that existing main gate of the building would be closed, boundary wall would be constructed parallel to the transmission line and girls hostel and sick room would be closed. Accordingly, an amount of ₹59.40 lakh was sanctioned in February 2022.

Thus, failure of the Department to ensure that no high tension line was passing through the campus including hostel in compliance with the provisions of the APH of AICTE resulted in unfruitful expenditure of ₹48.70 crore as the constructed building ever since its completion (August 2018) could not be put to use and remained unoccupied (February 2022). Students enrolled in the institute were deprived of intended educational benefits as the institute was still functioning from the premises of Polytechnic Institute, Lakhisarai.

- **Unsuitable land taken on lease**

A test-check of records of the Department revealed (October 2020) that a land measuring Seven acre and 53.5 decimal was earmarked for being taken on lease for construction of an Engineering College in Sheohar district. A three-member site inspection committee[44] reported (June 2017) the proposed land fit for construction and mentioned that no High Tension Line was passing through the land. On the basis of suitability report, the land was acquired on lease at a cost of ₹2.92 crore (December 2017) and an administrative approval of ₹73.13 crore was accorded (July 2018) for construction of building. The construction work was to be completed within two years i.e. by June 2020.

It was noticed that in layout plan issued (January 2019) by the Chief Architect, BCD a High Tension Line was passing above the land. The Department had

[43] *Comprises of Addl. Collector Sheikhpura, Principal Nalanda Engineering College Chandi and Principal Govt. Polytechnic Institute Barauni.*

[44] *Comprises of Addl. Collector Sheohar, Principal Government Engineering College, Sitamarhi and Principal Baddiujjma Khan Govt. Polytechnic Institute, Sitamarhi.*

given conditional approval (February 2019) that no construction work would be started before shifting the High Tension Line. However, the work was started (December 2020) and 50 *per cent* of work was completed without shifting the High Tension Line (February 2022).

Thus, due to selection of unsuitable land and failure of the Department to ensure shifting the high tension line resulted in non-completion of the construction of building even the scheme ended in March 2021. Since 2019-20, the Government Engineering College, Sheohar was functioning from the premises of Motihari College of Engineering, Motihari.

4.4 Manpower management

Chapter-I (8.1) of AICTE APH, 2016-17 provides that in no circumstances, unless the appointment of all teaching and other staff is in place, the Institutes shall commence the program. Chapter 6.7 and 6.8 provides that technical institutions shall follow the Norms for faculty requirements and Cadre ratio at Diploma/Under Graduate Level. The faculty - student ratio for undergraduate level and diploma level was 1:15 and 1:20 respectively for the year 2016-17 and 2017-18 which was further amended to 1:20 and 1:25 respectively from the year 2018-19 onwards.

In respect of the Institutes established under *Avsar Badhe Aage Padhein*, there was a shortage of 90 *per cent* in teaching staff and shortage of 98 *per cent* in non-teaching staff in 31 engineering colleges, while there was a shortage of 80 *per cent* in teaching staff and shortage of 96 *per cent* in non-teaching staff in 15 polytechnic institutes (February 2022) as detailed in ***Appendix-4.2***.

In the test checked colleges/institutes, status of teaching and non-teaching staff was as detailed in **table 4.2 below**:

Table no. 4.2
Shortage of teaching and non-teaching staff

Sl. No.	Name of Engineering college/ polytechnic institute	Teaching			Non-teaching		
		Sanctioned Post	PIP (Regular)	Vacancy (*per cent*)	Sanctioned Post	PIP (Regular)	Vacancy (*per cent*)
1.	Engineering College, Bakhtiyarpur	64	33	31 (48)	53	04	49 (92)
2.	Engineering College, Buxar	77	05	72 (94)	50	00	50 (100)
3.	Engineering College, Vaishali	76	06	70 (92)	50	01	49 (98)
4.	Engineering College, Rohtas	64	23	41 (64)	38	0	38 (100)
5.	Engineering College, Begusarai	64	19	45 (70)	77	10	67 (87)
6.	Engineering College, Purnea	77	10	67 (87)	50	02	48 (96)
7.	Polytechnic Institute, Samastipur	35	08	27 (77)	31	00	31 (100)
8.	Polytechnic Institute, Jehanabad	35	10	25 (71)	38	01	37 (97)
9.	Polytechnic Institute, West Champaran	35	08	27 (77)	38	01	37 (97)

The actual shortage of teaching staff against the sanctioned strength ranged from 48 to 94 *per cent* while that of the non-teaching staff ranged from 87 to 100 *per cent*.

Bihar Public Service Commission (BPSC) published advertisement for recruitment of teaching staff in September-October 2020, which was still under process. Requisitions for appointment of non-teaching staff (technical as well as non-technical) was sent to Bihar Staff Selection Commission (BSSC) and Bihar Technical Service Commission (BTSC) between January to December 2021 but advertisement was not published by BSSC/BTSC (February 2022). Thus, the Department could not get teaching as well as non-teaching staff appointed against acute and persistent vacancies.

The acute and persisting shortage of teaching faculty as well as non-teaching staff could adversely affect the quality of technical education and it goes against the spirit of the scheme. Thus, functioning of Engineering Colleges/Polytechnic Institutes almost without staff (teaching & non-teaching) implies that these institutes/ colleges are functioning only on papers and shows failure of the department in implementation of the scheme.

4.5 Under-utilisation of seats

Chapter-VI of the AICTE APH 2016-17 prescribes norms for essential infrastructure and cadre ratio of teaching staff for Engineering Colleges and Polytechnic Institutes. Audit observed that 3,506 (26 *per cent*) out of 13,680 seats could not be filled up at undergraduate level (Engineering Colleges), while 642 (seven *per cent*) out of 8,640 seats could not be filled up at diploma level (Polytechnic Institutes) during 2016-17 to 2019-20. The under-utilisation of intake capacity of seats was due to lack of availability of man-power, infrastructure and facilities.

In nineteen[45] Engineering Colleges, which were made functional from 2019-20 by tagging with other institutes, 2,784 (61 *per cent*) out of 4,560 seats remained vacant.

Under-utilisation of seats was attributable to establishment of institutes without essential man-power (teaching as well as non-teaching staff) and infrastructure/ facilities.

4.6 Lack of infrastructure, equipment, facilities *etc.*

Chapter-VI read with Appendix-4 and 5 of the AICTE APH 2016-17 prescribes norms regarding the minimum level of infrastructure required for technical institutions.

