

**Report of the
Comptroller and Auditor General of India
on
General and Social Sector**

for the year ended March 2017

**Government of Karnataka
Report No.2 of the year 2018**

Table of Contents		
	Paragraph Number	Page Number
Preface		v
Chapter-I : Introduction		
About this report	1.1	1
Auditee profile	1.2	1
Authority for conducting Audit	1.3	2
Organisational structure of the Office of the Accountant General (G&SSA), Karnataka, Bengaluru	1.4	3
Planning and conduct of Audit	1.5	3
Significant Audit observations	1.6	3
Performance Audit of programmes/activities/ Departments	1.6.1	3
Information Systems Audit	1.6.2	5
Compliance Audit	1.6.3	6
Responsiveness of Government to Audit	1.7	7
Outstanding Inspection Reports	1.7.1	7
Response of Departments to the Draft Paragraphs	1.7.2	8
Follow-up action on Audit Reports	1.7.3	8
Paragraphs to be discussed by the Public Accounts Committee	1.7.4	8
Chapter-II : Performance Audit		
Department of Home		
Modernisation of Police Force	2.1	11
Chapter-III : Information Systems Audit		
Department of Urban Development		
‘Sajala’ Revenue Billing & Collection System in Bangalore Water Supply and Sewerage Board	3.1	49
Chapter-IV : Compliance Audit		
Department of Higher Education/Department of Technical Education/Department of Medical Education		
Thematic Audit on appointment, promotion and pay-fixation of Teaching Staff	4.1	71
Department of Health and Family Welfare		
Deficiencies in quality assurance while procuring and distributing drugs	4.2	84
Avoidable expenditure	4.3	87

	Paragraph Number	Page Number
Department of Housing		
Avoidable expenditure due to non-payment of compensation	4.4	88
Department of Labour		
Suspected fraudulent payment of ₹0.20 lakh	4.5	90
Department of Primary and Secondary Education		
Excess distribution of uniforms	4.6	92
Department of Revenue		
Avoidable expenditure due to excess acquisition of land	4.7	94
Department of Urban Development		
Avoidable extra expenditure due to adoption of incorrect shell thickness of Mild Steel pipes	4.8	95
Avoidable expenditure	4.9	97
Department of Welfare of Backward Classes		
Unauthorised investments in Mutual funds and fraudulent misrepresentation of the resultant losses	4.10	98

List of Appendices

Details	Appendix Number	Page Number
Year-wise breakup of Outstanding Inspection Reports and Paragraphs (issued up to 31 March 2017)	1.1	105
Details of Departmental Notes pending as on 30 November 2017 (Excluding General and Statistical Paragraphs)	1.2	106
Paragraphs (excluding General and Statistical) yet to be discussed by PAC as of 30 November 2017	1.3	107
Details of units selected for audit	2.1	108
Units without ammunition with reference to arms and vice versa	2.2	109
Statement showing the details of availability of four wheeler vehicles and its utilisation as on 31 March 2017	2.3	110
Statement showing the functioning of GPS based AVLS systems in the test checked districts	2.4	111
Details of wireless/walkie talkie sets in selected districts	2.5	112
Details of firing practice	2.6	113
Details of non-working equipment in ASC wings in selected districts	2.7	114
Specialised training imparted for ANF personnel	2.8	115
Illustrative cases of repeated breaks in billing for sample RR numbers	3.1	116
Illustrative list of cases where meter charges were not levied though the meters were in working condition and readings were taken	3.2	117
Illustrative sample cases out of 1040924 bills where meter charges are levied in 'Meter Stop' and 'Suspected Meter Stop' cases	3.3	118
List of significant instances during 2011-17 where proper readings not recorded	3.4	119
Bills of future years	3.5	121
Illustrative examples for difference between previous meter reading and present meter reading of previous bill	3.6	122
Contradictory information within a record	3.7	123
Number of connections with various meter status and its meanings	3.8	124
Details of colleges selected for test-check	4.1	125

Details	Appendix Number	Page Number
Details of Medical colleges/Super Specialty Teaching hospitals selected for test-check	4.2	131
Extension of undue benefit to teaching staff	4.3	132
Details of promotion as Principal Grade 1 without prescribed qualification	4.4	134
Extension of pay scales to teaching staff who did not possess the requisite NET/SLET/SET	4.5	135
Details of increments sanctioned	4.6	137
Details of extension of AICTE pay scales which were granted Grant-in-aid status after 2006	4.7	138
Extension of AICTE pay scales to non-eligible lecturers of Polytechnics	4.8	139
Fixation of pay of Assistant Professors in KIMS, Hubballi	4.9	140

Preface

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2017 has been prepared for submission to the Governor of Karnataka under Article 151 (2) of the Constitution to be tabled in the State Legislature.

The report contains significant results of performance audit and compliance audit of the Departments and Autonomous Bodies of Departments of the Government of Karnataka under the General and Social Sectors including Departments of Backward Classes and Welfare, Education, Health and Family Welfare Services, Home, Housing, Labour, Medical Education, Revenue and Urban Development.

The instances mentioned in this report are those, which came to notice in the course of test audit for the period 2016-17 as well as those, which came to notice in earlier years, but could not be reported in the previous Audit Reports. Instances relating to period subsequent to 2016-17 are also included, wherever found necessary.

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