

CHAPTER-IV
AUDIT OF TRANSACTIONS

4.1 Fraudulent drawal/misappropriation/embezzlement/losses

RURAL DEVELOPMENT DEPARTMENT

4.1.1 Misappropriation of Government money

Misappropriation of Rs 2.54 lakh besides adjustment of advances without supporting vouchers for Rs 19.08 lakh due to inadequate supervisory control.

Rule 86 of Bihar Treasury Code Vol. I provides that every Government servant receiving money on behalf of Government is required to maintain a cash book to record all money transactions as soon as they occur and every entry in the cash book should be attested by the head of the office. The cash book should be closed and balanced each day. The head of the office should verify the totals of the cash book, physically verify the cash balance and record a certificate to that effect at the end of each month.

Test check of records of Block Development Officers (BDOs) Phulwarisharif (October 2003) and Forbesganj (February/May 2004) disclosed that these codal provisions were not followed by the BDOs which facilitated misappropriation of Rs 2.54 lakh and adjustment of advances without supporting vouchers for Rs 19.08 lakh as detailed below:

Name of office	Amount (Rs in lakh)	Period	Remarks
BDO Phulwarisharif	1.82	1999-2003	Miscellaneous receipts collected during 1999-2003, were not accounted for in cash book.
BDO Forbesganj	0.72	2003	The balance of advances forming a part of the closing cash balance as on 31 March 2003 was carried forward (on 1 April 2003) short by 0.72 lakh.
BDO Forbesganj	18.05	1999	Though the advances were adjusted, supporting vouchers were not available
	1.03	2001	
Total	21.62		

The BDO Phulwarisharif stated (September 2004) that the cashier had been directed to deposit the miscellaneous receipts of Rs 1.82 lakh. No reply was received from the other BDO. However, disciplinary action should have been taken against the defaulting cashier and BDO as the Drawing and Disbursing Officer. The matter was referred to Government (May 2004): reply had not been received (February 2005).

ROAD CONSTRUCTION DEPARTMENT

4.1.2 *Doubtful execution of work*

Payment of Rs 1.14 crore was made for two different works both involving filling up boxes with road materials, brickflat soling etc. when even earth work excavation for box cutting was only partly done.

(i) The work of widening and strengthening of 34 Km Dulhin Bazar-Rani talab-Pali Kinzar road of Patna district was given administrative approval for Rs 5.15 crore and technical sanction for Rs 4.12 crore (May 1998) by the Chief Engineer, Central Design Organisation, Road Construction Department. The work was divided in three groups and tendered in December 1998. It was allotted to three agencies for Rs 4.62 crore for completion between August 1999 and February 2000. The work of the first group was completed and the works allotted to two other groups (from 9 to 20 Km valued at Rs 1.54 crore and from 21 to 32 Km valued at Rs 1.74 crore) were incomplete as of February 2004.

As per technical specification, the road was to be widened by 1.83 metre (from 3.05 to 4.88 metre) and earth work involving excavation for cutting boxes was to be carried out for facilitating laying of sand and other road materials. Laying of road material in boxes and filling of earth in the remaining vacant area was to be done simultaneously for compacting the filled area with road rollers.

It was noticed (February 2004) that the second agency completed only up to 46 per cent of earth work against the estimated quantity, but 97 per cent of the estimated quantity of sub-base and brick flat soling was executed. The laying of stone metal grade SMG II & SMG III was also executed to the extent of 96 to 115 per cent of the estimated quantity. Likewise, the third agency completed earth work involving excavation only up to 39 per cent while the work of sub-base, brick flat soling and laying of SMG II & SMG III was executed to the extent of 92 to 112 per cent of the estimated quantity.

As the required quantity of earth work was not done by the two agencies and the earth work of filling was not done, the work of providing sub-base, brick flat soling and laying of stone metals was disproportionately high and, in fact, would not really have been possible. However, Rs 87.60 lakh (Rs 46.11+41.49 lakh) were paid (March 2001) to the two agencies for these items of work. Further, as the compaction of earth as well as road material was not done before preparation of water bound macadam and the required earth filling of excavated earth was not carried out, the work as shown by the two agencies from 9 to 32 Km at a cost of Rs 2.10 crore (March 2001) would necessarily be sub-standard.

The Executive Engineer in reply stated (June 2004) that widening of road was to be done by 0.915 meter in both sides of the road and therefore box cutting was done for 0.915 meter in both sides. The reply is not tenable as technical specification required box cutting of a width of 2.15 meter since for the

purpose of compaction of the road by road-rollers, width of 2.15 metre is required.

