

**Immediate Release**



**PRESS BRIEF**

**REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL OF INDIA  
(PERFORMANCE AND COMPLIANCE AUDIT)  
FOR THE YEAR ENDED 31 MARCH 2021**



**SUPREME AUDIT INSTITUTION OF INDIA**  
लोकहितार्थं सत्यनिष्ठा  
Dedicated to Truth in Public Interest

**Government of Bihar**  
*Report No. 5 of the year 2022*



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## **Press Brief**

This Audit Report (Performance and Compliance Audit) of the Comptroller and Auditor General of India, relating to Government of Bihar, for the year ended 31 March 2021, was presented to the Bihar Legislature on 16 December, 2022.

This Report 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. **Major audit findings are as follows:**

### **Chapter-2: Performance Audit**

#### **Pradhan Mantri Kisan Samman Nidhi Yojana**

- ❖ The Agriculture Department did not have any existing list of potential beneficiaries of the Scheme<sup>1</sup>, which deprived 71,45,065 (91 *per cent*) beneficiaries (who were not onboarded early) of Scheme benefits amounting to ₹ 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) against 164 lakh operational land holdings. Inadequate coverage may be attributed to the Department not having any existing list of potential beneficiaries, not accessing the existing databases of other schemes, not providing any option for offline applications etc.

*(Paragraph 2.6.2)*

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

*(Paragraph 2.6.3)*

- ❖ The Agriculture Department depended on self-declarations made by the beneficiaries about the status of income tax payment and other information determining their eligibility for receiving benefits under the Scheme. Out of 82,50,032 registered beneficiaries, 48,366 ineligible beneficiaries were income tax payers, but had received scheme benefits amounting to ₹ 39.05 crore (November 2021). Similarly, 19,485 cases, wherein payment of ₹ 23.62 crore had been made (as of November 2021), were ineligible, due to reasons such as employment status, death etc.

*(Paragraph 2.6.4)*

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<sup>1</sup> Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) is a Scheme with 100 per cent Government of India (GoI) funding, for providing 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.

- ❖ 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 the applications 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)**

- ❖ ₹ 50.48 crore could not be transferred to the beneficiaries of the State due to failed and pending payments, which indicated that necessary verifications and updating the details by the Department was wanting.

**(Paragraph 2.7.1)**

- ❖ Applications of 67,535 beneficiaries were rejected by PFMS, due to bank account related discrepancies, owing to the facts that: (i) the State DBT portal did not have a facility for checking bank account details and (ii) the State Nodal Officer had not brought 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 the bank accounts of other persons, confirming the weakness in the existing mechanism of ensuring correctness of bank account details of beneficiaries. The amount was yet to be recovered (as of November 2021).

**(Paragraph 2.7.3.1)**

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

**(Paragraph 2.7.3.2)**

- ❖ Against ₹ 62.67 crore, recoverable from 67,851 ineligible beneficiaries, approximately ₹ 5.00 crore (eight *per cent*) had been recovered (upto February 2022) and was yet to be transferred to GoI, as the reconciliation process was not complete.

**(Paragraph 2.7.6)**

- ❖ Government of Bihar could not claim ₹ 9.48 crore, from GoI, for the period 2018-21, due to non-setting up of a dedicated Project Monitoring Unit (PMU). Further, the absence of a dedicated PMU affected effective monitoring of the scheme.

**(Paragraph 2.8.1)**

- ❖ Since the 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 September 2021 to November 2021 (three months), the remaining 30,674 (77 *per cent*) grievances were resolved. In the absence of related records, it could not be verified whether redressal of 30,674 pending grievances, which was indicated as ‘resolved’, had actually redressed the grievances of the beneficiaries.

**(Paragraph 2.8.4)**

- ❖ There was an overall reduction of 1,30,492 beneficiaries, in comparison to the number of beneficiaries who had received at least one instalment since the inception of the scheme. However, the Agriculture Department did not analyse the reasons for reduction in the number of beneficiaries.

*(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**

### **Chapter-III: Internal Control in Finance Department**

- ❖ Finance Department did not ensure proper/ effective functioning of the post of District Accounts Officer, to ensure transparent financial management at district level DDOs, which resulted in 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 the maintenance of General Provident Fund/Contributory Pension Scheme accounts, which had the possibility of malfeasance and frauds.

*(Paragraph 3.3)*

- ❖ Inadequate management of the functioning of the internal audit arrangement in the Department had adversely affected its intended objective of ensuring proper monitoring of compliance of financial rules/regulations/instructions.

*(Paragraph 3.4)*

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

*(Paragraph 3.5)*

### **Chapter-IV: Functioning of Engineering and Polytechnic Institutes established under Avsar Badhe Aage Padhein**

- ❖ The objective of the scheme<sup>2</sup> 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)*

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<sup>2</sup> *Avsar Badhe Aage Padhein (ABAP) is one of the Saat Nischay, for providing technical and professional skill based education in Bihar.*

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

*(Paragraph 4.4)*

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

*(Paragraph 4.6)*

### **Chapter-V: Audit Paragraphs**

- ❖ Construction of two High Level Bridges, in Nalanda and Samastipur districts respectively, without ensuring land for approach roads, led to unfruitful expenditure of ₹11.70 crore.

*(Paragraph 5.1)*

- ❖ In Begusarai district, provision of water meters, in a Multi Village Water Supply Scheme, without any plan for their use, rendered expenditure of ₹ 1.99 crore infructuous.

*(Paragraph 5.2)*

- ❖ In violation of the *Pradhan Mantri Matru Vandana Yojana* guidelines, payment of ₹ 45.43 lakh, as cash incentive, was made by Child Development Project Officers, to ineligible beneficiaries.

*(Paragraph 5.3)*

- ❖ The Social Welfare Department, Government of Bihar, could not utilize *Aadhaar* enrolment kits, valuing ₹ 6.26 crore, due to lack of required man-power and the kits remained idle.

*(Paragraph 5.4)*

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