

REPORT
OF THE
COMPTROLLER
AND
AUDITOR GENERAL OF INDIA
FOR THE YEAR
1983-84

(CIVIL)
GOVERNMENT OF ORISSA



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ERRATA
REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
FOR THE YEAR 1983-84 (CIVIL)- GOVERNMENT OF
ORISSA

Page	Para	Further reference	For	Read
(v)	Table of contents	Line-2 below APPENDICES of table of contents	Art.	Article
(vii)	Prefatory remarks - para 1 (ii)	Line- 4	Develpoment	Development
3	1.1	Line- 2 under ' Cash' on the Assets side of the statement of Financial position	local remittance	local remittances
5	1.1	Item(vii) under Revenue Expenditure of the Abstract of Receipts and Disbursements, etc.	Communication	Communications
6	1.1	Line- 4 of item III under Receipts	Deposit	Deposits
10	1.1	Item-3 under II. Application	other programme	other programmes
12	1.06	Line- 5	(Rs.0.50 crores)	(Rs.0.50 crore)
14	1.15	Line- 3	departments with those	departments and those
15	1.21	Line- 4	Against a non-plan provision	Against non-Plan provision
16	1.24	First line of the last sub-para	Art.	Article
17	2.1.1	Col.(2) heading of the table	Suplementary	Supplementary
20	2.1.5	Line-3 under Column 3 of the table against 18-Community Development, etc.	Welfare programmes	Welfare programme
21	2.1.5	Grant no.19 indicated in the tabular statement	Delete 4th line under the column ' Reasons for saving'	
27	2.2	Column(2) heading of the table	effecting	affecting
27	2.2	Against grant no.12 of the table	Centrally Sponsored Pla	Centrally Sponsored Plan

Page	Para	Further reference	For	Read
28	2.2	Column(2) heading of the table	effecting	affecting
29	2.4	Line-1	Insert (,) after Government	
29	2.4	Last line	Insert coma (,) after the bracket	
33	3.1.1	Line- 5 of 2nd Sub-para	tha	the
37	3.1.4(a) (iii)	Line- 19	in relating	in relation
40	3.1.4(e) (v)(i)	Line- 6	stood	standing
43	3.1.4(f) (iv)	Line- 2	Insert the words 'reference to the ' after the words ' decided with '	
47	3.1.4(i)	Line- 7	Insert the figure '2' between the words 'to' and 'children'	
53	3.1.6(b)	Line- 2	39.42 crores	Rs.39.42 crores
54	3.1.6(d) (i)	Line- 13	557	567
54	3.1.6(d) (ii)	Line- 4 from bottom	Window	Windows
59	3.2	Line- 14	(Value: Rs.35lakhs)	(Value Rs.0.35 lakh)
60	3.3	Line- 6	could sold	could be sold
63	3.5(iii)	Line- 3	Insert 'was' after the figure 'Rs.34.50 lakhs'	
65	3.6.3	Line-2 from bottom	Chief Inspector (September 1984)	Chief Inspector stated (September 1984
68	3.6.4(c)	Line- 5	calender	calendar
68	3.6.5	Line-5 from bottom	Inspectors of Factories	Inspector of Factories
72	3.6.10	First line of 2nd sub-para	Rs.1.10 lakhs	Rs.1.50 lakhs
74	3.6.11 (3)(i)	First line	act	Act
76	3.6.11 (5)(ii)	Line- 2	Commissioner	Commissioners
82	3.8.4(c) (ii)	Line- 14	'guide book'	' guide books'
85	3.8.4(h) (1)	First line	lakhs children	lakh children
86	3.8.4(h) (vi)	Line- 5	dysentery	dysentery

Page	Para	Further reference	For	Read
39	3.8.5(1) (e)(vi)	First line	Immunisation	Immunisation
31	3.8.6	Line- 6	rural projects	rural project
94	3.8.7(c) (ii)	Line- 2	Anganwadi	Anganwadis
97	Summing up	Line- 7	Rs.3302 lakhs	Rs. 33.02 lakhs
100	3.10	Line-2 below the table	Appendix 3.4	Appendix 3.3
104	4.1.3	Line- 4	project estimates	project estimate
105	4.1.3	Col.3 of table against Total direct charges	6,79,44	6,79.44
105	4.1.4	First line	orginial	original
108	4.1.5(C)(i)	Line- 22	Delete the word ' and ' appearing between ' October 1979 ' and ' was '	
113	4.2	Line- 19	Insert the word ' been ' between the words 'clearance ' and ' obtained '	
113	4.2	First line of last sub-para	Insert ' ; ' in place of ' , ' appearing after ' August 1984 '	
113	4.3	Heading and first line of para	Acquaduct	Aqueduct
113	4.3	Line- 5	Delete bracket appearing after 7.72 <u>per cent</u>	
116	4.5	Line- 4	February 1977	February 1979
123	4.10	Line- 5	therefore	therefor
124	4.11	Line-11 from bottom	vicinty	vicinity
124	4.11	Line-11 from bottom	Insert (.) after the word vicinity and read 'The' for 'the'	
124	4.11	Line-9 from bottom	head loads	head load
124	4.11	Line-9 from bottom	Insert ' and ' before the figure 0.84 lakh Cu.m.	
126	4.12	Line-3 of last sub-para	has	had
131	4.14.3(ii)	Line-10	budgetory	budgetary
132	4.14.4(a) (ii)	Line-10 from bottom	Delete the word ' period ' appearing after Sixth Five Year Plan	
133	4.14.4(a) (ii)	Lines- 2,4 and 9	lakhs population	lakh population

Page	Para	Further reference	For	Read
135	4.14.5(i) (d)	Line-11	Insert the word ' at ' between the words ' valued ' and ' Rs. 0.86 lakh '	
138	4.14.5(h) (iv)	Line-10 of 2nd sub-para	were	was
142	4.15	Line-5	Insert a closing bracket after the figure and words ' 250 m.m.dia'	
145	5.1.2(b)	Lines- 3 and 10 from bottom	suspence	suspence
149	5.1.3(b) (ii)	Line-7 from bottom of the 2nd sub-paragraph	69,795 tonnes	69.795 tonnes
150	5.1.3(b) (iv)	First line	Insert closing bracket after the figure and words ' Rs.897 per ton '	
157	5.2.3(1) (b)	Line- 4 from bottom	affecting	effecting
162	5.2.4	Line- 2	hospital	hospitals
162	5.2.4	Line- 3	Rs.0.50	Re. 0.50
163	5.2.5	Line- 6	Superintendent	Superintendents
166	5.2.8	Line- 5	Superintendent of Medical College Hospital	Superintendents of Medical College Hospitals
167	5.2.8(vi)	First line	C.D.M.O	C.D.N.Os
171	6.2(1)	Line- 5	Rs.562	Rs.5.62
171	6.2(1)	Last line	division	divisions
173	7.1(a)	Line- 3	Delete ' (provisional) '	
183	7.2.4(D)	Last line	assistances	assistance
184	7.2.4(D)	Line- 3	coverege	coverage
192	7.2.9	Line- 3	(June 1982)	(June 1983)
201	7.3.3(v) (a)(ii)	Line- 5	lakhs seedlings	lakh seedlings
205	7.3.7	Line-4 from bottom	lakhs Vikas Patrika	lakh Vikas Patrikas
205	7.3.8	Lines- 5 and 8	Delete brackets commencing before the words ' Executive Director ' and ending after the words 'Cuttack, etc. '	
205	Summing up	Lines- 3 and 4	Insert coma (,) after assistance in 3rd line and delete ' of ' appearing at the beginning of the fourth line	
207	7.4.2		Delete the guide mark (A) appearing against the year 1983-84 under column 6 of the table	

Page	Para	Further reference	For	Read
209	7.4.3(b)	Line- 6 from bottom	Scheduled Tribes	Scheduled Tribe
211	7.4.3(c) (i)	Line- 2	morum	moorum
212	7.4.3(c) (iv)	Lines- 10 and 11	56 lakhs mandays	56 lakh mandays
218	7.4.3(g) (iii)	Line- 3	adminisrr- ative	administrative
218	7.4.3(g) (iv)	Line- 4	to	and
218	7.4.3(g) (iv)	Line- 5	February to April	February and April
220	7.4.3(h) (v)	Line- 2	acknowledge- ment	acknowledgements
220	7.4.3(h) (vi)	Line- 3	Insert ' Rs. ' before the figure 3.95 lakhs	
220	7.4.3(h) (vi)	Line- 9	primarily	primarily
229	Appendix 2.1	First line of the heading	Art.	Article
232	Appendix 3.3	Sl No.3 below Col.2	Co-operaion	Co-operation
		Sl No.13 below Col.6	003	0.03
234	Appendix 5.1	Sl. No.1 Col.3(item-1) Sl. No.1 Col.6 (item-11)	Heart long	Heart lung
239	Appendix 6.1	Heading	Govornment	Government
239	Appendix 6.1	Under column 8 insert " (Rupees in lakhs) "		

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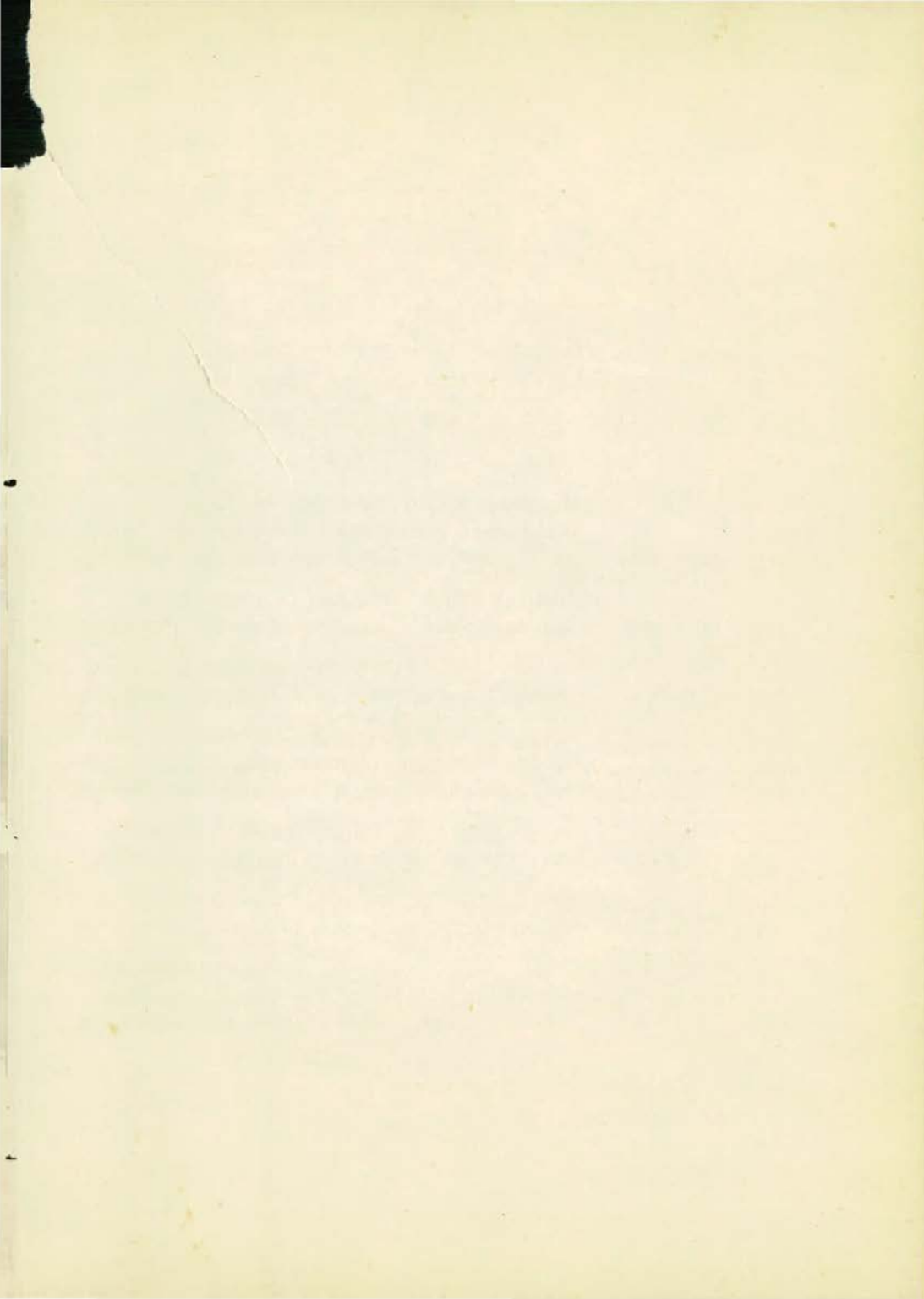
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PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1983-84 together with other points arising from audit of financial transactions of Government of Orissa. It also includes:

- (i) Certain points arising from the Finance Accounts for the year 1983-84 ; and
- (ii) Comments on Family Welfare Programme, Integrated Child Development Services, Supply of drinking water to problem villages, Command Area Development Programme, Integrated Rural Development Programme and National Rural Employment Programme.

