CHAPTER-3

Compliance Audit

Compliance Audit of Government Departments and their field formations brought out several instances of lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs under broad objective heads.

3.1 Non-compliance with the Rules, Orders, etc.

For sound financial administration and financial control, it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authority. This not only prevents irregularities, misappropriation and frauds, but also helps in maintaining good financial discipline. Some of the audit findings on non-compliance with Rules, Orders, etc. are as under.

ROAD CONSTRUCTION DEPARTMENT

3.1.1 Irregular payment of equipment advance

Irregular payment of equipment advance of ₹ 4.90 crore.

According to clause 51.1 of the conditions of contract[1] of Standard Bidding Document[2] (SBD), the employer shall make advance payment to the contractor of the amounts stated in the contract data[3] by the date stated in the contract data, against provision by the contractor of an unconditional bank guarantee equal to the amount of advance payment. Interest was also not chargeable on the advance payment. As per para 32 of the contract data, the equipment advance was to be paid as 90 *per cent* for new and 50 *per cent* of depreciated value for old equipment and the total amount to be paid would be subject to a maximum of 5 *per cent* of the Contract Price. Further, as per clause 51.2 of the conditions of contract, the contractor was to use the advance payment only to pay for equipment, plant and mobilisation expenses required specifically for execution of the works. The contractor shall demonstrate that advance payment has been used in this way by supplying copies of invoices or other documents.

On scrutiny (November 2012) of records of the Executive Engineer (EE), Road Division, Manoharpur, we noticed that four road works[4] were

1 Section 3 of SBD i.e.; "Conditions of Contract" includes general and special terms and conditions of the contract applied on employer and the contractor.

2 SBD is a bidding documents adopted by the RCD for projects costing more than ₹ 2.5 crore.

3 Section 4 of SBD i.e., "Contract Data" defines different authorities, monetary limits and time schedules applicable as per condition of contracts.

4 Widening and Strengthening (W/s) of Majhgaon to Noamundi via Khairpal Road (M-N-K Road) (00 km to 56.50 km),W/s of Saidal-Chhotanagra-Salai Road (S-C-S Road) (00 km to 22.80km), W/s of Salai-Manoharpur Road (S-M Road) (00 km to 22 km) and Re-construction of Hatgambharia-Jagannathpur-Noamundi-Barajamda-Baraiburu Raod (H-J-N-B Road) (00 km to 44.80 km).

administratively approved (December 2006 and August 2007) for ₹ 235.03 crore by the Road Construction Department, Government of Jharkhand. The works were awarded between March 2007 and February 2009 and completed during April 2010 to March 2012 at a cost of ₹ 268.48 crore.

We noticed that the contractors were paid equipment advance of ₹ 4.90 crore between June 2007 and March 2009 against the equipment which were already in the possession of the contractors i.e. before entering into agreements for these works. The payment of equipment advance against the equipment already in possession of the contractors was irregular as the advance was not utilised towards payment for equipment, plant and mobilisation expenses required specifically for execution of the works, as required under clause 51.2 of the conditions of contract.

In reply the EE stated (November 2012) that equipment advances were paid as per provision of Standard Bidding Document (SBD) as laid down in clause 51 of the condition of contract and clause 32 of the contract data. Reply is not acceptable as in these cases the contractors did not use the equipment advance for purchase of equipment, as the equipment against which advances were claimed and received, were already in the possession of the contractors and were purchased before execution of the agreements.

The matter was reported to the Government (May 2013); their reply has not been received (February 2014) despite reminders[5].

HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

3.1.2 Avoidable expenditure

Purchase of higher priced medical equipment without recording justification and ignoring lowest priced technically approved equipment resulted in avoidable expenditure of ₹ 92.36 lakh.

Cabinet (Vigilance) Department Government of Jharkhand letter no. नि.बि-01-17 (त.प.को.) 2005/99 dated 13 February 2010 read with Finance Department letter no. Finance-4-96/2001/4940/वि. dated 31 July 2002 provides for procurement of goods and services under dual bid system according to which the technical bids are to be opened by the purchasing Department at the first instance and evaluated by competent authority. At the second stage the financial bids of technically qualified bidders are only to be opened for further evaluation for awarding the contract. Further, as per Rule 129 of Jharkhand Financial Rule[6] (JFR) purchase must be made in the most economical manner in accordance with the definite requirements of the public service.

During scrutiny (May 2013) of records of Rajendra Institute of Medical Science (RIMS), Ranchi, we observed that RIMS invited (15 July 2011) tenders for supply of medical equipment (including neurosurgical operation

5 Reminders: Letter No. Report (Civil)/AR/2012-13/91 dated 19 July 2013, No.135 dated 28 August 2013 and No. 234 dated 04 October 2013.

6 Bihar Financial Rules adopted by Government of Jharkhand.

microscope, neurosurgical high speed pneumatic drill system and diathermy machine) under two bid system with the condition that the price bids of technically successful bidders whose equipment are of required quality would only be considered. The Purchase Committee of RIMS opened (26 August 2011) the technical bids and decided to constitute a Technical Evaluation Committee (TEC) for evaluating the technical bids received.

Director, RIMS constituted the TEC on 11 October 2011 for examination of technical bids. The TEC submitted its evaluation report to Director, RIMS on 25 January 2012, approving the technically suitable equipment. TEC also mentioned "Q-1" for some of the technically approved equipment which were stated to be of high quality. We noticed in audit that reasons for determining Q-1 were not recorded by TEC.

Financial bids of technically approved bidders were opened on 31 January 2012. The Purchase Committee of RIMS recommended (March 2012) equipment marked of high quality (Q-1) by TEC which were not the lowest in terms of price and the recommendation was placed (14 March 2012) before the Chairman, Governing Body, RIMS for direction. The Chairman directed the Purchase Committee to purchase high quality equipment adhering to the conditions of NIT, recommendations of TEC, guidelines and circulars of the Finance and other Departments. The Purchase Committee approved purchase of high quality equipment (Q1) which, were not the lowest in price though the lowest priced equipment were also technically approved by TEC. As a result, RIMS had to incur avoidable expenditure to the tune of ₹ 92.36 lakh as detailed in the table below:

(₹in lakh)

Sl. No.	Name of equipment	Name of Technically approved bidders	Rate quoted	Approval of Purchase Committee	Quantity purchased (No.)	Avoidable Expenditure (approved rate-lowest rate)
1	Neurosurgical operation microscope	1. Indian Instruments Manufacturing Co.	170.00	Approved	1	50.00
		2. Sciemed Overseas Inc.	120.00	Lowest-1		
2.	Neurosurgical High Speed Pneumatic Drill System	1. Kailash Surgicals	30.07			
		2. Medilab	50.68	Approved	1	39.34
		3. Sciemed Overseas Inc.	34.93			
		4. Shree Yash	11.34	Lowest-1		
3.	Diathermy machine	1. Medilab	25.00			
		2.Sciemed Overseas	7.49	Lowest-1		
		3.Vishal Surgical	9.00	Approved	2	3.02
Total Avoidable Expenditure						**92.36**

Thus, due to purchase of higher priced equipment instead of technically approved lowest priced equipment, the State exchequer had to bear avoidable expenditure of ₹ 92.36 lakh, in violation of Rule 129 of JFR.