Audit noticed significant deficiencies in infrastructure (classroom, library, laboratory *etc*.) and deviations from the prescribed norms as described below:

[45] *Araria, Arwal, Aurangabad, Bhojpur, Buxar, Gopalganj, Jehanabad, Kaimur, Khagaria, Kishanganj, Lakhisarai, Madhubani, Munger, Nawada, Samastipur, Sheikhpura, Sheohar, Siwan and West champaran.*

(A) Unavailability of building

Due to unavailability of own building, seventeen[46] Engineering Colleges and six[47] Polytechnic Institutes were functioning from the premises of other institutes, with insufficient classrooms, laboratories and hostels etc. (***Appendix-4.3)***. In seven cases, three Engineering Colleges were functioning from the premises of one College detailed in **table 4.3 below**:

Table 4.3
Three Engineering Colleges functioning in the same premises

Sl. No.	Name of the mentor College	Colleges functioning from the premises of other (mentor) college (Approximate distance (in kilometre) from the mentor college)
1	Engineering College, Nalanda	1. Engineering College, Shekhpura (70) 2. Engineering College, Nawada (55)
2	Engineering College, Motihari	1. Engineering College, West Champaran (45) 2. Engineering College, Sheohar (63)
3	Engineering College, Gaya	1. Engineering College, Aurangabad (81) 2. Engineering College, Jehanabad (50)
4	Engineering College, Purnea	1. Engineering College, Kishanganj (69) 2. Engineering College,Khagaria (136)
5	Engineering College, Jamui	1. Engineering College, Munger (85) 2. Engineering College, Lakhisarai (30)
6	Engineering College, Chapra	1. Engineering College, Gopalganj (103) 2. Engineering College, Siwan (67)
7	Engineering College, Bakhtiyarpur	1. Engineering College, Buxar (187) 2. Engineering College, Bhojpur (109)

As seen in **Table 4.3** and ***Appendix- 4.3***, seven Polytechnic Institutes and two Engineering Colleges were accommodating another college/institute; seven Engineering Colleges were accommodating two other Engineering Colleges in their premises.

Under this *Nishchay*, the aim of the State Government was to provide better opportunities of technical and professional skill based education in the State. However, if college/institute has to accommodate students three times to its capacity and where the students have to travel a distance of 30 kms to 187 kms to reach the college/institute, the purpose of establishing an engineering college/ Polytechnic Institute in every district is defeated.

(B) Unavailability of hostel facilities

- AICTE APH (Appendix-4.2.3) 2016-17 provides for adequate hostel facility for boys and girls, however residential facilities were not available for the students of five[48] out of nine[49] test-checked institutes. Of these five:

[46] *Aurangabad, Bhojpur, Buxar, Gopalganj, Jehanabad, Khagaria, Kishanganj, Lakhisarai, Madhubani, Munger, Nawada, Samastipur, Sheikpura, Sheohar, Siwan, Vaishali and West Champaran.*

[47] *Arwal, Bhojpur, Jehanabad, Khagaria, Sheikhpura and West Champaran.*

[48] *Begusarai, Buxar, Jehanabad, Vaishali and West Champaran.*

[49] ***Engineering colleges** at Bakhtiyarpur, Begusarai, Buxar, Purnia, Rohtas and Vaishali and **Polytechnic institutes** at Jehanabad, Samastipur and West Champaran.*

- Engineering College, Buxar was operating from the premises of Engineering College, Bakhtiyapur located at a distance of 187 kms from district headquarters of Buxar.
- Engineering College, Vaishali was operating from the premises of Polytechnic Institute, Vaishali.
- Polytechnic Institute of West Champaran was operating from the premises of Polytechnic Institute, Motihari located at a distance of 45 kms from district headquarters of West Champaran.
- Polytechnic Institute of Jehanabad was operating from the premises of Polytechnic institute, Patliputra Patna located at a distance of 50 kms from the district headquarters of Jehanabad.

(C) Lack of Laboratories

AICTE APH (Appendix-4.2.1 (B) and 5.2) 2019-20 envisage about the minimum area requirement of laboratory and provides that the laboratories shall have equipment as appropriate for experiments as stated/suitable for the requirements of the affiliating University/ Board's Curriculum.

However, none of the test-checked institutes had proper laboratory (February 2022) for imparting practical training to the students. Four[50] out of nine test checked institutions were dependant on tagged institutes.

- In Engineering College, Purnea, only 44 out of required 75 laboratories were available.
- In Engineering College, Bakhtiyarpur, laboratories were not available for four semesters in civil and mechanical branches, for three semesters in Electrical branch and for two semesters in computer science branch.
- In Polytechnic Institute, Samastipur, only 53 out of required 62 laboratories were available. Though, only 37 laboratories were functional.
- In Engineering College, Begusarai, only 15 out of required 23 laboratories were available for Computer Science Engineering.
- In Engineering College, Rohtas, 54 out of required of 62 laboratories were available.

(D) AICTE APH (Appendix-6.1.13) 2019-20 envisage that at least five MoUs should be executed with different industries for internship. However, six[51] out of nine test-checked institutes had not executed such MoUs.

Insufficient infrastructure thus created a poor learning environment and adversely affected the quality of technical education in the State.

4.7 Monitoring mechanism

Adequate and effective monitoring mechanism is essential for proper execution of a scheme. This enables the supervisory officers to better manage and monitor the scheme.

Audit observed (December 2020) that the Department did not have any MIS system, state level monitoring unit, internal audit wing, grievance redressal

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[50] *Buxar, Jehnabad, Vaishali and West Champaran.*
[51] *Bakhtiyarpur, Begusarai, Buxar, Jahnabad, Samastipur and Vaishali.*

cell as well as periodic evaluation mechanism for the scheme. The Principals of test checked institutes replied (January – March 2021) that mechanism for monitoring of work-in-progress was not available at the institute level and neither any target was fixed nor any joint inspection/verification was conducted by the Department and BCD officials.

Resultantly, the desired monitoring was not carried out by the Department and due to lack of monitoring unsuitable land was selected, portable cabins were not constructed and adequate laboratories were not available.

4.8 Conclusion

Avsar Badhe Aage Padhein (ABAP) was one of the *Saat Nischay* for providing technical and professional skill based education in Bihar and the Department of Science and Technology was responsible for its implementation through construction and establishment of different institutions under its aegis. The Department could not implement the scheme properly due to acute shortage of teaching and almost non-availability of non-teaching staff against the norms prescribed by the AICTE that could adversely affect the quality of technical education. Objective of the scheme was also defeated by delayed acquisition of land, acquisition of unsuitable lands, non/delayed construction of buildings by the BCD, insufficient infrastructure, equipment, facilities *etc*. Further, due to absence of effective monitoring mechanism of the Department, unsuitable land was selected, buildings/portable cabins were not constructed and adequate laboratories were not available. With colleges/institutes accommodating students three times to their capacity and students having to travel a distance of 30 kms to 187 kms to reach the college/institute, the purpose of the resolve for establishment of an Engineering College/Polytechnic Institute in every district is defeated. The intended objectives of the resolve to provide quality technical and skill based education could not be achieved even after lapse of five years.

The matter was reported (October 2020) to Government. Despite reminder; the reply is awaited (April 2022).