2. The Report containing observations of Audit on Statutory Corporations and Government Companies and the Report containing the observations of Audit on Revenue Receipts are prepared separately.

3. The cases mentioned in the present Report are among those which came to notice in the course of test audit of accounts during the year 1983-84 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports ; matters relating to the period subsequent to 1983-84 have also been included wherever considered necessary.



CHAPTER I

GENERAL

1.1. Summary of accounts

The summarised position of the accounts of the Government of Orissa emerging from the Appropriation Accounts and Finance Accounts for the year 1983-84 is indicated in the statements following :

I Statement of Financial position of the Government

Amount as on 31-3-1983 (Rupees in Crores)	Liabilities	Amount as on 31-3-1984 (Rupees in Crores)
2,60.60	Internal Debt including Ways and Means Advance (Market loans, Loans from Life Insurance Corpora- tion and other Auto- nomous bodies)	3,02.52
10,82.04	Loans and Advances from Central Govern- ment	12,36.22
	Pre- 1979-80 loans	5,73.17
	Non-plan loans	1,62.65
	Loans for State Plan schemes	4,64.09
	Loans for Central Plan schemes	19.61
	Loans for Centrally spon- sored schemes	16.70
1,56.07	Small savings	2,11.02
1,09.47	Deposits	1,63.87
75.67	Overdraft from the Reserve Bank of India	..
24.77	Reserve Funds	11.02
93.72	Contingency Fund	15.05
1,24.14	Surplus on Government Account	1,27.21
	Surplus as on 31-3-1983	1,24.14
	Add Current Year's surplus	0.20
	Add Miscellaneous adjust- ments	2.87
<u>19,26.48</u>		<u>20,66.91</u>

of Orissa as on 31st March 1984

Amount as on 31-3-1983 (Rupees in Crores)	Assets		Amount as on 31-3-1984 (Rupees in Crores)
14,48.57 (a)	Gross Capital outlay on Fixed Assets	..	16,33.10
	Investment in shares of Companies, Corporations, Co-operatives, etc.	2,06.79	
	Other Capital outlay	14,26.31	
2,50.62 (a)	Loans and Advances		2,58.07
	Loans for Power Projects	1,48.07	
	Other Development Loans	98.94	
	Loans to Government servants and Miscellaneous Loans	11.06	
4.87	Other Advances	..	4.93
61.73	Remittance Balances	..	67.25
14.59	Suspense and Miscellaneous Balances	..	13.46
36.10	Cash	..	70.10
	Cash in Treasuries and local remittance	1.71	
	Departmental C a s h balances including permanent advances	1.36	
	Cash balance investment, Security deposit and investment of earmarked funds	15.85	
	Deposit with the Reserve Bank of India	51.18	
1,10.00	Contingency Fund	..	20.00
<u>19,26.48</u>			<u>20,66.91</u>

(a) Previous year's figures corrected *proforma* corresponding to those adopted in the Finance Accounts 1983-84.

GOVERNMENT
II. Abstract of Receipts and
 Amount
 (Rupees in crores)

Receipts

SECTION-A REVENUE :

I. Receipts	783.11
(i) Tax Revenue	2,07.07
(ii) Non-tax Revenue	1,20.50
(iii) State's share of divisible Union Taxes	2,22.76
(iv) Grants from Central Government :	
(a) Non-plan grants	80.04
(b) For State Plan schemes	71.81
(c) For Central Plan and Centrally Sponsored Plan Schemes	80.93
	<hr/>

II, Revenue Deficit

783.11

OF ORISSA

Disbursements for the year 1983-84

Amount
(Rupees in crores)

Disbursements

I. Revenue Expenditure 782.91

	Non-Plan	Plan	Total
(i) General Services	2,20.30	10.89	2,31.19
(ii) Social and Community Services	2,35.22	1,03.69	3,38.91
(iii) General Economic Services	12.74	5.63	18.37
(iv) Agriculture and Allied Services	55.98	94.12	1,50.10
(v) Industry and Minerals	3.35	8.75	12.10
(vi) Water and Power Development	9.39	1.84	11.23
(vii) Transport and Communication	15.92	0.56	16.48
(viii) Grants-in-aid and contributions	4.53	..	4.53
	5,57.43	2,25.48	7,82.91

II. Revenue Surplus carried over to Section-B

0.20

783.11

(Rupees in crores)

SECTION-B-OTHERS**Receipts**

III. Opening Cash Balance including	36.10
departmental Cash balances, permanent advances, Cash Balance Investment, Security Deposit and investment of earmarked funds	

IV. Revenue surplus brought down	0.20
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V. Recoveries of Loans and Advances	38.40
--	--------------

(i) From Government Servants	4.42
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(ii) From others	33.98
------------------	-------

VI. Public Debt Receipts	10,98.36
---------------------------------	-----------------

(i) Internal Debt of the State Government	8,83.94
---	---------

(ii) Loans and Advances from the Central Government	2,14.42
---	---------

(Rupees in crores)

Disbursement

III. Opening overdraft from the Reserve Bank of India	75.67
---	-------

IV. Capital outlay	1,84.53
--------------------	---------

(i) General Services	6.11
----------------------	------

(ii) Social and Community Services	13.42
------------------------------------	-------

(iii) General Economic Services	4.34
---------------------------------	------

(iv) Agriculture and Allied Services	8.76
--------------------------------------	------

(v) Industry and Minerals	13.98
---------------------------	-------

(vi) Water and Power Development	1,15.74
----------------------------------	---------

(vii) Transport and Communications	22.18
------------------------------------	-------

V. Loans and Advances disbursed	45.85
---------------------------------	-------

(i) For various projects	31.72
--------------------------	-------

(ii) To Government Servants	4.78
-----------------------------	------

(iii) To others	9.35
-----------------	------

VI. Repayment of Public Debts	9,02.26
-------------------------------	---------

(i) Internal Debt of the State Government	8,42.02
---	---------

(ii) Loans and Advances from the Central Government	60.24
---	-------

	Amount (Rupees in crores)
Receipts	
VII. Public Account Receipts	8,37.73
(i) Small savings and Provident Funds	89.78
(ii) Reserve Funds excluding Investments	9.72
(iii) Deposits and Advances	2,81.52
(iv) Suspense and Miscellaneous excluding cash with departmental officers, permanent advances, Cash Balance Investment and Investment of earmarked funds	40.17
(v) Remittances	<u>4,16.54</u>
VIII. Receipts from Contingency Fund	15.40

20,26.19

Amount
(Rupees in
crores)

Disbursements

VII. Public Account Disbursements 7,43.71

- (i) Small savings and Provident Funds 34.83
- (ii) Reserve Funds excluding Investments 23.46
- (iii) Deposits and Advances 2,27.18
- (iv) Suspense and Miscellaneous excluding cash with departmental officers, permanent advances, Cash Balance Investment and Investment of earmarked funds 36.18
- (v) Remittances 4,22.06

VIII. Expenditure from Contingency Fund 4.07

IX. Cash Balance at end 70.10

- Cash in Treasuries and local remittances 1.71
- Departmental cash balances, permanent advances 1.36
- Cash Balance Investment, Security Deposits and Investment of earmarked funds 15.85
- Cash Deposits with the Reserve Bank of India 51.18

20,26.19

III. Sources and application of funds for 1983-84

I. Sources

	Amount (Rupees in crores)
1. Revenue Receipts	7,83.11
2. Increase in Public Debt, Small Savings and Deposits	3,05.39
3. Net contribution from Contingency Fund	11.33
Total	<u>10,99.83</u>
4. Adjustments	(—)15.27
(i) Add Reduction in Suspense Balance	(+)1.12
(ii) Add Miscellaneous	(+)2.87
(iii) Less Reduction in Reserve Funds	(—)13.74
(iv) Less effect on Remittance balances	(—)5.52
5. Net funds available	<u>10,84.56</u>

II. Application

1. Revenue Expenditure	7,82.91
2. Capital Expenditure	1,84.53
3. Lending for development and other programme	7.45
4. Repayment of overdraft from the Reserve Bank of India	75.67
5. Increase in closing cash balance	34.00
	<u>10,84.56</u>

Review and Audit Comments on the Accounts of the Government of Orissa for 1983-84

1.01. Government accounts being on cash basis, the surplus on Government account as shown in the statement of affairs indicates the position on cash basis, as opposed to accrual basis of commercial accounting.

1.02. The abridged accounts in the foregoing statements have to be read with the comments and explanations in the Finance Accounts.

1.03. There was an unreconciled balance of Rs. 1.24 crores as on 31st March 1984 between the figures reflected in the accounts and that communicated by the Reserve Bank under 'Deposits with Reserve Bank of India'.

1.04. The net additional public debt as adjusted by the effect of remittance, suspense balances and drawal from Reserve Funds together with the net drawal (Rs. 11.33 crores) from the Contingency Fund and revenue surplus (Rs. 0.20 crore) was Rs. 301.65 crores. This was reduced by the net additional (Rs. 7.45 crores) loans and advances disbursed for developmental and other programmes to Rs. 294.20 crores which after financing the Capital expenditure of Rs. 1,84.53 lakhs and repayment of overdraft from the Reserve Bank of India (Rs. 75.67 crores) left a surplus cash balance of Rs. 34.00 crores.

1.05. Due to non-mobilisation of resources during 1983-84 on 300 days of the year, the State Government obtained overdrafts of Rs. 6.84.11 crores from the Reserve Bank of India to finance expenditure on Governmental activities while Ways and Means Advances of Rs. 133.27 crores were taken on 35 days. The entire amount of Rs. 8,17.38 crores was repaid during the year. Interest of Rs. 4.14 crores was also paid by Government during the year on these advances and overdrafts including the outstanding overdraft of previous year repaid during the year.

1.06. Additional revenue of Rs. 14.34 crores was anticipated at the budget stage through levy of tax on consignments (Rs. 10.00 crores), revision of rates of royalty on minor forest produce (Rs. 2.00 crores), enhancement of electricity duty (Rs. 1.84 crores) and revision of lift irrigation rates (Rs. 0.50 crores). The proposal for levy of tax on consignments could not be implemented for want of clearance of Government of India and the proposed revision of lift irrigation rates also did not materialise. Additional revenue realised from the other two proposed measures amounted to Rs. 3.84 crores.

1.07. The revenue raised by the State during the year amounted to Rs. 3,27.57 crores against the anticipation of Rs. 3,49.96 crores resulting in a shortfall of Rs. 22.39 crores which was made up of less realisation of Rs. 28.18 crores (11.6 per cent) in tax revenue and excess realisation of Rs. 5.79 crores (5 per cent) in non-tax revenue. The shortfall in tax revenue was mainly on Sales Tax (Rs. 26.36 crores), Taxes and Duties on Electricity (Rs. 3.66 crores), Taxes on Goods and Passengers (Rs. 1.50 crores) partly set off by excess under Land Revenue (Rs. 3.43 crores). The excess realisation in non-tax revenue was mainly under Public Health, Sanitation and Water Supply (Rs. 2.73 crores), Forests (Rs. 1.62 crores) and Miscellaneous General Services (Rs. 1.05 crores).

1.08. A surplus revenue of Rs. 18.92 crores was anticipated during 1983-84. Against this, a surplus of Rs. 0.20 crore only accrued as compared with the Revenue deficit of Rs. 22.98 crores during the preceding year 1982-83.

1.09. According to the information received from 7 departments, the uncollected revenue as on 31st March 1984 amounted to Rs. 69.88 crores of which collection of Rs. 20.54 crores was due to stay orders (Rs. 12.33 crores), certificate cases (Rs. 5.15 crores) and amounts proposed to be written off (Rs. 3.06 crores).

1.10. The Progressive Capital outlay to end of 1983-84 amounted to Rs. 1,633.10 crores including Rs. 1,66.20 crores on 34 multipurpose major and medium irrigation projects under construction. This accounted for 85 *per cent* of the Public Debt, Small Savings and Deposits, etc., (Rs. 1,921.51 crores).

1.11. The working expenses of Rs. 4.30 crores on 28 irrigation projects (commercial) do not include interest charges amounting to Rs. 16.99 crores at 7 *per cent* (rate fixed for 1978-79 when charging of interest was discontinued by Government). Taking into account such interest charges, the schemes exhibit a net loss of Rs. 16.93 crores; 25 of these 28 schemes showed a loss of Rs. 9.55 crores even without taking into account interest charges.