On being referred (May 2013), the Government, replied (June 2013) that Purchase Committee approved the purchase in accordance with the directives that quality equipment from reputed company was to be procured and in consonance with the approval of the Minister, Health, Medical Education and Family Welfare cum Chairman, Governing Body, purchases were made.

The reply is not acceptable as the tender conditions nowhere stipulated that the quality would be graded and preference would be given to best quality equipment. In case certain quality parameters were necessary these should have been included in the tender conditions for technical qualification. If higher quality (Q-1) bidders were to be awarded the contract, then there was no need to technically approve and open the price bid of other bidders. Moreover, the basis for determination of higher quality was also not recorded in TEC minutes. As such after opening of the price bids of technically approved bidders, the lowest price bids should have been accepted.

HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

3.1.3 Financial irregularities

Improper management of cash and non-adherence to financial rules resulted in non-accountal of receipt of ₹ 1.14 crore, unauthorised refund of ₹ 44.58 lakh and non-deposit of ₹ 4.06 lakh.

Rajendra Institute of Medical Sciences, Ranchi (RIMS) is an autonomous body of the State of Jharkhand. Section 6 (xv) of RIMS Act, 2002 empowers the institute to demand and recover fees and other miscellaneous charges as per regulations and rules framed by the State Government and to utilise it for the maintenance and development of RIMS.

According to Section 6 (xxiv)[7] of the Act, RIMS outsourced (12 January 2006) the operation of cash counters for pathological and radiological tests to an agency with the condition that the agency would deposit daily cash collection with money receipts to the cashier of RIMS.

Scrutiny of the records (April-May 2012 and April-June 2013) relating to receipts and expenditure for the period 2010-13 revealed the following irregularities:

(i) Non-accountal of cash receipts in Cash Book for ₹1.14 crore

Rule 86 of JTC[8] provides that Government servant receiving money on behalf of the Government should maintain Cash Book and all monetary transactions should be entered in Cash Book as soon as they occur and should be attested by the Head of office in token of check. The rule further provides that cash book should be closed and balanced each day regularly and completely checked. The head of the office should verify the totaling of the cash book or have this done by some responsible subordinate other than the writer of the cash book. At the end of each month, the head of office should verify the cash balance in cash book and record a signed and dated certificate to that effect. Rule 98 of JTC also provides that whenever moneys received on account of

[7] The provision states that ancillary services could be provided by outsourcing, if found necessary but the basic services cannot be operated by outsourcing.

[8] BTC was adopted by GoJ vide finance letter no.06/F dated 15 November 2000.

the revenues instead of being paid into Bank are utilised to meet departmental payments, the gross receipts and the payments made therefrom shall be entered as receipts and expenditure.

Scrutiny of records and practice adopted in RIMS revealed that out of total receipts received from the outsourced agency, the Junior Cashier handed over certain amount to Chief Cashier for depositing into the bank account of RIMS and also advanced money to the officers/officials of RIMS for incurring expenditure. For the purpose of receipts and advances, the Junior Cashier kept separate registers.

Scrutiny of registers maintained by the Junior Cashier revealed that the Receipt Register was an open ended register and during April 2010 to March 2013 the Register was never closed, balanced and signed by any officer or staff other than the Junior Cashier. Adjustment of advances was directly posted against individual entry of advances in Advance Register which was also never closed and balanced.

On being asked (May 2013) by Audit RIMS authority submitted (6 June 2013) a detailed statement of receipts and expenditure but without opening balance as on 1st April 2010. As per statement, Junior Cashier had received ₹ 9.90 crore as revenue during April 2010 to March 2013, of which ₹ 8.55 crore was deposited with the Chief Cashier and accounted for in the cash book of Chief Cashier. As regard balance ₹ 1.35 crore, a date-wise statement of advance of ₹ 39.43 lakh was submitted (of which ₹ 33.55 lakh was shown as adjusted but vouchers were not produced to audit) and ₹ 20.80 lakh (worked out as closing balance on 6 June 2013) was deposited into the bank account of RIMS on 17 June 2013 in compliance to audit query dated 13 June 2013. For remaining ₹ 75.34 lakh, RIMS furnished an abstract of expenditure but failed to furnish date-wise statement of expenditure and vouchers in support of expenditure stated to have been incurred by the Junior Cashier.

Abstract of ₹ 75.34 lakh as on 31 March 2013 (Amount in ₹)

Office Expenditure	TA	Telephone	Motor Vehicle	Medicine Supply	Diet	Total
5047462	708739	305397	1165684	67537	240009	7534828

Thus, due to non-accountal of residual ₹ 1.14 crore (₹ 1.35 crore- ₹ 0.21 crore) and also expenditure incurred therefrom in cash book violating Rules 86 and 98 of JTC Volume I may lead to possibility of misappropriation and even defalcation of RIMS money. Besides, opening balance as on 1 April 2010 was not accounted for in the statement so prepared.

On this being pointed out (June 2013) Director, RIMS stated (June 2013) that ₹ 20.80 lakh has been deposited in the bank at the instance of the audit findings. However, they were not in a position to furnish the exact figures of receipt for want of properly maintained cash book.

(ii) Unauthorised refund of ₹ 44.58 lakh

The fee and charges for Radiological/Pathological tests collected by the agency from the patients were refundable in case the concerned tests were not conducted only after authorisation by RIMS. The agency is required to submit copy of money receipts/refund to RIMS in support of revenue collected/ refunded by it.

Scrutiny of consolidated cash deposit slips submitted by the agency to Junior Cashier revealed that the agency deposited collected revenue after adjusting refund of ₹ 54.19 lakh made to patients during 2012-13. However, Refund Register maintained by RIMS revealed that only ₹ 9.61 lakh was allowed for refund during 2012-13. As a result, there was an excess/ unauthorised refund of ₹ 44.58 lakh to patients.

Thus, RIMS failed to exercise adequate control over the refunds made by the agency despite maintaining Refund Register to watch refunds.