Chapter-V
Individual Paragraphs

CHAPTER – V

PARAGRAPHS

ROAD CONSTRUCTION DEPARTMENT AND RURAL WORKS DEPARTMENT

5.1 Unfruitful expenditure

Construction of High Level Bridges without ensuring land for approach roads led to unfruitful expenditure of ₹ 11.70 crore.

Article 7.5 of Resolution No. 948 (July 1986) of Cabinet Secretariat and Coordination Department (Confidential Cell), Government of Bihar stipulates that the tender process should be initiated only after approval of technical sanction and ascertaining of allotment of fund. In cases where acquisition of land is required, the same should be completed in advance.

A. Scrutiny of records (December 2019) of Executive Engineer, Roads Division, Hilsa disclosed that-

- The Chief Engineer (CE), South Bihar Wing, Patna granted (July 2015) technical approval of ₹48.78 crore for construction/ improvement-cum-maintenance of Badimatth (Parwalpur) to Devariya Road including construction of High Level (HL) Bridge. Road Construction Department accorded (August 2015) administrative approval for ₹48.78 crore and technical sanction (TS) of the work was accorded (March 2016) for ₹ 53.35 crore[52] by the CE, Central Design Organisation, Patna.
- The Superintending Engineer, Central Circle, RCD, Patna approved (July 2015) the Bill of Quantity (BoQ) of Road work for ₹37.87 crore and BoQ (April 2016) of ₹4.85 crore for the construction of HL bridge having length of 55.80 metre and approach roads on both sides in 90 metre and 120 metre length, in the 3rd km of the aforesaid road.
- The Executive Engineer (EE), Road Division, Hilsa had executed (November 2015) agreement for road work valuing ₹34.30 crore[53] with an agency (M/s Dayan and Prasad Sinha & Co., Patna) and supplementary agreement (July 2016) for HL bridge valuing ₹4.36 crore[54] (to be completed up to November 2016) with the same agency.
- The roadwork was completed (June 2017) by the agency for ₹32.02 crore and work of HL bridge was completed in December 2017 at cost of ₹ 3.74 crore. However, the bridge was not being used till September 2021 after lapse of four years due to lack of approach roads as the required land for the same was not available for constructions.

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52 *Road work ₹33.28 crore, Bridges and culverts ₹12.85 crore, Price escalation ₹3.92 crore and others (including land acquisition 0.11 crore) ₹3.30 crore.*

53 *10 per cent below BOQ rate i.e. ₹37.87 crore (₹38.09 crore -₹0.22 crore provision for emergency work).*

54 *10 per cent below BOQ rate i.e. ₹4.85 crore.*

Physical status of both sides of new bridge (April 2022)

On being pointed out by Audit, the EE, Hilsa stated (December 2019) that the construction of bridge work was initiated in anticipation of availability of land but it could not be made available till structure of bridge had been completed. He also stated that efforts were taken to initiate with perpetual lease but land could not be acquired.

He further stated (October 2021) that the road of another existing old bridge was being used and construction work of approach roads had not started (April 2022).

The replies of the EE were not tenable as availability of land should have been ensured prior to the commencement of work. Also, the usage of road through an old bridge reflected that there was improper planning in construction of new bridge.

Thus, starting of work without ensuring availability of land for approach roads led to unfruitful expenditure of ₹ 3.74 crore on the construction of HL Bridge.

B. Scrutiny of records (December 2021) of the office of Executive Engineer (EE), Rural Works Department (RWD), Samastipur revealed that a High Level RCC Bridge (HL Bridge[55]) across river old Baghmati under Khanpur Block (Samastipur) was to be constructed under NABARD Scheme. The construction aimed to provide connectivity to Balha and Dagarua villages in the north and Rajwara and other villages in the south. Rural Works Department (RWD), GoB provided administrative approval for ₹ 779.91 lakh (September 2012). The Chief Engineer-3, RWD, Patna provided technical sanction (December 2012) for this work for ₹ 9.35 crore. Further, as per estimate, approach roads of 75 metre in the south direction (A1 side) and of 120 metre in the north (A2 side) were to be constructed (the requirement of total land for bridge and approach roads was 51.25 decimal). An agreement was executed (August 2013) with a contractor[56] for ₹ 8.66 crore[57] (including ₹ 39.11 lakh for construction of approach roads) with completion of work by February 2015.

[55] *With dimension 5m X 24.75 m X 126.8m.*

[56] *Vinay Kumar Singh, Kanti Factory, Kankarbagh.*

[57] *At the rate of 1.10 per cent below BoQ rate of ₹8.75 crore.*

Due to non-availability of land for construction of bridge and approach road, work was stopped in June 2014 with payment (September 2014) of ₹ 86.01 lakh to the contractor. The contractor intimated (November 2014) that construction of several portions of bridge involved private land and owners of the land were opposing construction of bridge on their land. On recommendation of a land/ site selection committee, the EE communicated (December 2016) requirement of 51.25 decimal land for construction of HL Bridge to District Magistrate, Samastipur. After obtaining details of amount to be paid as compensation to landowners, the EE sought (June 2017) funds amounting to ₹ 18.04 lakh from the Department. After receipt of funds in September 2017, work started again (February 2018). For work done till August 2019 and total payment of ₹ 7.96 crore (including first payment of ₹ 86.01 lakh) was made to the contractor. No work was executed on approach roads and some portions of superstructure of bridge were yet to be completed. To complete the remaining work, further requirement of 0.4799 acre of land was assessed and the EE requested (February 2020) additional ₹19.93 lakh fund from the Department. Joint physical verification (December 2021) with Assistant Engineer of the concerned division also confirmed that work on approach roads was not executed. There was issue of private land on north side of the bridge.

Thus, without ensuring availability of land, expenditure on construction of bridge without construction of approach roads rendered expenditure of ₹ 7.96 crore unfruitful. Work on approach roads is yet to be started (December 2021).

On being pointed out, EE accepted (November 2021) that a part of the plot falling in the alignment, had not been acquired.

The matter was reported (November 2021 and February 2022) to Government; the reply is awaited (April 2022).

PUBLIC HEALTH ENGINEERING DEPARTMENT

5.2 Infructuous expenditure

Provision of water meters in the village water supply scheme without any plan for their use, rendered the expenditure of ₹1.99 crore infructuous.

Operation and Maintenance (O&M) Manual's paragraph 14.4 of Rural Water Supplies prepared (May 2013) by the Ministry of Drinking Water and Sanitation, Government of India stipulated that in case of the Multi Village Water Supply Scheme, the water agency/Village Water Sanitation Committee (VWSC)/agency will raise the bill every month to each of the *Gram Panchayat* (GP) based on the bulk water meter reading. For the water supply through schemes implemented by Public Health Engineering Department (Department) in the State, the GP concerned would pay water charges to VWSC/agency and in turn will collect the water charges from the consumers.

Scrutiny of records (November 2021) of the Executive Engineer (EE), Public Health (PH) Division, Begusarai revealed that for a Multi Village Water Supply

Scheme at Cheria Bariyarpur, the EE, PH Division, Begusarai entered into an agreement (July 2014) with an agency[58] at a cost of ₹ 66.71 crore to design and build all system components of the scheme and operation and maintenance (O&M) for five years after commissioning of scheme including billing and supply of water.