1.12. The total capital outlay of Rs. 4.63 crores on Machkund Hydro Electric (Joint) Scheme, forming part of other capital outlay, excludes Rs. 0.65 crore claimed by the Government of Andhra Pradesh towards 30 *per cent* share of Orissa, which has not been accepted by the Government of Orissa.

1.13. The outstanding balance of loans and advances (Rs. 2,58.07 crores) on 31st March 1984 includes Rs. 65.50 crores treated as loans in the form of assets transferred to the Orissa State Electricity Board on its formation on 1st March 1961 declared by Government as irredeemable loans to the Board.

The allocation of capital outlay between the Orissa State Electricity Board and the Government has, however, not been finalised. The Balimela Power House was transferred to the Orissa State Electricity Board from 1st April 1979, no part of the capital expenditure of Rs. 72.39 crores (Dam: Rs. 35.48 crores and power projects: Rs. 36.91 crores) has been realised from the Board or treated as loan so far (September 1985).

1.14. According to information received from 16 out of 19 departments of Government, recovery of Rs. 99.13 crores towards loans and advances disbursed by State Government and

interest thereon (Principal: Rs. 9.12 crores and Interest: Rs. 90.01 crores) was over~~o~~due as on 31st March 1984, the main defaulter being the Orissa State Electricity Board (Rs. 88.89 crores).

1.15. There is an unreconciled difference of Rs. 1.77 crores between the figures of outstanding loans shown in the detailed records maintained by the departments ~~and~~ those shown under broad categories in the books of the Accountant General. The earliest year to which the unreconciled differences relate is 1965-66.

1.16. Annual certificates of acceptance of balances as on 31st March 1984 of loans and advances have not been furnished by the departmental officers in a large number of cases. The total amount of outstanding loans in these cases as on 31st March 1984 was Rs. 4.16 crores against which certificates for an amount of Rs. 2.69 crores were awaited for more than three years.

1.17. The total Public Debt of the State Government increased by Rs. 1,96.10 crores during the year and stood at Rs. 15,38.74 crores at the end of the year.

1.18. Public Debt includes Rs 4.20 crores representing undischarged market loans which expired in 1983 and earlier years and did not carry any interest. Amortisation arrangements were also not made.

1.19. The total amount of interest paid from Revenue on debt and other obligations during the year amounted to Rs. 96.30 crores and constituted 12 *per cent* of the total revenue receipts. Interest realised on loans and advances, investment of cash balances, etc., and dividends from Public Undertakings and other investments was Rs. 21.85 crores. The net interest burden was thus Rs. 74.45 crores a part of which was met from grants received from Government of India (Rs. 41.57 crores).

1.20. The assistance received from the Central Government for Central and Centrally Sponsored Plan Schemes in the Revenue account was Rs. 80.93 crores. The Plan expenditure on such schemes was Rs. 73.85 crores registering a shortfall of Rs. 7.08 crores.

1.21. Against the Plan provision of Rs. 5,33.18 crores, the actual expenditure on Plan schemes on all accounts was Rs. 434.10 crores during the year resulting in a shortfall of Rs. 99.08 crores. Against non-plan provision of Rs. 6,34.51 crores in the Revenue account the actual non-plan expenditure (Revenue Account) was Rs. 5,57.43 crores leaving a shortfall of Rs. 77.08 crores.

1.22. The total expenditure under non-plan (including capital) during the year 1983-84 was Rs. 5,79.17 crores as compared to Rs. 6,70.64 crores of the previous year. The decrease was mainly under Relief on account of Natural Calamities.

1.23. With fresh investment of Rs. 26.82 crores during the year 1983-84 in the various Statutory Corporations/Companies/Co-operative Institutions, the total investment of Government in shares and debentures on 31st March 1984 was Rs. 2,06.79 crores. Interest and dividend received on investments during the year was only Rs. 0.30 crore (0.14 per cent) of the investment. Thirty Companies in which Government had invested Rs. 0.77 crore are under liquidation (June 1985). Four other companies in which Government had invested Rs. 0.05 crore have been liquidated upto 1983-84. Some co-operatives are under liquidation. Complete information about the realisation or the write off of the Government investment in these companies and societies has not been furnished by the departments (June 1985).

1.24. The Contingent liability for guarantee given by the State Government for repayment of loans, etc., by the Statutory Corporations, Companies and Co-operatives etc., as on 31st March 1984 was Rs. 4,95.24 crores including interest.

Up to 31st March 1984, Government paid Rs. 79.92 lakhs in 54 cases in which guarantees were invoked. Of this, Rs. 13.60 lakhs were recovered leaving a balance of Rs. 66.32 lakhs.

The guarantee commission realised during the year was Rs. 0.19 crore in 59 cases. In 98 cases the guarantee commission of Rs. 20.10 lakhs was due for recovery on 31st March 1984, the main defaulters being Government companies and Joint Stock Companies.

No law under Art. 293 of the Constitution has been passed by the State Legislature laying down the limit within which the Government may give guarantee on the security of the Consolidated Fund of the State.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1. General

2.1.1. The summarised position of actual expenditure during 1983-84 against grants/appropriations is as follows:—

	Original grant/ appropriation	Supplementary	Total	Actual expenditure	Variation/ Saving: (—)/ Excess (+)
	(1)	(2)	(3)	(4)	(5)
(In crores of rupees)					
I. Revenue					
Voted	728.12	125.10	853.22	785.68	(—)67.54
Charged	99.44	5.58	105.02	106.20	(+)1.18
II. Capital					
Voted	276.05	97.51	373.56	204.23	(—)169.33
Charged	1.35	0.57	1.92	0.69	(—)1.23
III. Public Debt					
Charged	321.79	375.66	697.45	902.27	(+)204.82
IV. Loans and Advances					
Voted	30.37	18.88	49.25	45.85	(—)3.40
V. Transfer to Contingency Fund					
Voted	..	..	..	4.07	(+)4.07
Grand Total	1,457.12	623.30	2,080.42	2,048.99	(—)31.43

The following results emerge broadly from the Appropriation Audit :

2.1.2. Supplementary provision of Rs. 6,23.30 crores obtained during the year constituted 43 *per cent* of the original budget provision, as against 32 *per cent* in the year preceding. This includes Rs. 3,75.66 crores on Public Debt and Rs. 40 crores on account of Appropriation to the Orissa Contingency Fund.

2.1.3. Supplementary provision of Rs. 67.55 crores (Revenue: Rs. 20.26 crores, Capital : Rs. 47.02 crores and Charged Appropriations : Rs. 0.27 crore) obtained in 16 cases during March 1984 proved unnecessary as the expenditure in these cases did not come up even to the original provision.

In another 14 cases, additional fund required was only Rs. 63.52 crores (Revenue : Rs. 43.54 crores, Capital : Rs. 19.94 crores and Charged appropriations : Rs. 0.04 crore) against the supplementary grants of Rs. 1,29.61 crores obtained (Revenue : Rs. 70.74 crores, Capital : Rs. 58.57 crores and Capital-charged : Rs. 0.30 crore), savings in each case exceeding Rs. 10 lakhs.

In 6 cases, supplementary provision of Rs. 4,06.19 crores (Revenue: Rs. 29.52 crores, Capital: Rs. 1.71 crores and Charged appropriations: Rs. 3,74.96 crores) proved insufficient by more than Rs. 10 lakhs each, leaving an aggregate uncovered excess expenditure of Rs. 2,44.79 crores.

2.1.4. The net saving of Rs. 31.43 crores was made up of an overall saving of Rs. 2,77.63 crores in 27 grants and 4 appropriations and excess of Rs. 2,46.20 crores (Appendix 2.1), in 6 grants and 3 appropriations. The excess requires regularisation under Article 205 of the Constitution.

Excesses over grants/appropriations aggregating Rs. 3,50.79 crores pertaining to the years 1980-81 (Rs. 1,19.51 crores), 1981-82 (Rs. 60.71 crores) and 1982-83 (Rs. 1,70.57 crores) also remain to be regularised.

2.1.5. In the following grants/appropriations, the expenditure fell short by more than Rs. 1 crore each and also by more than 10 per cent of the total provision :—

Description of the grant	Amount of saving (Rs. in crores) (Percentage of provision)	Reasons for saving
3—Revenue Department (Revenue)	8.67 (12)	Mainly due to transfer of the subject "Rehabilitation of Bonded Labourers" to Community Development Department and non-occurrence of drought in the State for which provision was made. Saving also occurred under "Relief on account of natural calamities—Flood, Cyclone, etc.," (Rs. 2.15 crores), reasons for which have not been intimated (June 1985).
5—Finance Department (Revenue)	28.56 (56)	Mainly due to non-utilisation of lump-sum provision for salaries appearing under Sales Tax, Secretariat General Services and Treasury and Accounts Administration (Rs. 29.85 crores), reasons for which are awaited (June 1985).
16—Planning and Co-ordination Department (Revenue)	18.14 (64)	Mainly due to transfer of the scheme 'National Rural Employment Programme' to Community Development and Rural Reconstruction Department.

Description of the grant	Amount of saving (Rupees in Crores) (Percentage of provision)	Reasons for saving
18—Community Development and Rural Reconstruction Department (Revenue)	17.65 (25)	Mainly due to non-execution of 'Other Social Security Welfare Programmes' (Rs. 2.23 crores) under Centrally sponsored Plan, non-receipt of Central assistance (Rs. 11.71 crores) and observance of economy measures under 'Rural Works Programme' (Rs. 2.74 crores).
5—Finance Department (Capital)	130.19 (251)	Mainly due to lapse of Ordinances under Contingency Fund in April 1983 resulting in transfer of funds back to the Consolidated Fund.
7—Works Department (Capital)	3.90 (11)	Mainly under 'Roads of Inter-State Importance' (Rs. 1.26 crores) as no release order was received from Government of India and non-utilisation of provision in other heads amounting to Rs.2.73 crores, reasons for which have not been intimated (June 1985).
9—Food and Civil Supplies Department (Capital)	14.94 (64)	Saving of Rs. 9.30 crores was under 'Capital outlay on Food-Procurement and Supply' mainly due to non-liquidation of outstandings of the State Bank of India on account of less recoveries from the State Civil Supplies

Description of the grant	Amount of saving (Rs. in Crores) (Percentage of provision)	Reasons for saving
19—Industries Department (Capital)	4.39 (25)	<p>Corporation and delay in settlement of accounts with the Food Corporation of India and other agencies. The Department did not explain the saving to the extent of Rs. 5.64 crores.</p> <p>Saving was mainly due to surrender of entire provision under Other Co-operatives appearing under Central Plan (Rs. 3.90 crores) due to non-receipt of sanction from the Government of India.</p>
23—Agriculture and Co-operation Department (Capital)	6.61 (21)	<p>Saving occurred because of non-utilisation of full provision under 'State Plan Credit Co-operatives' and 'Tribal Areas Sub-Plan' stated to be mainly due to non-release of funds by the Reserve Bank of India and less purchase of debentures floated by State Co-operative Land Development Bank, savings also occurred (Rs. 1.95 crores) under 'Loans for Agriculture—Manures and Fertilizers' due to less requirement of funds by the agencies as well as less release of funds by the Government of India.</p>

2.1.6. In addition to the cases mentioned in para 2.1.5 above substantial savings occurred on account of either non-implementation or slow implementation of the following Plan schemes.