(ii) A similar work of widening and strengthening of Masaurhi-Pitmas-Naubatpur-Khagaul road was technically sanctioned (June 1998) for Rs 3.27 crore by the Chief Engineer, Central Design Organisation, Road Construction Department, Patna. The work was tendered in April 1999 and awarded (September 2000) to three agencies for Rs 3.65 crore. The work falling between 11 and 21 Km from Masaurhi end was allotted to an agency for Rs 1.42 crore for completion by November 2001. As per the technical specification the road was to be widened from 3.65 metre to 5.5 metre by excavating earth (16125 cu.m.) for cutting boxes and filling these with road materials (sand, bricks, stone metal grade (SMG) II and III). The vacant excavated area was to be filled with the earth excavated. Filling of materials as well as earth was to be done simultaneously to enable compaction of the filled area.

It was noticed in February and May 2004 that work of preparation of sub-base, brick flat soling and laying of stone aggregates of different sizes was done up to 91 to 97 per cent, while excavation of earth was done only up to 44 per cent of the quantity specified in the technical sanction. As no work of laying sub-base and stone aggregate can take place without excavating earth, the work beyond 44 per cent shown as completed in respect of excess sand filling, Jhama brick flat soling, SMG-II and SMG-III valued at Rs 26.66 lakh was not possible. Thus the execution of widening of road valued at Rs 26.66 lakh as well as payment therefore was doubtful.

Besides, as the rolling of the earth and stone aggregates was not carried out at the time of preparation of water bound macadam and the boxes excavated in the widened portion of the road was not filled with excavated earth, the entire work completed at a cost of Rs 89.76 lakh was sub-standard.

The payment of Rs 26.66 lakh for doubtful execution of work and substandard execution of road work valued at Rs 89.76 lakh required investigation.

The Executive Engineer in reply stated (June 2004) that widening of road was to be done by 0.915 meter in both sides of the road and therefore box cutting was done for 0.915 meter in both sides. The reply is not tenable as technical specification required box cutting in width of 2.15 meter to ensure compaction through road rollers.

The matter was referred to the Government (May 2004); their reply had not been received (February 2005).

RURAL DEVELOPMENT DEPARTMENT

4.1.3 *Misappropriation and non-accounting of Government money*

Failure of BDO Chakia to comply with the codal provisions relating to maintenance of Cash Book resulted in misappropriation of Rs 45.99 lakh and non-accounting of Rs 1.02 crore.

Rule 86 of Bihar Treasury Code Vol. I provides that every Government servant receiving money on behalf of government is required to maintain a cash book to record all money transactions as soon as they occur and every entry in the cash book should be attested by the head of the office. The cash book should be closed and balanced each day. The head of the office should verify the totaling of cash book and physically verify the cash balance and record a certificate to that effect at the end of each month.

Audit had pointed out (January 2002) during test check of cash book and other relevant records of the Block Development Officer (BDO), Chakia (East Champaran) suspected misappropriation of Rs 13.30 lakh of cash and non-production of unadjusted vouchers and temporary advance registers. The matter was brought to the notice of the District Magistrate (DM), Motihari, by the BDO, who constituted (March 2002) a Committee headed by the Director, Accounts, Administration and Self Employment, Motihari.

The Committee did not submit any report. The DM Motihari subsequently constituted (June 2002) another Committee headed by Deputy Collector, Land Reforms, Chakia which reported (June 2002) that against closing cash balance of Rs 1.48 crore in 36 subsidiary cash books (as on 11 February 2002) Rs 1.02 crore only were available indicating misappropriation of Rs 45.99 lakh.

Audit scrutiny further revealed (May 2004) that the subsequent cash book with effect from 27.03.2002 was operated with nil opening cash balance without carrying forward the physically verified cash balance of Rs 1.02 crore resulting in non-accountal of cash to that extent. The amount had not been accounted for in the cash book (May 2004).

An F.I.R. (August 2002) was lodged against the ex-BDO and Cashier with the Police for misappropriation of 45.99 lakh. No further action was taken in the matter.

Misappropriation of Rs 45.99 lakh and non-accountal of Rs 1.02 crore needed investigation by Government for fixing responsibility and deterrent action against the guilty officials.

The matter was referred to the Government (July 2004); their reply had not been received (February 2005).

4.1.4 Misappropriation, short accountal and irregular booking of expenditure

Non maintenance of cash book and other account records led to misappropriation, short accounting and irregular booking of expenditure aggregating Rs 64.65 lakh.

Rules provide that every Government servant receiving money on behalf of Government is required to maintain a cash book to record all monetary transactions as soon as they occur and every entry in the cash book should be attested by the head of the office. The cash book should be closed and balanced each day. At the end of each month he should physically verify the cash balance and record a certificate to that effect.