The design and build work was completed in July 2020 and the agency was paid (November 2021) ₹ 43.87 crore. Agreement provided for connections to 9,480 houses at the rate of ₹ 6,400 per house, which included cost of installing water meter in each house at the rate of ₹ 3,500 per meter. Total payment of ₹ 43.87 crore made to the agency for design and build included payment of ₹ 1.99 crore[59] (November 2021) for supply of water meters.

As per agreement, the GP had to collect the user charges as per the bill generated by the agency. The bills were to be raised as per tariffs fixed by the GP or Government of Bihar on the basis of water meter fixed at each household. Accordingly, the domestic water meters were required to be installed at each house hold level.

It was further observed that the Department did not have any use of domestic water meter as no plan was available with it for calculation of user charges in this scheme or any other scheme executed simultaneously in the division. The Department fixed (June 2021) ₹ 30.00 as monthly charges to be recovered from all the households having home connection from the water supply scheme, irrespective of the quantity of water consumed by the consumer. This rendered expenditure valuing ₹ 1.99 crore on purchase of water meters infructuous.

On being pointed out, the EE, PH Division, Begusarai accepted (November 2021) that initially there was a provision to charge water cost on the basis of water meter, but it was not implemented by the Department. The reply itself endorsed the audit observation regarding installation of idle water meter.

The matter was reported (February 2022) to Government; the reply is awaited (April 2022).

SOCIAL WELFARE DEPARTMENT

5.3 Inadmissible payment

In violation of guidelines, payment of ₹45.43 lakh as cash incentive was made by Child Development Project Officers to ineligible beneficiaries.

Pradhan Mantri Matru Vandana Yojana (PMMVY) a centrally sponsored and funded scheme (Ministry of Women and Child Development, GoI) was implemented (January 2017) with aim to provide partial compensation for the wage loss in terms of cash incentive to pregnant women and lactating mothers who had their pregnancy on or after initiation of this scheme for first child. The

[58] *M/s Gannon Dunkerley & Co. Ltd.*

[59] *Payment was limited to 60 per cent of total cost i.e. ₹3500 x 9480 x 60%= ₹1.99 crore.*

scheme facilitates the women to take adequate rest prior/post-delivery of the first child to improve their health through cash incentive. The total cash incentive of ₹ 5,000 per beneficiary was to be transferred directly into the beneficiary's account in three instalments[60].

A test-check (October 2021- January 2022) of records relating to payments under PMMVY to beneficiaries of eight[61] Child Development Project Officers (CDPOs) operated under three District Programme Officers (ICDS) and their cross- verification with the records of respective Labour Room Registers of Primary Health Centres (PHCs)/Community Health Centres (CHCs) revealed that the benefits of cash incentive of the scheme were extended to the women with even second, third or more pregnancies for the birth of a living child during the period 2017 to October 2021. The details of such total inadmissible payment of ₹45.43 lakh to 1,006 ineligible beneficiaries in violation of the provision are as under:-

Details of inadmissible payment

Sl. No.	District	CDPO	No. of women who received inadmissible cash incentive	Amount (in ₹)
1.	Madhubani	Harlakhi	148	7,16,000
2.		Ladania	132	6,32,000
3.		Benipatti	37	99,000
4.		Pandaul	22	88,000
5.	Muzaffarpur	Kanti	38	1,20,000
6.	Aurangabad	Hanspura	323	15,18,000
7.		Rafiganj	258	12,07,000
8.		Obra	48	1,63,000
Total			**1,006**	**45,43,000**

Thus, the neglect of the provision by concerned CDPOs resulted in inadmissible payment including deviation from the intended objective of the scheme.

The matter was reported (February 2022) to Government;the reply is awaited (April 2022).

5.4 Idle expenditure

The Department could not utilise *Aadhaar* Enrolment Kits valuing ₹ 6.26 crore due to lack of required manpower resulting in idling of kits.

In order to complete *Aadhaar* seeding and data validation of beneficiaries of all DBT schemes by March 2018, Ministry of Women and Child Development (MWCD), Government of India (GoI) decided (July 2017) to set up *Aadhaar*

60 *₹1,000 on early registration of pregnancy at the Anganwadi Centre/approved Health facility, ₹2,000 after six months of pregnancy on receiving at least one ante-natal check-up and ₹ 2,000 after child birth was registered and the child had received the first cycle of BCG, OPV, DPT and Hepatitis-B or its equivalent/substitute.*

61 *Aurangabad district- Hanspura, Rafiganj and Obra Madhubani district-Benipatti, Harlakhi, Ladania and PandaulMuzaffarpur district-Kanti.*

enrolment facility in the Child Development Project Offices (CDPOs). The decision was taken to give impetus for continued and uninterrupted enrolment of children. Further, MWCD sanctioned (December 2017) Grants-in-Aid (Grant) of ₹24.48 crore[62] for procurement of 1,632 *Aadhaar* enrolment kits[63] and released ₹14.69 crore (December 2017) as the amount of central share. After two years of this sanction order, Directorate, Integrated Child Development Services (ICDS), Social Welfare Department, Government of Bihar allotted (August 2019) ₹6.65 crore and released (December 2019) ₹6.27 crore for purchase of only 544 kits.

Test-check (July and August 2021) of records of the Directorate, ICDS revealed that a tender for procurement and installation of 544 kits was floated (May 2019) by the Directorate on GeM Portal, against which the selected agency[64] supplied 544 kits (December 2019- March 2020) and a payment of ₹6.26 crore was made (June 2020) to the agency. Scrutiny further disclosed that even after lapse of nearly two years of procurement of kits, *Aadhaar* enrolment work could not be started in any of the CDPOs as required manpower for their operation was not available and the kits remained unutilsed in the CDPOs.

Further, information regarding utilisation of kits was also gathered (October-December 2021) from test-checked 18 CDPOs[65] of three districts, which disclosed that the entire kits were lying unutilised (kept in seal packed condition having warranty period upto three years i.e. March 2023) due to unavailability of required manpower.

Due to non-commencement of this facility at CDPO offices, the enrolment of the age group of 0-5 years was completely stopped (after 9.91 *per cent* of enrolment) in the State as communicated (January 2021) by the Unique Identification Authority of India (UIDAI). Thus, permanent Aadhaar enrolment facility could not even start in the CDPOs till the date of audit (December 2021) against the targeted date of March 2018, even though the funds were made available in December 2017.

In his reply, the Director, ICDS stated (September 2021) that Lady Supervisors were imparted training for operating kits through UIDAI and at present, kits were being used by them as per the requirement. Further, the Director, ICDS in its subsequent reply stated (February 2022) that presently some of the projects had started the *Aadhaar* enrolment and its present status of enrolment was 9.91 *per cent*.