Grant or appropriation Total Grant	Name of the scheme	Amount of savings	Percentage of savings
(1)	(2)	(3)	(4)
		(Rupees in Crores)	
Revenue Section	Central Plan		
10—Education and Youth Services Department	“Assistance to local bodies for Primary Education”	1.29	100
	“Tribal Areas Sub-Plan”	1.19	
	Special Education—“Adult Education”	0.76	81
12—Health and Family Welfare Department	Central Plan		
	Family Welfare Programme	0.82	100
	Tribal Areas Sub-Plan	0.20	
	Leprosy Control Programme	0.31	
	Centrally Sponsored Plan		
19—Industries Department	National Filaria Control Pro- gramme	0.13	
	Medical Relief	2.22	90
	Centrally Sponsored Plan		
	Technical Education—Polytec- hnic	0.40	95
22—Forest, Fisheries and Animal Husbandry Department	State Plan		
	Plantation Scheme	1.40	36
23—Agriculture and Co- operation Department	Central Plan		
	Credit Cooperatives	0.75	100
	Agriculture Engineering	0.86	
	Ayacut Development	0.64	
Capital Section	State Plan		
	Upper Indravati Project	9.27	42
	Tribal Areas Sub-Plan		
	Central Plan		
	Potteru Irrigation Project	3.21	35
20—Irrigation and Power Department	Tribal Areas Sub-Plan		
	State Plan		
	Subarnarekha Irrigation Project	3.23	92

2.1.7. Persistent savings were noticed in the following grants/appropriations.

Grant or appropriation (1)	Percentage of savings		
	1981-82 (2)	1982-83 (3)	1983-84 (4)
(1) Revenue Section			
5—Finance Department	34	55	56
12—Health and Family Welfare Department	10	13	9
15—Tourism, Sports and Culture Department	21	5	12
19—Industries Department	24	14	10
(2) Capital Section			
9—Food and Civil Supplies Department	74	82	64
10—Education and Youth Services Department	16	25	27
14—Labour and Employment Department	27	20	13
17—Community Development and Rural Reconstruction Department (Grama Panchayats)	29	21	33

Grant or appropriation	Percentage of savings		
	1981-82	1982-83	1983-84
(1)	(2)	(3)	(4)
18—Community Development and Rural Reconstruction Department (Community Development)	17	19	21
23—Agriculture and Co-operation Department	15	16	21
26—Excise Department	35	17	22

(3) Charged Appropriations (Revenue)

8—Orissa Legislative Assembly	2	26	15
10—Education and Youth Services Department	14	97	78
12—Health and Family Welfare Department	100	100	100
22—Forest, Fisheries and Animal Husbandry Department	100	30	100
23—Agriculture and Co-operation Department	100	84	100

Grant or appropriation	Percentage of savings		
	1981-82	1982-83	1983-84
(1)	(2)	(3)	(4)
(4) Charged Appropriations (Capital)			
7—Works Department	13	35	43
9—Food and Civil Supplies Department	100	100	100
20—Irrigation and Power Department	12	39	74

2.1.8. In the following grants/appropriations, the expenditure exceeded the approved provision by more than Rs. 1 crore and also by more than 10 *per cent* of the total provision.

Sl. No.	Description of the grant	Amount of Excess (Percentage of excess)	Reasons for excess
(1)	(2)	(3)	(4)
		(Rupees in Crores)	
1.	7—Works Department (Revenue)	30.45 (60)	Excess mainly occurred under 'Public Works Suspense' (Rs. 26.57 Crores) and 'Roads and Bridges Suspense' (Rs. 8.81 crores), reasons for which have not been intimated (June 1985).

Sl. No.	Description of the grant	Amount of Excess (Percentage of excess)	Reasons for excess
(1)	(2)	(3) (Rupees in Crores)	(4)
2.	22—Forest, Fisheries and Animal Husbandry Department (Capital)	4.99 (18)	Excess occurred mainly under 'Government trading in <i>Kendu</i> leaves' (Rs. 5.68 crores), reasons for which are awaited (June 1985).
3.	Appropriation—Internal debt of the State Government (Charged)	204.75 (32)	Excess occurred mainly under 'Overdraft with the Reserve Bank of India' due to repayment of more overdraft than anticipated.

2.1.9. Persistent excesses were noticed in the following cases :

Description of the grant	Percentage of excess		
	1981-82	1982-83	1983-84
7—Expenditure relating to the Works (including Rural Roads and Buildings) Department (Revenue)	76	123	60
13—Expenditure relating to the Housing and Urban Development Department (Revenue)	69	79	4
20—Expenditure relating to the Irrigation and Power Department (Revenue)	25	21	6

2.2. Irregular re-appropriations

A few instances of injudicious, irregular or inadequate appropriations are given below :

Grant No.	Heads affecting the grant	Total grant	Expenditure	Remarks
(1)	(2)	(3)	(4)	(5)
(In crores of rupees)				
7—537—Capital Outlay on Roads and Bridges				Additional funds provided by re-appropriation proved inadequate resulting in an uncovered excess of Rs. 0.11 crore.
(7) Tribal Areas Sub-Plan				
O 2.19				
S 1.04		3.56	3.67	
R 0.33				
11—288—Social Security and Welfare				Withdrawal of provision by re-appropriation proved excessive in view of the ultimate uncovered excess of Rs. 0.21 crore.
F—Welfare of Scheduled Tribes				
O 6.12				
S 0.13		5.99	6.20	
R (—)0.26				
12—281—Family Welfare Centrally Sponsored Plan				Withdrawal of provision by re-appropriation not only resulted in minus grant but also in an uncovered excess of Rs.0.09 crore.
(28) PP—Rural Family Welfare Services				
O 0.07		(—)0.04	0.05	
R (—)0.11				

Grant No.	Heads affecting the grant	Total grant	Expenditure	Remarks
(1)	(2)	(3)	(4)	(5)
(In crores of rupees)				
18—314—Community Development				Withdrawal of provision by re-appropriation proved excessive resulting in an ultimate excess of Rs. 2.19 crores.
	Rural Works Programme (7) EE—Roads	2.22	4.41	
	O 4.96			
	R (—)2.74			
22—310—Animal Husbandry Centrally sponsored Plan				There was no amount available under the head for effecting the re-appropriations.
	CC—Tribal Areas Sub-Plan	(—)0.01	Nil	
	R (—)0.01			
27—279—Scientific Services and Research—other Scientific Services				Withdrawal of the entire provision by re-appropriation resulted in an ultimate excess of Rs. 0.06 crore.
	(4) H—Other Services	Nil	0.06	
	S 0.06			
	R (—)0.06			
27—279—Scientific Services and Research—Central Plan				Withdrawal of provision by re-appropriation resulted in an uncovered excess of Rs. 0.30 crore.
	G—Other Services	0.44	0.74	
	S 0.79			
	R (—)0.35			

2.3. Advances from the Orissa Contingency Fund

Contingency Fund with a corpus of Rs. 20 crores was at the disposal of the Government of Orissa at the beginning of the year for giving advances for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature.

The corpus of the Fund was raised from Rs. 20 crores to Rs. 110 crores by an ordinance on 1st November 1982 which lapsed on 6th April 1983. The corpus was again raised from Rs. 20 crores to Rs. 60 crores through another ordinance on 4th May 1983 which also lapsed on 18th October 1983. The corpus of the Fund thus stood at Rs. 20 crores only.

The advances from the Fund can be made only to meet unforeseen expenditure not provided for in the budget and which is of such an emergent character that any postponement of it till vote of the Legislature would be undesirable.

An analysis of the sanctions issued for advances from the Fund is given below :

(i) In 13 cases, Rs. 4.07 crores drawn during the year were not recouped to the Fund till the close of the year.

(ii) Advances of Rs. 88.03 lakhs drawn from the Contingency Fund during 1978-79 (Rs. 0.28 lakh), 1981-82 (Rs. 56.43 lakhs) and 1982-83 (Rs. 31.32 lakhs) were not recouped to the Fund even by the end of 1983-84.

(iii) In 7 cases, sanctions for Rs. 59.91 lakhs issued (March 1984) were not operated upon which reveals that the advances from the Fund in these cases were not required to meet expenditure of an emergent character.

2.4. Variation in recoveries

Under the system of gross budgeting followed by Government the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts in reduction of expenditure; the anticipated recoveries and credits are shown separately in the budget estimates. During 1983-84, against the anticipated recoveries of Rs. 1,15.68 crores (Revenue: Rs. 47.38 crores, Capital: Rs. 68.30 crores) the

actual recoveries during the year were Rs. 2,23.43 crores (Revenue: Rs. 1,08.97 crores and Capital: Rs. 1,14.46 crores). Some of the important cases of shortfall/excess in recoveries are detailed below :

Number and name of grant	Budget	Actuals	Amount of shortfall(—)/excess (+)	Remarks
(1)	(2)	(3)	(4)	(5)
(In crores of Rupees)				
3—Expenditure relating to the Revenue Department (Revenue)	8.71	20.22	(+)11.51	Excess was due to adjustment relating to earlier years.
7—Expenditure relating to the Works Department. (Revenue)	16.73	49.13	(+)32.40	Reasons for excess recovery have not been intimated (June 1985).
9—Expenditure relating to the Food and Civil Supplies Department (Capital)	2.50	20.66	(+)18.16	Excess recovery was under Grain Purchase Scheme, reasons for which have not been intimated (June 1985).
13—Expenditure relating to the Housing and Urban Development Department (Revenue)	2.49	19.22	(+)16.73	Reasons for the excess recovery on account of "Sewerage and Water Supply Suspense-Credit" and non-recovery in respect of capital account have not been intimated (June 1985).
(Capital)	1.44	..	(—)1.44	
16—Expenditure relating to the Planning and Co-ordination Department (Revenue)	7.00	..	(—)7.00	Non-recovery is due to non-operation of suspense head by the Department.
20—Expenditure relating to the Irrigation and Power Department (Revenue)	4.52	9.69	(+)5.17	Reasons for excess recoveries have not been intimated (June 1985).
(Capital)	37.68	60.60	(+)22.92	

Number and name of grant	Budget	Actuals	Amount of shortfall(—)/ excess (+)	Remarks
(1)	(2)	(3)	(4)	(5)
(In crores of Rupees)				
22—Expenditure relating to the Forest, Fisheries and Animal Husbandry Department (Capital)	25.08	30.69	(+)5.61	Excess recovery was under 'Government Trading in Kendu leaves Suspense Credit, (Rs. 3.42 crores) and receipts and recoveries on Capital account (Rs. 2.18 crores).
23—Expenditure relating to the Agriculture and Co-operation Department (Revenue)	4.19	8.63	(+)4.44	Reasons for the excess recovery have not been intimated (June 1985).

2.5. Late receipt of Accounts from P. W. Divisions

During 1983-84, the submission of monthly accounts of 182 Divisions was delayed (delay ranging up to 44 days in certain cases). As a result, some of the divisional accounts had to be excluded from the consolidated accounts of the month to which they related. The consolidated State Civil Accounts could not therefore, depict the correct position each month. Persistent delay in submission of divisional accounts not only affected the completeness of the monthly accounts of the Government and communication of actuals to the Controlling Officers by the due date but also renders reconciliation of departmental figures with those booked in Audit Office difficult. Non-receipt of the Accounts by the due dates was reported to the Controlling Officers and Administrative Departments from time to time.

2.6. Non-receipt of explanations for savings/excesses

After the close of accounts of each financial year, the detailed appropriation accounts showing the final grants/appropriations, the actual expenditure and the resultant variations are sent to the Controlling Officers requiring them to explain the variations in general and those under important heads in particular.

During 1983-84, explanations for variations were called for between 1st May 1985 and 18th June 1985 in respect of 5,020 heads (savings: Rs. 3,46.53 crores, excesses: Rs. 3,45.93 crores). Explanations for variations were received only in 892 cases (17.7 *per cent*). For the remaining 4,128 (82.3 *per cent*) cases (savings Rs. 3.26 crores, excesses: Rs. 3,39.43 crores), reasons for variations were not received (September 1985).

Departments which did not furnish the explanations for variations in a large number of cases are Irrigation and Power (1709 heads), Works (555 heads), Housing and Urban Development (306 heads), Forest, Fisheries and Animal Husbandry (231 heads), Health and Family Welfare (284 heads) and Home (223 heads).

CHAPTER III

CIVIL DEPARTMENTS

HEALTH AND FAMILY WELFARE DEPARTMENT

3.1. Family Welfare Programme

3.1.1. *Introduction*

The Family Welfare Programme had been conceived as a national policy aimed at reducing the growth rate of population and ensuring the welfare and well-being of the family. The objective was to promote an informal and voluntary change in individual and social perception and behaviour so that planned parenthood was accepted and adopted into the life style of people. The programme started in 1952, was made time bound in 1966-67 and given high priority status from the Fourth Five Year Plan onwards.

The activities contemplated in the programme formulated by the Government of India, consist of (i) improving the quality of life of people by creating awareness of population and its implications, (ii) motivating people to adopt small family norms for health and happiness and (iii) bringing down the population growth to a level consistent with economic growth by providing various family welfare methods.

The programme was entirely financed by the Central Government.

3.1.2. *Organisation*

The administrative control of the programme was vested in Health and Family Welfare Department. At the State level, the Director, Family Welfare, being the head of Department, provided technical guidance and supervised the operations; while at the district level the Assistant District Medical Officers looked after the planning and implementation of the programme in the district under the overall supervision of Chief District Medical Officers (C. D. M. O.). All

the 313 Primary Health Centres (P. H. Cs.) and the sub-centres with the assistance of para-medical staff are catering to the needs of rural population. In urban areas, 21 Post-Partum centres attached to Medical College hospitals and district headquarters hospitals and 34 urban family welfare centres (including 25 sub-divisional taluq hospitals) provided necessary services to the urban and semi-urban population.

