

CHAPTER – I

PERFORMANCE AUDIT

PUBLIC HEALTH ENGINEERING DEPARTMENT

1.1 TOTAL SANITATION CAMPAIGN

Highlights

With a view to providing sanitation coverage to all rural communities by 2012, a Total Sanitation Campaign was launched by the Government of India in the year 1999. Despite the availability of funds, the percentage of expenditure against funds released during 2005-10, including the opening balance for the year 2005-06, ranged between 20 and 54 per cent. The programme suffered at various stages due to non-availability of reliable baseline data, slow and tardy expenditure on its various components, deficient Information, Education and Communication activities, lack of community participation and proper monitoring despite expenditure of ₹ 360.07 crore (2005-10).

Rupees 13.45 crore, out of ₹ 26.40 crore released as State share during December 2007 to March 2010 for the Total Sanitation Campaign was utilised for construction of latrines for above poverty line families in contravention of the guidelines.

(Paragraph 1.1.8.2)

The ultimate goal of Information, Education and Communication activities such as the creation of demand and awareness and ensuring the use of assets created, was not achieved despite an expenditure of ₹ 8.28 crore during 2005-10.

(Paragraph 1.1.9.1)

The achievement in respect of the construction of individual household latrines was only 24 per cent during 2005-10. The actual utilisation of ₹ 3.71 crore advanced to Gram Panchayats for the purpose was not ensured.

(Paragraph 1.1.9.3)

Only 66 per cent of the target for construction of school toilets during 2005-10 could be achieved, despite expenditure of ₹ 83.24 crore. Maintenance and use of the toilets were not ensured by the school authorities.

(Paragraph 1.1.9.4)

The programme was not monitored adequately and effectively.

(Paragraph 1.1.10)

1.1.1 Introduction

Sanitation is one of the basic determinants of the quality of life and the human development index. The concept of sanitation includes liquid and solid waste disposal, food hygiene as well as personal, domestic and environmental hygiene. Proper sanitation is important not only from the point of view of

general health but it also has a vital role to play in the individual and social lives of the people. Realising the importance of sanitation, the Government of India (GOI) launched a programme named 'Total Sanitation Campaign' (TSC) in 1999 for sustainable reforms in the rural sanitation sector through a time bound campaign mode.

The approach to TSC was to be demand-responsive, inclusive and was to be aimed at empowering the rural communities through their active involvement in the planning and implementation process.

The campaign was being implemented through seven identified components viz. (i) start-up activities and Information, Education and Communication (IEC), including motivational awareness and educative campaigns, advocacy etc. (ii) alternate delivery mechanism (production centres/rural sanitary marts) (iii) individual latrines for below poverty line families/households having disabled persons and community sanitary complexes (iv) individual household latrines for above poverty line families (v) institutional toilets including school and Anganwadi sanitation (vi) administrative charges, including training, staff support, services, monitoring and evaluation etc. and (vii) solid and liquid waste management (included in December 2007). The implementation of TSC in Bihar was started in 16 districts during 1999-2004 and in the remaining 22 districts during 2005-06.

1.1.2 Organisational set-up

The Public Health Engineering Department (PHED) was the nodal agency for implementation of TSC in the State. The Bihar State Water and Sanitation Mission (BSWSM), chaired by the Chief Secretary, was responsible for providing policy guidance and the Secretary, PHED, was the Member Secretary of the BSWSM.

At the district level, the District Water and Sanitation Committee (DWSC) chaired by the Deputy Development Commissioners (DDC) and Executive Engineers of PHED as Member Secretaries were responsible for the overall implementation of the TSC. The DWSCs were assisted by District Co-ordinators (appointed specially for TSC), Assistant Engineers and Junior Engineers of the respective PHED divisions as well as by the various Water and Sanitation Committees at the block, panchayat and village levels. The organogram of the department is given in *Appendix 1.1.1*.

1.1.3 Scope of audit

Nine¹ out of the 38 districts of Bihar were selected on the basis of expenditure. Care was taken during selection of districts to ensure selection of one district from each of the nine divisions of the State for complete geographical coverage so as to present a comprehensive picture of the programme implementation in the State.

¹ Bhagalpur (March 2003), Gaya (March 2001), Jamui (July 2005), Katihar (March 2002), Muzaffarpur (June 2001), Patna (March 2001), Saharsa (February 2006), Samastipur (March 2003) and Saran (June 2001)

1.1.4 Audit objectives

The audit objectives aimed at ascertaining whether:

- the planning process was efficient and effective;
- fund allocation and management was efficient;
- programme implementation of TSC components was carried out effectively to create demand and general awareness among the people and succeeded in achieving the targets for schools, anganwadis and household latrines and
- a proper monitoring and evaluation mechanism was in place.

1.1.5 Audit criteria

The audit criteria applied for this performance audit included:

- guidelines, orders and circulars issued by GOI and the State Government regarding the TSC;
- project implementation Plans of districts and
- decisions taken during BSWSM and DWSC meetings.

1.1.6 Methodology

The audit was conducted between February and August 2010. The scrutiny of records of BSWSM and minutes of DWSCs meetings, Annual Work Plans (AWP), Project Implementation Plans (PIP), cash books, vouchers, Memoranda of Understanding (MoU) with Non-Government organisations (NGOs) and physical and financial progress reports were carried out to assess the performance. The scrutiny of records was confined to DWSCs as the lower level committees at block, panchayat and village level had not been constituted.

Field visits to individual households, schools and community sanitary complexes (CSC) were carried out jointly by the Audit team and DWSC officials. Personal interaction with the beneficiaries was also carried out orally and through a questionnaire. Audit memos were issued to field offices on the basis of scrutiny of records and replies to the audit observations were obtained and incorporated in the Report. An exit conference was held with Principal Secretary, PHED on 8 November 2010 wherein Government's views/replies were obtained, and which have been incorporated at appropriate places.

Audit findings

Findings of the performance audit are discussed in the succeeding paragraphs.

1.1.7 Project Planning

The implementation of TSC was on a project mode. The project proposals were to be prepared by the respective DWSCs for each district which were to

be scrutinised by the BSWSM and forwarded to the National Scheme Sanctioning Committee (NSSC), Ministry of Rural Development, Government of India for approval. The planning for implementation of TSC was to start with start-up activities which included baseline surveys and preparation of the Project Implementation Plan (PIP) on the basis of the survey findings. Consequent upon the sanction of the project by NSSC and receipt of funds by DWSCs, TSC was to be implemented on the basis of Annual Work Plans (AWPs).

1.1.7.1 Start-up activities

According to the TSC guidelines, the respective DWSCs were required to conduct baseline surveys (BLS) to assess the status of sanitation and hygiene practices, the people's attitude, demand for improved sanitation etc. in their districts. These surveys conducted through NGOs were required to collect information in the prescribed format to ascertain the actual number of BPL/APL families, schools, Anganwadi centres and common places needing toilets and the willingness of communities to participate in the project. The preparation of PIPs for each district was to be done on the basis of the survey findings.

Expenditure of ₹ 1.96 crore on base line survey became infructuous

Audit scrutiny of the baseline survey records in the nine test-checked districts revealed that the participating NGOs were paid ₹ 1.96 crore during 2003-04 to 2006-07 by DWSCs for the baseline surveys conducted between 2003 and 2007. However, the survey results submitted by the NGOs were neither compiled nor collated by the DWSCs of each district. Instead, the PIPs submitted (March 2000 to February 2005) to GOI for approval were prepared on the basis of information gathered from the District Rural Development Agencies (DRDA) and the 2001 Census. Thus, the expenditure of ₹ 1.96 crore became infructuous. Further scrutiny revealed that eight out of the test checked districts conducted (2000-2007) base line surveys after sanction of the PIPs (March 2001 to February 2006). The Principal Secretary, PHED accepted (November 2010) during the exit conference that the PIP for each district was prepared on the basis of data of 2001 census as well as of DRDA and the survey results were not utilised for this purpose.

As per the guidelines, a maximum of ₹ five was to be paid for each household survey with a limit of ₹ 20 lakh for a district for all start-up activities including preliminary surveys, publicity etc. In contravention of these guidelines, the Member Secretary, Saran district paid ₹ 88.03 lakh (2002-07 to 35 NGOs) for surveying 382744 households at the rate of ₹ 23 per household and incurred expenditure of ₹ 91.08 lakh for start-up activities during 2002-07. Thus, ₹ 71.08 lakh paid in excess of the limit prescribed.

The Government's reply (November 2010) that the rate of ₹ 23 per household was approved by DWSC, is not correct since the rate approved by DWSC, Saran was just ₹ 3.80 per household. The department did not furnish any reply for exceeding the limit of ₹ 20 lakh per district for the household survey.

1.1.7.2 Non-preparation of Annual Work Plans

AWPs for 2005-09
not prepared

As per the TSC guidelines, Annual Work Plans (AWPs) for each district were to be prepared by the Member Secretaries and to be got approved from the DWSCs before the beginning of the financial year. Scrutiny in nine test-checked districts revealed that no AWP were prepared during 2005-09 in any of the test-checked districts. Two out of the test-checked districts [Katihar (June 2009) and Samastipur (November 2009)] prepared AWP for the year 2009-10 only but did not execute the work as per the AWP. Resultantly, project implementation was ad hoc and not in accordance with AWP.

The Government stated (November 2010) that the AWP were prepared from 2009-10 onwards and assured that implementation was being done accordingly.

Thus, TSC was implemented without AWP for the period 2005-09. However, AWP were prepared only in two out of the test-checked districts during 2009-10. In seven of the test-checked districts, TSC was still implemented without any AWP.

1.1.8 Funding arrangements

On approval of the TSC project, funds were to be released by GOI, in four instalments, directly to the DWSCs. The first instalment (30 *per cent* of the project cost) was to be released immediately after approval of the project by GOI. The other three instalments (30, 30 and 10 *per cent* of the project cost) were to be released after incurring expenditure of 60, 60 and 80 *per cent* respectively from the available funds and after submission of utilisation certificates and the Audit Reports of the preceding financial year to the GOI and State separately. The matching shares were to be released by the State Government within a fortnight from the date of receipt of the Central shares. All expenditure was to be made according to the component-wise percentage shares mentioned in the guidelines. The funds were to be kept in one savings bank account by each DWSC.

1.1.8.1 Release of funds and expenditure

Total Sanitation Campaign projects worth ₹ 1967.11 crore² were approved by GOI for all 38 districts of Bihar after revision (September 2008) of the project cost.

The opening balances, Central and State shares released, expenditure thereof and saving for the period 2005-10 were indicated in **Table no. 1**.

² Central share : ₹ 1249.39 crore, State share : ₹ 517.39 crore and beneficiary share : ₹ 200.33 crore

Table no. – I
Funds released by GOI and State Government, expenditure thereof and savings

(₹ in crore)

Year	Opening balance		Fund released by		Total funds available during the year	Expenditure from the share of		Total expenditure	Unspent balances			Percentage of expenditure (9/6)
	GOI	State	GOI	State		GOI	State		GOI	State	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
2005-06	31.82	5.40	57.96	1.00	96.18	16.57	2.82	19.39	73.21	3.58	76.79	20
2006-07	73.21	3.58	8.30	17.72	102.81	38.83	5.18	44.01	42.68	16.12	58.80	43
2007-08	42.68	16.12	95.55	27.95	182.30	53.56	13.23	66.79	84.67	30.84	115.51	37
2008-09	84.67	30.84	71.51	20.50	207.52	72.02	39.06	111.08	84.16	12.28	96.44	54
2009-10	84.16	12.28	90.47	50.00	236.91	84.67	34.13	118.80	89.96	28.15	118.11	50
Total			323.79	117.17		265.65	94.42	360.07	374.68	90.97	465.65	

Source : Public Health Engineering Department (TSC)

Analysis of the above data disclosed the following:

Expenditure against available funds during 2005-10 ranged between 20 and 54 per cent

- Against the total approved project share of ₹ 1766.78 crore³ of the Centre and State, the actual releases of Central and State shares were ₹ 323.79 crore and ₹ 117.17 crore respectively during 2005-2010. The expenditure against funds released during 2005-2010 including the opening balance of the year 2005-06, ranged between 20 and 54 per cent.
- Against the available funds of ₹ 478.18 crore⁴, ₹ 360.07 crore⁵ only was spent. Rupees 118.11 crore (25 per cent of the total available funds) at the end of March 2010 could not be utilised by DWSCs.

State share released with delays between two and 76 months

In addition to the above, scrutiny of records in the nine test-checked districts revealed that the matching State shares were released to DWSCs with delays ranging from two to 76 months (**Appendix 1.1.2**).

The percentage shares for different components of TSC projects, the GOI/State share and the beneficiaries contribution towards each component are shown in **Appendix 1.1.3**. Analysis of component-wise expenditure of the TSC project revealed that the percentage of expenditure during 2005-10 under start-up and IEC activities, alternate delivery mechanism and administrative charges (including training, staff support, services, monitoring and evaluation etc.) was only 5.20, 0.66 and 1.22 per cent of the available funds against the requirement of 15, five and five per cent respectively. However, in the test-checked districts, it was 5.77, 0.27, and 1.13 per cent only. No expenditure was incurred under the solid and liquid waste management component.

³ Central : ₹ 1249.39 crore; State : ₹ 517.39 crore

⁴ Opening balance : ₹ 37.22 crore, Central : ₹ 323.79 crore; State : ₹ 117.17 crore

⁵ Central : ₹ 265.65 crore; State : ₹ 94.42 crore

Twenty five *per cent* of funds released remained unutilised

Though 30 *per cent* of the project cost (Central and State shares) as first instalment was to be released after sanction of the project by NSCC, the actual releases by GOI and the State was only 26 and 23 *per cent* respectively during 2005-10. Out of these released funds, expenditure by DWSCs was tardy, resulting in 25 *per cent* of the funds released remaining unutilised. The poor utilisation of funds was mainly due to non-creation of awareness and non-generation of demand, deficient IEC activities, delayed selection of NGOs, weak and ineffective alternative delivery system, poor performance of NGOs and Panchayati Raj institutions etc.

The Principal Secretary stated (November 2010) during the exit conference that the low spending was mainly due to delayed sanction of projects by GOI for 22 districts during 2005-06 and non-availability of land with BPL families. The delay in release of the State shares was mainly due to insufficient funds in the budget and the instructions of the Finance Department for quarterly release of funds, resulting in slow progress.

The reply is not acceptable because the percentage of expenditure (2006-10) after the sanction of the project in all districts also ranged from 37 to 54 only against the available funds. However, projects for seven of the test-checked districts were sanctioned during March 2001 to March 2003 and for two districts, it was done between July 2005 and February 2006.

1.1.8.2 Diversion of funds

As per the guidelines issued by GOI, no subsidy for construction of Individual Household Latrines (IHHL) was to be given to APL families. Instead, they were to be motivated to construct toilets at their own cost. Recoverable assistance from the revolving fund could be given to them in necessary cases.

Unauthorised diversion and expenditure of ₹ 13.45 crore on construction of latrines for APL families

The State Government released ₹ 26.40 crore as the State share of TSC funds for the test-checked districts during December 2007 to March 2010. In the meantime, the State Government introduced (December 2007) a new scheme, the Lohia Swachchhata Yojana (LSY) and ₹ 13.45 crore⁶ was given for construction of latrines to APL families from the State share of TSC. Thus, the funds were diverted and paid to APL families in contravention of the provisions of guidelines.

The Government accepted (November 2010) that the incentive for APL families was not admissible under the TSC guidelines. The Principal Secretary stated (November 2010) that separate provision for construction of latrines for APL families should have been made.

1.1.9 Project Implementation

The strategy for project implementation envisaged 'a community-led, people centred and demand-driven approach' with emphasis on awareness creation, demand generation and adoption of alternate delivery mechanisms to meet the

⁶ Bhagalpur : ₹ 77.78 lakh, Gaya : ₹ 179.37 lakh, Jamui : ₹ 16.08 lakh, Katihar : ₹ 256.37 lakh, Muzaffarpur : ₹ 20.16 lakh, Patna : ₹ 38.00 lakh, Saharsa : ₹ 51.99 lakh, Samastipur : ₹ 190.93 lakh, Saran : ₹ 513.96 lakh

common needs. Such a strategy required technological improvisation to meet customer preferences and a location-specific and intensive IEC campaign involving Panchayati Raj institutions, Co-operatives, Women's Groups, Self help groups, Non-Government Organisations (NGOs) etc. The TSC strategy aimed to bring about behavioural changes towards improved sanitation and hygienic practices and to meet the sanitation hardware required in an affordable and accessible manner.

1.1.9.1 Information, Education and Communication

Information, Education and Communication (IEC) was a key component of the programme which was intended to create demands for sanitary facilities in the rural areas for households, schools, anganwadis and community sanitary complexes, by encouraging people to construct latrines. Further, the IEC strategy and plan intended to motivate the beneficiaries for the continued use and maintenance of toilets. For this purpose, training programmes of motivators, gram panchayat representatives and masons were to be organised by the DWSCs. At the community level, the mobilisation activities included audio-visual programmes, *nukkar dramas*⁷, wall paintings, honoraria to motivators besides door-to-door campaigns for interpersonal communication. Each district was required to prepare a detailed IEC Annual Action Plan by February of the preceding financial year with the identified components to reach all sections of the community.

A sum of ₹ 8.28 crore⁸ was spent by the nine test-checked DWSCs on different IEC activities during 2005-10. Audit scrutiny revealed the following:

No Action Plan for IEC activities

- No Action Plan was prepared for IEC activities in any of the test-checked districts. Consequently, IEC activities were carried out in an unplanned manner, resulting in creation of very little demand.
- Though audio-visual programmes and *nukkar dramas* were important methods for creation of awareness at the community level, no such programmes were organised in the nine test-checked districts. Wall paintings and erection of hoardings were executed by the DWSCs in all the test-checked districts but door-to-door contact drives to create demand for latrine construction and ensuring their continued usages were not done. Even the financial provision for door-to-door contact drives were not made in the PIP by the test-checked DWSCs.

Expenditure of ₹ 54.76 lakh on news paper advertisements in contravention of guidelines

- Under IEC, a mass media campaign was to be taken up only at the national and State level but was not allowed at the district level. At the district level, focus on inter-personal communication, use of folk media and outdoor media like wall paintings, hoardings etc. were to be used. Scrutiny of records showed that in four⁹ out of the test-checked

⁷ Dramas played at the streets of villages

⁸ Bhagalpur : ₹ 34.68 lakh, Gaya : ₹ 42.28 lakh, Jamui : ₹ 87.54 lakh, Katihar : ₹ 278.52 lakh, Muzaffarpur : ₹ 81.08 lakh, Patna : ₹ 96.16 lakh, Saharsa : ₹ 41.99 lakh, Samastipur : ₹ 77.33 lakh and Saran : ₹ 87.98 lakh

⁹ Katihar (₹ 6.38 lakh), Muzaffarpur (₹ 5.61 lakh), Patna (₹ 20.77 lakh) and Saharsa (₹ 22.00 lakh)

DWSCs, ₹ 54.76 lakh was spent (March 2009) on newspaper advertisements in contravention of the guidelines.