Reply of Director, ICDS was not tenable as the *Aadhaar* Enrolment of children

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62 *Central Share: ₹14.69 crore and State Share ₹9.79 crore.*

63 *Three sets each for 544 CDPOs at the rate of ₹1.50 lakh per kit.*

64 *M/s Urvashi Computer, Delhi.*

65 *(i) Muzaffarpur: Aurai, Bandra, Kanti, Katra, Kudhni and Paru, (ii) Madhubani- Benipatti, Harlakhi, Jhanjharpur, Ladania, Pandaul and Madhvapur (iii)Aurangabad- Dev, Haspura, Goh, Nabinagar, Obra and Rafiganj.*

with the use of kits was not started even after imparting training to Lady Supervisors as observed in 18 test-checked CDPOs in three districts. Further, the reply itself vindicates the fact regarding non-enrolment of age group of 0-5 years as achievement of 9.91 *per cent* was already mentioned in letter of UIDAI in January 2021.

The matter was reported (February 2022) to Government; the reply is awaited (April 2022).

Patna **(RAMAWATAR SHARMA)**
The 21 October 2022 **Accountant General (Audit), Bihar**

Countersigned

New Delhi **(GIRISH CHANDRA MURMU)**
The 27 October 2022 **Comptroller and Auditor General of India**

Appendices

Appendix-1.1

(Refer: Paragraph-1.3.1; Page-2)

Statement showing Outstanding Inspection Reports/Paragraphs

(Amount ₹ in crore)

Year	General Sector			Social Sector			Economic Sector		
	No. of IRs	No. of Paras	Amount	No. of IRs	No. of Paras	Amount	No. of IRs	No. of Paras	Amount
2011-12	3	15	10.12	83	559	7131.94	83	529	11894
2012-13	51	387	3015.68	435	2644	31770.01	98	686	6368
2013-14	154	1136	1604.23	545	3249	16007.68	169	1153	16282
2014-15	147	765	5505.50	527	3457	11785.33	222	1406	24891
2015-16	175	855	1289.84	579	4310	13868.89	188	1281	10955
2016-17	226	1309	7199.09	574	5340	26932.20	211	1416	20128
2017-18	139	818	1547.08	454	4615	44008.54	162	1265	60529
2018-19	24	222	75363.51	108	1154	9399.74	34	316	5684.70
2019-20	70	755	394900.10	152	1825	77893.91	16	177	1132.30
2020-21	9	87	141930	34	503	52616.51	12	114	1272.40
Total	**998**	**6349**	**632365.10**	**3491**	**27656**	**291414.80**	**1195**	**8343**	**159136.40**

Appendix-1.2

(Refer: Paragraph-1.3.1; Page-2)

Statement showing various types of irregularities in outstanding paragraphs of Inspection Reports

Year	No. of IRs	Fraud/misappropriation/ embezzlement/ losses detected in audit	Recoveries & instances of Overpayments detected in audit	Violation of contractual obligations and undue favours to contractors	Avoidable/excess expenditure	Wasteful/infructuous expenditure	Expenditure incurred without sanction from competent authority	Diversion of funds from one scheme to another or from one object head to another	Drawal of funds at the fag end of financial year with a view to avoiding lapse of funds	Incurring of expenditure on banned items or items of special nature without approval of competent authority	Purchase of stores/ stock in excess of actual requirements with a view to avoiding lapse of funds	Idle investment/ idle establishment/ blockade of funds	Payment of idle wages to staff	Delays in commissioning of equipment/ idle equipment and consequences owing thereto	Non-achievement of objectives/ unfruitful expenditure	Miscellaneous observations	Total paragraphs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
2011-12	169	9	62	51	20	53	6	24	2	0	4	70	5	2	78	717	1103
2012-13	584	20	194	85	201	182	52	127	8	27	9	283	20	35	219	2255	3717
2013-14	868	98	212	144	227	287	42	118	13	73	13	437	33	39	319	3483	5538
2014-15	896	129	361	207	179	241	31	112	11	7	11	452	10	29	308	3540	5628
2015-16	942	57	270	198	311	390	105	204	25	11	61	530	17	21	444	3802	6446
2016-17	1011	63	181	345	415	386	87	195	69	90	80	641	26	40	593	4854	8065
2017-18	755	78	135	466	282	333	46	41	61	11	12	859	26	16	399	3933	6698
2018-19	166	30	33	61	96	32	8	26	6	0	8	124	7	4	75	1182	1692
2019-20	238	12	19	42	54	113	8	10	0	21	1	99	4	13	68	2293	2757
2020-21	55	9	6	21	30	26	1	14	2	2	0	11	1	3	17	561	704
Total	**5684**	**505**	**1473**	**1620**	**1815**	**2043**	**386**	**871**	**197**	**242**	**199**	**3506**	**149**	**202**	**2520**	**26620**	**42348**

Appendix-1.3
(Refer: Paragraph-1.3.3; Page -3)
Status of Audit Memos relating to PAs/DCAs for the Audit Report ending March 2021

Sl. No.	PA/DCA	Name of PA/DCA	Reply received on PA/DCA from Department	No. of units audited	No. of unit did not produce certain records	No. of memos issued	No. of memos on which full reply received	No. of memos on which partial reply received	No. of memos on which reply not received
1.	PA	*Pradhan Mantri Kisan Samman Nidhi Yojana*	Yes	52	52	947	704	-	243
2.	DCA	Functioning of Engineering and Polytecnic institutes established under *Avsar Badhe Aage Padhein*	No	10	03	87	58	06	23
3.	DCA	Internal Control in Finance Department	Yes	31	16	232	232	Nil	Nil
Total				**93**	**71**	**1,266**	**994**	**06**	**266**

Appendix-1.4

(Refer: Paragraph-1.4; Page-4)

Statement showing status of placement of Separate Audit Reports of Autonomous Bodies in the State Assembly

Sl. No.	Name of Autonomous Body	Status of entrustment	Rendering of accounts to audit		Issuance of SAR		Date of placement in the Legislature	Remarks
			Year of accounts	Date	Year of accounts	Date		
1	Bihar State Legal Services Authority (BSLSA), Patna	Permanent	2019-20	12.07.2021	2016-17, 2017-18 & 2018-19	03.02.21	18.02.19 & 15.02.19	
2	Bihar State Housing Board, Patna	Up to 2015-16	2016-17	05.07.2019	Up to 2008-09	27.08.14		SARs for the period 2009-10 to 2011-12 have not been finalised. Authenticated Annual Accounts from the year 2012-13 have not been received.
3	Bihar State Khadiand Village Industries Board, Patna	NIL						
4	Rajendra Agricultural University Pusa Samastipur	NIL						
5	Bihar Agricultural university, Sabour, Bhagalpur	NIL						
6	Bihar Electricity Regulatory Commission	--	2018-19	--	2017-18	--	--	Letter was sent to Principal Secretary, Finance Dept. Govt. Of Bihar and Pr. Secretary, Energy Dept. vide letter No. RO(ES)/ 2018-19/217 & 218 dated 24.08.18 against which Dy. Secretary, Energy Department has written a letter to Secretary, BERC for taking actionno placement of SARs on the accounts of BERC and convey the same to AG, Bihar.