During test check (March, May 2004) of the cash books and other relevant records of Block Development Officer (BDO) Sonepur, the following was observed:

- Rs 0.74 lakh collected between March to December 2002 by the cashier on account of commission from Panchayats and recovery of excess payment of leave encashment dues were not accounted for in the general cash book nor deposited in treasury as of May 2004.
- Against the receipts of Rs 6.96 lakh on 4 January 2003 shown in the subsidiary cash book of Integrated Rural Development Programme (IRDP), Rs 2.71 lakh only were carried over to the general cash book. This resulted in short accounting of Rs 4.25 lakh in the general cash book.
- Rupees 40.70 lakh were charged off from the cash book during the period March 2002 to March 2003 on account of petty payments for which vouchers were not available.
- In the break up of the closing balance as on 31 March 2004 in the general cash book, Rs 18.96 lakh were shown as advance to the various departmental functionaries. Sanction to the payment of advances and acknowledgement of the payees were not on record.

Thus, inadequate control over maintenance of cash book and related records led to misappropriation, short accounting and irregular expenditure aggregating Rs 64.65 lakh.

The matter was referred to the Government (July 2004); their reply had not been received (February 2005)

RURAL DEVELOPMENT DEPARTMENT

RURAL ENGINEERING ORGANISATION

4.1.5 Non-accountal of Government money

Non-observance of correct procedure and inadequate control over advance payments led to non-accountal of Rs 10 lakh.

Scrutiny of the records of Executive Engineer (EE) REO Division, Sheikhpura revealed (November 2003) that Rs 67.59 crore were received by the EE from Deputy Development Commissioner, Sheikhpura and Lakhisarai during January 2000 to July 2001 for execution of works under different schemes*. The amount was kept in savings bank account instead of being deposited in treasury under civil deposit as required under the rules.

Out of 67.59 crore received by the Division, Rs 14.18 lakh were to be credited to Government on account of royalty on stone aggregates. The amount was, however, shown in the cash book as advanced to Assistant Engineers (AEs), Sheikhpura and Barbigha during May 2000 (Rs 13.77 lakh) and October 2001 (Rs 0.41 lakh) as temporary advance for execution of departmental works. The SDO Sheikhpura in his cash book, however, accounted for (October 2001) Rs 3.77 lakh only and submitted adjustment accounts for the amount. The remaining Rs 10 lakh were not accounted for in the cash book and the SDO denied receiving the amount.

Thus non-observance of financial rules and inadequate control over advance payments resulted in diversion of departmental receipts for expenditure and non-accountal of Rs 10 lakh.

The Secretary to Government REO, Rural Development Department directed (February 2005) the Superintending Engineer REO (W) Circle, Bhagalpur to investigate into the matter personally and report immediately. Further progress in the matter was awaited (February 2005).

4.2 Infertuous/wasteful expenditure and overpayment

RURAL DEVELOPMENT DEPARTMENT

4.2.1 Infertuous expenditure on construction of pump houses

Failure of BDO, Paraiya to ensure timely completion of pump houses led to infertuous expenditure of Rs 87.03 lakh.

Scrutiny of records revealed (December 2003, May 2004) that Block Development Officer (BDO), Paraiya, Gaya received Rs 89.25 lakh (January 1997 to June 2003) from the District Rural Development Agency (DRDA),

* MPLAD, MLA/MLC schemes, Sunishchit Rojgar Yojana (SRY) etc.

Gaya for the execution of 50 community tube well lift irrigation projects under the Million Wells Scheme.

Deputy Development Commissioner-cum-Chief Executive Officer (DDC-cum-CEO) ordered (November 1996) the work (supply, drilling, installation, energisation of tube wells/generators/pumps) to be completed without any advance payment. The pump houses were to be constructed by the beneficiaries. Payments to the agencies and the beneficiaries was to be made by the BDO after energisation of tube wells and discharge of water at the rate of 5000 gallons per hour and after certificate to that effect was issued by the Assistant Engineer, National Rural Employment Programme (NREP) and the BDO. The projects were taken up at 50 sites in 28 villages during 1997-98 and 1998-99 to be completed by June 1997 and June 1998.

In disregard of the stipulations under the scheme, the BDO, Paraiya advanced Rs 1.07 crore to suppliers/ beneficiaries between January 1999 and June 2003. It was noticed that out of 50 tube wells and 50 pump houses only nine tube wells and nine pump houses constructed (May 2004) at a cost of Rs 20.25 lakh were functional and 41 tube wells were non-functional due to incomplete pump houses as of May 2004. This resulted in infructuous expenditure of Rs 87.03 lakh on incomplete works besides depriving the community of the irrigation facility.