The Director stated (June 2013) that the agency was asked to refund the excess amount retained by it as it was not authorised to refund the amount.

The reply was not convincing because RIMS could have checked such irregularities if cash deposit slips were tallied with the entries made in the Refund Register maintained by RIMS.

(iii) Non-deposit of ₹ 4.06 lakh by the Outsourced Agency

Scrutiny of consolidated cash deposit slips for the period January to September 2011 submitted by the agency to Junior Cashier and counter-foils of money receipts issued by Junior Cashier to the agency revealed that ₹ 4.06 lakh was irregularly retained by the agency in contravention of the work order dated 12 January 2006, which required the agency to deposit daily cash collection to the RIMS.

On this being pointed out the Director stated (June 2013) that the agency was directed to deposit the amount and actual amount kept by agency would be worked out.

(iv) Non-submission of counterfoils of money receipts and refund vouchers

The agency was required to submit the counterfoils of the money receipts to RIMS, however, the agency always deposited the cash to the Junior Cashier along with a consolidated cash deposit slip instead of original money receipts and refund vouchers resulting in non-assessment of actual amount of receipts and refunds made by the agency.

Thus, non-adherence to Rules of JTC and non-maintenance of records in transparent manner resulted in poor financial management.

The matter was referred to Government (June 2013); their reply had not been received (February 2014) despite reminders[9].

RURAL WORKS DEPARTMENT

3.1.4 Loss of government money

Non-forfeiture of bank guarantee, non-recovery of penalty and excess payment to the contractor led to loss of ₹ 1.09 crore.

As per condition 11 of F2 agreement[10], a successful tenderer shall deposit five *per cent* of agreed cost as security deposit which could be forfeited[11] if the contract is rescinded. Also, as per Clause 2 of the agreement compensation of half *per cent* of the agreed work cost per day, limited to 10 *per cent* of agreement value, shall be deducted if due quantity of work remain incomplete.

Scrutiny (January 2013) of records revealed that EE, Rural Works Division (RWD), Godda awarded (August 2003) work of construction of five bridges[12] with approach roads[13] after due tendering to a contractor for ₹ 11.04 crore who was to complete the work by December 2004.

Further scrutiny revealed that the contractor submitted a Bank Guarantee (BG) of ₹ 55.20 lakh issued by ICICI Bank as security deposit[14], in favour of EE, RWD, Godda, with validity upto September 2005. Due to delay in execution of work, the EE directed (August 2005) ICICI Bank to withhold all payments to the contractor and make payment of BG to the division as the agreement with contractor was going to be rescinded. However, instead of forfeiting the BG, the bank extended the validity of BG up to 23 August 2006.

In the meanwhile, the BG was taken over (May 2006) by Bank of India (BoI) which issued a fresh BG in favour of EE, RWD, with validity extended up to 21 February 2007. The contract was rescinded in July 2006. Even though the contract was rescinded, no action taken by EE for forfeiture or cancellation of BG was on record. Besides, we noticed in audit that excess payment of ₹ 3.61 lakh was made to the contractor due to exaggerated measurement during taking the final measurement.

Scrutiny further revealed that the bank asked (2 July 2011) EE to confirm whether BG can be released to the contractor. The bank gave 30 days time to EE for responding before cancelling BG. However, EE responded only in December 2011. In the meantime BG was released by the bank to the

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9 Reminders: Letter No. Report (Civil)/AR/2012-13/124 dated 19 August 2013, No.219 dated 19 September 2013 and No. 306 dated 21 October 2013.

10 A document setting out clauses of conditions of contract

11 Clause 3A of F2 Agreement.

12 Khathi River on Derma-Louchin Road (Estimate Cost ₹ 1.69 crore), Niljhi river on Deobhandha-Basantpur road (Estimate Cost ₹ 2.62 crore), Khatnai channel on Amlo to Godda-Bhagalpur State highway (Estimate Cost ₹ 3.49 crore), Banka river on bankaghat-piparjoriya road (Estimate Cost ₹ 3.90 crore), and Sunder river at Sangrampur on Parsa-Bishwakhamba road in Godda (Estimate Cost ₹ 1.98 crore).

13 100 m from each side (North and South)

14 Five *per cent* of agreement value

contractor. Thus due to delayed response by EE despite specifically required, the Department lost the opportunity to recover the amount of BG. Thus, excess payment of ₹ 3.61 lakh and penalty of ₹ 1.10 crore[15] was recoverable from the contractor against which security deposit of ₹ 4.68 lakh only was realised (January to November 2004) from the running account bills resulting in loss of ₹ 1.09 crore to the government.

On this being pointed out (June 2013), EE replied that despite repeated reminders to the bank to forfeit BG, the amount was not recovered and further action would be taken. The reply is not acceptable as the EE failed to take timely action against ICICI bank for non-forfeiting of BG and to get the BG encashed from BoI.

The matter was referred to Government (June 2013); their reply had not been received (February 2014) despite reminders[16].

3.1.5 Unfruitful expenditure

Construction of bridge without acquisition of complete land for approach road resulted in unfruitful expenditure of ₹ 2.07 crore.

Jharkhand Public Works Account Code[17] provides for acquisition of land prior to finalisation of tender process and approval of detailed estimates. It also emphasises upon acquisition of land prior to the technical sanction.

Scrutiny (January 2013) of the records of the Executive Engineer (EE), Rural Works Division (RWD), Godda, revealed that the work of construction of Bridge over river Niljhi in Deobandha-Basantpur Road with 100 meter long approach road on each side of the river[18] was awarded (August 2003) through tendering to a contractor for ₹ 2.05 crore. However, the work was not completed within stipulated time, so the Department rescinded (July 2006) the contract after taking final measurement at a value of ₹ 61.52 lakh.

The balance work was awarded (November 2006) to another contractor for ₹ 1.47 crore to complete the work by November 2007. The contractor completed (May 2011) the bridge and 160 m approach road in the north and 20 m in the south sides[19] and received payment of ₹ 1.45 crore. However, contractor intimated (February 2010) that 20 m approach road in south side was left incomplete due to non-availability of *Raiyati*[20] land.

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15 10 *per cent* of agreement value of ₹ 11.04 crore.

16 Reminders: Letter No. Report (Civil)/AR/2012-13/130 dated 19 August 2013, No.213 dated 19 September 2013 and No. 312 dated 21 October 2013.

17 Annexure 'A'-Cabinet Secretariat and Co-ordination Department (Vigilance Cell) resolution no.-948 dated 16 July 1986, Para-4.5 and 7.5 of Bihar Public Works Account Code as adopted by Government of Jharkhand.