- As per the requirement, no IEC activities were to be taken up without prior sanction of the DWSC but in Samastipur district, an irregular payment of ₹ 25.49 lakh was made for printing of 12800 banners in violation of the above.

Despite expenditure of ₹ 8.28 crore on IEC, the creation of demand and awareness was not achieved

The above instances show that the implementation of the IEC component suffered from system deficiencies and payment irregularities. Consequently, the ultimate goal of IEC activities such as creation of demand and awareness were not achieved.

The Government accepted (November 2010) during the exit conference that the IEC annual action plan was prepared in only two test-checked districts and assured to implement the most effective tool i.e. door-to-door contact for creating awareness.

1.1.9.2 Alternate Delivery Mechanism (Production Centres/ Rural Sanitary Mart)

As per the guidelines, a revolving fund of ₹ 35 lakh (not exceeding five per cent of the total project cost) was to be created to provide zero/low interest finance (loans) to NGOs/self help groups/ women organisations/ Panchayats after approval by the DWSC for setting up of production centres (PCs)/rural sanitary marts (RSMs). The maximum loan permissible was ₹ 3.50 lakh. The loans were to be utilised for the production of cost effective and affordable sanitary materials. Loans from this fund were to be recovered in 12 to 18 instalments.

Non-recovery of ₹ 22.50 lakh from NGOs

Scrutiny revealed that in five out of the test-checked districts, loans amounting to ₹ 47.09 lakh¹⁰ were given from the revolving fund to 68 NGOs (May 2005 to March 2009). But ₹ 18.59 lakh¹¹ only was recovered and ₹ 28.50 lakh was still outstanding (June 2010). The possibility of the recovery of ₹ 22.50 lakh out of ₹ 28.50 lakh from 31 NGOs was more difficult as the MoUs signed with NGOs were cancelled by the respective DWSCs.

The Principal Secretary stated (November 2010) during the exit conference that action would be taken to recover the advances from non-performing NGOs.

1.1.9.3 Individual Household Latrines (IHHL)

One of the main objectives of TSC was to cover all rural families with sanitary latrines by 2012. To achieve this objective, the TSC guidelines provided that a demand-driven strategy was to be adopted. However, this strategy was

¹⁰ Bhagalpur : ₹ 5.43 lakh (01), Gaya : ₹ 5.56 lakh (22 nos.), Jamui : ₹ 12.40 lakh (22 nos.), Saharsa : ₹ 5.70 lakh (14) and Saran : ₹ 18 lakh (09)

¹¹ Bhagalpur : ₹ 1.85 lakh, Gaya : ₹ 0.88 lakh, Jamui : ₹ 8.78 lakh, Saharsa : ₹ 2.38 lakh and Saran : ₹ 4.70 lakh

changed (May 2008) to a targeted approach for construction of individual household latrines.

Seventy six per cent curtailment in targeted IHHL construction

Though the Bihar State Water and Sanitation Mission (BSWSM) had fixed targets for construction of 8971031 latrines during 2005-10, the actual construction was limited to 2110014 (24 per cent) toilets upto March 2010. None of the year-wise targets fixed could be achieved. Ironically, yearly targets were revised upwards ignoring the field realities.

Scrutiny of records of nine test-checked districts with regard to construction of IHHL revealed that against BSWSM targets for construction of 2629954 IHHL, only 875814 units (33 per cent) were constructed at a cost of ₹ 103.71 crore during 2005-10 as shown in **Table no. 2**.

Table no. 2
Targets and achievements for construction of IHHL

Sl. No.	Name of Division	Number of IHHL to be constructed	Number of IHHL constructed	Percentage	Expenditure incurred (₹ in lakh)
1	Bhagalpur	242359	44293	18	697.91
2	Gaya	215325	69140	32	962.48
3	Jamui	227914	20680	9	620.66
4	Katihar	232589	149176	64	1184.45
5	Muzaffarpur	432147	283957	66	3470.23
6	Patna	243607	107404	44	914.68
7	Saharsa	240440	32615	14	375.45
8	Samastipur	493050	74106	15	1137.89
9	Saran	302523	94443	31	1007.25
	Total	2629954	875814	33	10371.00

The following deficiencies in the implementation of the IHHL component were also noticed:

Funds advanced to gram panchayats without assessment of their requirements and utilisation of earlier advances

- The State Government instructed (November 2007) that funds for construction of IHHL were to be given to Gram Panchayats (GPs). The assessment of fund requirements for each GP was to be done by the Member Secretaries after which 30 per cent of the required funds were to be advanced to the GPs after signing of MoUs. Consequent upon the submission of UCs for earlier advances, further advances were to be given. In contravention of the above order, no funds were released to the GPs in five¹² out of the test-checked districts. Assessment of the required funds was not done in any of the test-checked districts. In four¹³ out of the test-checked districts, ₹ 3.71 crore was advanced (June 2007 to June 2009) to 1054 GPs for construction of IHHL. Scrutiny revealed that ₹ 1.82 crore was disbursed (June 2009) by the Member Secretary, Saran to 303 GPs in Saran district without prior sanction of DWSC and signing of MoUs. Further the UCs for

¹² Gaya, Katihar, Muzaffarpur, Patna and Saharsa

¹³ Bhagalpur : ₹ 43.56 lakh (242 nos.), Jamui : ₹ 40.60 lakh (141 nos.), Samastipur : ₹ 104.80 lakh (368 nos.) and Saran : ₹ 181.80 lakh (303 nos.)

Incomplete structures of individual household latrines were handed over to beneficiaries

₹ 0.49 crore only were submitted to the DWSCs in four districts.¹⁴ UCs of ₹ 0.09 crore were accepted by DWSC, Samastipur without statements of expenditure/vouchers and proper site verification by District Co-ordinators, Assistant Engineers and Junior Engineers.

- Though funds for construction of IHHL were to be distributed to Indira Awas Yojana (IAY) beneficiaries by the DWSC, Saran through Block Development Officers (BDOs), ₹ 20.76 lakh was advanced (February to March 2007) directly to 1730 beneficiaries of 10 blocks.¹⁵ Consequently, its utilisation for the desired purpose was not ensured (July 2010).
- As per the guidelines, a duly completed household sanitary latrine was to comprise a basic low cost unit with a super-structure. However, a joint field visit of 91 IHHLs carried out by the audit team and officials of DWSCs in seven districts¹⁶ disclosed that toilets were constructed without demand by the beneficiaries. Fifty six out of 91 toilets were handed over to beneficiaries without super-structures as shown in the pictures below. Resultantly, these toilets remained unused due to incomplete/damaged structure. Twenty nine beneficiaries complained of poor quality construction.



It may be seen that the deviations from the demand-driven approach to a target-oriented one did not deliver desired results.

The Government replied (November 2010) that the poor achievement in construction of IHHL was mainly attributable to non-willingness of the beneficiaries to contribute their share, non-availability of land with BPL families in some cases and non-creation of demand due to insufficient IEC activities etc. In order to achieve targets to provide IHHL for all BPL families, the total target of coverage under TSC was spread over the years.

The reply is not acceptable because insufficient IEC activities by the DWSCs led to less awareness among the beneficiaries resulting in the poor achievement of targets.

¹⁴ Bhagalpur : ₹ 3.75 lakh (19 nos.), Jamui : ₹ 0.29 lakh (01 no), Samastipur : ₹ 9.13 lakh (01 no) and Saran : ₹ 36.00 lakh

¹⁵ Maken (88), Sonpur (187), Ekma (210), Garkha (232), Taraiya (127), Dighwara (125), Dariyapur (269), Baniyapur (37), Chhapra Sadar (190), Manjhi (265)

¹⁶ Bhagalpur (9), Gaya (8), Katihar (11), Muzaffarpur (15), Patna (31), Saharsa (9) and Samastipur (8)

1.1.9.4 School toilets

Rural school sanitation is an entry point for the wider acceptance of sanitation by the rural people. Realising that children play an effective role in absorbing and popularising new ideas and concepts, this programme intended to tap their potential as the most persuasive advocates of good sanitation practices in their own households and schools. Two toilet units, one each separately for boys and girls with urinals were to be constructed in each school under this programme.

One third of targeted school toilet units in the State were not constructed

As per the guidelines, the construction of toilets in all toiletless schools was to be completed by March 2010. Scrutiny of BSWSM records revealed that against the targeted construction of 64631 school toilets units for the entire State, only 42601 (66 per cent) could be constructed (March 2010) at an expenditure of ₹ 83.24 crore.

Scrutiny of records of nine test-checked districts with regard to construction of school toilets revealed that against BSWSM targets for construction of 29703 school toilets, only 14749 units (50 per cent) was constructed at a cost of ₹ 24.96 crore during 2005-10 as shown in **Table no. 3**.

Table no. 3
Targets and achievements for construction of school toilets

Sl. No.	Name of Division	Number of school toilets to be constructed	Number of school toilets constructed	Percentage	Expenditure there-against (₹ in lakh)
1	Bhagalpur	2800	1192	43	236.64
2	Gaya	4138	2221	52	231.86
3	Jamui	2042	724	35	145.62
4	Katihar	3215	1299	40	292.03
5	Muzaffarpur	4768	2163	45	452.14
6	Patna	4768	3107	65	575.48
7	Saharsa	1400	652	47	130.40
8	Samastipur	2552	1244	49	243.39
9	Saran	4020	2147	53	188.20
	Total	29703	14749		2495.76

Scrutiny revealed that:

Rupees 5.55 crore for construction of toilets in schools was lying as advance with Bihar Education Project since February 2006

- As per a Government order of December 2005, funds required to be transferred to the Bihar Education Project (BEP) authorities after signing of MoUs with them. UCs were to be submitted by BEP authorities within three months. Though ₹ 7.38 crore was transferred to BEP in four¹⁷ out of the test-checked districts (February 2006 to March 2009), UCs for only ₹ 1.83 crore were submitted by the BEPs (March 2010) while ₹ 5.55 crore was lying as advance.

¹⁷ Gaya (2006-09), Jamui (2006), Muzaffarpur (2006), Samastipur (2006-09)



Middle School, Darbeshpur Dakshini, Patna, period of construction : 2007-08



Middle School, Khajuri, Simri Bakhtiyarpur, Saharsa, Period of construction : 2008-09

- During joint field visits by Audit and DWSC officials in 18 out of 24 schools in seven¹⁸ of the test-checked districts, school authorities intimated that the quality of construction of toilets were unsatisfactory. Further, the school authorities did not maintain the school toilets properly as shown in the pictures above.
- In contravention of the Government order of December 2005 to give advances to BEP for construction of school toilets, in Saran district, ₹ 35.54 lakh was directly advanced (January 2006) by the Member Secretary to 309 Vidyalaya Shiksha Samities (VSSs) for construction of 309 school toilets. The Member Secretary intimated (June 2010) that the utilisation certificates from VSS were awaited (October 2010).

Thus, only 66 *per cent* of the targeted school toilets could be constructed as of July 2010. As a result, the students were deprived of sanitary facilities in 34 *per cent* of targeted schools.

The Government stated (November 2010) that slow progress of school toilets' construction was mainly due to the steep rise in material costs. The reply is not acceptable as the rise in material costs was to be reviewed by the DWSCs. The Principal Secretary requested the Project Director, BEP to submit the UCs for outstanding advances. He also stated that the responsibility for toilet maintenance lay with the VSS and school authorities.

The Principal Secretary expressed his dissatisfaction during the exit conference (November 2010) at the negative response of GPs and assured to take up the issue of non-submission of UCs by GPs with the Secretary, Panchayati Raj.

1.1.9.5 Community Sanitary Complex

The TSC aimed to construct community sanitary complexes (CSCs) comprising toilet seats, bathing cubicles, washing platforms etc. for landless families in common and easily accessible sites. The water sources were to be provided by PHED whereas the responsibility for their upkeep and maintenance was to be given to the respective GPs.

Scrutiny of records in the nine test-checked districts revealed that against the construction target of 1281 CSCs (2005-10), only 95 (seven *per cent*) in five¹⁹ out of the test-checked districts were constructed (March 2010) by the DWSCs

¹⁸ Bhagalpur, Gaya, Katihar, Muzaffarpur, Patna, Saharsa and Samastipur
¹⁹ Bhagalpur (01), Jamui (02), Katihar (39), Muzaffarpur (51) and Saran (02)

at a cost of ₹ 70.46 lakh. In Jamui, Katihar and Patna district, the targets fixed by the DWSCs was 100, 830 and zero whereas targets intimated by the department were 50, 52 and 50 as shown in **Table no. 4**

Table no. 4
Targets and achievement for construction of CSCs

(₹ in lakh)

Only seven per cent of targeted CSCs were completed and ₹ 0.70 crore spent on them was rendered unfruitful owing to their lying unused

Sl. No.	Name of Division	Number of CSC to be constructed		Number of CSC constructed	Percentage	Expenditure there-against
		As per DWSC	As per BWSM			
1	Bhagalpur	50	50	1	2	1.00
2	Gaya	50	50	0	0	0.00
3	Jamui	100	50	2	2	2.70
4	Katihar	830	52	39	5	58.03
5	Muzaffarpur	101	101	51	50	8.26
6	Patna	0	50	0	0	0
7	Saharsa	50	5	0	0	0
8	Samastipur	50	50	0	0	0
9	Saran	50	50	2	0	0.39
	Total	1281	458	95		70.46

From **Table no. 4**, it is seen that only in two districts, viz. Katihar and Muzaffarpur, 39 and 51 CSCs were constructed respectively. In the other three districts, i.e. Bhagalpur, Jamui and Saran, one, two and two CSCs were constructed respectively. In the remaining four districts²⁰, not a single CSC was constructed. Though community participation was vital to this component, this was not ensured. Instead, CSCs were constructed by the DWSCs without any demand of the community and without signing MoUs with the GPs. Consequently, these CSCs were lying unused rendering the expenditure of ₹ 70.46 lakh unfruitful.

Joint field visits to nine CSCs in three out of the test-checked districts (Muzaffarpur, Katihar and Bhagalpur) by Audit and DWSC officials disclosed that no CSCs were being used by the community due to non-availability of water sources and lack of awareness. The physical condition of these complexes was very poor due to lack of maintenance as shown in the pictures.



Village – Nayatola Panchayat: Barkagaon Block – Kanti North, Muzaffarpur
Period of construction: 2008-09

²⁰ Gaya, Patna, Saharsa and Samastipur

Thus the expenditure of ₹ 70.46 lakh incurred on construction of these complexes remained unfruitful.

The Government stated that non-willingness of the PRIs to contribute their share for CSC construction was the main reason for the slow progress. Even though the CSCs were constructed with the consent of the community and the PRIs, they were not interested in maintaining these toilets. The Principal Secretary stated (November 2010) during the exit conference that they were working on a new concept of constructing CSCs and allotting one toilet for one family to ensure its maintenance. He also assured to look into the matter regarding non-availability of water sources.

The reply is not acceptable because insufficient IEC activities by the DWSCs led to less awareness among the communities, resulting in non-willingness to contribute their share and maintain the CSCs.

1.1.9.6 Toilets in Anganwadi Centres

Children are more receptive to new ideas and Angawadi Centres (AWC) are appropriate institutions for changing the behaviour, mindsets and habits of children from open defecation to use of toilets. Keeping in view this perspective, provision of toilets in AWCs running in Government buildings was included under TSC by the GOI (January 2004).

The achievement of AWC toilet construction was only 10 per cent against the target during 2005-10

Scrutiny disclosed that though the DWSCs of test-checked districts directed the Member Secretaries to obtain lists of AWCs from the respective District Welfare Officers (DWO), this was not done. In absence of this basic information, DWSCs assigned a target of constructing 1339 toilets in AWCs during 2005-10. Only 140 (10 per cent) were constructed (March 2010) at an expenditure of ₹ 4.05 lakh as shown in **Table no. 5**.

Table no. 5
Targets and achievements for construction of toilets in AWC
(₹ in lakh)

Sl. No.	Name of Division	Number of toilets to be constructed in AWC	Number of toilets constructed in AWC	Percentage	Expenditure there-against
1	Bhagalpur	8	0	0	0.00
2	Gaya	224	40	18	1.35
3	Jamui	55	17	31	0.10
4	Katihar	0	0	0	0.00
5	Muzaffarpur	18	7	39	0.35
6	Patna	600	74	12	2.25
7	Saharsa	2	2	0	0
8	Samastipur	432	0	0	0
9	Saran	0	0	0	0
	Total	1339	140		4.05

Consequently, the objective of constructing toilets in AWCs in Government building for changing the behaviour, mind sets and habits of children was not achieved. The Principal Secretary accepted (November 2010) the negligible performance and assured to obtain a list of Anganwadis from the Secretary, Social Welfare and speed up the constructions.

1.1.9.7 Training, staff support and services

As per the guidelines, no additional posts were to be created for the implementation of TSC. However, in order to implement the projects professionally, specialist consultants (district, block and panchayat co-ordinators) from the field of Human Resource Development could be hired for the project period. In addition to their own works, the staffs and engineers of PH divisions were responsible for the implementation of TSC. Training for motivators and masons were also to be organised by the respective DWSCs and their services were to be regularly utilised in TSC. However, scrutiny of records of the test-checked districts revealed the following:

Services of motivators and masons were not utilised despite spending ₹ 0.68 crore on their training

- One district co-ordinator and one computer operator were appointed for each district exclusively for TSC. Block co-ordinators and panchayat co-ordinators were not appointed (November 2010). Keeping in view the heavy workload of PHED, the staff and engineers of PHED were not able to contribute as per the requirements for speedy implementation of TSC.
- Though training programmes for motivators, gram panchayat representatives and masons were organised by the DWSCs in three²¹ out of the test-checked districts at an expenditure of ₹ 67.64 lakh, the services of those motivators and mason were not utilised. The lists of participants were also not available on record.
- As per the guidelines, ₹ 15 per household was to be paid to motivators after DWSC handed over the toilets to beneficiaries and ₹ five was to be paid to motivators after six months on certifying regular use by the beneficiaries. Scrutiny disclosed that ₹ 67.91 lakh was paid (2005-10) to NGOs engaged in toilet construction in three²² out of the test-checked districts and the balance payments of ₹ five were never made, therefore, continued use of these toilets were not ascertained.

The Principal Secretary stated (November 2010) during the exit conference that GOI had agreed to the proposal to appoint one block level co-ordinator with one to three facilitators to overcome the staff shortages. Non-utilisation of trained masons and motivators was mainly due to their large scale migration to other states and failure of DWSCs to provide them regular work.

The reply is not acceptable as the staff shortage was to be overcome at the start of the project. Mason and motivators would have migrated due to non-availability of work as TSC was implemented at a very slow pace.

1.1.9.8 Solid and liquid waste management

One of the objectives of TSC was to bring about an improvement in the general quality of life in rural areas. This objective would not be achieved if the general cleanliness of the villages was not maintained properly. Mechanisms for garbage collection and disposal, construction of soak pits,

²¹ Gaya : ₹ 26.78 lakh, Muzaffarpur : ₹ 35.87 lakh and Patna : ₹ 4.99 lakh

²² Gaya : ₹ 15.50 lakh, Katihar : ₹ 12.81 lakh and Muzaffarpur : ₹ 39.60 lakh

common compost pits, low cost drainage to prevent waterlogging etc. were to be made available in the villages.