Besides, there were two Health and Family Welfare Centres at Cuttack and Sambalpur, one L. H. V. training centre at Berhampur, 17 A. N. M. training centres throughout the State for imparting training.

3.1.3. *Targets and achievements*

(a) *Physical*

The targets fixed from 1979-80 to 1983-84 and the achievements thereagainst are as follows :

	Targets for 1979-80 to 1983-84	Achievements during 1979-80 to 1983-84	Percentage of achievement
	(Number in lakhs)		
Sterilisation	7.76	6.19	79
Intra Uterus Devices (I. U. D.)	2.05	1.30	63
Conventional Contra- ceptive users (C. C. users)	3.93	3.43	87
Oral Pills (from 1980-81 to 1983-84)	0.47	0.10	22

(b) Financial

The details of budget allotment, Central assistance received and expenditure incurred during 1978-79 to 1983-84 are as under :

Year	Budget provision	Central assistance released	Expenditure
(1)	(2)	(3)	(4)
(In lakhs of rupees)			
1978-79	5,50.55	4,80.10	4,86.20
1979-80	5,75.11	4,40.98	4,96.77
1980-81	8,04.08	5,47.11	6,21.58
1981-82	7,12.13	6,16.42	8,21.80
1982-83	11,71.07	9,07.09	12,84.84
1983-84	14,60.98	15,86.73	13,19.03
	<u>52,73.92</u>	<u>35,78.43</u>	<u>50,30.22</u>

Contrary to provisions in the Financial Rules that money should not be drawn until and unless required for immediate disbursement, Government instructed in April 1983 that funds under the programme should be drawn and kept under Revenue deposit apparently to avoid lapse of grant. Five disbursing officers whose records were test checked, had retained at the end of March 1984, Rs. 79.57 lakhs (A. D. M. O., Puri : Rs. 16.30 lakhs; Ganjam : Rs. 18.22 lakhs; Cuttack : Rs. 27.28 lakhs; Phulbani : Rs. 5.77 lakhs and Koraput : Rs. 12.00 lakhs) of which the balance at the end of August 1984 was Rs. 32.05 lakhs in the said deposit account.

3.1.4. Test check (December 1983 to June 1984) of the records of State Bureau and 67 institutions/centres covering 7 districts in respect of the component schemes executed under the programme revealed the following points :

Performance

(a) Sterilisation/I. U. D.

(i) Low coverage

Though an expenditure of Rs. 10,11.30 lakhs (93 *per cent*) was incurred in the sterilisation programme during 1979-84 against the Central assistance of Rs. 10,90.82 lakhs, the coverage was only 6.19 lakhs (79 *per cent*) against the target of 7.76 lakhs. The shortfall was attributed by some of the district officers mainly to shortage of Medical Officers and para-medical staff, non-co-operation due to difference in pay scales and lack of sincerity of Multipurpose Workers and non-availability of re-canalisation facilities for those young couples who lost their child/children.

(ii) Sterilisation of ineligible couples

According to the guidelines issued by Government of India in July 1980, motivated couples must have preferably two living children at the time of sterilisation and the youngest one should be over 2 years. It was also provided that the age of husband should not ordinarily be less than 25 years and that of wife 20 years and not more than 45 years. However, the Government of Orissa had provided terminal benefits to persons in the age group of 18—44 years which was further re-defined in October 1983 to include those between 15-48 years of age and these were also provided the allurements of green cards entitling them to concessions in the allotment of houses, land, reservation in professional colleges, etc. This also indirectly violated the legal provisions fixing the minimum marriageable ages of 18 for girls and 21 for boys. Data collected from 4 districts revealed that 2,735 women (Phulbani: 738; Koraput : 1977; Puri: 20) below 20 years, 2,165 women having no child (Koraput district) and 32,814 women (Koraput : 25,815; Cuttack: 6,885; Puri: 114) having one child were sterilised during 1980-81 to 1982-83.

(iii) Laparoscopic sterilisation

Considering the time involved for each case of operation and for ensuring the safety of the patients the Government of India prescribed that the maximum number of operations by a

team of doctors in a camp per day would be 30 at a fully equipped P. H. C. and 100 in upgraded P. H. C. In several camps, however, the number of operations in a single day ranged from 69 to 189 in P. H. Cs. and from 138 to 337 in upgraded P. H. Cs. According to the instructions the actual operation work should start at 10-30 a. m. and completed by 4-30 p. m. to facilitate the patients to return home before evening so that the last batch could leave by 8-30 p. m. after having 4-6 hours rest. It was noticed that in 360 minutes available, 337 operations were conducted by a single doctor on 13th March 1984 in Rajkanika upgraded P. H. C. (Cuttack district). In Raj Sunakhala upgraded P. H. C. (Puri district), 276 cases were operated on 3rd and 4th January 1984 where one woman died. In Chandanpur P. H. C. (Puri district) with 10 beds, 106 operations were performed on 29th March 1984 without providing the minimum rest required for patients. One Medical Officer of the P. H. C. stated that to achieve the target, more number of cases were arranged and done on a single day.

Most of the case records of the acceptors especially in relation to 'subsequent observations and services' and even the prescribed form of certificates to be recorded by the operating surgeon, were left blank.

(b) IUD programme

Against target of 2.05 lakh I. U. D. insertions provided during 1979-80 to 1983-84, the achievement was 1.30 lakhs (63 per cent). Though 0.13 lakh cuts, loops, etc., were shown as issued by A. D. M. O. (FW) Berhampur (Ganjam district) in his stock account, the beneficiaries covered were shown in the annual reports (1978-79 to 1983-84) as 0.16 lakh. The difference was stated to be due to some centres receiving the stock direct from the State Bureau and also from previous stock account held by the Medical Officers which indicates that the stock was not maintained properly.

(c) Conventional Contraceptives (C. C. users) Scheme

Against the Sixth Plan target of 3.93 lakhs of C. C. users, Government showed a coverage of 3.43 lakhs (87 per cent) during 1979-80 to 1983-84.

A potential user of 'Nirodh' supplied with 72 pieces a year alone is treated as a beneficiary under the scheme. It was, however, seen that in Cuttack district, out of 4.26 lakh pieces distributed during 1981-82, 89 *per cent* were used by casual users stated to be due to the regular beneficiaries not turning up to receive the condom.

As against 25.25 lakh pieces of 'Nirodh' shown distributed to units in his stock ledger by the A. D. M. O., Berhampur between 1978-79 and 1982-83, 19.48 lakh pieces were shown in the Annual Confirmation reports sent to the State Bureau. The discrepancy which is yet (June 1984) to be reconciled, was stated to be due to person receiving stock direct from the State Bureau. No records were produced in support.

(d) Oral Pill Scheme

Under 'Cafetoria' approach the women were to be physically checked for fitness before administering the oral pills by a medical officer; the acceptor was to be subjected to physical checks after three months of administration to see if there were any side effects of the pill. The record cards to watch the results have not been maintained.

As against the target of 0.47 lakh users, only 0.10 lakh women could be covered during 1980-81 to 1982-83, the short-fall ranging from 71 to 84 *per cent*. Against the annual target of 100 users fixed by the P. P. Centre attached to Cuttack City Hospital, the achievement was below 55 during 1978-79 to 1981-82.

Out of 7,745 women who were administered the oral pills between 1978-79 and 1983-84, 3,778 (49 *per cent*) had dropped out in Puri district reportedly due to short supply of pills even though sufficient stock was available with the State Bureau. In the Family Welfare Bureau at Cuttack district 1650 cycles of oral pills (650 received in September 1979 and 1000 in July 1980) were lying unused (April 1984).

*(e) Payment of compensation/motivation fees for Sterilisation/
I. U. D. insertions*

(i) Acceptors of sterilisation operation not provided with free transport were to be paid Rs. 15 towards transport expenses as part of compensation money. Though the Government's proposal (July 1982) to allow payment of Rs. 5 only to the acceptors and the balance used towards cost of P. O. L. etc., was rejected by the Government of India, in the P. P. Centre attached to M. K. C. G. Medical College Hospital, Berhampur (Ganjam district), free transport was not provided from December 1979 to July 1984 reportedly due to the vehicle remaining out of order, but Rs. 5 only were allowed to the acceptors instead of Rs. 15. The total amount paid less to the acceptors on this account worked out to Rs. 0.27 lakh. In almost all other cases also the acceptors were paid only Rs. 5 each, but there was no indication whether they were provided with free transport.

(ii) Contrary to the instructions of Government of India that unutilised balances at the end of the year after payment of compensation to the acceptors of sterilisation and I. U. D. insertions including doctors and other para-medical staff should be refunded to the Government of India as no acceptor would be left for payment of compensation, two disbursing officers retained the compensation money of Rs. 20.90 lakhs (A. D. M. O., Puri : Rs. 3 lakhs and Cuttack : Rs. 17.90 lakhs) in 'Revenue deposit' from the year 1978-79 to the end of 1983-84.

(iii) With reference to the ceiling rates of compensation fixed by the Government of India from time to time for cases of vasectomy and tubectomy, some of the disbursing officers [A. D. M. O., (FW), Cuttack and Ganjam and M. O. in the P. P. centre attached to S. C. B. Medical College, Cuttack] incurred between 1978-79 and 1982-83, expenditure of Rs. 186.82 lakhs against the admissible amount of Rs. 166.09 lakhs. The excess of Rs. 20.73 lakhs, over the norms, which was reportedly due mainly, to purchase of drugs and dressings beyond admissible limits, was not eligible for Central assistance.

(iv) A. D. M. O. (FW), Mayurbhanj paid between 1978-79 and 1983-84 Rs. 1.25 lakhs as motivation fees to the motivators for the tribal people who had volunteered as confirmed by the A. D. M. O. to undergo sterilisation operations though according to the decision (July 1977) in the meeting of State Health Minister and Secretaries, tribal people were not to be motivated but left to accept the family planning methods voluntarily.

(v) *Miscellaneous Purpose Fund*

As per the instructions of Government of India, 'Miscellaneous Purpose Fund' was created and credited every year with amounts at the rate of Rs. 25 for each vasectomy operation and Rs. 13 for each tubectomy operation effective from 1st December 1981 by debit to the sub-head 'Compensation'. The Fund was administered by the State Bureau and to be utilised for community awards and group incentives, *ex-gratia* payment for post operative complications/fatality, providing recanalisation facilities, POL and repairs to vehicles and purchase of equipment and storage facilities.

Test check of the accounts of the Fund disclosed the following :

(i) The Government of India instructed (May 1982) that the balances standing to the credit of the Fund at the close of the financial year could be spent to end of June of the following year and the balance remaining unutilised was to be refunded to the Government of India. The balance of Rs. 1.23 lakhs to end of 1982-83 stood in the account of the fund was neither utilised for the intended purpose nor refunded.

(ii) Between 1979-80 and 1982-83, Rs. 8.13 lakhs were utilised from the amounts credited to the Fund towards purchases of inadmissible items, such as two Ambassador cars (Rs. 1.03 lakhs), Intercom Telephone System in the Directorate (F. W.), (Rs. 0.31 lakh), Cataguts (Rs. 0.88 lakh), Oxygen Cylinders (Rs. 4.31 lakhs) and Iron safe (Rs. 1.60 lakhs).

(f) *Integrated health and family welfare*

The Maternity and Child Health (M. C. H.) services have been integrated with the F. W. Programme with a view to provide proper maternal care and care of the child so that the mother

and child would enjoy full span of life which would ultimately help in motivating the people to accept the small family norms voluntarily. The M. C. H. services envisaged immunisation to all pregnant women, nursing mothers and children against tetanus, diphtheria, typhoid, whooping cough, polio, etc., and prophylaxis (preventive) against nutritional anaemia and blindness due to vitamin 'A' deficiencies. It is fully financed by the Government of India.

(i) *Immunisation targets*

The targets and achievements in respect of 'immunisation' programme are as follows:—

Year	Tetanus Toxoid		Percentage	Triple Antigen		Percentage	Double Antigen		Percentage
	Target	Achievement		Target	Achievement		Target	Achievement	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	(Number in lakhs)								
1974-75 to 1978-79	9.80	4.30	44	11.70	7.01	60	12.00	9.32	78
1979-80	2.50	1.72	69	3.40	2.35	69	8.50	5.44	64
1980-81	3.00	1.92	64	4.00	2.49	62	5.00	4.27	85
1981-82	3.50	2.50	71	4.50	2.89	64	5.50	4.72	86
1982-83	4.00	2.75	69	5.00	3.70	74	5.00	3.72	74
1983-84	4.20	2.85	68	5.00	3.05	61	5.00	3.34	67

In the absence of data regarding total population of expectant mothers, the percentage of such population covered by immunisation was not susceptible of verification.