The matter was referred to Government (June 2004); their reply had not been received (February 2005).

WATER RESOURCES DEPARTMENT

4.2.2 *Infructuous expenditure on canal work*

The work was taken up without proper planning for ensuring availability of fund and resulted in infructuous expenditure of Rs 1.77 crore on incomplete works.

Based on tenders invited (May 1997, August 1998 and January 1999) by the Executive Engineer, Batane Head Works Division, Hariharganj, Camp-Amba, the Chief Engineer, Aurangabad allotted (May 1997 to January 1999) the work of renovation of Batane right canal at a cost of Rs 3.69 crore to 30 agencies (5+8+17) for increasing irrigation potential from 0.06 lakh hectares to 0.09 lakh hectares. The work included construction of aquaduct, cross drainage and Bhaluary distributory for completion by March 2000.

The work in stretches falling between chain 00 and 492 could not be carried out due to appearance of hard rocks and non-provision for carriage of earth by mechanical means in the agreement. The Government approved (November 2000) a revised estimate of Rs 0.78 crore for incremental earth work (from 25,755 cum to 1,14,533 cum) and carriage with the direction to the Chief Engineer to float tenders for the work. However, tender was not invited as of January 2004 due to lack of funds.

Audit scrutiny (August 2002) and further information collected revealed that the agencies abandoned the work (March 2001) due to lack of funds after receiving payment of Rs 1.77 crore. Thus the work taken up without proper planning and without ensuring availability of funds resulted in infructuous expenditure of Rs 1.77 crore on incomplete works. The intended objective of increasing irrigation potential by 0.03 lakh hectares was also not realized.

The matter was referred to Government (May 2004); their reply had not been received (February 2005).

DEPARTMENT OF SECONDARY, PRIMARY AND ADULT EDUCATION

4.2.3 Overpayment of salaries

Failure of DSE, Buxar to abolish existing provisions of time bound promotions of primary and middle schools teachers, as decided by Government, resulted in overpayment of Rs 46.01 lakh.

The Government decided (February, 1999) to abolish the existing provision of time bound and selection grade promotions for its employees with retrospective effect from 1st January 1996. Accordingly the Department of Secondary, Primary and Adult Education issued (July 2003) instructions to cancel the time bound and selection grade promotions allowed to the teachers of Rajkeyakrit Schools after 31 December 1995 and to fix their pay in the lower or basic grade. Pay and allowances paid in excess was to be recovered from them. However the District Superintendent of Education (DSE), Buxar sanctioned time bound and selection grade promotions to 436 teachers of Rajkeyakrit middle and primary schools through 20 orders between December 2002 and July 2003 effective from April 1997 to December 2000.

Scrutiny of Service Books and Acquittance Rolls of 416 out of 436 teachers made available to audit showed (January and May 2004) that 416 teachers to whom time bound and selection grade promotions were sanctioned, continued to draw pay in the higher grade as of February, 2004. As a result excess payment of Rs 46.01 lakh on pay and allowances was made to these teachers by the DSE, Buxar during April 1997 to February 2004. The recovery of excess payment was not made as of June, 2004. Service books of these teachers were also not sent to Finance Department or the District Establishment Committee for verification of fixation of pay on time bound promotions as required under instructions of the Finance Department.

Thus due to unauthorised promotions of teachers of primary and middle schools and wrong fixation of pay in the time bound and selection grade, the DSE, Buxar had made overpayment of Rs 46.01 lakh.

On this being pointed out in audit, the matter was discussed in the District Education Establishment Committee, which decided (January 2004) to stop further payment in higher grade to teachers and a reference was made to Government (February, 2004) for direction to recover the excess amount paid.

The matter was referred to the Government (July 2004); their reply had not been received (February 2005).

4.3 Avoidable/excess/unfruitful expenditure

LAW DEPARTMENT

4.3.1 Unauthorised payment to irregularly appointed staff

Irregular continuation of 124 temporarily appointed staff over the years in the District Court Nawada resulted in unauthorised payment of Rs 4.05 crore.

Rule 80 of Bihar Financial Rules Vol. I stipulates that no permanent or temporary posts under the Government could be created without the sanction of the Government and the payment of salary and allowances to the staff in excess of sanctioned strength was not permissible.

Scrutiny of records of the District and Sessions Judge (DSJ), Nawada revealed (January 2004) that in addition to the posts of 25 Clerks, 3 Stenos, 21 Peons, 1 Daftari and 5 Drivers sanctioned by the Law Department, Government of Bihar, posts of 59 Clerks, 12 stenos and 53 peons were created and filled between March 1984 to June 1998 by the DSJ, Nawada on temporary basis for one year and allowed to continue over the years without sanction of the Government.