No activities under solid and liquid waste management

Scrutiny of records of the nine test-checked districts revealed that no work under this component was carried out in any of the above districts which defeated one of the basic objectives of TSC.

The Principal Secretary, PHED stated that much work had not been done in respect of this component as it had been included in TSC in December 2007. He assured that necessary steps would be initiated for progress under this component.

1.1.10 Monitoring and evaluation

Regular field inspections by officers from the State and district level were essential for effective implementation of the programme. The TSC guidelines emphasised that project authorities were to constitute a team of experts in the district, who were to review the implementation in different blocks frequently. Such reviews were to be held at least once a quarter. Similarly, the State Government was to conduct a review of projects in each district once a quarter. For this purpose, they were to constitute a panel of experts available in the State. In addition, GOI was to send review missions to the States periodically to assess the quality of implementation.

Inadequate monitoring by district and State committees

Scrutiny of the minutes of meetings of DWSCs disclosed that the decisions taken by the DWSCs with regards to poor progress, action against non-performing NGOs and measures to be adopted to achieve targets were never complied with by the Member Secretaries, DWSC. Inspection reports of the Member Secretary, AEs, JEs and District Coordinator of TSC were not available on record. Teams of experts at the district level for review of TSC had not been constituted in any of the test-checked districts. Committees at the block, panchayat and village level were either not formed or were non-functional in all the test-checked districts.

The evaluation report (February 2009 to March 2009) of TSC by the State level review mission team pertaining to Gaya, Saran and Patna district recorded 100 *per cent* use of IHHL and proper maintenance of school toilets. However, joint field visits by Audit and DWSC officials during February 2010 to July 2010 revealed that these reports were unreliable. In the other six²³ test-checked districts, the review mission team had not conducted any review of TSC projects.

The Government assured (November 2010) to strengthen the monitoring mechanism at each level to make it more effective and result-oriented.

1.1.10.1 Non-compliance of DWSC decisions

DWSC's decisions were not complied with

As per the guidelines, the responsibility for implementation and monitoring of TSC lay with the DWSCs. As per the guidelines issued by GOI and the State

²³ Bhagalpur, Jamui, Katihar, Muzaffarpur, Saharsa and Samastipur

Government and an order of the Chief Secretary (November 2006), it was mandatory to hold meetings of DWSCs at least once in a month to prepare the implementing strategies, sanction expenditure and monitor the progress and quality of work. It was however, observed that only nine to 21 meetings²⁴ were held in the nine test-checked districts during 2005-10, against the required 60 meetings of each DWSC. No meeting was held in Saran district after July 2008, while in Saharsa district, a meeting was held in January 2010 after a lapse of 17 months. Thus, the responsibilities entrusted to DWSCs of the test-checked districts were not discharged fully. The Member Secretaries of all the test-checked districts accepted the audit findings.

The Government, while accepting (November 2010) the deficiency in holding DWSC meetings, mentioned that this was due to non-fixing of time by the DDC and non-fulfilment of required quorum. The Principal Secretary assured to issue necessary instructions for holding regular meetings.

1.1.11 Conclusion

Non-availability of reliable baseline data, lack of community participation and deficient IEC activities led to lack of awareness and less creation of demand. The target-oriented programme implementation at the State level could not be fully achieved in spite of implementing of this programme since 1999 and incurring an expenditure of ₹ 360.07 crore during 2005-10. The programme suffered at various stages of its implementation due to inadequate monitoring.

Recommendations

- A fresh survey based on realistic parameters, including community participation, may be conducted for assessing and framing a dynamic demand-driven project.
- IEC activities must be conducted in an interactive environment, acceptable and understandable to village community.
- Diversion of funds for any other purpose must be avoided.
- Necessary measures should be taken to implement the various components of TSC.
- An effective monitoring system should be put in place to ensure data reliability.

²⁴ Bhagalpur (14), Gaya (12), Jamui (21), Katihar (11), Muzaffarpur (10), Patna (12), Saharsa (9), Samastipur (9) and Saran (13)

HUMAN RESOURCES DEVELOPMENT DEPARTMENT (SECONDARY EDUCATION)

1.2 SECONDARY EDUCATION PROGRAMME

Highlights

Though the number of students in secondary schools increased by 60 per cent during 2005-10, the Human Resources Development Department did not prepare any Annual Plan/Long Term Plan in respect of secondary education. There were shortages of secondary schools, teachers and infrastructural facilities like classrooms, laboratories, libraries, computers etc. in the existing schools. Vocational and computer education were almost non-functional at the secondary school level, though emphasis was given to these streams in the National Policy on Education.

The savings in the Plan budget ranged between 28 and 82 per cent, whereas the same under the Non-Plan component ranged between eight and 20 per cent.

(Paragraph 1.2.8)

Upgradation of secondary schools to plus two schools was done without considering the availability of qualified teachers, classrooms, laboratories and other infrastructural facilities.

(Paragraph 1.2.9.2)

There was substantial mismatch between the number of students and availability of classrooms. As a result, in 139 out of 241 test-checked schools, there was one classroom available for 70 to 408 students.

(Paragraph 1.2.10)

Against the sanctioned strength of 34233 teachers at the State level, only 26631 teachers were available. Subject-wise teachers were also not available in most of the test-checked schools.

(Paragraph 1.2.11.1)

Project Girls High Schools were not opened in any block after 1985. In 22 Project Girls High Schools in 10 test-checked districts, one school had nine teachers but no student whereas in four schools, the number of students ranged between 141 and 741 without having a single teacher.

(Paragraph 1.2.11.4 and 1.2.11.5)

Vocational education as an alternative to higher education and computer education for the development of computer skills, as emphasised in National Policy on Education, were not accorded due importance.

(Paragraphs 1.2.12, 1.2.13 & 1.2.13.2)

Adequate attention was not paid towards the inspections of schools.

(Paragraph 1.2.15)

1.2.1 Introduction

Secondary education serves as the vital link between elementary and college education and plays an important role in preparing the students for higher education. In Bihar, secondary education covers children in the age group of

14-18 years, studying in classes 9-12. The National Policy on Education (NPE), 1986 as modified in 1992, *inter alia*, envisaged easier access to secondary education with emphasis on the enrolment of girls, Scheduled Castes (SC) and Scheduled Tribes (ST) students, particularly in science, commerce and vocational streams. This policy also required the departmental officers to take necessary steps at the secondary school level, to equip students with necessary vocational and computer skills so as to be effective in an emerging technological world. However, the State Government had not evolved any specific policy in respect of secondary education.

In August 2006, a Commission was set up by the State Government with the objective of examining the existing school education system and recommended measures to make quality school education available to all school children in the State. The Commission's terms of reference included a review of the syllabus of teachers' training institutions and recommending measures to ensure the fundamental rights of children to free and compulsory education as per Article 21(a) of the Constitution. The Commission's report was submitted in June 2007. Though the recommendations were still to be formally accepted by the State Government, action had already been initiated to implement the recommendations.

In Bihar, there were 2938 secondary schools under four categories i.e. Rajkiya High Schools²⁵ (78), Rajkiyakrit High Schools²⁶ (2535), Project Girls High Schools²⁷ (253²⁸) and Minorities High Schools²⁹ (72).

1.2.2 Organisational set-up

The Secondary Education Programme falls under the administrative control of the Human Resources Development (HRD) Department headed by the Principal Secretary to the Government. He is assisted by the Director, Secondary Education, nine Regional Deputy Directors of Education (RDDE) at the Division level, 38 District Education Officers (DEOs) at the district level and 55 Sub-divisional Education Officers at the Sub-divisional level. At the school level, the educational and other administrative functions are controlled and supervised by the Headmasters of the schools concerned.

The local management of the secondary schools are entrusted (1988) to the respective School Managing Committees headed by Chairmen who are nominated by the State Government under Section 6(2) of the Bihar Non-Government Madhyamik School (Administration and Control) Act 1981.

²⁵ Rajkiya (Government) High Schools

²⁶ Non-Government High Schools taken over by the Government from October 1980

²⁷ Established by the Government for girls education at Block level between 1981-82 and 1984-85

²⁸ As per sanction of the government 253 Project Girls High Schools (1981-82:39; 1984-85:214) were opened but department furnished information of 250

²⁹ Managed by minority institutions under Government Act and paid by Government

1.2.3 Scope of audit

Performance audit was limited to the period 2005-10 and involved the examination of records relating to the office of the Director, Secondary Education, District Education Officers (DEO) of 10 districts³⁰ and 25 *per cent* of schools in each of the test-checked districts. Records of 241 secondary schools³¹ (out of 939 schools) were examined between March and August 2010. The selection of districts and schools was made by adopting the 'Statistical Random Selection Without Replacement' method.

1.2.4 Audit objectives

The audit objectives were to assess whether:

- the objectives of secondary education were clearly defined in the State and detailed Action Plans were prepared to achieve these objectives;
- adequate funds were made available by the State Government and the same were effectively utilised for the intended purposes;
- the overall objective to increase enrolment in identified streams and improvement in the quality of secondary education was achieved.
- appropriate infrastructure and manpower were available for implementation of secondary education, especially in priority areas and
- monitoring systems, reporting protocols and feedback arrangements existed and follow up action was taken.

1.2.5 Audit criteria

The audit criteria for this performance audit included:

- the National Policy on Education 1986 as modified in 1992;
- the Annual Work Plans of the department;
- the Bihar Non-Government Madhyamik School (Administration and Control) Act 1981, Service Condition Rules, 1983;
- instructions issued by the Government of India and the State Government relating to secondary education and
- Bihar Financial Rules (BFR), departmental instructions and circulars issued from time to time.

1.2.6 Audit methodology

The audit methodology included consolidation and updating of domain knowledge, preparing detailed guidelines and conducting field visits for examination, collection and analysis of statistical data at the department, the DEOs and the secondary school level, detailed discussions with DEOs and

³⁰ Begusarai (84), Bhagalpur (110), Katihar (58), Nalanda (136), Nawada (66), Muzaffarpur (110), Samastipur (111), Saharsa (47), Saran (127) and Vaishali (90)

³¹ Rajkiya High Schools: 7; Rajkiyakrit High Schools: 206; Project Girls High Schools: 22 and Minorities Schools: 6

Headmasters of the test-checked schools, issue of a detailed questionnaire and audit memos.

In order to explain the audit objectives, its methodology and scope, an entry conference was held in April 2010 with the Director, Secondary Education³². On completion of the field work, an exit conference was held in October 2010 with the Principal Secretary of the department, wherein the audit findings were discussed and the Government's views were incorporated.

Audit findings

1.2.7 Planning

Secondary education is an important stage at which students are exposed to the disciplines of science, humanities and social science. The National Policy on Education (NPE), therefore, resolved that access to secondary education must be enhanced with greater emphasis on the enrolment of girls, SCs and STs students especially in the science stream, vocational courses and computer education.

To achieve these objectives and keeping in view the positive outcome of the impact on primary education due to the implementation of Sarva Shiksha Abhiyan (SSA), the department was required to prepare specific implementation plans for imparting and strengthening the secondary education system. Such implementation plans were to be based on reliable data relating to anticipated enrolments of students, manpower and infrastructure facilities.

Strategic Plan and Annual Plans not prepared by the department

Scrutiny of records at the departmental level, however, revealed that no long term Strategic Plan or Annual Plans were prepared by the department. The department did not have any reliable data regarding the anticipated enrolments at the secondary stage. Hence, no timebound proposals for the opening of new schools, appointment of teachers or provision for required infrastructure in the existing schools were prepared. Further, no reliable data regarding school-wise sanctioned posts of teachers/staff, existing infrastructural facilities, condition of school buildings, number of classrooms, availability of furniture, laboratories, libraries, gymnasium, playgrounds etc. were available either with the Director or with the DEOs. Thus, in the absence of basic information and data, the department did not prepare any comprehensive implementation Plan. Hence, the actual implementation of secondary education in the State was done on an ad hoc basis.

In reply, during the exit conference held in October 2010, the Principal Secretary of the department stated that the Bihar Madhyamik Shiksha Parishad³³ had been established (February 2010) for planning and implementing quality secondary education in the State. The reply is not acceptable as the State Government had not evolved any specific policy in respect of secondary education.

³² Additional Secretary to the Government of Bihar
³³ Under Societies Registration Act

1.2.8 Financial management

The budget provisions for secondary education and expenditure thereof under the Plan and Non-Plan heads during 2005-10 are given below in **Table no. 1**.

Table no. 1
Budget provision and expenditure

(₹ in crore)

Year	Budget provision			Expenditure			Savings		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
2005-06	11.94	871.85	883.79	2.10	712.14	714.24	9.84 (82)	159.71 (18)	169.55 (19)
2006-07	92.17	1216.72	1308.89	66.66	1029.30	1095.96	25.51 (28)	187.42 (15)	212.93 (16)
2007-08	48.47	941.17	989.64	13.03	869.45	882.48	35.44 (73)	71.72 (8)	107.16 (11)
2008-09	70.40	1570.95	1641.35	50.89	1397.29	1448.18	19.51 (28)	173.66 (11)	193.17 (12)
2009-10	349.48	1722.68	2072.16	147.32	1377.69	1525.00	202.16 (58)	344.99 (20)	547.15 (26)
Total	572.46	6323.37	6895.83	280.00	5385.87	5665.87	292.16	937.50	1229.96

(Source: Detailed Appropriation Accounts)
(Figures in parenthesis indicate percentage)

The major expenditure under Plan head was on the construction of school buildings, whereas under the Non-Plan head, approximately 79 *per cent* was spent on salaries, allowances and other expenses of teaching and non-teaching personnel and the balance 21 *per cent* was spent on renovation of buildings, purchase of furniture and laboratory equipment and enhancement of sports facilities.

Savings in Plan budget ranged between 28 and 82 *per cent*

The above table also shows that the savings in the Plan budget ranged between 28 and 82 *per cent* during 2005-10, whereas the same under the Non-Plan component ranged between eight and 20 *per cent*. In the 241 test-checked schools, it was noticed that the savings were mainly in allotments given for construction and renovation of school buildings, purchase of equipment and providing gymnasium and sports facilities. This was indicative of the fact that the budget estimates were prepared without taking into account the actual requirements and there was lack of synergy between the schools and their controlling officers at the district and directorate level.

1.2.8.1 Utilisation of funds for improvement of infrastructure

The Director, Secondary Education did not provide complete information regarding the funds drawn and actual expenditure incurred by the schools during 2005-10 on the plea that many of the files were missing due to shifting of the office. However, as per the information provided by the 241 test-checked schools, the receipt and the utilisation of funds are as shown in **Table no. 2**.

Table no. 2
Statement showing receipt and expenditure of funds in test-checked schools

(₹ in lakh)

Year	Civil works		Furniture		Lab equipment		Library		Gym/ play ground	
	Receipt	Expenditure	Receipt	Expenditure	Receipt	Expenditure	Receipt	Expenditure	Receipt	Expenditure
2005-06	228.00	145.71	74.75	60.55	34.90	25.48	20.56	15.18	25.99	16.47
2006-07	559.39	164.38	204.75	131.65	83.50	50.89	58.00	32.00	60.00	36.29
2007-08	537.80	340.23	234.00	115.14	116.00	58.31	77.00	41.23	69.18	39.73
2008-09	1472.00	443.60	434.25	208.12	198.00	103.84	134.00	75.95	134.29	65.75
2009-10	2370.33	502.54	548.00	113.49	243.16	48.83	166.00	39.00	172.00	40.74
Total	5167.52	1596.46 (31)	1495.75	628.95 (42)	675.56	287.35 (43)	455.56	203.36 (45)	461.46	198.98 (43)
Total funds received : Rs 82.56 crore, Total expenditure incurred : Rs 29.15 crore										

(Figures in the parenthesis indicate percentage)

In test-checked schools, only 31 to 45 per cent funds were utilised

The above table reveals that ₹ 82.56 crore was made available to 241 test-checked schools. Of this, only 31 to 45 per cent of the provided funds were utilised under the different components and the balances were deposited in the bank accounts. Scrutiny revealed that funds were provided by the Director/DEOs to the schools/implementing agencies without assessing the actual requirements. There was lack of co-ordination between the school authorities and implementing agencies, resulting in a substantial funds remained unutilised.

1.2.8.2 Expenditure control

Rule 475(iii) of the Bihar Financial Rules (BFR) stipulates that Controlling Officers of the department should maintain control registers for monitoring expenditure. However, it was observed that expenditure control registers were not being maintained by the DEOs and at the Directorate level.

Scrutiny of records revealed that the Director, Secondary Education (upto 2007-08) and concerned DEOs drew funds and made them available to schools/various implementing agencies³⁴. Though these implementing agencies were required to submit detailed expenditure statements, the same were not submitted. The Director, Secondary Education and DEOs did not insist upon the expenditure details from the agencies/ schools and also failed

³⁴ National Informatics Centre (NIC), Bihar Electronic Development Corporation Limited, Building Construction Department (BCD), Secretary, Intermediate Education Council and DEOs of 37 districts for computerisation, construction of building, repair and renovation of building, construction of additional classrooms (ACRs), purchase of furniture, laboratory equipment, library books, development of play ground, gym and distribution to students of class IX for purchase of cycle. Funds for construction and renovation of buildings, purchase of laboratory equipment, library books, development of play ground, gym under strengthening of plus two schools and Mukhyamantri Cycle Yojana were drawn by District Education Officers and funds for computerisation of schools and monitoring during 2008-10 were drawn by Director and transmitted to schools and BELTRON and A.N. Sinha Institute respectively

to prepare DC bills of the amounts drawn by them. During the exit conference (October 2010), the Principal Secretary stated that action was being initiated to improve the utilisation of funds.

1.2.8.3 Reconciliation of expenditure

Rule 475 (VIII) of the BFR of receipts/expenditure requires the head of the department to reconcile on a monthly basis, the figures maintained in the department with those maintained by the Accountant General (A&E). In case monthly reconciliation is not possible, the controlling officer has to depute an assistant to the AG's office every third month and at the close of the financial year for this purpose, rather than allow discrepancies to accumulate. Scrutiny revealed that during 2005-10, ₹ 5665.87 crore was shown as expenditure in the Appropriation Accounts whereas as per the figures provided by the department, ₹ 3251.86 crore only was shown as expenditure. Thus, the difference of ₹ 865.34 crore remained unreconciled (*Appendix 1.2.1*). However, figures for expenditure from Plan and Non-Plan heads during 2005-06 and from the Plan head during 2007-08 and 2009-10 were not provided by the department. In this regard, the Director, Secondary Education stated (September 2010) that due to shifting of the office, some files were not traceable and hence, figures were not provided.

1.2.9 Requirement and upgradation of schools

1.2.9.1 Establishment of new secondary schools

In Bihar, all the 2938 secondary schools were either established or taken over by the Government up to 1984-85. However, as per the Common Education Commission Report, there were approximately 42.82 lakh eligible children requiring secondary education in the State during 2005-10.