In Koraput district, out of total number of pregnant women registered (1980-81 : 0.43 lakh, 1981-82 : 0.53 lakh and 1982-83: 0.51 lakh) for ante-natal treatment (both institutional and domiciliary) the percentage of women immunised against tetanus varied from 27 in 1980-81 to a maximum of 30.4 in 1981-82. The number of deliveries conducted (1980-81 : 0.09 lakh; 1981-82: 0.11 lakh and 1982-83: 0.12 lakh) was much less than the number of pregnant women registered; the number of women who

were given ante-natal treatment had further dwindled (1980-81 : 0.05 lakh, 1981-82 : 0.10 lakh and 1982-83 : 0.11 lakh) since ante-natal treatment was not provided in all cases. In 7 PHCs (out of 11) of Cuttack district, none of the targeted 0.09 lakh expectant mothers was immunised against tetanus despite adequate supply of T. T. injections for which no reasons were furnished.

As against the target fixed in June every year (1980: 0.23 lakh, 1981 : 0.26 lakh, 1982 : 0.33 lakh and 1983 : 0.30 lakh) for immunisation of children below 5 years in Mayurbhanj district, the achievement recorded was very low (1980 : 0.06 lakh, 1981 : 0.18 lakh, 1982 : 0.29 lakh and 1983 : 0.19 lakh). No reason was on record for the low coverage. No polio vaccine had been given as part of health care to children in the district between 1977-78 and 1983-84.

(ii) *Incomplete immunisation and wasteful expenditure*

T. T. and D. P. T. are to be given in 3 doses plus one booster dose and D. T. in 2 doses, plus 1 booster at prescribed intervals to ensure effective immunisation. Between 1979-80 and 1982-83, in a number of cases, immunisation was stopped after the first or the second dose rendering the immunisation ineffective and expenditure of Rs. 11.94 lakhs rendered unfruitful, as detailed below:—

Vaccine	Incomplete number of doses given	Expenditure incurred including cost of transportation and storage
	(Number in lakhs)	(Rupees in lakhs)
(1)	(2)	(3)
T. T. ..	3.60	3.60
D. P. T. ..	6.16	6.16
D. T. ..	2.18	2.18

The Medical Officer PHC., Salepur attributed the incomplete course to non-availability of stock in the PHCs after giving the initial doses.

(iii) *Preservation of vaccines and their non-utilisation*

According to the U. K. Specialists, vaccine has a definite period of life (T. T. and D. T. 2 years, D. P. T. $1\frac{1}{2}$ years, Polio 90 to 120 days) provided it is constantly kept in cold chain. Cold chain facilities were not provided to all the PHCs. and sub-centres. In Cuttack district out of 41 PHCs., 7 were not provided with any refrigerators, 8 PHCs., were having refrigerators, but were out of order since October 1981 and 29 sub-centres were not even provided with thermocol boxes. In Ganjam and Koraput districts, out of 114 refrigerators provided, 37 were stated to be not in working order. In the absence of constant cooling arrangements it is doubtful if the vaccines had retained the protective effect in them.

Large quantities of vaccines remained unutilised at the end of each year in the district offices and PHCs as detailed below:

Year	T. T. doses administered during the year	Stock remaining unutilised at the end of each year
(1)	(2)	(3)
	(Number in lakhs)	
1980-81 ..	0.61	0.36
1981-82 ..	0.63	0.39
1982-83 ..	0.76	0.99
1983-84 ..	0.76	1.19

The stock of 0.99 lakh doses left at the end of 1982-83 could have been utilised during 1983-84 instead of further procurement resulting in un-necessary accumulation of unutilised doses.

(iv) Treatment against nutritional anaemia in women and children, whether preventive or curative, has to be decided with haemoglobin level of blood of the beneficiary based on blood tests. However, in all cases of prophylactic treatment, doses of 100 tablets (big) for women and 100 tablets (small) for children were administered without conducting the required tests, as stated by the

A. D. M. O. (FW) Phulbani, due to deficient nutrition, repeated attack of malaria, repeated child births, worm infections, etc., as the entire population was prone to anaemia and the tablets were given as blanket method of preventive and corrective measure irrespective of the tests and percentage of haemoglobin in the blood. The impact of treatment on the women and children was not on record.

(g) All India Hospitals Post-Partum Programme

The programme introduced in 1969 as Centrally sponsored with *cent per cent* Central assistance aimed at motivating women or husbands having wives in the age group of 18—44 for adopting small family norm through education and motivation particularly during pre-natal and post-natal periods. The programme included all the components of integrated health and family services and also the services for 'Medical Termination of Pregnancy' (M. T. P.). Besides, Post-Partum P.A.P.) Smear Test Facility scheme was taken up in one centre. There were 21 Post-Partum (P. P.) centres with 6—10 sterilisation beds and 25 sub-divisional/taluk hospitals equipped with 6 sterilisation beds each providing post-partum facilities. As against an outlay of Rs. 220.50 lakhs released during the Sixth Five Year Plan period the expenditure incurred during the first 4 years up to 1983-84 was Rs. 144.88 lakhs.

(i) Performance of P. P. Centres

The Government of India fixed a minimum target of 35 tubectomies up to September 1981 and 45 from October 1981 per sterilisation bed per annum, for availing Central assistance under 'Sterilisation Beds Scheme'. Two P. P. Centres having 10 beds one attached to M. K. C. G. Medical College Hospital, Berhampur and the other to district headquarters hospital, Phulbani could not reach the minimum during 1979-80 to 1982-83 and 1978-79 to 1982-83 respectively and as a result could not avail of the Central assistance of Rs. 2,400 per bed per annum. Out of 3,546 eligible couples, 1,043 (29 *per cent*) were shown as sterilised (June 1983) in the P. P. Centre attached to S. C. B. Medical College Hospital at Cuttack. It was seen from the concerned registers that majority of the cases sterilised were from outside the areas assigned to P. P.

Centre in Cuttack city; the percentage of achievement with reference to assigned area being 3.3 (1981-82), 4.7 (1982-83) and 3.1 (1983-84).

The Review Committee appointed by the Government ascribed (May 1980) the reasons for low coverage mainly to dissatisfaction among the educated wives to go in for tubectomy under local anaesthesia, refusal by patients for Medical Termination of Pregnancy (M.T.P.), non-availability of vehicles affecting the motivation and propaganda work of the centre, late receipt of allotment at the fag end of the year, fixation of target not related to total population/eligible couples *etc.*

(ii) Medical Termination of Pregnancy (M. T. P.)

In the P. P. Centre attached to the S. C. B. Medical College Hospital, Cuttack, out of 8,379 (1981-82) and 8,777 (1982-83) cases of delivery, spontaneous abortions and induced abortion cases were only 601 (1981-82) and 964 (1982-83) representing 7.2 and 10.9 *per cent* respectively were motivated to undergo sterilisation for which reasons were not recorded. It was seen that 95 *per cent* of M. T. P. cases done in two P. P. Centres attached to Medical College Hospital and City hospital at Cuttack was due to failure of contraceptives resulting in pregnancy. No study was made to ascertain the causes of large number of failures. Between 1978-79 and 1983-84, the percentage of M.T.P. cases (induced abortions) accepting sterilisation varied from 2.6 to 9.7.

(iii) Inadequate MCH services

Out of 0.11 lakh ante-natal cases registered from 1980-81 to 1983-84 in the P. P. Centre attached to M. K. C. G. Medical College Hospital, Berhampur only 0.04 lakh were immunised during the period against tetanus toxoid. The P. P. Centre attached to S.C.B. Medical College Hospital, Cuttack had originally 12 sterilisation beds and additional beds and equipments purchased (March 1982) at a cost of Rs. 0.11 lakh have not been brought to use so far (June 1984), for want of buildings and other facilities. It was stated that instead of two operation theatres prescribed by the Government of India, only one theatre smaller than the required size was available without adequate lighting arrangements. The refrigerator provided

(1972-73) to this centre for preserving vaccines was out of order since 1979 and the immunisation programme was stopped till a new refrigerator was supplied (March 1983). The level of achievement with reference to targets fixed in this centre for the years 1979-80 to 1983-84 was low in as much as it ranged from 33 to 63 *per cent* in respect of mothers for treatment of tetanus; 21 to 41 *per cent* for children (0-1 year) for D. P. T. treatment and 24 to 82 *per cent* in respect of children (1-5 years) for treatment of diphtheria, tetanus.

The services of P. P. Centre attached to M. K. C. G. Medical College Hospital, Berhampur hampered due to inadequate supply of drugs, dressings, antibiotics and non-supply of T. T. injections, xylocaine gloves, savlon, adhesive plaster, catagut plain, baralgon tablets, etc., during 1979-80 to 1981-82.

(iv) Post-Partum Smear Test Facility

With a view to detect and treat cervical cancer and pre-cancerous lesions in womb, the Government of India introduced (1980-81) post-partum PAP Smear Testing Programme on Pilot basis. Though the programme was introduced in the P. P. Centre M. K. C. G. Medical College Hospital, Berhampur in 1980-81, it could not be implemented till January 1984 reportedly for want of details of its working, posts of technicians and financial assistance from the Assistant Commissioner, Department of Family Welfare, New Delhi. During the 3 months period (January to March 1984) smear had been collected from 110 women (62 using P. P. methods and 48 non-users) and 5 women (non-users) are stated to be under treatment for the disease detected by smear tests.

(h) Mass Education and Media (M. E. M.)

A broad based mass education and media extension including population education programme is implemented through the media of documentary feature films and wall paintings, etc. As against Rs. 51.35 lakhs received as Central assistance during 1978-79 to 1982-83, a sum of Rs. 70.82 lakhs was spent under the scheme for non-tribal areas (the portion of expenditure on tribal areas was not made available).

Out of Rs. 2.45 lakhs drawn by the Directorate (FW) during 1978-79 an amount of Rs. 1.53 lakhs was refunded (November 1979 and November 1980) to the treasury as State revenue and a sum of Rs. 0.34 lakh (meant for photographic materials) was diverted for payment of telephone bills. Similarly, out of Rs. 0.51 lakh drawn during 1979-80 for purchase of films (Rs. 0.35 lakh) and display media (Rs. 0.16 lakh) Rs. 0.31 lakh were diverted for purchase of tarpaulins and 3 documentary films on 'Khairi tiger' unconnected with the M.E.M. Programme.

Rupees 1.85 lakhs sanctioned and drawn (1978-79: Rs.0.65 lakh, 1979-80: Rs. 0.60 lakh and 1980-81: Rs. 0.60 lakh) for supply of kits to the Block Extension Educators for their use in the orientation camps to train the opinion leaders for motivating people were either utilised for other purposes (Rs. 0.60 lakh) or refunded (Rs. 0.60 lakh) or allowed to lapse (Rs. 0.65 lakh).

(i) Voluntary organisation

The Red Cross Maternity Hospital, Berhampur received a grant of Rs. 1.32 lakhs between 1979-80 and 1983-84 to meet the cost of establishment of the P.P. Centre attached to the hospital. In the Centre started from October 1981, 2771 expectant mothers (1982-83: 1089 and 1983-84: 1682) were registered of which 188 were immunised (1982-83: 110 and 1983-84: 78) and DPT was administered to children (0-1 year) only in 1982-83 and no D.T. Polio was given to children (1-5 years). Delay in receipt of grants, recruitment and mobilisation of staff were stated to be the main reasons for low coverage.

The P.P. Centre attached to Swargdwar hospital, Puri received a grant of Rs. 2.60 lakhs during 1978-79 to 1983-84. It was revealed that demographic survey of the area was not conducted after 1976 and the register of eligible couples was not updated. The centre was without any Auxiliary Nurse Midwife (ANM) from October 1982 to November 1983 and there was no Lady Health Visitor (L.H.V.) from November 1982; there was only one doctor in the centre in place of 2 to 3 required to manage the institutional work. Consequently, as against the estimated average number of 8,000 eligible couples every year, the total sterilisation operations done varied from 201 to 528 which included mostly the floating population.

(j) Training

The training centres (Health and Family Welfare centres at Cuttack and Sambalpur, L.H.V. centre at Berhampur and A.N.M. centres all over the State) are intended to provide in-service training for improving the quality of performance of the existing medical staff and imparting training to new recruits to cope with the requirement of Plan programmes.

Against the annual target of 30-36, the achievement per year was decreasing from 29 (1978-79) to 6 (1983-84). It was stated by the ADMO (FW) that some of the doctors selected did not join the course; there was no suitable accommodation for the trainees in some of the centres. In Phulbani district against the targets fixed (Medical Officers: 30, Lady Health Visitors: 17, Block Extension Educators: 15, Village Health Guides: 753, Traditional Birth Attendants: 226 to 330) for training during 1979-80 to 1982-83, the achievements were low (Medical Officers: 3-17, Lady Health Visitors: 5-17, Block Extension Educators: 1-15, Village Health Guides: 20-485, Traditional Birth Attendants: 102-236). Reasons for low achievement were not on record.

