

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

For the year ended March 2019

**Government of Karnataka
*Report No.3 of the year 2020***

Table of contents		
	Paragraph Number	Page Number
Preface		vii
Overview		ix
Chapter-I : Introduction		
About this report	1.1	1
Budget profile	1.2	1
Application of resources of the State Government	1.3	2
Persistent savings	1.4	2
Grant-in-aid from Government of India	1.5	3
Authority for conducting Audit	1.6	4
Organisational structure of the Office of the Principal Accountant General (Audit-I), Karnataka, Bengaluru	1.7	4
Planning and conduct of Audit	1.8	4
Significant audit observations and response to audit	1.9	5
Responsiveness of Government to Audit	1.10	5
Status of placement of Separate Audit Reports of autonomous bodies in the State Legislature	1.11	6
Year-wise details of performance audits and paragraphs appeared in Audit Report	1.12	7
Chapter-II : Performance Audit		
Department of Health and Family Welfare Services		
Performance Audit on Arogya Kavacha – 108 Project	2.1	9
Chapter –III : Compliance Audit		
Department of Labour		
Functioning of Karnataka Building and Other Construction Workers’ Welfare Board	3.1	53
Department of Rural Development and Panchayat Raj		
Effectiveness of Social Audit	3.2	72
Department of Revenue		
Suspected fraudulent/excess payment towards purchase of fodder	3.3	77
Department of Medical Education		
Fictitious purchase of implants/equipment	3.4	79
Procurement of disposables at higher cost	3.5	82
Department of Health and Family Welfare Services		
Procurement and utilisation of equipment in district/taluk hospitals	3.6	86

	Paragraph Number	Page Number
Department of Collegiate Education		
Exemption of fee concession not extended to girl students of Government aided private colleges	3.7	89
Department of Urban Development		
Irregularities in allotment of alternative site	3.8	91
Undue benefit to contractor	3.9	93
Lapses in internal control procedure resulted in double refunds	3.10	96
Payments to unauthorised works through false certification	3.11	98
Avoidable expenditure on road side drains works	3.12	102
Avoidable expenditure due to non-reduction of quantity of bitumen during road formation	3.13	103
Short/non-recovery of royalty	3.14	105
Loss of revenue due to non-recovery of property tax	3.15	106
Collection of scrutiny fees twice by BBMP resulted in excess collection of licence fee	3.16	109
Department of Housing		
Loss due to incorrect interpretation of guidelines	3.17	110

List of Appendices		
Details	Appendix Number	Page Number
Year-wise breakup of outstanding Inspection Reports and Paragraphs issued up to 31 March 2019	1.1	113
Paragraphs (excluding General and Statistical) yet to be discussed by PAC as of 31 December 2019	1.2	116
Statement showing the rendering of accounts to CAG and submission of Audit Report to State Legislature by the Autonomous Bodies	1.3	117
Emergency-wise response time taken during the period 2014-15 to 2018-19	2.1	118
Total time taken by ambulances to handover patients to definitive care centres for different types of emergencies	2.2	119
List of instances of inadequate validation controls for 2018-19	2.3(a)	120
Number of instances that did not originate from CCMS	2.3(b)	120
List of instances that was inconsistent with the validation controls	2.3(c)	121
Statement showing instances of manual insertion of cases	2.3(d)	122
Statement showing the details of allotment of ambulances for critical emergencies	2.4	123
Statement showing the illustrative cases of overlapping of time visits	2.5	124
Findings of the survey relating to Human Resource Management	2.6	125
Eligibility conditions, nature and extent of benefits under welfare schemes (as of March 2019)	3.1	126
Statement showing monetary limits under the various schemes (amendment-wise)	3.2	128
Statement showing the relevant statutory provisions applicable to the audit findings	3.3	131
Follow-up on the observations included in Paragraph 3.3 of the Report for the year ended March 2013 (Report No. 3 of the year 2014)	3.4	133
Statement showing scheme-wise number of claims sanctioned during the period from 2014-15 to 2018-19	3.5(a)	135

Details	Appendix Number	Page Number
Statement showing scheme-wise assistance disbursed during the period from 2014-15 to 2018-19	3.5(b)	135
Discrepancies in sanction of benefits in test-checked offices	3.6	136
Statement showing avoidable liability towards income tax	3.7	137
Statement showing the details of FDs broken into smaller denomination	3.8(a)	139
Statement showing 13 cases where matured amount was untraceable	3.8(b)	140
Statement showing the loss of interest on FDs due to injudicious investment	3.9	141
Status showing Board's compliance to model scheme and audit remarks thereon	3.10	143
Statement showing the shortfall in registration of establishments in the test-checked districts during the period from 2014-15 to 2018-19	3.11	145
Status of implementation of Social Audit in the State during the period 2016-17 to 2018-19	3.12	146
Statement showing the names of PRIs selected for assessment of effectiveness of Social Audit	3.13	147
Status of compliance for Social Audit process	3.14	148
Categorisation of Social Audit findings	3.15	150
Statement showing the details of vehicles involving fraudulent claim	3.16	151
Statement showing the excess payment made to suppliers of fodder in Kollegal taluk, Chamarajanagar district	3.17	152
Statement showing the details of assessment and actual procurement of ICU equipment	3.18	153
Equipment lying idle due to non-installation / lack of trained manpower	3.19	154
Details of measurements of work - Adishakthi Madanaghattamma Temple as in Measurement Book No. 2140	3.20	155
Details of measurements of work - Sri. Prasanna Ganapathi Temple as in Measurement Book No.2138	3.21	156
Statement showing avoidable excess expenditure on construction of RCC drain works	3.22	157

Details	Appendix Number	Page Number
Statement showing avoidable expenditure due to non-utilisation of waste plastic	3.23	158
Statement showing short deduction of royalty due to application of incorrect constant	3.24(a)	159
Statement showing short deduction of royalty due to application of incorrect rates	3.24(b)	159
Statement showing non-recovery of royalty	3.24(c)	159
Non-payment of property tax by BMRCL	3.25	160
Statement showing the licence fees collected without deducting scrutiny fee for the period 2014-15 to 2017-18 by BBMP	3.26	161
Statement showing the details of penalty for premature withdrawal of fixed deposits	3.27	162
Statement showing the details of interest loss due to premature withdrawal of fixed deposits	3.28	163