Sixty per cent increase in number of students noticed in 2009-10, comparison to 2005-06

Scrutiny of the records relating to enrolment of students in 241 test-checked secondary schools in 10 districts (*Appendix 1.2.2*) revealed that there was an overall increase of 60 per cent of students in 2009-10 (162229 students) in comparison to 2005-06 (101545 students). The increase was still higher at 85, 95, and 61 per cent especially in the targeted category of girls and in cases of SC and ST categories respectively. This increase in enrolment was mainly attributed to the positive outcome of success achieved in primary education initiatives under Sarva Shiksha Abhiyan (SSA) and Mukhyamantri Cycle Yojana³⁵. In order to cope with this demand, the Director, Secondary Education intimated that 1900 additional secondary schools were required to be established by the department by March 2010. After 1984-85, no new schools had been established. Even in the existing schools, additional infrastructural facilities like classrooms, laboratories and libraries added by the department were not adequate to cope with the demand as discussed in the succeeding paragraphs.

³⁵ Mukhyamantri Cycle Yojana, a scheme started in 2007 under which ₹ 2000 is given to girl students of class-IX in the schools managed & funded by the State Government

1.2.9.2 Upgradation of secondary schools

The plus two (10+2) education system was introduced in 89 selected schools of Bihar during 1985-86. Thereafter, an additional 2682 schools were also upgraded in a phased manner during 2005-10. For this, separate funds of ₹ 1404 crore³⁶ under strengthening of plus two education were provided by the State Government in a phased manner during 2005-10 for strengthening of these 2771³⁷ upgraded schools.

Out of 241 schools test-checked, 217³⁸ schools fell under the category of upgraded schools. Scrutiny revealed that these upgradations were done without considering the availability of qualified teachers, classrooms, laboratories and other infrastructural facilities. Hence, no teaching was imparted in classes 11 and 12 (upto 2009-10) in 184 schools due to non-posting of teachers and classrooms were not available in 149 schools. Even in schools where classes 11 and 12 were operational, only limited subjects were being taught due to lack of subject-wise teachers, classrooms and laboratories. As a result, the department failed to achieve its objective.

During the exit conference, the Principal Secretary stated (October 2010) that to streamline the efforts, the Bihar Madhyamik Shiksha Parishad had been established (February 2010) and with Central Government support under the Rastriya Madhyamik Shiksha Abhiyan, necessary action would be taken in due course.

1.2.10 School infrastructure

In order to cope with the increased enrolment of students and special emphasis on their enrolment in science, commerce and vocational streams, focused attention was required in the area of school infrastructural development. In this respect, Government norms (October 1975) specified that each secondary school should have at least eight classrooms excluding the laboratory and library. The Common Education Commission Report of June 2007, however, had recommended a total of 26 rooms for each secondary school³⁹ having a student strength of 420 students with 40 and 30 students respectively in each section.

Scrutiny of the records of 241 schools in the 10 test-checked districts revealed the following:

³⁶ Civil works: ₹ 845.00 crore, Furniture: ₹ 206.00 crore, Laboratories equipment: ₹ 94.00 crore, Libraries: ₹ 64.00 crore, Field/Gym: ₹ 70.00 crore, Beltron for computerisation: ₹ 121.00 crore, State Council of Education Research and Training for training to teacher: ₹ 1.75 crore, ₹ 2.32 crore for A. N. Sinha Institute, Patna for evaluation of strengthening of plus two education in the State

³⁷ Including 89 schools upgraded in 1985-86

³⁸ 16 schools were upgraded in 1985-86 and rest 201 during 2005-10

³⁹ Class IX and X: six classrooms; Class XI and XII: six classrooms; Headmaster's room: one; staff room: one, laboratory rooms: three; Mathematics room: one; computer room: one, library room: one; sports room: one; store room: one; medical room: one; administrative room: one and multipurpose room: two

One classroom
available for 70 to
408 students in 139
schools

- Schools lacked infrastructural facilities like classrooms, laboratories, libraries, computer room, sports room and other utilities as indicated in *Appendix 1.2.3*.
- Records of 139 out of the 241 test-checked schools revealed that there was one classroom for 70 to 408 students. Of these 139 schools, 99 schools had student strength ranging between 70 and 150, whereas in 40 schools, it ranged between 151 and 408. In 51 schools, only one classroom was available for two to four sections.
- Taking an average of five to six students occupying a bench-desk, it was seen that there was a substantial mismatch between the number of students in a classroom and the available bench-desks. For example, in 64 schools, on an average, for seven to 15 students and in 18 schools for 16 to 41 students, only one bench-desk was available.

Scrutiny further revealed that the deficiencies indicated above were mainly due to delays in the finalisation of tenders for purchase of infrastructural articles, construction of buildings, the apathy of the School Managing Committees in participating in meetings and slow progress of work by the executing agencies. In the absence of adequate infrastructural facilities, the students were deprived of proper educational facilities and environment in the schools. During the exit conference, the Principal Secretary stated (October 2010) that the Government had established a dedicated corporation under the department for expeditious construction of schools.

1.2.10.1 Purchases

Test-check of records relating to purchases during 2005-10 made in 241 secondary schools revealed the following:

Laboratory
equipment valuing
₹ 1.60 crore and
library books valuing
₹ 1.03 crore were
lying idle

- Sum of ₹ 6.75 crore and ₹ 4.55 crore were provided (2005-10) to 206 and 208 schools respectively for purchase of laboratory equipment and books for their libraries. Out of this, expenditure of ₹ 2.87 crore and ₹ 2.03 crore was incurred by 103 schools and 104 schools respectively during the period. Laboratory equipment valuing ₹ 1.60 crore and library books valuing ₹ 1.03 crore purchased by 62 and 56 schools respectively were stored in almirah/ boxes due to lack of laboratories, library rooms and non-posting of science teachers in the schools. The balance amounts were lying in the bank accounts of the remaining schools.
- As per Government orders of 1981, furniture, laboratory and gym equipment were to be purchased at rates approved by the School Managing Committee. Scrutiny of records of Saran district revealed that schools purchased the same items of furniture and equipment at different rates as shown in **Table no. 3**.

Table no. 3
Purchase of furniture and equipment at different rates

Sl. No.	Name of item/ Lowest rate	Quantity (in number)	Varied rate		Payment made	Payment as per lowest rate	Difference
			Highest	Lowest			
1.	Lab table (₹ 8400)	39	10200	8400	3.42	3.28	0.14
2	Class table (₹ 1075)	65	2600	1075	1.16	0.70	0.46
3	Steel almirah (₹ 6500)	48	9500	6500	3.67	3.12	0.55
4	Book shelf (₹ 4260)	54	9850	4260	3.22	2.30	0.92
5	Bench (₹ 1000)	919	1750	1000	12.60	9.19	3.41
6	Multi gym (4 station) (₹ 59000)	5	104382	59000	4.00	2.95	1.05
7	Multi gym (6 station) (₹ 70500)	7	115500	70500	6.67	4.94	1.73
8	Travelling Microscope (₹ 4800)	12	9800	4800	0.88	0.58	0.30
9	Physical balance (₹ 2800)	9	5300	2800	0.35	0.25	0.10
10	Compound microscope (₹ 5500)	13	15000	5500	0.90	0.72	0.19
11	Skeleton (₹ 2370)	6	5500	2370	0.23	0.14	0.09
	Total						8.94

● The above table reveals that 17 schools⁴⁰ of Saran district purchased the same items of furniture and equipment at varied rates between the schools within the same period, resulting in extra expenditure of ₹ 8.94 lakh during 2007-10. In this regard, the DEO, Saran stated (April 2010) that due to lack of guidelines, purchases were not made on the same rate. However, action would be taken to recover the difference amount.

Extra expenditure of ₹ 8.94 lakh incurred on purchase of furniture

From the above facts, it is evident that financial prudence was not exercised while spending Government money. A centralised monitoring mechanism at the district level could have facilitated the purchases at proper rates with acceptable variations as per the trade practices.

During the exit conference the Principal Secretary stated (October 2010) that the matter would be looked into.

1.2.10.2 Tax deduction not ensured

VAT amount of ₹ 79.64 lakh was not deducted from the payment of suppliers

As per Rule 40 of the Bihar Value Added Tax (VAT) Act 2005, VAT payable on purchases was to be deducted by the disbursing officers and deposited in the treasuries. Test check of vouchers and other records revealed that in the 10 test-checked districts, 103 schools had purchased furniture costing ₹ 5.73 crore, 91 schools had purchased laboratory equipment costing ₹ 2.63 crore and 86 schools had purchased gym equipment costing

⁴⁰ C.N.P.G.High School, Banaut, Rajendra Collegiate School, Chhapra, Shri Yamunachari High School, Dariyapur, S.P.S. Seminary High School, Sonpur, Kapildeo High School, Sisai, Dalan Singh High School, Manjhi, Shivdulari (+2) High School, Sonpur, Mishrilal Sah Arya Girl High School, Chhapra, Nageshwar High School, Bahadurpur, Shanti Raman Pro. Girls High School, Sathwara, Ishwari High School, Basant, J. N. High School, Rampura, J. J. P. G. High School, Mashrakh, High School, Mahuli Chakhan, Matwar Mantura High School, Panchrukhi, High School, Jaitpur and (+2) High School, Mashrakh

₹ 1.52 crore. Though VAT payment of ₹ 79.64 lakh was due on these purchases, the same was neither deducted from the suppliers nor deposited in the treasuries. This violation and non-adherence to VAT rules led to an undue benefit of ₹ 79.64 lakh to the suppliers, apart from creating an avoidable liability to the department.

1.2.11 Human resource management

Human resource is a vital component for the effective implementation of an education programme. Teachers play a significant role not only in imparting academic knowledge but also in equipping the students in character formation, better integration in society and in moulding their future. Consequently, the significance of a teacher in the realms of education is paramount and therefore, the availability and quality of teachers assumes great importance.

1.2.11.1 Staffing

The Government staffing norms (October 1980) for secondary schools prescribed that for a strength of 200 students, at least 10 teachers including a Headmaster⁴¹ were required. In excess of 200 students, one post each for additional 60 students was to be sanctioned.

Test-check of 241 schools revealed that in 97 schools, the student-teacher ratio ranged from 60 to 350 students to one teacher. Of this, in 91 schools, the ratio ranged between 60 and 200 students and in six schools, the ratio ranged between 201 and 350.

The Common Education Commission Report had suggested further improvement in the teacher-student ratio in order to impart quality education and increased personalised attention to the students. According to the Report, 20 teachers and 11 non-teaching staff⁴² were required for the functioning of each secondary school. Audit's scrutiny revealed shortage of teachers as indicated below in **Table no. 4**.

Table no. 4
Sanctioned strength and availability of teachers

Substantive shortage
in the number of
available teachers

	Number of Secondary Schools	Sanctioned strength of teachers	Required number of teachers (as per Common Education Commissions Report)	Teachers available	Shortage with reference to	
					Government norm (percentage)	Common Education Commissions Report (percentage)
At the State level	2938	34233	58760	26631	7602 (22)	32129 (55)
Test-checked schools	241	3116	4820	2492	624 (20)	2328 (48)

(Source: HRD department and school records)

⁴¹ Language:2; Mathematics and Science:2; Humanities:3; Physical education teacher:1 and Minorities teacher:1

⁴² Nine teachers for class-IX & X and 11 teachers for class XI and XII includes five technical staff and six non-technical staff

1.2.11.2 Availability of subject-wise teachers

The NPE gave great emphasis on the disciplines of science, commerce and vocational streams along with essential computer skills at the secondary education stage, so as to equip the students to face emerging technological challenges. In order to fulfil this objective, a detailed review of subject-wise availability of teachers in science, vocational and computer streams was essential.

However, no such effort to assess the requirement/ availability of teaching and support staff was made at the department level. It was also noticed that secondary school practical examinations (physics, chemistry and biology) were conducted by the Bihar School Examination Board at the school level without ensuring the availability of science teachers for evaluation.

Scrutiny of the records in 241 test-checked schools revealed shortage of subject-wise teachers as shown below in **Table no. 5**.

Table no. 5
Statement showing non-availability of subject-wise teachers

Sl. No.	Name of districts	No. of schools test - checked	No. of schools where teachers of following subjects are not available							
			Hindi	Mathematics	Sanskrit	Science			Social science	English
						Physics	Chemistry	Biology		
1	Begusarai	21	5	4	3	14	17	8	14	6
2	Bhagalpur	28	7	6	8	15	14	6	15	7
3	Katihar	16	2	3	4	8	11	2	13	0
4	Muzaffarpur	27	7	1	2	17	17	5	18	7
5	Nalanda	36	7	14	12	15	28	21	16	10
6	Nawada	18	2	5	4	9	13	5	11	4
7	Saharsa	15	4	7	2	7	11	3	9	4
8	Samastipur	29	7	5	7	19	18	6	21	8
9	Saran	26	7	6	6	14	15	11	14	4
10	Vaishali	25	8	4	5	11	15	14	16	5
	Total	241	56	55	53	129	159	81	147	55

From the above table, it is seen that the manpower required even as per the existing sanctioned strength, which was much below the norms prescribed in the Common Education Commission Report, were not available. Consequently, the fulfilment of objectives of the NPE, so far as it pertained to priority disciplines was doubtful. During the exit conference, the Principal Secretary stated that the Government had decided to appoint teachers to overcome the shortages.

1.2.11.3 Skill upgradation

In-service training to secondary school teachers is an important capacity-building component in the delivery of quality education. Such training programmes equip the teachers with the latest information, cover knowledge gaps and impart modern teaching skills for the benefit of the students. Recognising the importance of training, the department provided

(2005-08) a sum of ₹ 1.75 crore⁴³ to the State Council for Education Research and Training (SCERT) for imparting in-service training to 23780 teachers of 36 districts.

Scrutiny of records of 10 DEOs in the test-checked districts revealed that except for 316 teachers (2008-10) in Katihar district, none of the teachers in the other nine test-checked districts was provided any in-service training. No reason for not imparting in-service training to the teachers was on record. Consequently, this component was not given its due weightage.

1.2.11.4 Project Girls High School

In April 1981, the Government decided to open a minimum of one Project Girls High School in each block of the State. Further, the NPE gave special focus on the enrolment of girl students at the secondary education level. Accordingly, the department was required to formulate an implementation Plan including time frames, assessment of requirements and implementing mechanism.

Scrutiny revealed that out of 534 blocks in the State, Project Girls High Schools were opened only in 253 blocks in the State and that too, during the period 1981-85. No new schools were opened thereafter.

1.2.11.5 Teacher student ratio

Scrutiny of 22 Project Girls High schools (out of 70 schools in 10 test-checked districts) revealed that in one Project Girls High school, Bidupur Bazar (Vaishali), there were nine teachers but no student, whereas in four schools in three districts⁴⁴ the number of students ranged between 141 and 741 without having a single teacher.

1.2.11.6 Posting of teachers

In the girls schools, only female teachers were to be posted as per Government instructions (October 1982). Posting of male teachers was prohibited in such schools. However, in 16 such schools, 49 male teachers were posted, in violation of above instructions.

During the exit conference (October 2010), the Principal Secretary stated that the irregularities related to Project Girls High schools would be looked into.

1.2.12 Vocational education

Under NPE, vocational education at the secondary school level was given importance as an alternative to higher education. The objectives of vocational education were to enhance individual employability and to prepare the students for identified occupations in several areas. The identified areas included courses in health services, management, agriculture, marketing etc. with courses specially devised to cater to the needs of women, rural students

⁴³ 2005-06 : ₹ 50 lakh, 2006-07 : ₹ 25.00 lakh, 2007-08 : ₹ 100.00 lakh

⁴⁴ Katihar: 2; Nalanda: 1 and Saharsa: 1

and deprived sections of the society so as to develop their attitude, knowledge and skills for self-employment.

Scrutiny of records revealed that of the 2938 schools in the State, only 91 secondary schools were provided with three vocational courses of two years duration. Each of the three courses in such schools could accommodate 25 students. Three posts of Instructors and Laboratory Assistants were sanctioned for each school. However, records of 15 schools in the 10 test-checked districts having vocational courses revealed the following:

- In one school each of three districts,⁴⁵ vocational courses were not operational due to non-availability of instructors and laboratory assistants.
- In one school each of five districts⁴⁶, 746 students were enrolled and 648 students passed (out of appeared 737) during 2005-10 in trades for which no instructors were posted.

Vocational education was not given due importance at the secondary level

Thus, it is seen that vocational education as an alternative to higher education was not given due importance at the secondary school level. In the exit conference, the Principal Secretary stated (October 2010) that steps would be taken to improve the situation.

1.2.13 Computer education

In order to provide computer education to students and to equip them with necessary computing skills, the NPE emphasised the need for computer education at the secondary school level.

1.2.13.1 Establishment of computer centre

Based on the recommendations of the Eleventh Finance Commission and funds provided by the Government of India, the State Government sanctioned ₹ 15.91 crore (March 2003 and 2004) for establishing one computer centre in each district of the State to impart computer training to secondary school students. Of this, ₹ 11.37 crore was provided (2003-05) to National Informatics Centre Services Incorporated (NICS), Patna for computerisation and training. The balance amount (₹ 4.54 crore) was given (March 2005) to the Building Construction Department and District Magistrates for construction of buildings and purchase of generator sets. Scrutiny of the school records in the test-checked districts revealed that the buildings were completed in all the test-checked districts but generator sets were procured in seven districts⁴⁷ only. However, the number of students to whom training was given was not provided by the schools. The objective of establishing computer centres in each district did not derive benefit of the computerisation efforts to the required extent due to various reasons as indicated in *Appendix 1.2.4*.

⁴⁵ Bhagalpur, Katihar, Saharsa

⁴⁶ Begusarai, Katihar, Muzaffarpur, Nalanda, Samastipur

⁴⁷ Begusarai, Bhagalpur, Katihar, Muzaffarpur, Nalanda, Nawada and Samastipur

1.2.13.2 Implementation of Information and Communication Technology Scheme

BELTRON installed computers in only 400 out of 1700 secondary schools

During 2006-10, a sum of ₹ 16.33 crore under the Centrally Sponsored Scheme, 'Information and Communication Technology' (ICT @ Schools) and ₹104.54 crore under 'Strengthening of Plus Two Schools' were sanctioned by the State Government. The funds were drawn (March 2006 to March 2009) by the Director, Secondary Education and provided (September 2006 to June 2009) to the Bihar State Electronics Development Corporation Limited (BELTRON), Patna for providing computers with generators to 1700 secondary schools. BELTRON installed computers in only 400 schools during 2008-10. No efforts were made by the department to monitor the delivery and installation of computers, though funds continued to be released on a yearly basis to BELTRON.