The A.N.Ms. were required to be trained in the insertion of loop in some selected sub-centres where buildings were available but no A. N. Ms. were trained (June 1984) in Cuttack district. In 17 A. N. M. training centres, the intake capacity up to 1979-80 was 310 which was raised to 680 from 1980-81 against which only 98 (1979-80) to 348 (1980-81) were trained and 64 (1979-80) to 276 (1980-81) qualified to deliver the services. The Deputy Director (Nursing), State Bureau stated (August 1984) that it had not been possible to admit candidates in full strength due to accommodation difficulties and want of qualified teaching personnel.

At the end of March 1980, 0.14 lakh trained Dais/TBAs were available and against further requirement of 0.10 lakh (at the rate of one trained Dai/TBA for every 1,000 rural population of 24 million as per Model Plan of Government of India), the State Bureau had fixed the Sixth Plan target of 0.28 lakh (1980-85). During the first 4 years 0.17 lakh (exceeding the requirement

by 0.07 lakh) were trained at a total cost of Rs. 68.91 lakhs. The extent to which the trained Dais/TBAs have rendered services to the village community is yet to be ascertained. For training of L. H. V. at Berhampur, though the intake capacity of the centre was 30, only 13—30 trainees were admitted between November 1970 to January 1977 in different batches for undertaking 2½ years training course. There were no admissions during 1974, 1975 and sessions for July 1977 and January 1978 resulting in drop out (13 in 1976 and 15 in 1977). Full complement of staff was, however, in position from 1970 to June 1979 involving a total expenditure of Rs. 3 lakhs. Out of 154 Lady Health Visitors trained only 140 were declared successful but have not been issued the diploma certificates as the training institution at Berhampur was not recognised by the Indian Nursing Council.

Eventhough a sum of Rs. 1,19.14 lakhs was incurred for training (out of Rs. 1,60.35 lakhs of Central assistance received) during the period from 1978-79 to 1982-83, the intake capacity of the training institutions (especially in L. H. V. and A. N. M. training centres) could not be utilised fully during the past few years. The overall impact of training on the F. W. programme has not been evaluated by the State Government so far (June 1984).

(k) Staffing

Full complement of staff as prescribed was not posted in a number of centres. As against 30 to 56 posts of Medical Officers (F.W.) sanctioned for the districts of Koraput, Phulbani and Mayurbhanj between 1978-79 to 1983-84, only 10 to 35 posts were filled in; though 15 and 42 posts of third Medical Officers were sanctioned during 1978-79 to 1983-84 for Koraput and Phulbani districts, only 7 and 16 Medical Officers were in position; during 1983-84, 124 posts of A. N. Ms. out of 404 sanctioned in Ganjam district were not filled in; against the para-medical staff sanctioned during 1983-84 (B. E. E.: 43, L. H. V.: 90 and Computers: 42), the men in position were much less (B. E. E.: 38, L. H. V.: 28 and Computers: 31) in Koraput district; out of 46 to 107 posts of L. H. Vs. sanctioned in Ganjam district for the years 1978-79 to 1983-84, only 5 to 51 were posted.

(f) Services and Supplies

(i) Purchases in excess of requirement

According to the guidelines, each Village Health Guide is to be supplied with a standard set of medicines and dressings at a cost not exceeding Rs. 50 per month (Rs. 600 annually). The Principal, Health and Family Welfare Training Centre, Cuttack had purchased V. H. G. medicines worth Rs. 2.47 lakhs (during 1978-79 to 1982-83) against the admissible amount of Rs. 1.63 lakhs on the basis of V. H. Gs. in position resulting in purchase of medicines worth Rs. 0.84 lakh in excess of the prescribed norm. Further, the A. D. M. O. (FW) Cuttack purchased in 1982-83, 0.11 lakh packets of 'cotton absorbent' worth Rs. 0.62 lakh and 0.07 lakh packets of 'Re-hydration' powder at a cost of Rs. 0.22 lakh in excess. The A. D. M. O. (FW) stated that excess purchase was made to avoid lapse of additional allotment for the year 1982-83. The A.D.M.O. (FW) Puri purchased (March 1983) 0.50 lakh vials of strepto penicillin injections at a cost of Rs. 1.60 lakhs even though the stock with him as on March 1983 (0.19 lakh vials) was sufficient to meet the requirement even after March 1983.

(ii) Purchase of non-approved medicines/instruments

Purchases made by the Principal, Health and Family Welfare Training Centre, Cuttack during 1979-80 to 1980-81, included medicines worth Rs. 0.86 lakh and instruments, model charts *etc.*, worth Rs. 0.35 lakh not included in the list approved by the Director (FW).

(iii) Avoidable extra expenditure

The Government approved two firms 'J' and 'E' for supply of Sulphaguanadine tablets at the approved rate of Rs. 67.95 and Rs. 72.50 per 1,000 tablets respectively during 1982-83 to the V. H. Gs. The A. D. M. O. (FW) Cuttack placed orders on 26th March 1983 on firm 'E' to supply 58.67 lakh tablets at the approved rate within 21 days from the date of supply order. On 26th April 1983, Government issued orders to purchase the drug from the firm 'J' at the rate of Rs. 67.95 per 1,000 tablets. The order placed

with the firm 'E' (which did not supply the drug by the stipulated date *i. e.*, 15th April 1983) was neither cancelled nor fresh purchase order issued for supply at the reduced rate of firm 'J'. Thus, purchase of 58.67 lakh sulphaguanadine tablets by the A. D. M. O. (FW) Cuttack at a higher rate from the firm 'E' which supplied them in September 1983 entailed an avoidable extra expenditure of Rs. 0.29 lakh (inclusive of S. T., *etc.*).

(iv) Non-issue of medicines stocked

In a few offices test checked, medicines/vaccines purchased/supplied by the Government of India during 1980-81 to 1982-83 have not so far (May 1984) been issued to the respective centres/sub-centres (vide Appendix 3.1). Nothing was on record to indicate whether the medicines/vaccines continued to retain their potency or became time-barred due to long storage.

(v) Supply of kits

During 1981-84, in 4 districts (Ganjam, Phulbani, Koraput and Puri) against 10,422 trained TBAs. and VHGs, only 5,993 were provided with kits containing equipment, medicines, *etc.* In Cuttack district, on the other hand, 14,759 kits were supplied against the requirement of 14,668. In Ganjam district 305 homoeopathic kits were issued to VHGs not trained in homoeopathy.

3.1.5. Impact of the programme

(i) Population control

The results of sample survey conducted (1978-82) by the Deputy Director, Vital Statistics (vide Appendix 3.2) disclosed that the birth rate had steadily increased from 32.17 (per 1,000 population) in 1979 to 34.42 in 1982 (with a slight drop in 1981) and reached nearly the level of 1971 (34.56 per 1,000), against the national target of reducing the birth rate from 35 to 30 per 1,000 population by 1983. The death rate did not however, register any significant change having increased once in the year 1979 (15.06 per 1,000 population) as compared to 1978 (14.26 per 1,000) and again in 1982 (13.24 per 1,000) as compared to the rate of 1981 (13.08 per 1,000 population).

There was, thus, an increase in growth rate from 17.11 per 1,000 (1979), 18.44 (1980), 19.57 (1981) and 21.18 (1982) against a projected annual decrease of 2 *per cent* in growth rate.

(ii) Infant Mortality Rate (IMR)

In the absence of a separate infant mortality rate fixed for the purpose, the total impact of health care services to mothers during delivery could not be ascertained. Of the births recorded (1980-82), only 18 to 18.9 *per cent* delivery cases received institutional treatment and 5.5 to 24.3 *per cent* domiciliary services from the trained staff like ANMs, TBAs, etc. As a result, 57 to 76 *per cent* birth cases deserving medical attention were deprived of getting usual care from the services. This has also contributed to rise in infant (0—1 year) mortality from 114.92 in 1981 to 132.84 per 1,000 babies born in 1982. The statistics of estimated deaths compiled by the Deputy Director, Vital Statistics in 20 age groups indicated that the percentage of infant deaths as compared to total number of deaths had increased from 29.9 in 1980 to 34.5 in 1982. Thus, the objective of effectively reducing the IMR by strengthening the child care and immunisation services was not achieved.

(iii) Birth cases where mother's age is below 20

Statistics prepared by the department for the State showed that out of 3.23 lakh cases of birth recorded during 1981, 255 women below the age of 15 had produced one child each and 35,085 women in the age group 15-19 had produced upto the 4th child; similarly, out of 3.65 lakh birth cases during 1982, 25 women aged below 15 had produced one child each and 40,896 women of the age group 15-19 had produced upto the 4th child.

3.1.6. Area Development Programme

(a) Introductory

The programme aimed at intensive development of health and family welfare infrastructure, expansion and upgradation of services under 'Area Projects' with partial assistance from the World Bank and other International Agencies including the U. K. Government. These projects were based on 'Model Plan' worked out by the Government of India with the ultimate objective of reduction of

fertility, maternal and child mortality and morbidity. The State Government selected five districts (Cuttack, Puri, Ganjam, Phulbani and Kalahandi) covering 46.7 per cent of the total population of the State for implementation of the programme over a period of 5 years ending March, 1985.

(b) Plan and Strategy

The project proposals prepared in the year 1979 entailed a financial outlay of 39.42 crores as detailed below:

		U. K.	Non-U. K. (Rupees in lakhs)	Total
Basic	..	13,09.71	16,43.99	29,53.70
Contingencies	..	1,25.29	..	1,25.29
Extra cost to cover inflation		3,92.00	4,71.30	8,63.30
		<hr/>	<hr/>	<hr/>
		18,27.00	21,15.29	39,42.29
		<hr/>	<hr/>	<hr/>

The outlay was sanctioned by the Government of India as a Centrally Sponsored Scheme; the non-U. K. component of Rs. 21.15 crores was to be shared (extent of share not indicated) between the Government of India and the State.

The programme envisaged one Community Health Volunteer, one trained Dai in every village having 1,000 population. The programme contemplated construction of buildings for housing sub-centres with quarters for female workers and Lady Health Visitors, upgradation of some sub-divisional and taluk level hospitals, P. H. Cs. and construction of 10 bedded wards, operation theatres, quarters for doctors and para-medical staff. Provision was also made for improving the managerial skill of doctors in P. H. Cs., posting of specialists in Gynaecology and Paediatrics in the upgraded P. H. Cs. and evolving an appropriate Management Information Evaluation System (M. I. E. S.) for concurrent evaluation of the Programme.

(c) Progress of expenditure

Against the total outlay of Rs. 39,42.29 lakhs, the Government of India sanctioned Rs. 26,49.99 lakhs, and the actual expenditure of Rs. 21,96.96 lakhs incurred to end of 1983-84 constituted 55.7 per cent of the total outlay.

(d) Test check of the records of the Project Co-ordinator and four district offices revealed the following points :

(i) Construction of Buildings

The project report envisaged that cent per cent U. K. funds would be utilised for construction of incomplete P. H. C. buildings. Contrary to this, two new P. H. C. buildings estimated to cost Rs. 4.07 lakhs (one in Puri district : Rs. 2.47 lakhs and one in Kalahandi district : Rs. 1.60 lakhs) are under construction. Twenty rural family welfare centres were proposed to be constructed in 5 districts at a cost of Rs. 53.40 lakhs (non-U. K. funds) of which buildings in 10 centres have been taken up so far (June 1984). Out of 1492 sub-centre buildings taken up by the P. W. D. (1980-81 : 146, 1981-82 : 651, 1982-83 : 664 and 1983-84 : 31), only 835 buildings (without electric and sanitary fittings) have since been handed over to the department, 90 buildings have not been taken up for want of sites and 557 were stated to be in progress.

(ii) Defective Construction

In Phulbani district heavy leakages from the roof were reported in respect of newly constructed buildings particularly the staff Quarters at Khajuripada L. H. V. quarters at Sudurkumpa/Harekrishnapur/Sankarala and two upgraded sub-centres at Harekrishnapur (completed in April 1983) and Harbajh (completed in October 1983) as a result of which the sub-centres were not occupied (May 1984). The Project Officer, Phulbani reported to C. D. M. O. that in 12 'D' type quarters cracks had developed in the walls of the buildings from the time of taking over and there were defects in the fittings of doors and windows rendering it unsafe for the occupants. The L. H. V. quarters constructed and occupied (1983-84) in Mandasahi P. H. C. (Cuttack district) were reported to be without electrical and sanitary fittings.