However, the DSJ, Nawada took up (August, 2000) the matter with the High Court, Patna for obtaining the sanction of the Government to regularise 124 posts of additional staff. The High Court, Patna, in turn asked him (August 2000) to explain the reasons under which these posts were used and staff were appointed without the sanction of the posts by the Government. The DSJ, Nawada did not furnish any explanation to the High Court as of April 2004.

Thus unauthorised continuation of 124 temporarily appointed staff over the years resulted in unauthorised payment of Rs 4.05 crore on their pay and allowances during 1999-2004.

The matter was referred to the Government (May 2004); their reply had not been received (February 2005).

DEPARTMENT OF SECONDARY, PRIMARY AND ADULT EDUCATION

4.3.2 Avoidable payment of grants

Failure of BSSB to derecognise 86 ineligible Sanskrit Schools in time resulted in avoidable payment of salary of Rs 6.80 crore to their teaching and non-teaching staff.

Scrutiny of records of Director of Secondary Education, Bihar, Patna and Bihar Sanskrit Siksha Board (BSSB), Patna showed that 429 non-government Sanskrit schools recognised before 1981 were taken over (December 1989) by the State Government. Salaries of teaching and non-teaching staff of the taken over schools were paid out of grants received from the government.

Verification of the status of these schools by the District Magistrates/Deputy Development Commissioners of 13 districts¹ between 1989 and 1995 revealed that 86 schools did not fulfill the mandatory conditions (availability of land building, number of students, library etc.) for recognition of Sanskrit schools. Consequently the State Government stopped (November 1995) payment of grants to these schools with effect from December 1989. As a result teaching/non-teaching staff of those schools did not get their salaries thereafter.

The High Court of Judicature at Patna ordered (August 2000) in a case filed (1999) by the affected staff that they were entitled to salaries till the schools were derecognised by the BSSB. The BSSB derecognised 86 Sanskrit schools in June 2002 and accordingly the State Government sanctioned (March 2003) Rs 6.80 crore to the BSSB for payment of salaries to staff of the schools through District Education Officers for the period from December 1995 to 15 June 2002. Payments were made to the teachers during 2003-04.

Had the BSSB derecognised the schools in 1995 itself when it was already clear that they did not fulfill the mandatory conditions like availability of land, building, etc., the payment of grants amounting to Rs 6.80 crore could have been avoided. Even if the BSSB issued the orders for derecognition in August 2000, as soon as the High Court had passed the judgement, an amount of Rs 1.94 crore being the salary for the period from September 2000 to June 2002 could have been saved.

The matter was referred to the Government (May 2004); their reply had not been received (February 2005).

¹ Banka, Bhagalpur, Bhojpur, Darbhanga, East Champaran, Gaya, Jahanabad, Madhubani, Muzaffarpur, Nalanda, Patna, Saran and Sheikhpura.

HOME (JAIL) DEPARTMENT

4.3.3 Unfruitful expenditure on health care equipment

Improvement in health care of prisoners could not be ensured as equipment valued at Rs 45.70 lakh were either not utilised or only occasionally utilised due to lack of basic infrastructure.

The Tenth Finance Commission recommended (1995) modernisation of jails in order to improve health care of prisoners in their hospitals and dispensaries. The Inspector General of Prisons placed (November and December 1999) supply orders (value : Rs 77.45 lakh) on six Patna based firms and one Gaya based firm for supply of radiological, pathological and surgical equipment to 19 jails at their tendered rates. The firms supplied these equipment between February and April 2000 and payment was made by the Jail Superintendents (December 1999 - June 2000).

During test-check (December 2003) of records of 11 jails, it was noticed that there was no basic infrastructure like dark room, laboratory, three phase electric connection etc. and technician for X-ray or laboratory. As a result, equipment valued at Rs 28.06 lakh supplied to 11 jails¹, were not put to use. In four jails (District Jails Ara, Begusarai, Samastipur and Special Central Jail, Bhagalpur) equipment (X-ray machine and accessories) valued at Rs 17.64 lakh were used only occasionally.

Scrutiny further revealed that equipment were also lying idle due to mechanical defects (Female Jail, Bhagalpur and District Jail, Munger), poor quality of equipment (District Jail, Betia) and quality test of equipment not having been conducted by jail doctors (District Jails Hazipur and Phulwarisharif).

Inspector General of Prisons constituted an expert committee (September 2000) headed by the Superintendent, Central Jail of the circle² for quality test of equipment supplied to all the jails. No verification was done by the said committee in the test checked districts as of February 2004.