Scrutiny of the records in the test-checked 241 schools revealed that computers were to be installed by BELTRON in 110 schools. However, computers with generators were installed only in 53 schools. The position of the use of computers in 53 schools was as under:

- In two schools⁴⁸ the computers were supplied in August 2008 which were not found installed by BELTRON as of July 2010.
- In four schools of three districts,⁴⁹ 22 computers costing ₹17.33 lakh were reported stolen during June 2008 to May 2009.
- In 22 schools⁵⁰ computer teachers were not available.
- Electricity was not available in 23 schools.⁵¹ Although, generators had been provided in 53 schools, only seven and 10 schools were provided funds for fuel of ₹ 2600 and ₹ 1300 respectively during the year 2008-10.

Thus due to the above mentioned reasons, the objectives of providing computers in the ICT component had not been completely fulfilled. In the exit conference, the Principal Secretary stated (October 2010) that there was an acute problem of electricity in the rural areas. He further stated that the Government had decided to have computer education on Built Own Operate Transfer MODEL in all the secondary schools for which steps were being taken. The fact remained that despite incurring expenditure of ₹ 120.87 crore, required computer education had not been provided to all the students at the secondary school level.

⁴⁸ BRB High School, Andar and Project Girls High School, Mangalgarh at Samastipur
⁴⁹ Katihar:16; Muzaffarpur: 03; and Nalanda: 03

⁵⁰ Begusarai:3; Bhagalpur:10; Nalanda:4; Saharsa:3 and Vaishali:2

⁵¹ Begusarai:4; Bhagalpur:3; Katihar:3; Muzaffarpur:2 Nalanda:5; Nawada:1; Saharsa:3; and Samastipur:2

1.2.14 Management Information System

Reliable information and communication are essential components for proper internal control of any organisation. The Management's ability to make appropriate decisions is affected by the quality of information which requires that the information must be appropriate, timely, accurate and accessible. Scrutiny of records of DEOs revealed the following deficiencies:

- At the district level, school-wise and subject-wise details regarding sanctioned posts of teachers, person-in-position, number of students, availability and requirement of classrooms, laboratories, libraries, gymnasium etc. were not available.
- No data regarding the funds allotted or expenditure incurred was available for any of the years.
- In the 10 test-checked districts, the computers installed in the DEOs office were not utilised for any MIS activity. There was no flow of MIS from the districts to the department and vice-versa.

During the exit conference, the Principal Secretary stated (October 2010) that a central monitoring system at Patna was being established and the situation would improve. Thus, the department failed in its efforts to establish a reliable MIS.

1.2.15 Monitoring and evaluation

As per departmental instructions of July 1994, DEOs and SDEOs were required to inspect at least one school per week. These departmental instructions identified the specific administrative and financial issues of schools that required special attention during these inspections. In addition to this, DEOs and District Magistrates were responsible for monitoring and evaluating the efforts made for the strengthening of the plus two education programme. Further, the department appointed (August 2008) an independent agency, viz. A.N. Sinha Institute, Patna to evaluate the efforts made to strengthen plus two education and allotted ₹ 2.32 crore (2008-10) for this initiative.

Scrutiny revealed that the administrative and financial inspections were not carried out effectively. For instance, in 12 schools where 28 periodical inspections were carried out (2005-10) by the departmental officers, no appropriate follow up action was initiated. The evaluation report (June 2009) of the A. N. Sinha Institute, Patna also highlighted lapses such as laboratory equipment and books being stored in boxes/bags for long periods without taking them in stock. Non-utilisation of funds for them intended purposes and non-completion of works for the strengthening of secondary schools were also indicated.

Though the Director, Secondary Education brought (June 2009) these deficiencies to the notice of DEOs and advised for its rectification, scrutiny revealed that no effective action was initiated by the respective DEOs in the

test-checked districts. Thus, the monitoring mechanism was found to be unsatisfactory.

1.2.16 Conclusion

The implementation of the secondary education programme in Bihar suffered right from the planning stage with lack of reliable data, absence of long term Plans and realistic Annual Plans of operations. The financial management and monitoring systems were inefficient which resulted in less utilisation of budget provision and lack of expenditure of the funds drawn. Programme implementation revealed deficiencies in infrastructure, equipment, manpower, subject-wise availability of teachers, shortage of teaching aids and largely unsuccessful attempts at implementing the National Policy on Education's objective of vocational and computer education. Periodical inspections and maintenance of records in schools were deficient and the Management Information System established did not serve its intended purpose.

Recommendations

- The department should take a fresh look at the planning process to ensure that a long term Strategic Plan and detailed Annual Plans are drawn up on the basis of reliable data regarding student population, infrastructure and manpower.
- Funding and financial management should be appropriate and relevant to programme requirements.
- The required infrastructure, teaching aids and subject-wise teachers should be provided to the schools.
- Computer and vocational education should be given due importance.
- An effective monitoring mechanism should be put in place and timely corrective measures should be taken.

HOME (JAIL) DEPARTMENT

1.3 Management of Prisons

Highlights

The management and administration of prisons fall exclusively in the domain of the State Government and are governed by the Prisons Act, 1894. The main purpose of establishing prisons is to confine offenders, provide custodial care and isolate them from the general community for a certain period of time. In addition to ensuring security, peace and tranquillity of the prisons and prisoners, the Home (Jail) Department undertakes social reclamation programmes aimed at reforming them for their rehabilitation and reintegration into society on their release from prison.

A performance audit of the management of prisons in the State revealed many significant deficiencies including instances of savings, non-production of 2604 prisoners by Central Jail, Beur, Patna in courts due to lack of transport and escorts, overcrowding in prisons due to non-completion of buildings and non-compliance of precautionary procedures. A large number of vacancies existed at the functional level of security staff and periodical inspections of the prisons were not carried out by the Inspector General of Prisons and the concerned District Magistrates.

Against the sanctioned 6140 posts of security staff, 309 posts of medical staff and 68 posts of technical staff, 4573 posts (74 per cent), 262 posts (85 per cent) and 55 posts (81 per cent) respectively were vacant.

(Paragraph 1.3.8.1)

A video linkage system established at a cost of ₹ 6.23 crore was lying idle.

(Paragraph 1.3.8.2)

There were 180 instances of recovery of prohibited items in 34 jails during 2007-10.

(Paragraph 1.3.8.3)

Buildings in the close vicinity of Central Jail, Beur (Patna) and District Jail, Ara posed security threats to the prisoners and jail staff.

(Paragraph 1.3.8.4)

Out of 518 custodial deaths in 15 jails, magisterial reports of 28 custodial deaths pertaining to seven jails were not sent to the National Human Rights Commission.

(Paragraph 1.3.8.6)

During 2005-07, the average occupancy rate of the prisons was 134 to 212 per cent of the overall capacities, which improved to an average of 106 per cent by December 2009. The improvement in the position of overcrowding was mainly due to increase in the capacities in jails.

(Paragraph 1.3.9.1)

The Inspector General of Prisons and District Magistrates did not conduct the prescribed number of inspections.

(Paragraphs 1.3.13.1)

The Board of Visitors and District level Monitoring Committees for female prisoners were not functional.

(Paragraphs 1.3.13.2 and 1.3.13.3)

There was no internal audit wing in the department.

(Paragraph 1.3.13.4)

1.3.1 Introduction

Prisons is a State subject under List II of the Seventh Schedule to the Constitution of India. The management and administration of prisons fall exclusively in the domain of the State Government and is governed by the Prisons Act, 1894 and the Prisons Manual of the State Government. The main purpose of establishing prisons is to confine offenders, provide custodial care and isolate them from the general community for a certain period of time. In addition to ensuring security, peace and tranquillity of the prisons and prisoners, the Home (Jail) Department undertakes social reclamation programmes aimed at reforming them for their rehabilitation and reintegration into society on their release from prisons.

1.3.2 Organisational set-up

The Home (Jail) Department works under the administrative control of the Home Secretary and is headed by an Inspector General of Prisons (IGP), who is assisted by an Assistant Inspector General of Prisons (AIGP), a Director (Administration), a Director (Probation), a Deputy Director (Industries) and a Prison Welfare Officer (PWO). There are six⁵² Central Jails (CJs), 33⁵³ District Jails (DJs) and 17⁵⁴ Sub Jails (SJs) (total 56 units), each headed by a Superintendent. The Superintendents work under the direct control of the IGP.

1.3.3 Scope of audit

The scope of this performance audit carried out from April to August 2010, involved test-check of records covering the period 2005-10, in the office of the IGP and 15 out of 56 prisons. The selection of the prisons was made in a manner so as to ensure state wide coverage, with nine⁵⁵ prisons being selected on the basis of the Stratified Random Sampling Method and the remaining six⁵⁶ being selected due to their uniqueness and the high risks involved in their management.

⁵² *Beur (Patna), Bhagalpur, Bhagalpur Special, Buxar, Gaya and Muzaffarpur*
⁵³ *Ara, Araria, Aurangabad, Banka, Begusarai, Betia, Bhabhua, Bhagalpur women, Biharsharif, Chapra, Darbhanga, Gopalganj, Hajipur, Jamui, Jehanabad, Katihar, Khagaria, Kishanganj, Lakhisarai, Madhepura, Madhubani, Motihari, Munger, Nawada, Phulwarisharif, Purnea, Saharsa, Samstipur, Sasaram, Sheikhpura, Sitamarhi, Siwan and Supaul*
⁵⁴ *Bagaha, Barh, Benipur, Bikramganj, Buxar, Dalsingsarai, Danapur, Daudnagar, Hilsa, Jhanjhanpur, Masaurhi, Navgachiya, Patnacity, Rosera, Sherghati, Udakishanganj and Virpur*
⁵⁵ *District Jails (Ara, Begusarai, Bhagalpur Women, Biharsharif, Motihari, Nawada and Purnea) and Sub-Jails (Bikramganj and Jhanjhanpur)*
⁵⁶ *Central Jails : Beur (Patna), Bhagalpur, Bhagalpur Special, Buxar, Gaya and Muzaffarpur*

1.3.4 Audit objectives

The audit objectives were to assess whether:

- the financial management was adequate and proper;
- appropriate systems were adopted for the efficient administration of personnel;
- facilities and privileges of the prisoners as envisaged were being complied with;
- reform, employment and rehabilitation activities were consistent with Government policies and the desired objectives were being achieved;
- schemes and infrastructural projects related to improvement of prison facilities and management of prisons were effectively implemented and
- the monitoring mechanism and internal audit were effective.

1.3.5 Audit criteria

The management of prisons was assessed on the basis of the following criteria:

- Prisons Act, 1894;
- Bihar Jail Manual;
- Bihar Prisoners Parole Rules, 1973;
- Bihar Treasury Code and Bihar Financial Rules;
- Bihar Budget Manual;
- Model Prison Manual, 2003 and
- Government orders issued from time to time.

1.3.6 Audit methodology

The audit methodology included consolidation and updating of domain knowledge, preparation of audit guidelines and field visits for examination as well as collection and analysis of statistical data. Further, discussions with officers of the IGP/field offices involved in prisons management were held and documentary evidence in the form of replies to questionnaires and audit memos, copies of documents etc. were collected. The audit process also included field visits to jails with the officers of the jails.

An entry conference was held in April, 2010 with the Secretary, Home (Jail) Department to explain the scope of audit including audit objectives, methodology and to elicit information regarding the stakeholders' concerns and to incorporate them into the audit efforts. The audit findings as well as conclusions were discussed with the Secretary and the IGP during an exit conference held in November 2010 and their replies have been incorporated at appropriate places in this report.

1.3.7 Financial Management

1.3.7.1 Fund allocation and expenditure

Rule 112 of the Bihar Budget Manual (BBM) stipulates that expenditure should be as per the budget provision and in cases of savings, the same should be surrendered immediately, without waiting till the end of the financial year.

Based on the budget estimates, funds for the administration, maintenance and upkeep of prisons were provided by the Home (Jail) Department through the IGP. The budget allocations, expenditure and savings during 2005-10 is shown in **Table no. 1**.

Table no. 1
Budget allocation and expenditure

(₹ in crore)			
Year	Allocation	Expenditure	Savings
2005-06	66.65	65.80	0.85
2006-07	109.39	109.68	(-) 0.29
2007-08	190.27	189.64	0.63
2008-09	191.75	166.06	25.69
2009-10	109.51	109.15	0.36
Total	667.57	640.33	27.24

(Source: Appropriation Accounts)

As revealed in **Table no. 1**, the overall position of expenditure remained satisfactory throughout 2005-10 except during 2008-09 when there were savings of ₹ 25.69 crore. This was due to meagre expenditure under the head 'State Plan Capital Outlay on Land for jails'.

Excess expenditure of ₹ 1.77 crore during 2005-07 and 2009-10 was not regularised

Further, Rule 117 of the BBM requires that expenditure must be incurred within the funds allotted and any excess expenditure must be intimated to the Finance Department immediately for seeking a supplementary grant. However, Audit noticed six instances wherein the expenditure exceeded the provision by ₹ 1.77 crore during 2005-07 and 2009-10 (**Appendix 1.3.1**). This amount was pending regularisation (December 2010) as per Article 205 of the Constitution.

During the exit conference, the Secretary stated (November 2010) that necessary action would be taken

1.3.7.2 Drawal of funds not required for immediate payment

Rupees 93 lakh was irregularly drawn from the treasury during 2004-05 to prevent the lapse of grant

Rule 300 of the Bihar Treasury Code Volume I provide that no money is to be drawn from the treasury unless it is required for immediate disbursement and not merely to avoid lapse of appropriation. Audit scrutiny of funds received from the Eleventh Finance Commission revealed that during 2004-05, the IGP withdrew (March 2005) ₹ 93 lakh⁵⁷ for procurement of machines.⁵⁸ However, instead of procuring them, this amount was deposited in '8443 Civil Deposit'

⁵⁷ Bill No. 280/04-05 (₹ 84.35 lakh) and Bill No. 281/04-05 (₹ 8.65 lakh)

⁵⁸ Power looms and Printing machines

and thereafter, spent during 2007-08 (₹ 38.60 lakh) and 2009-10 (₹ 54.40 lakh). Thus the funds remained irregularly deposited in 'Civil Deposit' and unutilised for three to four years.

During the exit conference, the Secretary stated (November 2010) that though tenders were floated thrice, they could not be finalised as no valid quotation was received. Thereafter, with a lot of effort, the machines were procured and installed and were working.

The departmental reply is not acceptable since the drawal of money and its deposit into Civil Deposit without any valid quotation was contrary to the above BTC provision.

1.3.7.3 Diversion of purchase funds

Rupees 1.44 crore meant for purchase of raw materials was diverted for payment of VAT

In compliance of the Bihar Value Added Tax (VAT) Act, 2005, VAT was to be recovered from the sale of items manufactured in jail and deposited into the Government account. Audit of records of Central Jails (CJs), Bhagalpur and Buxar revealed that instead of depositing the VAT received from the sale of items in the proper head of account i.e. Major Head '0040-Taxes on Sales, Trade etc.', the Superintendents of Jails deposited (2005-10) the same under the Head '0056-Jail Receipts'. Later on, they withdrew ₹ 1.44 crore⁵⁹ from the raw material purchase allotments and deposited this amount as VAT. This resulted in irregular credit of receipts and irregular booking of expenditure without actual receipt/expenditure. In response to an audit query, the Superintendents, CJ, Buxar and Bhagalpur admitted this and stated that directions of the IGP would be taken in this regard.

During the exit conference, the IGP stated (November 2010) that for the gainful employment of convicted prisoners, industries were established in jails. Hence, jail industry was not a commercial activity and required exemption from VAT.

The reply was not relevant and hence not acceptable because compliance to the VAT provisions was mandatory.

1.3.7.4 Reconciliation of expenditure

Expenditure of ₹ 184.41 crore not reconciled

Rule 475 (VIII) of the BFR requires heads of departments to reconcile on a monthly basis, the figures of receipt and expenditure maintained in the departments with those maintained in the books of the Accountant General (A&E). Audit revealed that during 2005-06, 2006-07, 2008-09 and 2009-10 expenditure of ₹ 65.80 crore, ₹ 46.41 crore, ₹ 64.37 crore and ₹ 7.83 crore respectively, remained unreconciled.

During the exit conference, the Secretary directed (November 2010) the IGP to reconcile the figures within a week by deputing officials from the Inspectorate.

⁵⁹ CJ, Bhagalpur- ₹ 0.05 crore, Buxar- ₹ 1.39 crore

1.3.8 Prison Security

Section 6 of Prisons Act, 1894 and Rule 8 of Chapter II of the Bihar Jail Manual requires the Government to determine the strength of security staff of each prison for the smooth and safe management of jails.

1.3.8.1 Shortage of security staff

Against 6140 sanctioned posts of security staff, 4573 posts were vacant

Audit of records in the IGP's office revealed that out of 6140 sanctioned posts of security staff, 4573 posts (74 *per cent*) were vacant (July 2010) as indicated in **Table no. 2**.

Table no. 2
Shortage of security staff

Sl. No.	Name of the post	Sanctioned post	In position	Vacancy	Percentage vacancy
1	Superintendent	57	33	24	42
2	Deputy Superintendent	02	0	02	100
3	Jailors	43	31	12	28
4	Assistant Jailors	201	58	143	71
5	Chief Head Warder	39	3	36	92
6	Head Warder	550	186	364	66
7	Warder (male)	5091	1152	3939	77
8	Warder (female)	157	104	53	34
Total		6140	1567	4573	74

The Model Prison Manual states that the ideal ratio between the guarding staff i.e. warders and prisoners should be 1:6. However, the ratio as per the sanctioned strength ranged between 1:5 and 1:38, while the ratio as per the actual men-in-position varied between 1:7 and 1:65 in the test-checked jails (*Appendix 1.3.2*).

There was acute shortage of medical, accounts, technical and sanitary staff

Similarly, there was acute shortage (between 74 to 100 *per cent*) of medical, accounts, technical and sanitary staff as detailed in **Table no. 3**.

Table no. 3
Shortage of medical, accounts, technical and sanitary staff

Sl. No.	Name of the post	Sanctioned post	In position	Vacancy	Vacancy percentage
1	Medical Officer	107	28	79	74
2	Compounder	101	07	94	93
3	Dresser	101	12	89	88
4	Technical staff	68	13	55	81
5	Accounts officer	32	0	32	100
6	Accounts staff	23	0	23	100
7	Sanitary labour	525	0	525	100
	Total	957	60	897	94

No reasons for these vacancies were available on record. The shortage of critical security personnel was likely to have an adverse impact on the safety and security of the jail. Shortage of technical and accounts personnel would have adversely affected the infrastructure and account keeping of the jails.

During the exit conference, the Secretary stated (November 2010) that the Staff Selection Commission had been approached for selection of Warder and sanction for hiring 154 Medical Officers on contract basis had been obtained. The Secretary also stated that the hiring of services of ex-Servicemen was also being considered.

1.3.8.2 Modern security equipment in the prisons

CCTVs were not working in two jails and partially working in three jails

In order to strengthen prison security, the State Government (2007-08) accorded sanction for purchase and installation of modern security equipment such as closed circuit televisions (CCTVs), walkie-talkies, X-ray searching devices, hand-held metal detectors (HHMD), door metal detectors etc. For this, ₹ 15.95 crore was provided (2007-08) to BELTRON. Audit of progress reports of BELTRON provided by the IGP office, revealed that while most of the CCTVs were functioning satisfactorily, 12 HHMDs (₹ 1.62 lakh) and 225 walkie-talkies (₹ 25.13 lakh) were not made available to six CJs and 38 other jails (*Appendix 1.3.3*) respectively.