18 Administrative approval (₹ 2.62 crore) by Prabandh Parishad Godda (2002) technical approval by CE, RWD, Chotanagpur and Santhalpargana.

19 As against agreed condition of 100 m on each side. EE stated (December 2013) that in order to provide connectivity from bridge to village 160 m approach road was constructed on north side.

20 Land belongs to private person (*Raiyat*).

EE requested (April 2010) DC, Godda to provide land measuring 1.00 kilometer in length in Basantpur (south) Side for the approach road. Scrutiny revealed that DC demanded (March 2012) ₹ 10.89 lakh from EE for disbursement of compensation to concerned *Raiyats* for acquisition of land.

EE in turn requested (March 2012) the Principal Secretary, RWD, Government of Jharkhand (GoJ) to allot balance ₹ 9.15 lakh for payment of compensation to *Raiyats* as ₹ 1.74 lakh had already been given (December 2010) to DC for acquisition of land.

However, neither the fund was provided nor the land was acquired and as such approach road remained incomplete so far (November 2013) despite incurring an expenditure of ₹ 2.07 crore[21].

On this being pointed out, EE replied (February 2013) that work was started as per the direction of the Department. The reply is not acceptable as the work should not have been started prior to acquisition of land.

Thus, due to non-adherence to codal provision and imprudent decision on the part of concerned authorities to start work without acquiring requisite land for approach road, expenditure of ₹ 2.07 crore incurred on the construction of bridge and partial approach road begun in 2003 has remained unfruitful so far (November 2013) in the absence of approach road on the Basantpur side.

The matter was referred to Government (June 2013); their reply had not been received (February 2014) despite reminders[22].

3.2 Audit against propriety/Expenditure without justification

Authorisation of expenditure from public funds is to be guided by the principles of propriety and efficiency of public expenditure. Authorities empowered to incur expenditure are expected to enforce the same vigilance as a person of ordinary prudence would exercise in respect of his own money and should enforce financial order and strict economy at every step. Audit detected instances of impropriety and extra expenditure, some of which are given hereunder:

LABOUR, EMPLOYMENT AND TRAINING DEPARTMENT

3.2.1 Idle investment

Due to non-synchronisation of activities, the Industrial Training Institutes failed to provide trainings to students even after spending a sum of ₹ 3.72 crore on purchase of machineries and equipment.

Rule 129 of Jharkhand Financial Rules volume-I provides that purchases must be made in the most economical manner in accordance with the definite requirements of Public Service and at the same time care should be taken by

[21] ₹ 61.52 lakh plus ₹ 145.12 lakh = ₹ 206.64 lakh = ₹ 2.07 crore.

[22] Reminders: Letter No. Report (Civil)/AR/2012-13/106 dated 30 July 2013, No.174 dated 06 September 2013 and No. 241 dated 15 October 2013.

the purchasing authority not to purchase stores much in advance of actual requirement if such purchase was likely to prove unprofitable to the Government.

The Government of Jharkhand sanctioned (May 2008) five Industrial Training Institutes (ITIs[23]) for imparting industrial training to students of the State in ten trades viz fitter, electrician, wiremen etc in each ITI. For each ITI, 44 posts e.g. Principal, chief instructor, drawing instructor, fitter instructor etc were also sanctioned (June 2008) by the Government.

On scrutiny (April 2013) of the records of the Director, Employment and Training and further information collected (June 2013) from the concerned ITIs[24], we observed that purchase orders for machines and equipment were placed (March 2011) on a supplier by the Director, Employment and Training. Against the order 11 Nos.[25] (for ITI Gumla) and 15 Nos.[26] (for ITI Jhagratand, Garhwa) of machines and equipment valuing ₹ 3.72 crore were supplied between March and May 2012 with warranty period of twelve months from date of their dispatch. Scrutiny of records and physical verification at the concerned ITIs revealed that machines and equipment were lying in packed conditions in open space at ITI Gumla and ITI Garhwa campus and could not be installed/ commissioned as ITI building at Gumla was occupied by Central Reserve Police Force personnel and building at Jhagratand, Garhwa was not handed over to Principal ITI Garhwa as of June 2013. Physical status of crated machines and equipment can be seen in the following photographs:

Packed machines/equipment lying in open space at ITI Garhwa campus

Packed machines/equipment lying in open space at ITI Gumla

Warranty of these machines and equipment had already expired as of June 2013. It was also observed that recruitment of required man power/ instructors was not completed till date. No instructor was appointed in ITI Jhagratand, Garhwa and only three instructors were appointed in ITI Gumla during 2013.

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23 Gumla, Jamtara, Jhagratand (Garhwa), Koderma and Simdega.

24 ITIs at Gumla and Jhagratand (Garhwa).

25 CNC Universal Milling Machine-one No., Cylindrical Grinding Machine-one No., Surface Grinder- one No., Universal Tool and Cutter Grinding Machine-one No., Column Drilling Machine-one No., CNC Lathe Machine- one No., Centre Lathe Machine-two Nos., CNC Vertical Milling Machine-one No., Radial Drilling Machine-one No., CNC Train Machine Machining Centre-one No.

26 Column Drilling Machine-one No., CNC Lathe Machine-one No., Central Lathe Machine-12 Nos. and Radial Drilling Machine-one No.

On this being pointed out, Director, Department of Employment and Training, Ranchi stated (April 2013) that procurement of machines was an ongoing process. Reply is not acceptable as machines and equipment were purchased and kept idle since May 2012. Moreover, the purchase was not synchronised with availability of physical infrastructure and recruitment of requisite man power. Besides, the machines and equipment were kept in open space in packed condition without proper storage. This not only resulted in idle investment of ₹ 3.72 crore but also deprived students of intended training besides exposing the machines and equipment to pilferage and damage.

The Government replied (December 2013) that the State Cabinet has decided to run ITI Jhagratand, Garhwa on PPP mode while DC Gumla had been requested to get ITI building vacated. The fact remains that till date (December 2013) machines and equipments have not been installed at aforesaid places thereby denying benefit to students of the State.

WELFARE DEPARTMENT

3.2.2 Unfruitful expenditure

Purchase based on inaccurate demand resulted in bicycles remaining undistributed leading to unfruitful expenditure of ₹ 2.07 crore, including theft and missing bicycles of ₹ 97.13 lakh.

To check the drop out of Girl students after admission in high schools, the Welfare Department, Government of Jharkhand launched (September 2005) a scheme of free distribution of bicycles to the girl students living below poverty line and studying in class VIII of government schools. Only girl students belonging to Scheduled Castes, Scheduled Tribes, Backward Classes and Minority Communities, residing not in school hostels and within a distance of more than two kms from their schools were eligible to be provided with bicycles under the scheme. The scheme was further extended to boy students of the same categories with effect from 2009-10.