Appendix-3.1

(Refer: Paragraph-3.2.2 and 3.2.3; Page 41,42)

Statement of delay in surrender of savings

(Amount ₹ in lakh)

Sl. No.	Name of office	Year	Allotment	Expenditure	Surrendered/ lapsed	Date & Month of surrender
1	DPFO, Muzaffarpur	2016-17	33.52	30.50	3.03	27th March
		2018-19	45.93	44.73	1.20	25th March
		2019-20	56.81	50.22	6.59	31st March
		2020-21	53.96	52.01	1.95	31st March
2	DPFO, Gaya	2016-17	32.96	32.40	0.56	30th March
		2017-18	37.45	33.60	3.84	28th March
		2018-19	34.15	32.05	2.10	27th March
		2019-20	33.59	32.77	0.81	31st March
		2020-21	38.22	33.50	4.72	31st March
3	DPFO, Patna	2016-17	87.59	87.06	0.53	30th March
		2017-18	105.66	103.05	2.61	27th March
		2018-19	91.99	88.90	3.09	29th March
		2019-20	103.26	94.59	8.67	31st March
4	DPFO, Bhagalpur	2016-17	40.06	38.44	1.62	30th March
		2017-18	32.90	30.54	2.36	27th March
		2018-19	44.36	27.99	16.37	30th March
		2019-20	25.30	24.04	1.26	30th March
		2020-21	36.46	27.74	8.72	31st March
5	DTO, Muzaffarpur	2016-17	90.45	80.89	9.56	31st March
		2017-18	105.87	104.99	0.88	31st March
		2018-19	164.40	159.31	5.09	30th March
		2020-21	156.25	147.95	8.30	31st March
6	DTO, Gaya	2017-18	72.41	71.55	0.86	31st March
		2018-19	96.87	96.77	0.10	30th March
7	DTO, Saharsa	2016-17	59.51	58.99	0.52	30th March
		2017-18	69.50	68.51	0.99	31st March
		2018-19	77.11	57.85	19.26	30th March
		2019-20	108.82	77.56	31.26	31st March
		2020-21	107.17	63.67	43.50	31st March

Sl. No.	Name of office	Year	Allotment	Expenditure	Surrendered/ lapsed	Date & Month of surrender
8	DTO, Chapra	2016-17	76.58	42.29	34.28	31st March
		2017-18	79.82	63.66	16.16	31st March
		2018-19	95.76	87.84	7.92	31st March
		2019-20	93.87	90.22	3.65	31st March
		2020-21	105.85	99.08	6.77	31st March
9	Asstt. Director, Audit Directorate, Bihar, Patna	2016-17	270.14	256.62	13.52	28th March
		2017-18	373.76	363.29	10.47	26th March
		2018-19	395.24	377.53	17.71	27th March
		2020-21	586.00	474.16	111.84	31st March
10	Asstt. Director, Finance Audit, Darbhanga Division, Darbhanga	2017-18	125.44	117.50	7.94	28th March
		2019-20	212.11	210.84	1.26	31st March
11	Govt. Press, Gulzarbagh	2020-21	1,287.81	877.48	410.33	31st March
	Total		**5,744.87**	**4,912.66**	**832.21**	

Appendix-3.2

(Refer: Paragraph-3.2.2; Page 41)

Status of head wise 100 *per cent* surrender of savings

(Amount ₹ in lakh)

Sl. No.	Name of office	Year	Head	Allotment	Expenditure	Surrender
1	DPFO, Muzaffarpur	2016-17	Telephone	0.02	0	0.02
		2017-18	Telephone	0.01	0	0.01
			Travelling Allowance	0.05	0	0.05
		2018-19	Travelling Allowance	0.10	0	0.10
		2020-21	Medical reimbursement	0.60	0	0.60
			Travelling Allowance	0.06	0	0.06
			Legal Exp.	0.13	0	0.13
2	DPFO, Patna	2016-17	Uniform	0.05	0	0.05
		2016-17	Travelling Allowance	0.07	0	0.07
		2017-18	Travelling Allowance	0.05	0	0.05
		2018-19	Telephone	0.01	0	0.01
		2018-19	Electricity	1.15	0	1.15
		2019-20	Uniform	0.30	0	0.30
3	DPFO,Bhagalpur	2016-17	Travelling Allowance	0.09	0	0.09
			Professional & Spl. Services	0.82	0	0.82
		2017-18	Travelling Allowance	0.05	0	0.05
			Uniform	0.05	0	0.05
		2018-19	Telephone	0.10	0	0.10
		2020-21	Travelling Allowance	0.06	0	0.06
			Telephone	0.13	0	0.13
			Electricity	0.50	0	0.50
4	DPFO, Darbhanga	2016-17	Uniform	0.05	0	0.05
		2017-18	Uniform	0.02	0	0.02
		2019-20	Travelling Allowance	0.35	0	0.35
			Telephone	0.20	0	0.20

Sl. No.	Name of office	Year	Head	Allotment	Expenditure	Surrender
5	DPFO, Gaya	2016-17	Telephone	0.04	0	0.04
			Uniform	0.04	0	0.04
		2017-18	Telephone	0.03	0	0.03
			Uniform	0.07	0	0.07
		2019-20	Travelling Allowance	0.14	0	0.14
		2020-21	Legal Exp.	0.18	0	0.18
6	DTO, Muzaffarpur	2017-18	Medical reimbursement	0.10	0	0.10
		2019-20	Medical reimbursement	0.05	0	0.05
			Samvida Sewayein	0.80	0	0.80
7	DTO, Gaya	2017-18	Travelling Allowance	0.20	0	0.20
			Rent	0.05	0	0.05
		2018-19	Telephone	0.08	0	0.08
			Legal Exp.	0.02	0	0.02
		2019-20	Medical	0.05	0	0.05
8	DTO, Saharsa	2019-20	Medical	0.05	0	0.05
			Travelling Allowance	1.20	0	1.20
			Telephone	0.04	0	0.04
			Contract	0.80	0	0.80
9	DTO, Chapra	2017-18	Travelling Allowance	0.20	0	0.20
			Telephone	0.12	0	0.12
			Legal Exp.	0.05	0	0.05
		2019-20	Medical Reimbursement	0.04	0	0.04
10	Govt. Press, Gulzarbagh	2016-17	Travelling Allowance	0.15	0	0.15
			Maintenance of Vehicle	1.50	0	1.50
			Publication & Printing	5.00	0	5.00
			Machine & Equipment	30.00	0	30.00
		2017-18	Travelling Allowance	0.15	0	0.15
			Maintenance of Vehicle	1.50	0	1.50
			Publication & Printing	5.00	0	5.00