Scrutiny in test-checked jails revealed that CCTVs were not working in CJ, Beur (Patna), Bhagalpur Special and partially working in DJ, Ara, Biharsharif and SJ, Bikramganj. Further, BELTRON supplied only one door frame detector and only one HHMD in CJ, Gaya and DJ, Begusarai respectively but showed two in each jail in their report.

Video Linkage System worth ₹ 6.23 crore was not working in 41 jails

Further, in order to reduce the security risk involved in transporting prisoners to courts for trials and for speedy disposal of their cases, the State Government decided to introduce (November 2007) a Video Linkage System (VLS) to connect all six CJs, 32 DJs and seven SJs with the courts concerned. The proposal involved installation of monitors and digital cameras at both ends with connectivity through International/Inter-State Standardised Digital Network (ISDN) lines. This work was entrusted to the BELTRON and ₹ 6.48 crore was provided (January 2008) to them. Though VLS was installed in all six CJs, 32 DJs and five SJs, audit revealed that this system was working only in CJ, Beur, Patna and DJ, Phulwarisharif, Patna. The hardware worth ₹ 6.23 crore installed in the remaining jails was lying idle due to lack of routers, modems and ISDN connectivity.

During the exit conference, the IGP stated (November 2010) that batteries of 110 walkie-talkies had been replaced and another 100 batteries would be replaced within a week. BELTRON had been directed to procure the equipment and make the system operational. He further stated that BELTRON had assured ((November 2010) that 100 units of the system were expected to become operational within six weeks.

The reply indicates that the department did not regularly monitor the operationalisation of VLS, resulting in delays in this ambitious scheme.

1.3.8.3 Recovery of prohibited items

Gate Registers were not properly maintained

Section 21 of the Prisons Act, 1894 read with Rule 315 of BJM and IGP Circular (October, 1991) requires jail gate keepers to maintain Gate Registers

(BJ forms 24 and 25) indicating details of all persons and items entering or exiting the jails along with quantities and signatures of the suppliers. These entries are to be made serially and continuously. Every evening, after lock up, the Jailors are required to give certificates indicating the last serial number. These are required to be countersigned the next day by the Superintendents at the time of opening of the jail gates. Audit revealed that:

- gate registers did not have the certificates of the Jailor and counter signature of the Superintendents in CJ, Bhagalpur, Bhagalpur Special, Buxar, DJ, Purnea and Bhagalpur Women.
- serial numbering in gate registers was not done in CJ, Bhagalpur, CJ, Bhagalpur Special, CJ, Buxar and DJ, Purnea (*Appendix 1.3.4*);
- blank spaces were there between dates (Special CJ, Bhagalpur and DJ, Purnea) (*Appendix 1.3.4*) and
- there were corrections in serial numbers (CJ, Buxar) (*Appendix 1.3.4*).

There were 180 instances of recovery of prohibited items in 34 jails during 2007-10

Rule 615 of the BJM lists the articles⁶⁰ prohibited inside jails. Scrutiny of records in the IGP's office revealed that there were 180 instances of recovery of prohibited items⁶¹ in 34 jails during 2007-10 (*Appendix 1.3.5*) whereas no data was available for periods prior to April 2007. Recovery of prohibited items was indicative of the laxity of the prison gatekeepers with resultant security threat to the jail staff and prisoners.

Scrutiny in the test-checked jails revealed that the list of recovery of prohibited items was not available in eight ⁶² jails and there were differences in the figures of recovery of prohibited items maintained in the DJ, Biharsharif and in the IGP's office. Consequently, the very purpose of the gate register was defeated in these jails and the actual entry and exit of persons/items was not ensured/checked.

During the exit conference, the IGP accepted (November 2010) the finding and stated that the recoveries indicated alertness of the jail staff. Scanners had been installed to prevent the entry of prohibited articles inside the jail. The IGP further stated that jail staff found guilty in such matters had been punished. However, the IGP had issued direction (December 2010) to maintain the gate registers properly.

The number of incidents of seizure pointed to the need for review and strengthening of the entry and exit procedures of prisoners and their proper search each time they entered the jail premises after court appearances,

⁶⁰ *Alcohol or spirituous liquor of any kind, materials for chewing except tobacco, bhang, ganja, opium, any other drug or poisonous articles, poisonous materials, materials for making fire, or materials which would cause disfiguration, cash, ornaments, knives, arms, ropes, any implement capable of assisting escape of prisoners, firearms, weapons, any other article which had not been issued for the use of prisoners from the jail stores and supplies*

⁶¹ *The items recovered were pistols, bullets, hammers, chhennis, knives, televisions, heaters, stoves, kerosene-oil, utensils, pulses, flour, wires, ropes, narcotics, drugs, liquor, mobile phones, diaries, etc.*

⁶² *CJ, Bhagalpur, Buxar, Gaya, DJ, Ara, Motihari, Nawada, Purnea and SJ, Jhanjharpur*

medical treatment, etc. The procedure in respect of visitors also needed review.

1.3.8.4 High-rise buildings in the vicinity of prison

There were multistoried buildings within the prohibited limit of jails

The Model Prison Manual, 2003⁶³, prohibits building construction within 150, 100 and 50 metres of prison walls of CJs, DJs and SJs respectively. Such buildings could pose security threats to the prisoners and the jail staff, making them prone to attacks from outside and facilitate easy interaction between the prisoners and outsiders. Field visits to 15 jails revealed that there were many multistoried buildings within this prohibited limit in two jails as detailed below:

Central Jail, Beur, Patna

Central Jail, Beur, Patna had in its close vicinity, a public road and buildings. The Chief Secretary directed (February 2008) the DM, Patna to remove encroachments and take steps for land acquisition. A field visit to this jail, however, indicated that neither had the encroachments been removed nor had any action been taken for acquisition of land.

Due to non-removal of encroachments and non-acquisition of land, 10 cases of throwing of prohibited items in the jail from the outside, between June 2007 and December 2009 were also noticed.

District Jail, Ara

DJ, Ara is located in a Naxalite infested area. The land in front of the main gate and the southern side of the main perimeter wall has been encroached upon and many multistoried buildings and drainage have been constructed. Though DM, Ara directed (July 2009) the Sub Divisional Officer, Ara to remove the encroachments, there was no progress in this regard (August 2010). Audit scrutiny further revealed that two prisoners had escaped from the jail in July 2008.

During the exit conference, the Secretary stated (November 2010) that the department was conscious of the Manual and of buildings in the jail vicinity and further stated that an 18 feet high outer perimeter wall had been constructed to reduce the security risks and additional precautionary measures would be taken.

The reply is not satisfactory as the Chief Secretary's direction was not complied with in case of CJ, Beur, Patna.

⁶³ Yet to be adopted

1.3.8.5 Precautionary Procedures

Alarm Parades

Entries regarding alarm parades were not made in the Jailors' Report Books

Rule 443 of the BJM requires the Superintendent to conduct fortnightly surprise alarm parades to ensure readiness against jail break attempts. The results of the alarm parades are to be recorded in the Jailor's Report-Book (BJ Register 2). Audit revealed that in nine⁶⁴ out of 15 test-checked jails, this register was not being maintained.

During the exit conference, the Secretary stated (November 2010) that though alarm parades were conducted, maintenance of the registers would be ensured so as to have proof of conduct of the same.

Search of wards

Rule 234 of the BJM, read with a letter dated September 2003 from the Additional Home Secretary cum IGP requires the search of every ward by Superintendents at least once a month. Audit of the test-checked jails revealed that except for the CJ, Bhagalpur, Buxar, Beur (Patna) and Special CJ Bhagalpur, where there were a few searches by Superintendents during 2005-10, none of the other Superintendents searched the wards.

During the exit conference, the Secretary stated (November 2010) that this had been noted for future compliance.

1.3.8.6 Pending reports relating to custodial death

Out of 518 custodial deaths, 28 magisterial inquiry reports were still pending in respect of seven jails

General instructions issued by the Human Rights Commission (1993) required all State Governments to report custodial deaths within 24 hours of their occurrence. This was to be followed by post-mortem reports, magisterial inquiry reports, video recording reports of the post-mortems etc. In January 2001, the National Human Rights Commission (NHRC) reiterated these instructions and prescribed a time limit of two months within which the reports were to be sent to them. Audit scrutiny of relevant records in the test checked jails and the IGP's office revealed that out of 518 custodial deaths (2005-10), 28 magisterial inquiry reports were still pending (2005-10) in respect of seven jails (*Appendix 1.3.6*). No data regarding custodial death reports had been sent to NHRC from the IGP's office.

During the exit conference, the Secretary stated (November 2010), that now this had been streamlined and directed the IGP to make the pending reports 'nil'.

⁶⁴ CJs (Buxar , Gaya), DJs (Ara, Begusarai, Biharsharif, Motihari, Nawada) and SJs (Bikramganj and Jhanjharpur)

1.3.9 Facilities and privileges for prisoners

1.3.9.1 Overcrowding in the prisons

Jails still overcrowded despite improvement in occupancy rates during 2005-09

Rules 1110 and 1111 of the BJM requires that the capacity of prisons should be regulated by scales of cubical space and lateral ventilation prescribed for each prisoner. The capacity, actual occupancy and the percentage of occupancy of prisoners in all prisons of the State is indicated in **Table no. 4**.

Table no. 4
Prison occupancy in the State

Calendar Year	Total capacity	Actual occupancy	Percentage occupancy rate
2005	21657	45818	211.56
2006	24117	44281	183.60
2007	29598	39638	133.92
2008	31885	37709	118.27
2009	31760*	33711	106.14

*Capacity decreased in DJs Lakhisarai, Madhubani, Samastipur, Sheikhpura and SJ Bagaha
(Source: IGP office)

Table no. 4 reveals that the problem of overcrowding was severe during 2005-07, the average occupancy rate being 134 to 212 *per cent* of the overall capacities which improved to an average of 106 *per cent* during 2009. The improvement in the position of overcrowding was mainly due to increase in the capacities in jails and decrease in the actual occupancy. The prison-wise details of occupancy (**Appendix 1.3.7**) however, reveal that the overcrowding was still severe in 12 jails, where it ranged between 211 and 464 *per cent* of their capacities (December 2009).

During the exit conference, the IGP stated (November 2010) that overcrowding in prisons was not a permanent problem and the updated statistics (June 2010) showed that 30331 prisoners were confined against the capacity of 31937. The IGP further stated that new jails and wards were under different phases of construction and the capacity was expected to increase considerably.

The fact, however, remains that overcrowding in prisons resulted in denial of the entitled space to the prisoners and put pressure on utilities such as water supply and sewerage systems. The work load on the security staff also increased, hampering their ability to control crime and violence in prisons. Besides, there were possibilities of jail breaks as seen from the Action Taken Report of Jehanabad jail breaks (November 2005) and as mentioned in the Action Plan 2003-04 for the Prison Reforms Scheme.

1.3.9.2 Open Jail

Commissioning of Open Jail delayed

In order to create an atmosphere conducive to the development of prisoners' skills and talents, to help them contribute to society and to adopt a progressive approach, the State Government adopted (2006-07) the concept of Open Prisons under the Prison Reforms Scheme. The first Open Jail was to be set up at Buxar at a cost of ₹ 4.10 crore with 100 huts for which funds were released

in February 2008. The construction work allotted to the Infrastructure Development Authority (IDA) was slow, with the buildings being completed only up to the roof level, except for the administrative building. Consequently, this progressive component of the Prison Reforms Scheme could not be implemented (November 2010).

During the exit conference, the Secretary stated (November 2010) that the IDA had been requested for completion of the project. The work of this ambitious scheme was being reviewed regularly from August 2010 and the work was expected to be completed by December 2010. The fact, however, remains that the progress of construction was slow as there was no proper monitoring before August 2010.

1.3.9.3 Wages

In the light of the Supreme Court's order dated September 1998 a 'Work Assignment Committee' was constituted (July 1999) under the chairmanship of the IGP for recommendation of wages. This Committee recommended minimum wages at ₹ 12, ₹ 10 and ₹ eight per day for hard, medium and light categories of labour respectively. These wages were to be credited every Monday in a ledger and a savings account was to be opened in the names of the convicts in the nearest post offices. Thereafter, two-thirds of the monthly wages were to be credited in the said accounts and the balance one-third of the wages into a general fund set up to compensate the victims or their family members. The fund was to be administered by a Trust. On the basis of the aforesaid Committee's recommendations, a resolution was issued (October 1999). Scrutiny of records of the IGP and test-checked jails revealed that

- no such trust was formed;
- no funds were disbursed to the aggrieved victims and their families;
- the weekly record of wages earned by prisoners was not maintained, depriving oversight authorities from ascertaining instances of less payment or non-payment of wages to prisoners.
- though the State Government revised the minimum wages at ₹ 102 w.e.f. April 2009, the prisoners continued to be paid at the July 1999 rate of minimum wages at ₹ 51.

Weekly wage records of prisoners were not maintained and revised wage rates were not paid to the prisoners

During the exit conference, the Secretary stated (November 2010) that the monthly records of wages earned were being maintained. However, the wage revision process had been started and the process of formation of the Trust would be initiated so that the aggrieved victims could get some relief. The fact, however, remains that even after the lapse of more than 10 years since the resolution was issued, the department was still to compensate the victims and their family members.

1.3.9.4 Prisoners' Welfare Fund

The Home (Special) Department's resolution (December 2008) provided for the setting up of a Prisoners' Welfare Fund to be administered by a committee with the Jail Superintendent as Chairman and the Jailer, Assistant Jailer (AJ),

Medical Officer (MO) and three prisoners as members. The main source of funds was the profit of sales in the prison canteen and Government grants. Detailed norms for operationalisation of this fund were to be fixed by the IGP.

Scrutiny of the records in the IGP's office and the test-checked jails revealed that neither was this committee constituted nor did the IGP fix norms as required. Consequently, no grant was given by the Government.

During the exit conference, the Secretary directed (November 2010) the IGP to speed up the system of formation of the committee so that welfare measures for the prisoners might be started.

1.3.9.5 Supply verification

Rule 1052 of the BJM and IGP's circular dated June 1990 stipulate that the Superintendent, Jailor and Assistant Jailor in charge of rations have to provide a joint certificate indicating that the diet articles received are correct in weight and quality. Scrutiny of records revealed that no joint verification certificate (of the Superintendent, Jailor and Assistant Jailor) was given in 13⁶⁵ out of 15 test-checked jails.

No physical verification was conducted by the magistrates in 10 test-checked jails

Instructions issued (March 2002) by the IGP required that food articles supplied to jails were to be physically verified by a magistrate on the same day itself, failing which payments were not to be released. Thereafter, the articles were to be entered in the Stock Register and when the delivery was complete, the District Purchase Committee (DPC) was to make random checks for quality and quantity. Scrutiny of records revealed that no physical verification was conducted by the magistrates in 10⁶⁶ out of 15 test-checked jails during 2005-10. Besides, the DPC did not conduct random checks in eight⁶⁷ out of 15 test-checked jails during 2005-10.

Supply register not maintained

The IGP's instructions prescribed (May 2004) that a register in the specified format should be maintained for all supplies. This register was not maintained in the test-checked jails. This pointed to the fact that the jail administration did not ensure the quantity and quality of the supplied articles.

During the exit conference, the Secretary asked the IGP (November 2010) to issue directions to DMs for deputing magistrates to ascertain and verify the supplied articles on the dates of supply.

1.3.9.6 Quantity and quality of food supplied to prisoners

Rule 1036 of the BJM requires the Superintendent and the Medical Officer to inspect the cooked food in jails at least once every week without any previous notice. This inspection must also include the weight of food distributed to

⁶⁵ CJ, Beur (Patna), Bhagalpur, Bhagalpur Special, Buxar, Gaya, Muzaffarpur, DJ, Begusarai, Bhagalpur women, Biharsharif, Motihari, Purnea, SJ, Bikramganj and Jhanjharpur

⁶⁶ CJ, Beur (Patna), Bhagalpur, Bhagalpur Special, Buxar, Gaya, Muzaffarpur, DJ, Begusarai, Bhagalpur women, Purnea, SJ, Jhanjharpur

⁶⁷ CJ, Beur (Patna), Bhagalpur, Bhagalpur Special, Buxar, Gaya, DJ, Begusarai, Bhagalpur women, Purnea

prisoners. However, this provision was not complied with in any of the test-checked jails.

1.3.9.7 Formation of Bandi Panchayat

No Bandi Panchayat was set-up in nine test-checked jails

Prisoners were given the privilege of electing their representatives to the Bandi (Prisoner) Panchayat which looked after the distribution of food, sanitation and planning of recreation activities. Further, the IGP's circulars (November 1991 and March 1992) mentioned that for every 100 prisoners or part thereof, one Bandi Panchayat member was to be elected who would be responsible for certifying the quantity and quality of food and other articles supplied to the prisoners. Audit revealed that no Bandi Panchayat member was elected in the nine⁶⁸ out of 15 test-checked jails. Consequently, the quantity and quality of meals and other articles supplied to the prisoners could not be vouched for.

During the exit conference, the Secretary directed (November 2010) the IGP to strictly comply with the instructions.

1.3.9.8 Infrastructure in Jail Hospitals

There were no ambulances in 10 test-checked jails and no X-ray machines in six test-checked jails

Audit scrutiny revealed that there was no ambulance in 10⁶⁹ of the test-checked jails and only one in CJ, Gaya against the required two. Further scrutiny revealed that there was no X-ray machine in six⁷⁰ jails, no blood pressure machine in two⁷¹ jails, no stethoscope in five⁷² jails and no weighing machine in four⁷³ jails.

1.3.10 Rehabilitation of prisoners

Provision of small scale industries in Prisons

Rule 751 of the BJM stipulates that the ultimate objective of the prison administration was reformation and rehabilitation of offenders, shifting its emphasis from the custody and control of prisoners to their training and treatment, so as to make them responsible members of the civil society by the time they complete their sentences and leave the jails. For this, each jail is to concentrate on one or two main industries and their produce is to be utilised for jail requirements and the balances are to be purchased by Government departments.

Industries were not established in 48 jails

Scrutiny of the IGP's records revealed that prison industries were established in all six CJs and in two DJs (Phulwarisharif and Chhapra) prior to April 2005 but not in the remaining 48 jails. Consequently, 22052 prisoners

⁶⁸ CJ, Gaya, DJ, Ara, Begusarai, Biharsharif, Motihari, Nawada, Purnea, Sub jail, Bikramganj, Jhanjharpur

⁶⁹ CJ, Bhagalpur, DJ, Ara, Begusarai, Bhagalpur women, Biharsharif, Motihari, Nawada, Purnea, SJ, Bikramganj, Jhanjharpur

⁷⁰ CJ, Bhagalpur, Bhagalpur Special, DJ, Bhagalpur women, Nawada, SJ, Bikramganj, Jhanjharpur

⁷¹ DJ, Bhagalpur women, SJ, Bikramganj

⁷² DJ, Begusarai, Bhagalpur women, Purnea, SJ, Bikramganj, Jhanjharpur

⁷³ DJ, Begusarai, Bhagalpur women, Purnea and SJ, Bikramganj

(December 2009) in 48 jails were denied the opportunities of training in gainful industrial activities, defeating the very objectives envisaged by the department.