As per the scheme, Block Welfare Officers (BWOs) were to furnish the names of students before the Vidyalaya Prabandh Samittee for review and approval of the list based on specified eligibility criteria. Finally the list was to be approved by the District Welfare Officer (DWO) who was also to consolidate the demands of all blocks in their districts and forward these to the Tribal Welfare Commissioner (TWC), Welfare Department for arranging purchase of bicycles to be delivered to the concerned districts. After issue of purchase orders by TWC to the selected bicycle companies, the concerned DWOs were to send proposals to bicycle companies for delivery of bicycles to concerned blocks as per their demand.

Jharkhand Financial Rule 129 provides that purchase must be made in the most economical manner in accordance with the definite requirements of the public service.

Scrutiny of records (June-October 2012) and information collected (May-2013 to February 2014) from two DWOs[27] and concerned 19 BWOs[28] revealed that bicycles received by different blocks during 2010-11 to 2012-13 were not fully distributed and 4,301 bicycles[29] costing ₹ 1.10 crore remained undistributed in Chatra and Saraikela-Kharsawan districts as of January 2014. We further observed that bicycles were procured during 2012-13 without distributing already available bicycles and bicycles received for 2012-13 also could not be distributed in full in these districts. Moreover, in Chatra district during 2010-11, 10,500 bicycles were received out of which 7,340 cycles were only distributed to the blocks. Out of remaining 3,160 undistributed bicycles stored at Chatra district Headquarters, only 460 bicycles were found in store during physical verification (September 2011) by DWO Chatra. As such, 2,700 bicycles valued at ₹ 67.20 lakh were missing. On being asked for status in this regard the DWO, Chatra stated (February 2014) that enquiry was in progress.

It was further observed that 88 bicycles worth ₹ 2.45 lakh were stolen from the godown of Chatra Sadar Block in 2012-13 for which FIRs with the Police were lodged (April and September 2013). Further, Hunterganj Block of Chatra district received 2,373 bicycles and distributed 1,311 bicycles during 2010-12 leaving a book balance of 1,062 bicycles valued at ₹ 27.48 lakh. However, against this balance there was no bicycle in stock as per statement furnished to audit. Further, during 2009-10 BWO, Huntarganj received 343 bicycles worth ₹ 8.28 lakh for distribution among girls. But the status of distribution could not be ascertained as the present BWO stated (February 2014) that the distribution register was not handed over to him although the stock was nil.

After we pointed out in audit, DWOs stated (June 2013) that bicycles remained undistributed due to dropping out of students in the middle of the academic session, non-fulfillment of eligibility criteria of distance between the schools and residences by the students and excess demand of bicycles made by BWOs. The replies are not acceptable as checks regarding eligibility of the student beneficiaries ought to have been applied prior to sending demand of bicycles to DWOs. Further, in case of drop out of students, the received bicycles should have been adjusted against the fresh demand projected for the next year. Further, as reports regarding number of bicycles actually distributed was not received by DWOs from the blocks, the district level officers could not assess the real demand in the blocks and they merely forwarded the demands received from the blocks to TWC resulting in inflated demand and excess purchase of 8,151 bicycles worth ₹ 2.07 crore. Thus, procurement of bicycles ignoring the financial rules and prescribed procedure for

[27] Chatra and Saraikela-Kharsawan.

[28] BWOs Chatra Sadar, Gidhor, Hunterganj, Itkhori, Kanhachatti, Lawalong, Mayurhand, Pathalgadda, Simaria and Tandawa of Chatra district and Chandil, Gamharia, Ichagarh, Kharsawan, Kuchai, Kukru, Nimdih, Rajnagar and Saraikela of Saraikela Kharsawan district.

[29] At District level in Chatra: 460 bicycles valued ₹ 11.45 lakh, at different Blocks of Chatra district (Chatra Sadar, Hunterganj, Itkhori, Lawalong, Mayurhand, Pathalgadda and Tandwa): 660 bicycles valued ₹ 17.80 lakh and in different Blocks (Ichagarh, Chandil, Gamharia, Kharsawan and Saraikela) of Saraikela-Kharsawan district: 3,181 bicycles valued ₹ 80.75 lakh.

assessment of requirement resulted in unfruitful expenditure of ₹ 2.07 crore[30] including consequential loss of ₹ 97.13 lakh to the Government for theft and missing bicycles.

The matter was reported (July 2013) to the Government; their reply had not been received (February 2014) despite reminders[31].

3.3 Failure of oversight/governance

The Government has an obligation to improve the quality of life of the people for which it works, towards fulfillment of certain goals in the areas of health, education, development and upgradation of infrastructure, public service etc. However, Audit noticed instances where the funds released by the Government for creating public assets for the benefit of the community remained unutilised/ blocked and/or proved unfruitful/ unproductive due to indecisiveness, lack of administrative oversight and concerted action at various levels. A few such cases have been discussed below:

BUILDING CONSTRUCTION DEPARTMENT

3.3.1 Unfruitful expenditure

Lack of co-ordination between Departments and approval of estimate without considering external source of water rendered expenditure of ₹ 2.14 crore on construction of government quarters unfruitful.

According to Para 3 of Appendix VIII of Bihar Public Works Department (BPWD) Code as adopted by Jharkhand Government, whenever a new building is to be constructed and it is intended to provide electrical, sanitary and water supply installations, the estimate should provide for these so that administrative approval may be given for the entire estimated amount of that project. Appendix IX of BPWD Code relating to Rule 109 provides that where the question of sanitary fittings and (or) piped water supply has to be considered, an intimation should be given to the Superintending Engineer (SE), Drinking Water and Sanitation Department (DW&SD) to enable him to arrange that DW&SD be represented in the site committee.

The Secretary, DW&SD had requested[32] (February-May 2005) the Secretary, Building Construction Department (BCD) that estimate for water supply works obtained from Drinking Water & Sanitation Division (DW&S Division) should be made part of estimates of buildings and approved along with the estimate of the building so that water can be provided simultaneously with the completion of building. He further stated that the building divisions were asking for provision of water supply in newly constructed buildings, however,

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30 Bicycles undistributed: 4,301 nos, ₹ 1.10 crore, Missing: 3,762 nos, ₹ 94.68 lakh and theft: 88 nos, ₹ 2.45 lakh.

31 Reminders: Letter No. Report (Civil)/AR/2012-13/126 dated 19 August 2013, No.217 dated 19 September 2013 and No. 308 dated 21 October 2013.