Thus, health care equipment purchased at a cost of Rs 28.06 lakh for 11 jail remained unutilised for want of basic infrastructural facilities. Equipment valued at Rs 17.64 lakh was only occasionally utilised. The intended objective of improvement in health care of the prisoners as recommended by the Tenth Finance Commission was not realised.

The matter was referred to the Government (May 2004); their reply had not been received (February 2005).

¹ District Jails Ara(0.96 lakh), Begusarai (1.05 lakh), Betia (4.36 lakh), Hazipur (3.22 lakh), Motihari (3.22 lakh), Munger(3.26 lakh), Phulwarisharif (3.36 lakh), Samastipur (1.05 lakh), Sasaram (4.21 lakh), District Female Jail, Bhagalpur(2.28 lakh) and Special Central Jail, Bhagalpur (1.09 lakh).

² Beur, Bhagalpur, Buxer and Gaya.

LAW DEPARTMENT

4.3.4 Unfruitful expenditure on computerisation of district courts

In seven test-checked district courts, computer sets supplied were either not installed or non functional making expenditure of Rs 33.06 lakh unfruitful.

Based on the memorandum of understanding signed (December 1996) by the National Informatics Centre (NIC), the Planning Commission, Government of India and the High Court of Judicature at Patna, the NIC supplied (April 1997) computer sets with accessories valued at Rs 72.32 lakh to 28 district courts of Bihar for establishing computer centres. The centres were intended to develop Management Information System and facilitate Information resources and national level networking of the district courts. Training on computer operation to trainers was to be provided by the NIC whereas infrastructure facilities like furniture, civil and electric works, and telephone were to be provided by the State Government. The task of computerisation was to be accomplished by May 1997.

Scrutiny revealed (February-March 2004) that the State Government spent Rs 71.16 lakh on infrastructure up to March 2004, but the Registrar (Administration) High Court of Judicature at Patna stated (February, 2004) that the date on which the computers were put to use and the number of skilled staff deployed in computer centres was not available. He also stated that the main reasons for under utilisation of computer centers were poor power supply, non-functioning of uninterrupted power supply system (UPS), non-availability of vendors to take up annual maintenance contract for the UPS systems installed in district courts, lack of trained persons, non-availability of funds to meet expenditure on consumables etc.

In seven test-checked district courts¹ it was seen (March, 2004) in audit that computer sets valued at Rs 18.08 lakh were supplied by the NIC as of April 1997 and Rs 14.98 lakh² were spent on development of infrastructural facility. However, the computer sets could not be installed in five districts courts³ as of February 2004 as the State Government did not provide complete infrastructure facility even after incurring expenditure of Rs 14.98 lakh. Though the computers were installed (October 1999 and August 2001) in two of the seven test-checked district courts, those were not functioning since inception due to defects in CVT of UPS as of February 2004. Thus the expenditure of Rs 33.06 lakh on computer sets and infrastructure in these seven districts was totally unfruitful.

Further, the Registrar (Administration) High Court Patna, stated (October 2004) that the computers supplied in the year 1996-97 had become obsolete.

¹ Bhagalpur, Hajipur, Muzaffarpur, Motihari, Patna, Sitamarhi, Samastipur

² Furniture (Rs 5.04 lakh), Civil and electrical works (Rs 9.56 lakh), CVT (Rs 0.33 lakh) and Telephone (Rs 0.05 lakh)

³ Bhagalpur, Muzaffarpur, Patna, Sitamarhi, Samastipur

The matter was referred to the Government (May 2004); their reply had not been received (February 2005)

DISASTER MANAGEMENT DEPARTMENT

4.3.5 *Misutilisation of relief funds*

District Magistrate, Muzaffarpur misutilised natural calamities relief funds of Rs 37 lakh.

Scrutiny of records in the office of the District Magistrate, Muzaffarpur revealed (November 2003) that Rs 12.58 crore were received during 2001-2004 from the State Government for payment to persons affected by flood, fire, drought, cyclone, excessive rain, hailstorm, cold waves etc. Of this DM utilised Rs 37 lakh (2001-04) on repair and maintenance of vehicles, petrol, oil and lubricants, stationery, wages to labourers and miscellaneous items. The details were as under:

Period	Funds misutilised (Rupees in lakh)					Heads of Account
	Repair and maintenance of vehicles & POL	Stationery	Wages for labour	Miscellaneous expenses	Total	
2001-04	2.28	9.43	9.31	11.33	32.35	2053- District Administration
-do-	0.79	0.23	0.43	0.51	1.96	2070- Circuit House
-do-	0.45	1.14	0.55	0.51	2.65	2029- Land Revenue
-do-	Nil	0.16	Nil	Nil	0.16	2030- Stamp
Total	3.52	10.96	10.29	12.35	37.12	

Thus misutilisation of funds of Rs 37 lakh by the DM cut at the root of the budgetary control of expenditure since there was no authorisation for such expenditure in the budget.