During the exit conference, the Secretary stated that the department was planning to train convicts for micro-small industries.

1.3.11 Infrastructure

Infrastructure is a very important pre - requisite for the effective management of prisons. The availability of appropriate, secure and sufficient infrastructure ensures not only that the prisoners are provided with their entitlements, but also plays a significant role in their mental and physical well being. Scrutiny of the availability, adequacy and appropriateness of existing infrastructure in the 15 test-checked jails revealed the following deficiencies:

1.3.11.1 Incomplete works under Prisons Reforms Scheme

A scheme for Prison Reforms was launched (2002) by the Ministry of Home Affairs, Government of India (GOI) under Non-Plan with funds to be shared in the ratio of 75 per cent (GOI) and 25 per cent (State Government). Though initially the scheme was to be implemented over a period of five years (2002-07), it was extended up to March 2009 without any additional funds. The scheme envisaged construction of additional jails to reduce overcrowding, repairs and renovation of existing jails, improvement in sanitation, water supply and living accommodation for jail staff.

The GOI guidelines required the projects executed under the scheme to be reviewed by an Empowered Committee (EC) headed by the Chief Secretary.

The Perspective Plan and Annual Plan were prepared by the State. The Empowered Committee was constituted (July 2003) to review the scheme. The funds allocated and drawn under this scheme upto 2004-05 were ₹ 73.61 crore and ₹ 31.58 crore respectively. The yearly allocations and drawals during 2005-09 are given in **Table no. 5**:

Table no. 5
Allocations and Drawals for Prisons Reforms Scheme during 2005-09
(₹ in crore)

Year	Allocation	Surrender	Drawal	Lapse
2005-06	72.04	56.70	14.83	0.51
2006-07	109.54	22.77	59.32	27.45
2007-08	51.65	NIL	51.65	NIL
2008-09	55.25	0.38	54.72	0.15
Total	288.48	79.85	180.52	28.11

(Source: Detailed Appropriation Accounts)

Lack of monitoring by EC resulted in meagre expenditure of ₹ 49.12 crore out of drawal of ₹ 212.10 crore

The preceding details and **Table no. 5** indicate that upto March 2009, against the total allocation of ₹ 362.09 crore, the drawals were to the extent of ₹ 212.10 crore only. However, the progress report of the Building Construction Department, the Infrastructure Development Agency and the Public Health Engineering Department indicated that only ₹ 49.12 crore⁷⁴ was spent up to March 2010. Rupees 22.03 crore drawn by the department in March 2009 was transferred to the Building Construction department (for construction/repairs of wards in jails) in March 2010. An unspent amount of ₹ 162.98 crore was still lying with the implementing agencies.

Under this scheme, different construction works were to be done as given in **Table no. 6**.

Table no. 6
Targets and achievements of construction work

Sl. No.	Item of construction	Target	Achievement	Percentage of achievement
1	Jails	9	1	11
2	Toilets	3119	666	21
3	Central watch tower	5	0	0
4	Joint perimeter wall	1	1	100
5	Second Perimeter wall	1	0	0
6	Staff quarters, warder barrack and Guard barrack	267	5	2
7	Prison wards	99	2	2
8	High security wards	3	2	67
9	Watch tower	61	17	28
10	New Boundary wall	1	1	100
11	Kitchen	50	8	16

Table no. 6 exhibits that though the target for construction of joint perimeter wall and new boundary wall was achieved, no central watch tower and second perimeter wall was constructed. The percentage of achievement of other construction works ranged between two and 67 *per cent* only. Further scrutiny revealed that the EC headed by the Chief Secretary did not conduct quarterly reviews of the scheme as envisaged in the guidelines.

Thus the scheme was implemented without taking the actual time frame of achievement of targets as envisaged in the Perspective Plan and Annual Plan. Lack of monitoring by the Empowered Committee resulted in poor achievement of the targets and an amount of ₹ 162.98 crore was lying with the implementing agencies.

During the exit conference, the Secretary stated (November 2010) that since the Prison Reforms Scheme was over, the State Plan Funds would be utilised for completion of the incomplete schemes. He also stated that reviews were being conducted regularly from January 2009.

⁷⁴ BCD- ₹ 36.57 crore, IDA- ₹ 11.59 crore and PHED- ₹ 0.96 crore

1.3.11.2 Purchase of Vehicles

As a part of strengthening the jail infrastructure, the State Government sanctioned (March 2008) ₹ 4.89 crore for purchase of vehicles for transportation of prisoners and jail officials and ambulances. The proposal involved purchase of 33 Mahindra Jeeps, six Maruti Gypsies, 53 Mahindra Marshal Ambulances and six Tata Buses.

Part of funds sanctioned for purchase of vehicles was surrendered and the balance was allowed to lapse

Audit revealed that ₹ 2.35 crore was surrendered (31.03.2008) because the process of purchase was not completed and ₹ 2.54 crore was allowed to lapse (31.03.08) due to late submission of bills in the treasury. In two of the 15 test-checked jails, instances of prisoners not being produced in court on time were noticed. For instance, in CJ, Beur, Patna, 2604 prisoners were not produced in court due to the non-availability of prisoner vans and escorts between April 2008 and July 2008, leading to delays in legal proceedings.

During the exit conference, the Secretary stated (November 2010) that the bills were handed over by treasury at 10 pm in the night of 31 March 2008 and State Bank of India refused to accept the said bills at that time. The Secretary also stated that the Action Plan would be made in such a way that last moment drawals are avoided.

1.3.12 Inventory Control

1.3.12.1 Verification of stores and stock

No stock verification done in seven jails during 2005-10

Rule 76 of the BJM requires the Jail Superintendent to examine all stores, machinery, plant, tools, etc. and submit half-yearly returns (ending June and December) to the IGP and to conduct physical verification including counting, measurement or weighing of all stock at the close of the financial year. However, no half-yearly examination of stock was conducted (2005-10) in seven jails⁷⁵.

In Central Jail, Bhagalpur, it was observed that a new stock register for raw material and dead stock was opened w.e.f. September 2006 but the closing balances of raw materials and dead stock worth ₹ 5.75 lakh and ₹ 0.85 lakh respectively were not carry forwarded correctly (*Appendix 1.3.8*). In reply, the Superintendent replied (June 2010) that the matter was brought to the notice of the IGP in November 2007 for necessary action. Though nearly three years had lapsed, no action had been initiated by the IGP (September 2010).

During the exit conference, the IGP stated (November 2010) that a committee comprising AIG, Superintendents of Special Central Jail, Bhagalpur and Central Jail, Bhagalpur had done site inspection and submitted its report and the matter was under review.

⁷⁵ DJ, Begusarai, Biharsarif, Motihari, Nawada, and Purnea SJ, Bikramganj, Jhanjharpur

1.3.12.2 Disposal of scrap and condemned articles

Scrap materials and condemned articles valuing ₹ 10.54 lakh were not disposed off

Rules 142 to 145 of the BFR prescribes the procedure for disposal of goods declared surplus, obsolete or unserviceable, if the same are of no use to the department. Scrutiny of records of CJ, Bhagalpur and Buxar revealed that scrap materials and condemned articles valued ₹ 10.54 lakh held from 2006-07 were not disposed off (*Appendix 1.3.9*).

Non-disposal led to accumulation of surplus, obsolete or unserviceable goods and consequential blockage of space. Also, there was deterioration in value of goods to be disposed off.

During the exit conference, the IGP stated (November 2010) that the condemnation process had been started.

1.3.12.3 Idle machinery

In CJ, Buxar, it was noticed that carding and spinning machines was non-operational for the last 10 years (*Appendix 1.3.10*). No action was taken by the jail authorities to get the machine repaired. Cotton yarn worth ₹ 49.90 lakh was purchased (2005-10) from outside for making cotton cloth due to non-functioning of carding and spinning machines. In reply, Superintendent, CJ, Buxar informed (August 2010) that he was intimating the IGP for necessary action.

During the exit conference, the Secretary stated (November 2010) that spares were not available as the machines were old (1949). After inspection, the condemnation procedure was in progress.

1.3.13 Monitoring and internal audit**1.3.13.1 Inspection of jails**

The IGP carried out only seven inspections during 2005-10 against the required 101 inspections in all the 15 test-checked jails

Rule 31 of the BJM requires the IGP to inspect every CJ, DJ and SJ twice in a year, once in a year and once in two years respectively on issues relating to jail conditions, accounts and discipline. Further, Rule 32 of the BJM requires him to enter in the Visitor's Minute Book, a brief memorandum of the condition of the jail. If the jail condition is unsatisfactory, a copy of this memorandum, with explanation of the Superintendent and the DM is submitted to the Government for information and orders. Further, as per Rule 33 of the BJM the IGP is also required to submit an annual report to the Government about the jail administration, statistics of prisoners and details of inspections. Scrutiny revealed that during 2005-10, only seven inspections were carried out against the required 101 inspections in all 15 test-checked jails (*Appendix 1.3.11*) and no annual reports were submitted to the Government.

DMs carried out only 12 inspections during 2005-10 against the required 790 in 15 test-checked jails

Further, as per Rule 43 of the BJM and Rule 26 of subsidiary BJM, the DM has to personally visit the CJ/DJ once a month and the SJ once in a year. Audit revealed that only 12 inspections were carried out against the required 790 in six CJs, seven DJs and two SJs (*Appendix 1.3.12*) falling under the

jurisdiction of DMs in 13 districts. Thus the monitoring of the functioning and security of the jails was deficient and indicated weak internal controls.

During the exit conference, the Secretary stated (November 2010) that delegation of power for such inspections was under consideration for strict compliance.

1.3.13.2 Constitution of Boards of Visitors

Boards of Visitors were not constituted in 15 test-checked jails

Rule 47 to 50 of the BJM provides for constitution of a Board of Visitors with ex-officio and non-official members for each prison. This Board is required to conduct inspections of DJ and CJ weekly and fortnightly respectively by sending a visitor. The visitors' inspection had to include 15⁷⁶ points. Scrutiny in the test-checked jails revealed that Boards of Visitors was not constituted (July 2010).

During the exit conference, the Secretary stated (November 2010) that necessary steps would be taken for making the committee functional.

Thus the prisoners were deprived of the opportunity for redressal of their complaints and petitions through the Boards of Visitors.

1.3.13.3 District Level Monitoring Committee for female prisoners

District Level Monitoring Committees for female prisoners was not constituted in 15 test-checked jails

As per the IGP's circular of April 2004, DMs were required to form District Level Monitoring Committees for female prisoners under the Chairmanship of the Additional Collector/Senior Executive Magistrate with one female officer nominated by the DM and one lady Medical Officer as its member. This Committee had to visit every jail having female prisoners, once in every three months and report to the IGP through the DMs concerned. Audit revealed that no such committee was constituted in any test-checked jail depriving the female prisoners of the opportunity for redressal of their complaints and petitions.

During the exit conference, the Secretary stated (November 2010) that steps for making the committees functional would be taken.

1.3.13.4 Internal audit

No internal audit wing in the department

Internal audit examines and evaluates the level of compliance to departmental rules, regulations and procedures so as to provide assurance to the management on the adequacy of risk management and internal control framework. The department had no any internal audit wing. Deficiencies in the maintenance of records and accounts and other irregularities mentioned in preceding paragraphs could have been detected for remedial action if these had been subjected to internal audit.

⁷⁶ Accommodation, appeals, bathing, buildings, cells, classification, clothing and bedding, conservancy, dietary, discipline, health, labour, lunatics, under trial prisoners and water supply

During the exit conference, the Secretary stated (November 2010) that this would be taken into consideration.

1.3.14 Model Prison Manual

Model Prison Manual 2003 was not adopted

Though the GOI forwarded (December 2003) a copy of the Model Prison Manual 2003 to the State Government for adoption and implementation, the same was still under review.

During the exit conference, the Secretary stated (November 2010) that expert prison consultants had been engaged to study the draft manual prepared by the department in the light of national and international best practices and this was likely to be completed in the next two to three months.

1.3.15 Conclusion

Performance audit of management of prisons in Bihar revealed several deficiencies. There were acute staff shortages. Modern security equipment was either not provided or not working properly. The works sanctioned under the Scheme of Prison Reforms remained incomplete. Delays were observed in the commissioning of an Open Jail; Boards of Visitors were not constituted and inspections of prisons were not carried out regularly by the IG and concerned DMs. There were deficiencies in the monitoring of food and other supplies to prisoners; regular stock verifications were not conducted; delays were noticed in the disposal of obsolete stores and essential records and registers were not maintained. Even after the lapse of seven years, the Model Prison Manual formulated by the Government of India was not adopted.

Recommendations

The department may examine and consider the following recommendations:

- strengthening and modernising the security arrangements by installation of electronic security devices;
- conducting a manpower review to rationalise the deployment of staff for better management of prisons;
- ensuring better housing, balanced diet and proper medical attention on a timely basis to prisoners;
- improving the existing infrastructure to solve overcrowding in prisons;
- strengthening the implementation of the open jail system;
- strengthening the monitoring and internal control mechanism for better management of prisons and
- ensuring implementation of the Model Prison Manual.

FINANCE DEPARTMENT

1.4 Information Technology audit of General Provident Fund System

Highlights

The Directorate of Provident Fund was responsible for maintaining the General Provident Fund (GPF) accounts of employees of the All India Services officers posted in Bihar and officers/officials of the Bihar Government. For this purpose, application software (Bhavishyanidhi) developed through National Informatics Centre Services Incorporated (NICSI) in 2005. Performance audit of General Provident Fund system was conducted to evaluate the efficiency and effectiveness of the system as well as the adequacy of controls in terms of its stated objectives.

The State did not formulate any IT policy before development of the software through National Informatics Centre Services Incorporated and its implementation. The department also failed to develop key performance indicator to evaluate the performance of the department in an IT environment.

(Paragraph 1.4.8.1)

The department did not ensure that basic document such as the System Design Documents were prepared by NICSI. Hence, the department was dependent upon the provider.

(Paragraph 1.4.8.2)

Password control procedures were non-existent making the database vulnerable to manipulations.

(Paragraph 1.4.8.5)

There was no provision for Disaster Recovery and Business Continuity Plan were not maintained. Consequently, the completeness, reliability and integrity of the data backup in the department cannot be vouched for.

(Paragraph 1.4.8.6)

Lack of input control resulted in unreliable data base.

(Paragraph 1.4.9.1)

While the Annual GPF account statements were issued to only 11 to 55 per cent of the subscribers, the Web enabled service facility could not be extended to State wide GPF subscribers.

(Paragraph 1.4.9.3 & 1.4.10.1)

Non-utilisation of existing features of application led to avoidable manual processes.

(Paragraph 1.4.11)

1.4.1 Introduction

The Bihar General Provident Fund Rules, 1948 based on the Provident Fund Act, 1925 mandates enrolment of all Government employees as its subscribers. In Bihar, the Directorate of Provident Fund (DPF) was established w.e.f. 1st April 1986, under the Finance Department. This office was responsible for maintaining the GPF accounts of subscriptions, advances,

withdrawals and final payments from the GPF accounts. The DPF was also entrusted with the issuing of the annual GPF statements of employees of All India Services posted in Bihar and officers/officials of the Bihar Government.

The District Provident Fund Offices (DPFO) works under the overall control and supervision of the DPF and maintains the GPF accounts of staff posted in the concerned districts. The DDOs (Drawing and Disbursing Officers) in the respective government offices are responsible for making deductions from the salaries of the officers/officials and to submit an account of such deductions to the concerned treasury. The Treasury Offices in turn send a "Monthly Schedule" of such deductions/advances/withdrawals to the concerned DPFO for making entry into their GPF accounts.

1.4.2 Basis for introduction of a computerised GPF setup

On the recommendations of the 11th Finance Commission, the Government of India (GOI) sanctioned and released ₹ 2.59 crore⁷⁷ for the computerization of GPF Offices in the State. The DPF entered into a Memorandum of Understanding (MoU) (February 2003) with National Informatics Centre Services Incorporated (NICS), a Government of India enterprises under National Informatics Centre (NIC) for the computerization project with the period of completion as three months from the date of release of funds.

In order to supervise the execution of this project the Finance Department constituted (March, 2003) a Co-ordination Committee under the Chairmanship of Additional Finance Commissioner, the Joint Commissioner (Accounts Administration) and NICS representative as members. Though the time frame for completion of this project was three months, this schedule was not adhered to by NICS and the project was finally completed in the year 2005.

1.4.3 Objectives of the computerisation project

The computerisation of GPF accounts in Bihar aimed to achieve the following objectives:-

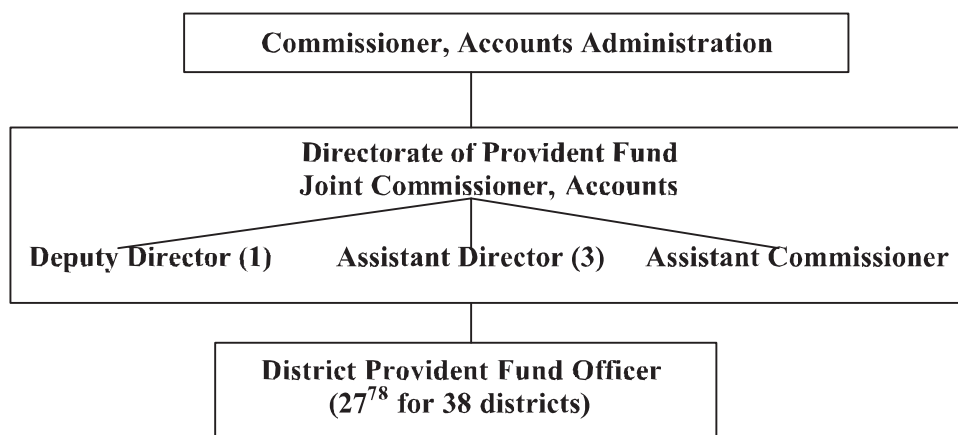
- to capture the GPF contribution data, balances, transfers, maintenance of master data and records and entry of backlog schedules;
- to establish a centralized databank in the Directorate of GPF and to introduce a new, modern and futuristic work culture utilizing IT enabled tools;
- generation of annual GPF Accounts Slips and
- to develop an efficient GPF accounting system while ensuring proper book keeping, reducing staff work and elimination of delays.