32 vide letter nos: 6/Vi 3 -130/03-560 dated 17 February 2005 and 2019 dated 20 May 2005.

it is not possible to fulfil these demands as the budget of DW&SD does not have any separate provision of funds for water supply in new buildings.

On scrutiny of records of the Executive Engineer (EE), Building Division, Chatra, we observed (March 2013) that based on technically approved (June 2007) estimates for ₹ 2.46 crore by CE, BCD, Ranchi[33], the Secretary, BCD administratively approved[34] (July 2007) construction of Type A, B, C and D quarters numbering 30 in Chatra district for government employees. However, technically approved estimates did not include provision for external source of water though it was required under provisions of BPWD Code and government instructions. Four agreements at a total cost of ₹ 2.23 crore were executed (February 2008) and all quarters were completed at a cost of ₹ 2.14 crore during September 2010 to March 2011. However, water supply to these quarters was not provided (September 2013) as external water source was not created. We also noticed that EE, Building Division, Chatra repeatedly requested[35] (December 2008 to April 2012) EE, DW&S Division Chatra to provide water facility and technically approved estimate for water supply so that fund could be demanded from the Building Construction Department but no such estimate was provided by DW&S Division, Chatra (September 2013). The constructed quarters were handed over (April 2011) to the district administration without ensuring external source for water.

A joint physical verification conducted (September 2013) by the audit team with EE, Building Division, Chatra revealed that there was no external source of water supply to these quarters. All the 18 A & B type quarters remained vacant while a few units of C & D type quarters were occupied.

On being queried about provision of external water supply, EE DW&S Division Chatra stated (May 2013 and September 2013) that water supply to these quarters could begin once water tower constructed near Chatra Block Office under Re-organisation of Chatra Urban Water Supply Scheme becomes operational. However, BCD has to provide fund for laying of additional pipeline upto these quarters.

Non-availability of water could have been prevented had the Codal provision and advice (February-May 2005) of the Secretary, DW&SD been heeded by the Building Department. Thus, due to lack of coordination between the two Departments expenditure of ₹ 2.14 crore was rendered unfruitful since April 2011 as the constructed quarters were not occupied by the government servants as intended.

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33 All estimates technically approved by the Chief Engineer Building Construction Department Ranchi on 21 June 2007.

34 Building Construction Department vide letter nos.: 73BH, 94BH, 104BH and 74BH all dated 10 July 2007.

35 Vide letter no: 1055 dated 4 December 2008, 887 dated 17 September 2009, 660 dated 22 July 2010, 15 dated 6 January 2012, 229 dated 15 March 2012 and 292 dated 13 April 2012.

Matter was reported to the Government (June 2013); reply is awaited (February 2014) despite reminders[36].

RURAL DEVELOPMENT DEPARTMENT

3.3.2 Loss to government

Injudicious lifting and non-utilisation of rice in time under Sampoorna Gramin Rozgar Yojana led to loss of ₹ 1.54 crore due to deterioration in quality and embezzlement.

Sampoorna Gramin Rozgar Yojana (SGRY) provided for distribution of foodgrains as part of wages to rural poor at five kilograms per manday. GoI introduced Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)[37] in September 2005 and directed to merge SGRY with it. As per Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) wages could be paid either wholly in cash or in cash and kind. The State Government implemented (February 2006), MGNREGS in Jharkhand and unutilised balance of foodgrains of SGRY became part of programme resources of MGNREGS.

The Principal Secretary, Rural Development Department (RDD), Government of Jharkhand (GoJ), ordered (April 2006) that all ongoing SGRY schemes should be completed and available foodgrains be utilised by 30 June 2006. Scrutiny of records (March 2009 and February 2011) of District Rural Development Agency (DRDA), Ranchi, information collected from Jharkhand State Food and Civil Supplies Corporation Ltd. (JSFCSC), Ranchi and concerned Block Development Offices (between April 2010 and May 2013) revealed that on the instructions of Deputy Commissioner (DC) cum Chairman, DRDA, Ranchi (26 June 2006), 1,602.05 Metric Tons (MT) of rice for SGRY was lifted from Food Corporation of India and stored in the godown of JSFCSC at Kadru, Ranchi and District Manager (DM), JSFCSC issued 595.12 MT[38] rice under the scheme to eight blocks of Ranchi district on demand. After concerns expressed by JSFCSC (between January 2007 and October 2009) regarding deterioration in quality of rice due to prolonged storage, Deputy Development Commissioner (DDC), Ranchi got the stored rice tested (November 2009) from Chief Medical Officer Ranchi and Food Inspector Ranchi who found that 42.25 MT[39] of stored rice was rotten. Further, a Committee constituted (June 2012) by DC reported deterioration in quality of rice and declared it unfit for human consumption. Besides, two FIRs were lodged (March and April 2011) against Assistant Managers of JSFCSC godowns for embezzlement of 366.25 MT rice.

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[36] Reminders: Letter No. Report (Civil)/AR/2012-13/104 dated 30 July 2013, No.172 dated 6 September 2013 and No. 239 dated 15 October 2013.

[37] The National Rural Employment Guarantee Scheme was renamed as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in October 2009.

[38] Angara-311.97MT, Arki-38.75MT, Burhmu-14.88 MT, Lapung-95.42MT, Murhu- 48.06 MT, Kanke- 24.30 MT, Ratu-49.90 MT and Sonahatu- 11.84 MT.

[39] Lot C1-250 bags x 50 kg=12.50 MT *plus* Lot D1-595 bags x 50 kg= 29.75 MT, Total 42.25 MT.

In the meanwhile DC, Ranchi in August 2009 advised DM, JSFCSC, that as per amended MGNREGA (February 2009) foodgrains were not to be distributed as wage component therefore the foodgrains were to be used in other schemes[40]. However it was seen that rice was not used in other schemes and remained stored in JSFCSC godowns. Subsequently, MD, JSFCSC requested (October 2010) DC, Ranchi to fix reserve price for auction of rice, which was finally called for in August 2012 and 640.68 MT rice was disposed at the rate of ₹ 8,760 per MT (₹ 56.12 lakh).

On being asked regarding non-utilisation of lifted foodgrains DDC, Ranchi replied (September 2012) that the foodgrains were not distributed as there was no provision for distribution of foodgrains under MGNREGS. The reply was not in order as food grains could have been utilised as a component of payment under MGNREGS upto February 2009. Thus, lifting of rice without assessment of requirement, failure to issue rice for wage payment and non-disposal of 1,006.93 MT[41] rice in time caused a loss of ₹ 1.54 crore[42] to the government.

The matter was referred to the Government (June 2013); their reply had not been received (February 2014) despite reminders[43].

HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

3.3.3 Unfruitful expenditure

Due to lackadaisical approach of the executing agency and lack of monitoring and supervision by the authorities, the hospital building remained incomplete even after six years of its sanction, thereby resulting in unfruitful expenditure of ₹ 1.39 crore and denial of medical facilities to the people.

Up-gradation of existing 30 bedded hospital to 100 bedded Sadar Hospital in Lohardaga was approved (March 2006) by the Principal Secretary, Health, Medical Education and Family Welfare Department, Government of Jharkhand and technically approved (September 2006) by the District Engineer Zila Parishad, Lohardaga (DEZP) for ₹ 60.59 lakh. The work was taken up departmentally through executing agency (DEZP Lohardaga) with stipulated date of commencement and completion being October 2006 and March 2007 respectively. The work order was issued by the Civil Surgeon (CS) to DEZP and Junior Engineer was appointed as the Executing Agent. The work order also provided for inspection of work by Junior Engineer (JE), Assistant Engineer (AE), District Engineer (DE), Block Development Officer (BDO), Sub Divisional Officer (SDO), Deputy Development Commissioner (DDC) and Deputy Commissioner (DC) and for taking disciplinary action against the responsible officials in case of not completing the work within the time

40 DC Ranchi letter did not mention names of other schemes.
41 1,602.05 MT – 595.12 MT = 1,006.93 MT.
42 1,006.93 MT x ₹ 20,880 per MT (issue rate fixed by JSFCSC) = ₹ 210.25 lakh *minus* auction price ₹ 56.12 lakh = ₹ 154.13 lakh.
43 Reminders: Letter No. Report (Civil)/AR/2012-13/108 dated 30 July 2013, No.176 dated 6 September 2013 and No. 243 dated 15 October 2013.

schedule and not maintaining high quality of work as per prescribed specification.

On scrutiny of records (September 2012) of CS, Lohardaga and further information collected (June 2013) we observed that due to non-completion of work by scheduled date (March 2007), change in Schedule of Rate (SoR) from SoR 2004 to 2007, and additional provision of 1st floor, lift, internal roads and boundary wall estimate was revised to ₹ 1.63 crore which was technically approved (March 2008) by the Chief Engineer, Rural Works Department. Against estimated cost of ₹ 1.63 crore, the Department allotted (March 2006 to July 2008) ₹ 1.50 crore to DC Lohardaga who released (September 2006 to April 2009) ₹ 1.43 crore to DEZP. As per measurement books ₹ 1.39 crore was incurred till December 2011, thereafter no work was executed and hospital building remained incomplete. Various other works estimated to cost ₹ 35.83 lakh[44] were yet to be executed as stated (September 2013) by DEZP. There was short release of fund of ₹ 13 lakh by the Department and then ₹ seven lakh by DC besides further balance ₹ four lakh with DEZP was lying idle in the bank since April 2009 which increased to ₹ eight lakh by accrual of interest as of May 2013.

Scrutiny of records further revealed that during 2009-13, CS made several communications to DEZP, DC and the Secretary of the Department regarding slow execution and deficiencies in the works. DC also inspected (May 2011) the site and found several deficiencies like construction of over head water tank of lesser capacity, inferior quality of works and specifically mentioned that cost escalation was due to time over run attributable to DEZP and requested the Secretary of the Department for taking remedial measure including vigilance enquiry.

The reasons for delay in completion of work as seen in audit were frequent transfers of the executing agent (JE) by DEZP and lack of interest of JE in execution of work. Provision made in work order for inspection of work by JE, AE, DE, BDO, SDO, DDC and DC also failed to ensure timely completion of hospital building. On this being pointed out (October 2013) Health Medical Education and Family Welfare Department, Government of Jharkhand stated (December 2013) that Vigilance Bureau, Jharkhand had been asked to investigate the irregularity in construction of Sadar Hospital, Lohardaga and submit a report.

The fact remains that due to failure of the executing agency to complete the work on time, entire expenditure of ₹ 1.39 crore incurred on up-gradation of hospital was rendered unfruitful due to which enhanced medical facilities to patients could not be provided to patients.

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[44] Lift: ₹ 18.00 lakh, Electrical Works: ₹ 9.10 lakh, Sanitary Works: ₹ 5.09 lakh and Water Supply: ₹ 3.64 lakh.

3.3.4 *Unfruitful expenditure*

Due to lack of co-ordination between authorities and non-taking/handing over, the Civil Surgeon Office building at Giridih constructed at a cost of ₹ 83.82 lakh remained idle for more than four years and could not be utilised for its intended purpose of providing proper accommodation for Civil Surgeon Office thereby adversely affecting the delivery of health care services.

Health, Medical Education and Family Welfare Department accorded (October 2006) sanction of ₹ 60.00 lakh[45] to Deputy Commissioner (DC), Giridih for construction of a new building of Civil Surgeon Office Giridih. DC assigned (August 2007) the construction work to the Executive Engineer (EE), Rural Development Special Division (RDSD), Giridih at an estimated cost of ₹ 83.82 lakh to complete the work within six months i.e. by February 2008.

On scrutiny of records (February 2012) and further information collected (May and August 2013) from the office of the Civil Surgeon (CS), Building Construction Division (BCD) and RDSD, Giridih we observed that the construction of CS office was shown completed in March 2009 by EE, RDSD, Giridih at a cost of ₹ 83.82 lakh which was intimated to CS Giridih in October 2009. However, CS Giridih did not take over the building on the ground of incomplete boundary wall which was essential for security of building and issued several letters/reminders during November 2009 to October 2011 to EE, RDSD, Giridih for completion of boundary wall. Meanwhile, DC Giridih ordered (June 2011) CS Giridih to shift his office to the newly constructed building as construction work had been completed by EE, RDSD, Giridih.

Accordingly, CS Giridih visited (June 2011) the building and found several deficiencies like absence of doors, windows, broken glass, broken toilet pans and incomplete boundary wall. As such he refused to take over the building till it is repaired and boundary wall completed, though the boundary wall was not a part of the estimate. DC found both the parties responsible for not completing taking over/handing over of the building. DC ordered (November 2011) an enquiry into the issues of delay in construction and construction done in deviation from the approved estimate. Enquiry report (December 2011) revealed that the building was constructed as per specification however, glazed aluminium window frame, doors and railings have been uprooted and were found missing and electrical, sanitary fitting were found in damaged condition. On the basis of enquiry report, DC directed (February 2012) EE, Building Division, Giridih to prepare an estimate for repair of the building before handing over to Civil Surgeon to make it functional. BCD submitted (February 2012) a detailed estimate for ₹ 19.12 lakh including ₹ 4.05 lakh for boundary wall to DC who sent (March 2012) the estimate to the Health and Family Welfare Department for sanction which was still awaited (August 2013). In the meanwhile, the office building was temporarily allotted (July 2013) by DC to Superintendent of Police, Giridih for stay of police force which has been since occupied by the force.