The matter was referred to the Government (May 2004); their reply had not been received (February 2005).

REVENUE AND LAND REFORMS DEPARTMENT

4.3.6 *Unauthorised use of Government receipts and grants*

The Collector, Patna unauthorisedly utilised revenue receipts/grants of Rs 1.34 crore for office expenses.

Bihar Financial Rules provide that revenue receipts must be deposited in treasury at once and in no case it should be either kept outside the Government account or utilised to meet departmental expenditure. Rules further provide that charges incurred in one year should not be charged to the grants for another year.

Scrutiny of records (February /May 2004) of District Nazarat, Patna revealed that, out of Rs 41 lakh collected on account of miscellaneous revenue receipts during 2000-03, Rs 20 lakh were utilised to meet office expenses instead of depositing them in treasury and savings of Rs 1.14 crore made from grants received under different heads of accounts during 2000-03 were diverted to meet office expenses (Rs 97 lakh) and expenses on official functions and anniversaries and last rituals of VIPs (Rs 17 lakh).

The details of such expenditure are as under -

Sl. No.	Heads of account	Period	Total grant received	Expenditure incurred	Excess expenditure over grant
1.	2053- General Administration	2000-03	1.23	2.31	1.08
2.	2029- Land Revenue	-do-	0.21	0.30	0.09
3.	2070- State Celebration	-do-	0.07	0.24	0.17
Total			1.51	2.85	1.34

Thus Rs 1.34 crore of miscellaneous revenue receipts/grants were unauthorisedly used by the Collector, Patna for office expenses. The action contravened the basic tenet of actual expenditure conforming to appropriation made by law.

On this being pointed out by audit, the Deputy Collector, Patna stated that demands for additional grants for the adjustment of diverted amounts were sent to the Government during June 2002 to March 2003.

The matter was referred to the Government (July 2004); their reply had not been received (February 2005).road construction department

ROAD CONSTRUCTION DEPARTMENT

4.3.7 Sub-standard execution of road work

Non provision of essential items in the road crust resulted in sub-standard execution of road work of Rs 1.94 crore.

The work of widening and strengthening of Pansalwa Baidyanathpur Road (12.2 to 22.2 km) was administratively approved by the Road Construction Department, for Rs 3.04 crore (March 1994) and technically sanctioned by the Chief Engineer (CE), Central Design Organisation (CDO), Patna for Rs 2.72 crore (March 1999). The bill of quantity (BOQ) for the work was approved by the Superintending Engineer, Road Circle, Saharsa for Rs 2.35 crore (January 1999). The work was awarded (March 1999) by the Departmental Tender Committee for Rs 2.45 crore (5 per cent above BOQ). Accordingly, the Executive Engineer (EE), Road Construction Division, Saharsa contracted (March 1999) with the agency for completion of the work by March 2000. The work was completed in June 2001 and Rs 1.94 crore was finally paid in January 2003.

Audit scrutiny (November 2003) disclosed that the work, which was contracted to be completed at a cost of Rs 2.45 crore was actually completed at a cost of Rs 1.94 crore due to the fact that earth work was done only up to 28 per cent and road crust up to 87 per cent of the estimated quantity.

The CE, CDO, RCD, Bihar, Patna had provided laying of 75 mm stone metal Gr. III (2445 Cu.m) in the road crust. But, the Superintending Engineer did not make provision of stone metal, Gr. III in the BOQ though as per technical specification this was the essential item of the road crust. This change in specification was not approved by the CE, CDO, Patna as of February 2004.

Further, thickness of Jhamma metal in preparation of Water Bound Macadam (WBM) surface was only 87.5 to 88.75 mm against the required thickness of 100 mm as per technical specification. For this, an amount of Rs 2.14 lakh was deducted in the last and final bill. Thus, there was sub-standard execution of roadwork for which Rs 1.94 crore were paid.

In reply, the Executive Engineer stated that work was executed as per approved specification. The reply is not tenable as the CE, CDO had not approved the change in specification as required.

The matter was referred to Government (July 2004); their reply had not been received (February 2005).

4.3.8 Unfruitful expenditure on road construction

Due to faulty planning, expenditure of Rs 1.54 crore incurred on construction of road was unfruitful.

