

## PREFACE

This Report for the year ended March 2017 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 the Government of Bihar under the General, Social and Economic Sector Services. 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 the period subsequent to 2016-17 have also been included, wherever necessary, giving updated position. The audit observations contained in this report are based on a limited test-check. The State Government is required to review the functioning of all departments to ensure that similar instances do not exist.

Section 18 (1) (b) of the Comptroller & Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 stipulates that the C&AG has the authority 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 2007 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. These restrict audit effectiveness. Though such instances are brought to the notice of the authorities on each occasion, follow-up by the authorities concerned have not been uniformly swift and effective.

For the Audit Report 2016-17, five Performance Audits (Functioning of Primary Health Centres (PHCs) in Bihar, Management of National Park and Wild Life Sanctuaries in Bihar, Mukhyamantri Kshetra Vikas Yojana, Implementation of RTE, 2009 in Bihar and Procurement of paddy and delivery of rice in State of Bihar) and five Thematic Audits (Implementation of e-Procurement System in the State of Bihar, Implementation of Post-Matric Scholarship Scheme in Bihar, Functioning of Jails including follow-up Audit of PA on Jails, Mukhyamantri Bihar Shatabdi Balika Poshak Yojana and Mukhyamantri Balika Cycle Yojana and Mukhyamantri Kanya Suraksha Yojana) were attempted. However, despite repeated efforts, 59 units out of 96 did not produce certain records requisitioned by Audit. Further, out of 1,367 audit memos issued in respect these PAs/TAs, replies were not received for 131 audit memos and only partial replies were received in respect of 465 audit memos.

***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 is urged to 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.***

This Report is structured in three Chapters.

**Chapter-1** is an introduction, also giving details of the auditee profile and the response of Government to Inspection Reports, response of Government and auditee units during Performance Audits/Thematic Audits and for the draft paragraphs, action taken on earlier Audit Reports, recoveries at the instance of Audit and status of placement of Separate Audit Reports of Autonomous Bodies in the State Legislature.

**Chapter-2** is on the Performance Audit of 'Management of National Park and Wildlife sanctuaries in Bihar'.

**Chapter-3** is on the audit of transactions of Government Departments, their field formations and brings out instances of lapses in management of resources and failures in observance of the norms of propriety and economy.

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