45 Subsequently, additional sanction for ₹ 23.82 lakh was granted by the Department on 4 March 2009.

In this regard, CS Giridih stated (August 2013) that his office had intimated to DC Giridih and EE, RDSD, Giridih of the deficiencies in the building but no action has been taken by them to complete the building.

The fact remains that due to lack of coordination between concerned authorities and non-handing/taking over of the building, not only the CS office building constructed (March 2009) at a cost of ₹ 83.82 lakh for providing proper space for CS office remained idle for more than four years but the delivery of health related services was also adversely affected.

The matter was referred to Government (June 2013); their reply had not been received (February 2014) despite reminders[46].

3.4 Persistent and pervasive irregularities

An irregularity is considered persistent if it occurs year after year. It becomes pervasive when it prevails in the entire system. Recurrence of irregularities, despite their being pointed out in earlier audits, is not only indicative of non-seriousness on the part of the Executive, but is also an indication of the lack of effective monitoring. This, in turn, encourages wilful deviations from the observance of rules/regulation and results in weakening of the administrative structure. A significant case noticed is described below:

HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

3.4.1 Blockage of Government money in idle equipment

Purchase of Cardiology and Cardiothoracic equipment well before completion of physical infrastructure and non-availability of medical team resulted in non-installation/non-utilisation of equipment and consequent blockage of Government money amounting to ₹ 1.47 crore in idle equipment.

Upgradation of Rajendra Institute of Medical Sciences (RIMS), Ranchi to 172 bed Super Speciality hospital under Pradhan Mantri Swasthya Suraksha Yojana was taken up in 2007 at an estimated cost of ₹ 120 crore (Central share ₹ 100 crore and State share ₹ 20 crore). As per the scheme, out of central share of ₹ 100 crore, cost of construction of Super Speciality hospital would be ₹ 60.98 crore and the balance amount was to be utilised on procurement of medical equipment. The list of equipment to be purchased was finalised by the Director, RIMS and representative of M/s *Hindustan Latex Limited*[47] (HLL) in the office of Ministry of Health and Family Welfare (MHFW) on 23 September 2008 at New Delhi. MHFW, Government of India intimated (26 December 2008) RIMS that the equipment to be provided by Government of India would be procured and supplied by M/s HLL and advised the Institution to be in readiness so that the equipment could be installed. RIMS sent (12 January 2009) indent to MHFW, New Delhi for early supply of

[46] Reminders: Letter No. Report (Civil)/AR/2012-13/102 dated 30 July 2013, No.170 dated 6 September 2013 and No. 237 dated 15 October 2013.

[47] A Government of India enterprise.

equipment for Cardiology and Cardiothoracic Department though there was no faculty of Cardio Thoracic and Vascular Surgery (CTVS) team to use the equipment and civil works for the block complex had not commenced.

Scrutiny of records revealed (June 2013) that M/s HLL supplied the following equipment for CTVS and Surgery Departments.

Sl. No.	Name of equipment	Date of P.O. by HLL	Date of Receipt in RIMS	Cost in $/ Euro/₹	Qty (No)	Approximate value in INR
1	Anaesthesia Workstation	27.04.2009	8.02.2010	$ 39700	2	3716714.00[48]
2	Cell Saver Machine	27.04.2009	29.12.2009	$ 29400	2	2738904.00[49]
3	Electro Surgical Cautery	30.12.2011	27.03.2012	₹ 550000	4	2200000.00
4	ABG Machine	27.04.2009	10.10.2009	₹ 291200	2	582400.00
5	Operating Microscope	27.04.2009	14.01.2010	Euro 82574	1	5458141.00[50]
					Total	**14696159.00**

However, these machines were not installed/utilised by RIMS as of June 2013 due to non-availability of Cardio-thoracic team and non-completion of Super Speciality building.

Scrutiny of records further revealed that Health, Medical Education and Family Welfare Department, Government of Jharkhand sanctioned on 24 September 2011, 16 posts for CTVS Department against which only three Senior Resident doctors and one Assistant Professor[51] were posted as on June 2012 and the remaining 13 posts of Professor, Associate Professors, Assistant Professors and Senior Residents were lying vacant (June 2013). These posts were sanctioned two years after receiving the above equipment except Electro Surgical Cautery.

RIMS stated (June 2013) that the equipment would be installed by the time the CTVS surgery team are recruited. On audit query, RIMS further stated (April 2014) that out of 13 vacant posts one Senior Resident was appointed on 31 October 2013. It was also stated that equipment at Sl. Nos. 1 to 3 were not functional due to non-availability of surgeons and equipment at Sl. Nos. 4 and 5 have become operational. However, detailed information along with relevant documents in support of operationalisation of these equipment was not provided by RIMS and it was also not understood in audit as to how these equipment have become functional in the absence of cardiac surgeons (CTVS). On being enquired by audit as to whether the matter was brought to the notice of MHFW to defer the supply of above equipment till CTVS team was in place and the new Super Speciality building was handed over to RIMS, RIMS did not give specific reply. Although mention of some of the above idle equipment was made in paragraph 1.2.9 of Audit Report (Civil and Commercial) 2009-10, it is pertinent to mention that even after lapse of more than three years, these high-end equipment continue to remain idle (April 2014).

48 $39700 x 2x ₹ 46.81= ₹ 37,16,714.

49 $29400 x 2x ₹ 46.58= ₹ 27,38,904.

50 Euro 82574 x ₹ 66.10= ₹ 54,58,141.

51 Resigned on 4 October 2012.

Thus, indenting of equipment and insisting on early supply in the absence of hospital building and CTVS surgery team, non-completion of super specialty hospital building and non-deployment of CTVS surgery team resulted in equipment costing ₹ 1.47 crore remaining uninstalled for more than three years besides, denying benefits of CTVS surgery to patients.

The matter was referred to the Government (June 2013); their reply had not been received (April 2014) despite reminders[52].

Ranchi, **(MRIDULA SAPRU)**
The **Principal Accountant General (Audit)**
Jharkhand

Countersigned

New Delhi, **(SHASHI KANT SHARMA)**
The **Comptroller and Auditor General of India**

[52] Reminders: Letter No. Report (Civil)/AR/2012-13/124 dated 19 August 2013, No. 219 dated 19 September 2013 and No. 306 dated 21 October 2013.