Sl. No.	Name of office	Year	Head	Allotment	Expenditure	Surrender
			Machine & Equipment	30.00	0	30.00
			Uniform	3.00	0	3.00
		2018-19	Travelling Allowance	10.00	0	10.00
			Maintenance of Vehicle	1.50	0	1.50
			Festival Advance	5.40	0	5.40
		2019-20	Travelling Allowance	10.00	0	10.00
			Maintenance of Vehicle	1.50	0	1.50
			Legal Exp.	0.20	0	0.20
			Uniform	3.00	0	3.00
			Repair & Maintenance	5.00	0	5.00
			Machine & Equipment	30.00	0	30.00
		2020-21	Maintenance of Vehicle	1.50	0	1.50
11	**Press & Forms, Gaya**	**2020-21**	Medical Reimbursement	2.00	0	2.00
			Travelling Allowance	0.30	0	0.30
			Telephone	0.20	0	0.20
			Uniform	3.00	0	3.00
			Rent	0.50	0	0.50
			Goods and Supply	300.00	0	300.00
			Repair and Maintenance	2.50	0	2.50
			Tools and Machinery	4.00	0	4.00
12	**Asstt. Director, Audit Directorate, Bihar, Patna**	**2016-17**	Maintenance of Vehicle	0.50	0	0.50
			Legal Exp.	0.17	0	0.17
			Electricity	1.66	0	1.66
		2017-18	Maintenance of Vehicle	0.50	0	0.50
			Legal Exp.	0.20	0	0.20
		2018-19	Maintenance of Vehicle	0.40	0	0.40
		2019-20	Maintenance of Vehicle	0.13	0	0.13
			Training	0.08	0	0.08

Sl. No.	Name of office	Year	Head	Allotment	Expenditure	Surrender
13	Asstt. Director, Finance Audit, Patna Division, Patna	2016-17	Electricity	0.12	0	0.12
		2017-18	Electricity	0.12	0	0.12
			Uniform	0.06	0	0.06
		2018-19	Electricity	0.12	0	0.12
		2020-21	Electricity	0.10	0	0.10
14	Asstt. Director, Finance Audit, Darbhanga Division, Darbhanga	2016-17	Telephone	0.03	0	0.03
		2017-18	Telephone	0.03	0	0.03
		2019-20	Telephone	0.15	0	0.15
15	Asstt. Director, Finance Audit, Bhagalpur Division, Bhagalpur	2016-17	Medical Reimbursement	0.50	0	0.50
		2017-18	Telephone	0.10	0	0.10
			Medical Reimbursement	0.40	0	0.40
16	Asstt. Director, Finance Audit, Tirhut Division, Muzaffarpur	2016-17	Medical	3.00	0	3.00
			Uniform	0.06	0	0.06
		2017-18	Other Allowance	0.01	0	0.01
		2018-19	Other Allowance	0.01	0	0.01
		2020-21	Telephone	0.03	0	0.03
17	Asstt. Director, Finance Audit, Magadh Division, Gaya	2016-17	Medical	0.50	0	0.50
		2020-21	Telephone	0.05	0	0.05
			Electricity	0.10	0	0.10
	Total			475.36	0	475.36

Appendix-3.3

(Refer: Paragraph- 3.2.4; Page 43)

List of inoperative bank accounts in test-checked BDOs

(Amount ₹ in lakh)

Sl. No.	Name of office	Name of bank	Bank A/c No.	Inoperative since	Balance as per cashbook
1	BDO, Sadar Chapra (Saran)	State Bank of India	10369066173	12.03.2015	0.52
2		Central Bank of India	3178655806	06.05.2013	0.06
3		Canara Bank	1968101002561	02.06.2014	0.44
4	BDO, Bahadurpur, Darbhanga	Allahabad Bank	50122918500	17.12.2016	4.33
5		HDFC Bank	50100022212233	31.03.2015	12.86
6		Axis Bank	913010039632755	02.12.2016	12.47
7		Central Bank of India, Ekmi	3553212119	30.11.2015	9.68
8		UBGB, Andama	1004621010000486	30.11.2015	4.38
9		UBGB, Andama	1004621010000610	21.12.2016	1.37
10		UBGB, Ughra	1004301010000741	17.12.2016	0.59
11		UBGB, Ughra	1004301010000844	11.06.2016	0.42
12		UBGB, Ughra	1004301010000740	10.12.2016	3.12
13		Bank of India	12760	15.12.2017	5.11
14		Bank of India	12764	15.12.2017	4.99
15		Bank of India	12781	15.12.2017	14.87
16		CBI, Dekuli Chatti	2394015854	27.03.2018	4.44
17		CBI, Benta	3186785891	08.03.2018	0.09
18		Allahabad Bank	20927192510	31.03.2018	0.50
19		Union Bank	587902010004878	22.06.2017	16.92
20		PNB Laheriasarai	2407000100065470	17.12.2016	1.37
21	BDO, Musahari, Muzaffarpur	State Bank of India	5020/5720	31.03.2016	0.26
22		Syndicate Bank	86	31.03.2016	0.13
23		Bank of Baroda	130	31.03.2016	0.05
24		Bank of Baroda	351	31.03.2016	9.68
25		Canara Bank	107	31.03.2016	3.62
Total					**112.27**

Appendix-3.4

(Refer: Paragraph- 3.2.8; Page 47)

Status of details of payments with no justification available

(Amount ₹ in lakh)

Sl. No.	Name of the office	Bank A/c no. & name	Period	No. of occasion	Amount
1	BDO, Danapur	IDBI- 0781104000007016 (SB)	24.10.16 to 6.11.20	30	161.28
		SBI-37446120250 (SB)	23.4.18 to 29.10.20	9	79.81
		SBI-37446122746 (SB)	25.5.18 to 4.5.20	19	62.96
		SBI-10962961455 (CA)	13.4.15 to 4.12.20	106	393.81
		VijayaBank-844701011000530 (SB)	13.4.18 to 3.8.20	21	41.79
2	BDO, Mushahari	UBGB-1000221010004846 (SB)	22.4.16 to 12.5.16	6	195.63
		PNB- 42380 (SB)	8.4.15 to 12.3.18	86	1,238.03
		Canara Bank- 107 (SB)	7.5.15 to 24.6.15	10	29.00
Total				287	**2,202.31**

Appendix-4.1

(Refer: Para 4.2.3 Page 55)

Recurring expenditure per annum

(Amount ₹ in crore)

Period	2016-17	2017-18	2018-19	2019-20	2020-21	Total amount
No. of institute proposed to be operational	4	9	12	15	15	
Expenditure @ 3.5 crore per institute per annum (A)	14.00	31.50	42.00	52.50	52.50	**192.50**
Actual fund provisioned (B)						**276.50**
Excess provisioning of fund (B-A)						**84.00**

Appendix-4.2

(Refer: Para 4.4 Page 60)