1.4.4 Organisational set-up

The GPF offices work under the overall control of Commissioner, Accounts Administration of the Finance Department. The Directorate of Provident Fund

⁷⁷ ₹ 1,29,42,000 in April 2003 and ₹ 1,29,41,875 in December 2003

is headed by a Joint Commissioner, Accounts who was assisted by one Deputy Director, three Assistant Directors and one Assistant Commissioner at the State level. The District level GPF offices are headed by the District Provident Fund Officer. (DPFOs)



1.4.5 Scope of Audit

The performance audit covered the period from 2005-06 to 2009-10 and was conducted during April to August 2010 in the offices of the Directorate, Provident Fund (DPF) and 10⁷⁹ out of 27 District Provident Fund Offices. The selection of DPFOs was made randomly through Computer Assisted Audit Techniques (CAATs). The audit effort involved the analysis of GPF data maintained in the offices of the DPF and test-checked DPFOs relating to the records maintained in an IT environment with the manual records, procurement and security of hardware and software, training of personnel, updating the GPF debits and credits and timely issuance of Annual GPF Statements to the subscribers.

1.4.6 Audit objectives

The audit objectives aimed to assess whether the introduction of computerisation resulted in:

- improvement in the quality of records of GPF accounts;
- clearance of arrears in postings, maintenance of data integrity and reliability for generation of reliable and useful reports;

⁷⁸ (1) Aurangabad (2) Begusarai (3) Bettiah (4) Bhagalpur (Banka) (5) Bhojpur (Buxar) (6) Chapra (7) Darbhanga (8) Gaya (9) Gopalganj (10) Jehanabad (Arwal) (11) Katihar (12) Khagaria (13) Madhepura (14) Madhubani (15) Munger (Lakhisarai, Shekhpura, Jamui) (16) Muzaffarpur (17) Motihari (18) Nalanda (19) Nawada (20) Patna (21) Purnea (Kishanganj, Araria) (22) Saharsa (Supaul) (23) Samastipur (24) Sasaram (Kaimur) (25) Sitamarhi (Sheohar) (26) Siwan, (27) Vaishali

⁷⁹ Begusarai, Bhagalpur, Bhojpur (Ara), Darbhanga, Madhepura, Muzaffarpur, Purnea, Saharsa, Samastipur & Vaishali

- the reduction of manual processes thereby facilitating the introduction of a new work culture and a more efficient and reliable customer services;
- provision of essential system safeguards including access control regimes to ensure data integrity and reliability and the creation of a centralised data bank and
- the training imparted to the departmental personnel resulted in covering knowledge gaps and in creating a pool of officials qualified to handle the IT enabled system.

1.4.7 Audit criteria and methodology

Computer Assisted Audit Techniques (CAATs) were used for data analysis. Questionnaires, audit memos, personal interviews and interactions with the officers of the department were utilised to obtain the relevant information about the project. GPF data maintained by the test-checked DPFOs were verified from the concerned treasury records. An exit conference was held (November 2010) with the Principal Secretary, Finance Department, Government of Bihar. All the points raised in audit were discussed though the replies of the department are still awaited (December 2010).

1.4.8 General Controls

1.4.8.1 IT Policy and Planning

As per draft IT policy 2009 of Government of Bihar, the success of any project implementation depends to a large extent on devising a reliable, appropriate and workable implementation plan. Such plans must essentially prescribe a system of clear cut hierarchy of roles and responsibilities, appropriate delegation of powers, implementation procedures and deadlines and be clearly systematised and institutionalised as general system controls.

Lack of implementation policy, time frames, roles and responsibility led to incomplete IT based GPF application

Audit scrutiny of the general system controls revealed that contrary to the above requirements, no clear cut implementation guidelines, timeframes, roles responsibilities or delegations were prescribed by the Co-ordination Committee. Consequently, though the NICSI succeeded in developing an IT based GPF application, it was yet to formulate and institutionalise an IT policy for the State. Further, neither did the department evolve any key performance indicators required for performance evaluation nor did they conduct any cost benefit analysis before undertaking the development of the various system control applications.

This resulted in an anomalous situation wherein though the department got developed an IT application without even going through the phases of formulation, standardisation and codification of an appropriate and implementable IT policy yet, the department did not develop any relevant key performance indicators and detail the user requirements or conduct any cost benefit analysis before entering into the agreement with NICSI.

1.4.8.2 System Documentation

Department was dependent on software provider due to lack of system design documentation

It was observed that neither did the department insist upon nor did NICSI make available any system design documentation in respect of the IT Application. This resulted in the organization becoming totally dependent upon the software provider for any change/modification required to be made in the system.

1.4.8.3 Purchase and installation of software

The MoU between NICSI and DPF provided for the purchase of the operating system and software for installation of the GPF package. Accordingly, NICSI was to provide LINUX operation system as the operating platform, Oracle 9i as the work group server and Oracle 6i for running the software *Bhavisyanidhi*.

Scrutiny of the software installed and operating in the DPF and test-checked DPFOs revealed that NICSI had in deviation to the MoU and without obtaining any formal approval from the DPF substituted LINUX operating software with MS-Windows Server 2003. In addition, the *Bhavisyanidhi* software was running on the MS-SQL Server-7, instead of Oracle as the database backend and Visual Basic as the front end. It was also noticed that NICSI did not submit any evaluation report regarding the suitability of the software nor did they consider any cost implications due to this deviation.

Rupees 25.76 lakh were paid to vendor despite deviation in installation of software

Instead, NICSI issued an incorrect installation certificate mentioning Oracle 9i instead of the installed MS SQL-Server 7. No installation certificates regarding the other two softwares were provided by NICSI, though a claim of ₹ 25.76 lakh has been made for this purpose. The DPF also did not make any efforts to ensure installation of the software as per MoU nor did they make any efforts to evaluate the advantages or cost implications of the installed software by the department.

In reply, DPF mentioned (August 2010) that NICSI's reply in this regard would be communicated soon.

1.4.8.4 Training

Avoidable payment of ₹ 1.11 crore was made due to shortfall in training

The MoU required NICSI to organize two spells of specialised training on the application software for 500 personnel of the DPF and DPFO offices in the State. For this, though the DPF advanced (April 2003) ₹ 10.00 lakh to NICSI, they conducted just one round of training (between September 2003 and March 2004) for 282 officials. NICSI, however, submitted bills for the entire ₹ 10.00 lakh given as advance. To make good this shortfall in trained personnel the DPF hired 51 Data Entry Operators. This resulted in an avoidable payment of ₹ 1.11 crore to these personnel on account of their wages for assisting in data entry operations. Though the matter has been reported (September 2010) to the Department, their reply is awaited (December 2010).

1.4.8.5 IS Security

● Access control mechanism

An effective access controls system seeks to prevent unauthorized access to the information system and requires the establishment of well defined formal procedures and protocol to be in place. Further, allocation and prioritization of access rights to information system and services are also essential.

Scrutiny revealed that there was no well-defined or documented password policy. Password control procedures like restriction on unsuccessful login attempts by the users or automatic lapse of password after a predefined period and periodical change of passwords after a certain period were non-existent. During audit, it was also seen that all users had the privileges of the database administrator, thus rendering the data base vulnerable to manipulation at all levels. Consequently, the possibility of unauthorized access, tampering of data and other malpractices cannot be ruled out.

On being pointed out (June 2010), the department stated (August 2010) that NICSI has been requested to provide the facilities.

● Environmental control

Proper security measures were not followed by the department to safeguard the IT assets

At the district level, the DPFOs are responsible for ensuring the proper security and up-keep of computers and for the maintenance of the site. It was however observed that:

- Sufficient measures were not taken in three⁸⁰ of the test-checked districts to safeguard against power failure, since no backup power supply system was available.
- Fire extinguishers were not installed in any of the test-checked districts and in the DPF to protect the system from fire hazards. Water leakage problem was also found in four⁸¹ of the test-checked districts.

● Antivirus

We observed that at DPFOs, the antivirus software was not regularly updated, rendering the system prone to risk of loss/corruption of critical data.

1.4.8.6 Disaster Recovery and Business Continuity Plan

The establishment of an adequate Information Disaster Management and Recovery System is a very important component in maintaining the data security and integrity within a computerised environment. Consequently, an organization must take all essential steps to ensure that it is adequately prepared to cope with the loss of operational capability due to any natural or manmade disasters. Such a plan is critical to ensure that the information system can promptly restore operations and recover data in the event of a disaster.

⁸⁰ Begusarai, Bhojpur and Samastipur

⁸¹ Bhagalpur, Darbhanga, Muzaffarpur and Purnea

Due to lack of adequate Disaster Recovery and Business Continuity Plan, reliability and integrity of backup data cannot be vouched for

Audit revealed that though the DPF was the custodian of the State Public Accounts held in trust, it had no well documented Disaster Recovery and Business Continuity Plan outlining the information processing capabilities and to prevent loss of the subscribers critical investment data. Further, the department's backup was maintained in the server and this back up data was never tested. Consequently, the integrity of back up data held by the DPF could not be vouched for. This data was also not kept outside the premises as back up measures. For instance, when the server of DPFO, Samastipur got corrupted in July 2010, that office did not have the back up and ultimately the data had to be obtained from the audit office in August 2010.

On being pointed out the department stated (August 2010) that regular data backup is being taken for ensuring data restoration in the case of emergency and to ensure that this is not lost. It is however a fact that the back-up data was not available and wherever available on server it was not tested.

1.4.8.7 Non-maintenance of essential records

Some of the prime objectives of the GPF computerisation project were to improve the quality of book keeping records relating to the subscribers, clearance of back logs in data entry, ensuring data integrity and the generation of reliable and useful reports. Further, Finance Department Resolution of May 1984, and letters June 1998 and October 1999 required the DPFOs to maintain the subscriber's Broad Sheets, Ledgers and Register of Un-posted items.

Reliability and integrity of subscriber's data could not be ensured due to non-maintenance of essential records

Audit of records in the test-checked DPFOs revealed that the above requirements were not being complied with except in Purnea. Consequently, not only the main objective of the project was compromised upon, but even the reliability and integrity of subscriber data entered into the system itself could not be vouched for.

On being pointed out, the DPF stated (August 2010) that non-maintenance of broad sheet, register of un-posted items and GPF ledger was due to non-receipt of schedules from the treasuries on a regular basis.

The reply is not relevant since the maintenance of GPF data and records is the responsibility of the DPF who did not ensure its maintenance, correctness and reliability even in cases where the treasury schedules were available.

1.4.9 Application Controls

1.4.9.1 Input Control and Validation Checks:

The data analysis of GPF database using Computer Assisted Audit Techniques showed that the database was incomplete, inaccurate and accepting junk data entries as illustrated below:

Lack of input control led to incomplete and incorrect database

- Treasury Voucher Numbers (TV Nos.) of 2005-10 were given as zero in 27,59,645 records out of 28,84,926.
- Basic pay of the subscribers were not captured in 26.15 lakh records out of 28.85 lakh records during the year 2005-10.

- Basic pay was shown as ₹ 4 in 24 records in DPFO office, Bhagalpur and in 48 records shown as ₹ 526344.00 in DPFO office, Muzaffarpur.
- Subscriber numbers were blank in 47 records and given 1 or 2 numeric/alpha numeric numbers in 1334 records and AG-0 in 264 records in DPF, Patna.
- GPF subscriptions were shown as zero in 240 cases in DPFO office, Darbhanga.
- In 196 records, subscriptions were shown before the year 1905-1906 in DPFO Saharsa. In 144 cases, GPF number was shown with junk value i.e. 'Arrariah', 'Knmnm' and C:\winn\Hinhens.s.
- 2 cases of subscription entry for the year 2010-2011 and 2011-2012 were found (May 2010) in database of DPF, Patna, and 2 cases were also found (May 2010) in DPFO Darbhanga for the year 2011-12.
- Refunds of refundable advance were not entered in the database. As per treasury schedules of GPF advances of 2009-10, 13942 subscribers had taken refundable/non-refundable advances amounting to ₹ 137.08 crores. But the Directorate and DPFOs booked advances of 214 subscribers only, amounting to ₹ 3.57 crores. The remaining amount of ₹ 133.51 crores was not debited to the subscriber accounts (October 2010).

The concerned DPFOs stated that the differences will be deducted from the individual subscriber's account at the time of up-dation of accounts or final payment of GPF. It indicated that the required constraints were not included in the software programme to check the validity of the data and subscribers accounts were not updated regularly.

1.4.9.2 Data entry from collateral evidence

Instructions issued by the DPF (July 2000) provided for subscriber's data entry on collateral basis only in cases where the original treasury schedules were not available. Audit revealed that DPFOs were regularly exercising this exception and posting entries on the basis of DDO certification without even ensuring /checking the availability of the original treasury schedules. Consequently, the reliability of such data entered without even exercising the minimum internal controls, makes it vulnerable to over payments as illustrated in the **Table no. 1**.

Dependency on collateral evidence led to the prospect of overpayment to the subscribers

Table no. 1
Difference in drawal shown by the treasury and collateral evidence

Sl No.	Subscription Year	G.P.F. Account No.	Drawal shown in Treasury (in ₹)	Drawal shown in collateral evidence (in ₹)	Difference (in ₹)
1.	1994-95	MDP/EDN/645	25000	2500	22500
2.	2006-07	MDP/EDN/645	60000	6000	54000
	Total				76500

1.4.9.3 Annual GPF statement to subscribers

Due to incomplete and non-updated database only 11 to 55 per cent annual GPF statements were issued to subscribers

Timely issuance of annual GPF statements to all subscribers was one the main objectives of GPF computerisation. Further, Directorate letter (October 99) required that the annual statements were to be issued to the subscribers every year. It was observed that due to incomplete and non-updated database, the percentage of GPF annual statement issued during 2005-10 in the test-checked districts ranged between 11 to 55 per cent only.

1.4.10 System Design & Implementation

1.4.10.1 Centralised Database and Web-enabling

One of the main objectives of GPF computerisation project was to maintain a centralised database at the DPF level for the smooth balance transfer in case of subscribers being transferred from the jurisdiction of one DPFO to another and to eliminate fraud in the final settlement of accounts on retirement. Audit, however, revealed that the DPF did not take any initiative for the establishment of this database during the pendency of this agreement.

Further to ensure transparency and better customer satisfaction, the DPF proposed to make available all subscriber information such as master details, account balance etc. on the net for access by the subscribers, using the browser interface on password based validation. The DPFOs were responsible for arranging the necessary telephone leased lines for establishing the dial up network required for internet connectivity. For this purpose, ten (10) external modems, two servers and twenty six clients PCs having internal modems were purchased (July-August 2003). Audit scrutiny revealed that except for the subscribers of the DPF office, none of the other subscribers falling within the jurisdiction of 27 DPFOs could be extended this facility.

Web enabled subscriber information system facility restricted to only Directorate level

On being pointed out, the DPF stated (August 2010) that it had taken steps for implementation of online system with a central database and the same is under design stage.

The reply is not acceptable since the GPF project itself was to be completed within three month (May 2003). Also the web enabled subscriber information system proved to have very limited reach and the full value for money could not be derived.

1.4.10.2 Report Generation

Due to non-generation of mandatory reports the department could not get the full benefits from software

The MoU with NICSI mentioned that the installed software would be capable of generating mandatory reports such as the list of pending files, list of receipts/dispatch on a particular date, list of files received from the department, file movement history and status of files and receipt and dispatch registers.

However, audit scrutiny revealed that contrary to the above claim, the application software was able to generate only two reports i.e. list of receipts and list of dispatch on a particular date. The DPF did not take any initiative to

rectify the shortcomings in the software and therefore, could not get the full benefit of the software package.

In reply to the audit observation, the department stated that NICS I has been asked to rectify the defects.

Other Points of Interest

1.4.11 Non-utilisation of existing features

In order to derive more benefits from GPF project, it was specified in the approved project proposal for GPF computerisation that all files in the DPF and DPFOs offices, letters and other correspondences would be diarised with their categorisation and be allotted a unique number. Further the monitoring of files and letters movement was also proposed to be done through the IT system at appropriate levels.

It was observed, this facility was not utilised by nine of the ten test-checked districts, though provision of the same existed in all these offices.

The Department replied (August 2010) that the diary flow systems were not used by the officers concerned reportedly due to excessive work pressure and maintenance of dual system of record keeping. The movements of files were so fast, that the need to use the diary flow could not be felt. Secondly, continuous monitoring of the work flow is done through log-books and movement registers, which is a manual process.

The Department's reply of non-utilisation of this facility quoting excess work pressure is contradicted by stating that the movements of files are very fast. The reply is not acceptable, since one of the objectives of the GPF project was to reduce the manual processes, thereby facilitating a more efficient and reliable customer services.

1.4.12 Avoidable excess interest amounting to ₹ 32.16 lakh paid to the subscribers due to delay in final payments

Due to delay in finalising the final payment cases avoidable excess interest of ₹ 32.16 lakh were paid to subscribers

The Directorate, GPF, Government of Bihar vide letters⁸² ordered that in case any excess interest becomes payable to the subscriber due to delay in finalising the final payments, this excess amount will be recovered from personnel responsible for such delays. But, it was observed that though the DPF had developed an application system (Bhavishyanidhi), the necessary alerts for the said instructions and the final date of issue of the Register of Closed Accounts were not incorporated in the system. Resultantly, ₹ 32.16 lakh were paid as interest to 104 subscribers in seven⁸³ districts by DPFOs, due to delay in finalization and payment by DDOs. Though in some cases

⁸² Letter No. GPF/01-441/2002/9264 dated 24.12.2002 followed by letter No. 2524 dated 10.04.2003

⁸³ Bhojpur (9 subscriber : ₹ 0.96 lakh) , Darbhanga (14 subscriber : ₹ 8.84 lakh), Madhepura (29 subscriber : ₹ 6.58 lakh), Muzaffarpur (11 subscriber : ₹ 3.84 lakh), Purnea (16 subscriber : ₹ 5.04 lakh), Saharsa (19 subscriber : ₹ 5.31 lakh), Samastipur (6 subscriber : ₹ 1.59 lakh)

DPFOs fixed the responsibilities, no action to recover the loss from the responsible personnel have been taken till date (August 2010). On being pointed out the DPFOs replied that matter would be taken up with the concerned DDOs for recovery from the responsible persons. The replies of DPFOs are not acceptable since, it was the duty of DPFOs to monitor these instances till recoveries were affected.

1.4.13 Conclusion

The introduction of a computerised GPF accounting system in the State of Bihar has not been able to achieve its intended results. The programme suffered right from its inception and planning stages. Proper attention was not given to frame a clear cut IT policy for the State and the decision to introduce a system of computerised GPF accounting system in the State was prompted more to comply with the recommendations of the XI Finance Commission rather than any other pressing considerations. The programme implementation too suffered in the absence of critical System Design Documents, installation of operating platforms and system software different from those contracted in the MoU with NICS, inadequate number of trained personnel and avoidable hiring of Data Entry Operators. Further, the full benefits envisaged under the proposal such as quick settlement of subscribers final payments, creation of a statewide database or even the basic office procedure software for file and letter tracking system could not be utilised. The phases involving on-line application had not been implemented.

Recommendations

The department may examine deficiencies and consider the following recommendations:

- frame IT Policy specific to the departmental needs, under the overall framework of State IT Policy;
- ensure preparation of the System Design Documentation and updation;
- establish through validation checks to ensure the integrity and reliability of all mandatory records and centralised database;
- ensure establishment of an effective access control mechanism for allocation and prioritization to access the information system and
- establish an effective Disaster Recovery and Business Continuity Plan.