The strengthening work of Narirgir-Champapur-Adapur road (from one to 14 Km) was administratively approved (October 2001) for Rs 1.50 crore by the Secretary, Road Construction Department, Bihar, Patna. The technical sanction was accorded (December 2001) for Rs 1.54 crore by the Chief Engineer, Central Design Organisation. The departmental tender committee approved (January 2004) the tender at 3.5 per cent above the estimated cost of Crown Construction, Motihari. Accordingly, the Executive Engineer, Road Construction Division (RCD), Motihari executed an agreement (February 2002) with Crown Construction to complete the work by June 2002 (extended up to March 2003). The agency completed the work (March 2004) and received payment of Rs 1.54 crore (March 2004).

Audit scrutiny showed that there were four bridge sites located at 4th, 7th, 12th and 13th Km of road out of which the bridge located at 12th Km was under construction from the MLA fund. The wooden bridge at 4th Km was in damaged condition and no traffic was passing on this bridge whereas no bridge existed at the 7th and the 13th Km. Thus, without construction of these four road bridges connectivity of Narirgir to Adapur could not be ensured. However, no estimate had been prepared by the Executive Engineer, RCD, Motihari for construction of the bridges.

The Executive Engineer, RC Division, Motihari in his reply stated that the construction of the bridges was to be made by the Bihar State Bridge Construction Corporation Limited. The reply is not tenable. The Bihar State Bridge Construction Corporation Limited being only an executing agency for construction of bridges, the estimate and budget provision have to be made by the Road Construction Department.

Thus due to faulty planning and lack of bridges at the 4th, 7th and 13th Kms no vehicle was plying through this road and the entire expenditure of Rs 1.54 crore on construction of the road was unfruitful.

The matter was referred to the Government (September 2004); their reply had not been received (February 2005).

HOME (POLICE) DEPARTMENT

4.3.9 *Avoidable expenditure on payment of surcharge*

Delay in payment of electricity bill by the SP, Bhagalpur resulted in avoidable payment of surcharge of Rs 34.20 lakh.

Audit scrutiny of records of the Office of the Superintendent of Police (SP), Bhagalpur revealed (May 2004) that electricity bills amounting to Rs 1.07 crore, pertaining to the period from May 1998 to March 2004 were paid during the period from October 2002 to March 2004. This included Rs 34.20 lakh as surcharge levied by the Bihar State Electricity Board (BSEB) due to delayed payment of the electricity bills.

On being pointed out, the SP Bhagalpur stated (May 2004) that due to delay in allotment of funds by the department, payment of electricity bills could not be made in time. The reply was not tenable as no effort was made by the S.P. to seek funds for this purpose from the department.

Thus, failure of the SP to take initiative for seeking funds resulted in avoidable payment of surcharge of Rs 34.20 lakh.

The matter was referred to the Government (September 2004); their reply had not been received (February 2005).

4.4 Idle investment/idle establishment/blockage of fund

AGRICULTURE DEPARTMENT

4.4.1 Non-functional Agriculture Engineering (Research) Workshop

Expenditure of Rs 2.61 crore was incurred on a non-functional Agricultural (Engineering) Workshop at Patna.

The Agricultural Engineering (Research) Workshop at Patna was established (December 1954) to provide knowledge to the farmers from time to time about various kinds of highly developed agricultural equipment so that agricultural production in the State could be improved. The workshop also imparted training to the farmers for efficient utilisation and upkeep of agricultural equipment. It was well equipped with lathe machine, milling machine, drill machine, hacksaw machine, tool grinding machine etc. with a carpentry unit and also assigned the task of repair and maintenance of departmental vehicles.

It was noticed (October 2003) in audit that no training or seminar was organised for imparting training to the farmers and very negligible work on repair of departmental vehicles was carried out in the workshop since 1990. The Deputy Director of Agriculture, Agriculture Engineering Workshop, Patna stated (October 2003) that due to lack of funds for carrying out research work and shortage of trained staff, training could not be imparted. This resulted in nugatory expenditure of Rs 2.61 crore as of March 2004 on pay and allowances of 39 idle staff deployed in the workshop since 1990. No efforts were made by the department either to make the workshop functional or utilise the services of the officials who were without work in the workshop elsewhere in the department.

The matter was referred to Government (March 2004). The Deputy Secretary to Government, Agriculture department stated (February 2005) that training was imparted to farmers with the assistance of the Agriculture Ministry, Government of India and repair and maintenance work of departmental vehicles was done at the workshop. The sanctioned strength has now been also reduced to 32. The reply is not tenable as no fund at all available for the workshop to function. Funds had been sanctioned only for pay and allowances of the staff of the workshop.