Status of human resources in the engineering colleges and polytechnic institutes established under *Avsar Badhe Aage Padhein*

Engineering Colleges									
Sl. No.	Name of Institute	Teaching				Non-Teaching			
		No. of sanctioned posts	PIP	Vacancy	Vacancy Percentage	No. of sanctioned posts	PIP	Vacancy	Vacancy Percentage
1	Engineering College, Bhojpur	76	5	71	93	50	0	50	100
2	Engineering College, Buxar	77	5	72	94	50	0	50	100
3	Engineering College, Shekhpura	77	3	74	96	50	0	50	100
4	Engineering College, Samastipur	76	0	76	100	50	1	49	98
5	Engineering College, Gopalganj	76	3	73	96	50	0	50	100
6	Engineering College, Siwan	76	4	72	95	50	0	50	100
7	Engineering College, Arwal	76	4	72	95	50	0	50	100
8	Engineering College, Khagaria	76	2	74	97	50	0	50	100
9	Engineering College, Lakhisarai	76	1	75	99	50	0	50	100
10	Engineering College, Madhubani	76	3	73	96	50	0	50	100
11	Engineering College, Jahanabad	76	5	71	93	50	0	50	100
12	Engineering College, Munger	76	2	74	97	50	0	50	100
13	Engineering College, Kishanganj	76	0	76	100	50	0	50	100
14	Engineering College, Aurangabad	76	4	72	95	50	0	50	100

Engineering Colleges									
Sl. No.	Name of Institute	Teaching				Non-Teaching			
		No. of sanctioned posts	PIP	Vacancy	Vacancy Percentage	No. of sanctioned posts	PIP	Vacancy	Vacancy Percentage
15	Engineering College, Araria	76	5	71	93	50	0	50	100
16	Engineering College, West Champaran	76	3	73	96	50	0	50	100
17	Engineering College, Kaimur	76	5	71	93	50	1	49	98
18	Engineering College, Nawada	76	4	72	95	50	0	50	100
19	Engineering College, Sheohar	76	1	75	99	50	0	50	100
20	Engineering College, Madhepura	64	15	49	77	54	3	51	94
21	Engineering College, Rohtas	64	23	41	64	38	0	38	100
22	Engineering College, Katihar	64	26	38	59	38	0	38	100
23	Engineering College, Sitamarhi	64	11	53	83	54	3	51	94
24	Engineering College, Bakhtiyrpur	64	33	31	48	53	4	49	92
25	Engineering College, Begusarai	64	19	45	70	77	10	67	87
26	Engineering College, Purnea	77	10	67	87	50	2	48	96
27	Engineering College, Saharsa	77	9	68	88	50	2	48	96
28	Engineering College, Supaul	77	5	72	94	50	1	49	98
29	Engineering College, Jamui	77	1	76	99	50	1	49	98

Engineering Colleges									
Sl. No.	Name of Institute	Teaching				Non-Teaching			
		No. of sanctioned posts	PIP	Vacancy	Vacancy Percentage	No. of sanctioned posts	PIP	Vacancy	Vacancy Percentage
30	Engineering College, Banka	76	5	71	93	50	4	46	92
31	Engineering College, Vaishali	76	6	70	92	50	1	49	98
Total		**2,290**	**222**	**2,068**	**90**	**1,564**	**33**	**1,531**	**98**
Polytechnic institutes									
1	Polytechnic Institute, Munger	35	7	28	80	31	0	31	100
2	Polytechnic Institute, Madhepura	34	9	25	74	55	15	40	73
3	Polytechnic Institute, Shekhpura	35	12	23	66	31	0	31	100
4	Polytechnic Institute, Samastipur	35	8	27	77	31	0	31	100
5	Polytechnic Institute, Kishanganj	36	9	27	75	39	0	39	100
6	Polytechnic Institute, Buxar	36	11	25	69	38	1	37	97
7	Polytechnic Institute, West Champaran	35	8	27	77	38	1	37	97
8	Polytechnic Institute, Nawada	36	5	31	86	38	1	37	97
9	Polytechnic Institute, Araria	36	8	28	78	38	1	37	97
10	Polytechnic Institute, Siwan	36	3	33	92	38	2	36	95
11	Polytechnic Institute, Jehanabad	35	10	25	71	38	1	37	97

Engineering Colleges									
Sl. No.	Name of Institute	Teaching				Non-Teaching			
		No. of sanctioned posts	PIP	Vacancy	Vacancy Percentage	No. of sanctioned posts	PIP	Vacancy	Vacancy Percentage
12	Polytechnic Institute, Arwal	35	2	33	94	38	0	38	100
13	Polytechnic Institute, Khagaria	36	3	33	92	38	0	38	100
14	Polytechnic Institute, Bhojpur	35	8	27	777	38	1	37	97
15	Polytechnic Institute, Aurangabad	35	3	32	91	38	1	37	97
Total		**530**	**106**	**424**	**80**	**567**	**24**	**543**	**96**

Appendix-4.3

(Refer: Para 4.6 Page 62)

List of institutes functioning in the premises of other institute

Sl. No.	Name of the mentor Institute	Colleges/Institutes functioning in the premises of other institute (Approximate distance (in kilometre) from the mentor institute)	No. of tagged institute
1	Engineering College, Nalanda	1. Engineering College, Shekhpura (70) 2. Engineering College, Nawada (55)	2
2	Polytechnic Institute, Vaishali	Engineering College, Vaishali (37)	1
3	Engineering College, Motihari	1. Engineering College, West Champaran (45) 2. Engineering College, Sheohar (63)	2
4	Engineering College, Gaya	1. Engineering College, Aurangabad (81) 2. Engineering College, Jehanabad (50)	2
5	Engineering College, Purnea	1. Engineering College, Kishanganj (69) 2. Engineering College,Khagaria (136)	2
6	Engineering College, Jamui	1. Engineering College, Munger (85) 2. Engineering College, Lakhisarai (30)	2
7	Engineering College, Chapra	1. Engineering College, Gopalganj (103) 2. Engineering College, Siwan (67)	2
8	Engineering College, Bakhtiyarpur	1. Engineering College, Buxar (187) 2. Engineering College, Bhojpur (109)	2
9	Engineering College, Darbhanga	Engineering College, Madhubani (39)	1
10	Engineering College, Muzaffarpur	Engineering College, Samastipur (55)	1
11	Polytechnic Institute, Katihar	Polytechnic Institute, Khagaria (136)	1
12	Polytechnic Institute, Gulzarbagh, Patna-7	Polytechnic Institute, Bhojpur (53)	1
13	Polytechnic Institute, Patna-13	Polytechnic Institute, Jehanabad (50)	1
14	Polytechnic Institute, Nalanda	Polytechnic Institute, Arwal (102)	1
15	Polytechnic Institute, Lakhisarai	Polytechnic Institute, Shekhpura (30)	1
16	Polytechnic Institute, Motihari	Polytechnic Institute, West Champaran (45)	1
Total			**23**