(iii) Excess procurement of medicines

Procurement of medicines for sub-centres was to be based on the number of sub-centres opened and A. N. Ms. actually in position (Rs. 250 per month per A. N. M.). It was noticed that during 1980-81, though no new sub-centre was opened, medicines worth Rs. 1.51 lakhs were procured for them. In 1981-82, in Puri and Cuttack districts, for 1361 sub-centres opened, only 687 A. N. Ms. were appointed against a norm of two per sub-centre, and they were also not in position all round the year. But medicines worth Rs. 8.79 lakhs were procured against Rs. 0.54 lakh needed with reference to the A. N. Ms. shown to be in position from time to time. Apart from this, medicines valuing Rs. 1.89 lakhs (purchased during 1982-83) and equipment costing Rs. 6.94 lakhs (purchased between 1980-81 and 1982-83) for sub-centres were not distributed so far (June 1984). In Phulbani district out of an allotment of Rs. 0.63 lakh received for sub-centre medicines during 1981-82, an amount of Rs. 0.18 lakh was diverted to meet the cost of medicines in the headquarters hospitals.

(iv) Low Cost printing equipments

For printing pamphlets, posters, etc., 6 sets of 'Faxil' (low cost printing machine) were purchased between March 1981 and February 1982 at a cost of Rs. 2.69 lakhs of which 5 sets were issued (May—August 1981) to project districts as aid for mass media and education and 1 set was being used by the project co-ordinator. It was observed (November 1982) by the Director, F. W. that except the project district at Puri, no other district has so far used this equipment. The machines placed with the project districts at Ganjam and Phulbani were stated to be out of order since 1981 and awaiting repairs (June 1984).

(v) Project Survey

A base line survey in the five project districts to ascertain the demographic, socio-economic and service acceptability position of the community was entrusted (November 1981) to the International Institute for Population Sciences (I. I. P. S.), Bombay to be completed by June 1982. Though more than 4 years of the project period (5 years) has already elapsed and the terminal survey is due

to be taken up after 1984-85, the base line survey report has yet (June 1984) been received. An amount of Rs. 1.60 lakhs has far been paid to the institute.

3.1.7. Monitoring and evaluation

In pursuance of directives of the Government of India, State Government constituted different Sub-Committees, Councils and Committees to review the progress of performance of Family Welfare Programme from time to time. The meetings of Committees have not been held reportedly due to frequent changes in membership. The report of District Level Implementation Committee (with Collector as Chairman) of Cuttack district was met twice in September 1981 and January 1983, was not made available to audit. The Committee is stated to be defunct. Between 1978-79 and 1983-84, the Committee in Puri district met only once in September 1980 under the Chairmanship of C.D.M. Puri instead of the Collector. The department has not carried any evaluation of the programme so far (December 1984).

Summing up

Rupees 50.30 crores were spent on the Scheme from 1978-79 to 1983-84. Five disbursing officers retained at the end of March 1984 an unspent balance of Rs. 79.57 lakhs in Revenue deposits which at the end of August 1984 the balance was Rs. 32.05 lakhs.

Amounts under compensation shown as disbursed by the disbursing officers during 1978-79 to 1982-83 exceeded the limit of operation fixed by the Government of India by an amount of Rs. 20.73 lakhs and as such, was not eligible for Central assistance.

Rupees 8.13 lakhs credited to 'Miscellaneous Purpose Fund' out of compensation money was utilised between 1979-80 to 1982-83 for inadmissible purposes.

Incomplete doses of vaccines administered did not provide effective immunisation to the mothers and children resulting in wasteful expenditure of Rs. 11.94 lakhs.

While on the one hand marriage of boys and girls below 21 and 18 years of age respectively was prohibited by law on the other hand, there were cases of sterilisation by the allurements of 'Green Card' benefits.

Out of 4.26 lakh pieces of contraceptives distributed in one district in 1981-82, 89 per cent were used by casual contraceptive users; of 7,745 women who were administered the oral pills between 1978-79 and 1983-84, 3,778 (49 per cent) had dropped out in another district reportedly due to short supply of pills.

Post-partum PAP Smear Testing Programme introduced in the P. Centre, M. K. C. G. Medical College, Berhampur in 1980-81, could not be implemented till January 1984.

Out of Rs. 2.45 lakhs drawn during 1978-79, for implementing 'Mass Education and Media Programme', Rs. 1.53 lakhs were funded as State revenue and Rs. 0.34 lakh were diverted for payment of telephone bills.

Training of DAIs/T. B. As. was not done as per the programme. During 1978-79 to 1982-83, the intake capacity of the training institutions could not be utilised fully.

Medicines worth Rs. 1.06 lakhs were purchased during 1980-81 to 1982-83 in excess of the prescribed norm to avoid lapse of budget grant. Neither evaluation of the programme nor baseline survey contemplated in the project was done. The system of monitoring was poor since the committees and councils at the block, district and block levels had neither been reconstituted nor met.

Sample survey disclosed constant increase in growth rate of population from 17.11 per 1,000 (1979) to 21.8 (1982) against a projected decrease of 2 per cent growth rate per annum despite substantial investment in the Family Welfare Programme.

Though the objective was to effectively reduce the infant mortality rate, there was a steady rise in infant (0-1 year) mortality from 114.92 in 1981 to 132.84 per 1,000 babies born in 1982.

As against the proposed outlay of Rs. 39.42 crores under 'Area Development Programme' during 1980—85, the expenditure incurred to end of 1983-84 was Rs. 21.97 crores (55.7 per cent).

Out of 20 rural family welfare centres proposed to be constructed in 5 project districts, only 10 buildings have been taken up so far (July 1984); of 1,492 sub-centre buildings taken up by the State P. W. D., only 835 buildings have since been handed over to the department, 90 buildings have not been taken up for want of sites and 567 are in progress.

Medicines valuing Rs. 1.89 lakhs purchased in 1982-83 and equipments costing Rs. 6.94 lakhs purchased between 1980-81 and 1982-83 for sub-centres in Cuttack district were not distributed so far.

The points mentioned above were reported to Government in August 1984; their reply is awaited (March 1985).

AGRICULTURE AND CO-OPERATION DEPARTMENT

3.2. Unfruitful expenditure on plantations

The Project Officer, Bolangir had done plantation under *in situ* plantation scheme in patches of 20 acres or more, of unirrigated barren private lands which were to be developed at Government cost within a period of 3 years and handed over in the fourth year to the beneficiaries with the object of providing some financial assistance to them. *In situ* plantation technic is intended to achieve the growth even in adverse environmental condition without any irrigation. Between 1979-80 and 1981-82, 94,812 fruit bearing trees (1979-80: 2,875, 1980-81: 49,045, 1981-82: 42,892) were planted by the Project Officer covering an area of 570.86 hectares at a cost of Rs. 6.84 lakhs including Rs. 3.42 lakhs towards maintenance

during 1980-81 to 1982-83. The Project Office was reorganised in April 1983 into four Horticulturist Offices with headquarters at Bolangir, Patnagarh, Sonapur and Titlagarh. Of the 94,812 trees planted, 67,192 trees were reported to have been planted in the jurisdiction of Horticulturist, Bolangir.

The Horticulturist, Bolangir reported to the Director of Horticulture in his monthly report for March 1983 that out of 67,192 trees planted up to 1981-82, 24,097 trees survived (36 per cent). The poor survival of plants was attributed by the Horticulturist mainly to severe drought conditions during 1981-82 and non-participation of beneficiaries. *In situ* plantation technique is designed to be tolerant to adverse environmental conditions.

In his progress report for May 1983 the survival of plants on actual count was reduced to 4,910 (value: Rs. 35 lakhs) reasons for which were not on record. The percentage of mortality of plantation was not fixed, no records were maintained regarding handing over of the fruit bearing trees to the beneficiaries.

Due to heavy mortality of plantation expenditure of Rs. 4.49 lakhs proved to be unfruitful.

The matter was reported to Government in March 1984; their reply is awaited (March 1985).

3.3. Mushroom Development

Mushroom development scheme was taken up by Government from 1973-74. A production centre at Bhubaneswar was started during 1973-74 on a trial basis for evolving the method and technology for production of spawn. The period up to 1979-80 was taken as trial production. From 1980-81, regular development and supply of spawn to interested growers and educating them in the line for popularisation of mushroom development by conducting demonstrations on the methods of cultivation was taken at the Bhubaneswar centre.

During the four years from 1980-81 to 1983-84, against target of 0.60 lakh bottles of spawn to be produced by the Bhubaneswar production centre for sale to interested growers and for demonstrations for which Rs. 4.96 lakhs were allotted, only 0.30 lakh bottles were produced at an expenditure of Rs. 4.93 lakhs. Of the 0.30 lakh bottles produced for sale, only 0.13 lakh bottles could be sold and the balance 0.17 lakh bottles (Rs. 2.79 lakhs) remained unsold. The shortfall in production was attributed by the department to inadequate allotment of funds and the unsold stock was attributed to want of distribution agency. The entire unsold stock, whose life span was stated to be one year had to be destroyed.

There is no record with the department to show how far the mushroom cultivation was popularised.

3.4. Supply of spurious paddy seeds

To cover the loss of paddy production due to occurrence of flood in July-August 1982, the Director of Agriculture and Food Production of Orissa anticipated a demand of 1.5 lakh quintals of paddy seeds for sale to community nurseries and farmers during next *Rabi* and *khariff* seasons at subsidised rates. Of this, the Orissa State Seeds Corporation Limited (O.S.S.C.) agreed to supply 0.50 lakh quintal of paddy and the balance quantity was proposed to be procured by the Deputy Director of Agriculture from the local farmers. The Director issued instructions in December 1982 that the O.S.S.C. was required to supply seeds between 15th December 1982 (*Jajati* seeds) and 1st week of January 1983 (other five varieties) with marginal adjustment as per availability of seeds. It was stipulated that seeds should be of short duration varieties maturing within 125 days and suitable for the climatic conditions in *Rabi* season. Indents were placed in December 1982 by the Director with O. S. S. C. for supply of 27,225 quintals (*Annapurna*: 3,200 quintals, *Parijat*: 1,425 quintals, *Kalinga* I & II: 500 quintals, *Ratna*: 18,800 quintals, *Jajati*: 100 quintals and IR-36: 3,200 quintals) against which 11,834 quintals of seeds valued at Rs. 38.34 lakhs were supplied by O.S.S.C. between 10th January and 10th February 1983 for *Rabi* sowing. No tests were conducted before accepting the supply of seeds.

A test check in audit revealed that out of 11,834 quintals of paddy seeds purchased from O. S. S. C., 5,609.73 quintals valuing Rs. 18.18 lakhs (which included 4,587 quintals of *Parijat* variety) sold (January-February 1983) through the sales centres in five districts (Cuttack : 3,992.25 quintals, Puri : 851.16 quintals, Balasore : 441.78 quintals, Mayurbhanj : 202.94 quintals and Keonjhar : 121.60 quintals) for *Rabi* sowing were found (March 1983) by the department to be not true to the type on receipt of complaints from different districts. The performance of seedlings raised from the defective seeds, was indifferent resulting in low yield. Apprehending that the yield from the defective seeds would not be commensurate with value of inputs and as the seeds were not suitable for *Rabi* season, Government decided in April 1983 that the cultivators who had purchased such defective seeds from the departmental sales centres may be identified by the Officers of the Agriculture Department. After necessary verification of the fields and identification of farmers, Government sanctioned Rs. 6 lakhs in November 1983 being cost of seeds to be refunded to the cultivators who had used the seeds for sowing in *Rabi* season 1982-83 and had suffered crop loss. The Director of Agriculture has so far paid (by September 1984) a sum of Rs. 5.41 lakhs (3,185 quintals at the rate of Rs. 170 per quintal) to the affected cultivators (24,924 numbers) covering an area of 13,249.36 acres.

Thus, the purchase of *Parijat* and other varieties of paddy seeds from O. S. S. C. without ensuring their viability for *Rabi* sowing had not only resulted in an avoidable payment of compensation of Rs. 5.41 lakhs but also rendered subsidy of Rs. 4.90 lakhs allowed to the cultivators at the rate of Rs. 154 per quintal at the time of sale unfruitful. The department has not lodged any claims for Rs. 18.18 lakhs being the procurement cost of 5,609.73 quintals of spurious seeds with Seeds Corporation (March 1985).

3.5. Sand Cast Lands

A scheme with *cent per cent* central assistance to reclaim sand cast lands due to floods (September 1980) was started in January 1981 by Revenue Department in nine districts (except

Mayurbhanj, Sundergarh, Keonjhar and Sambalpur). The scheme envisaged payment to the identified beneficiaries a subsidy of Rs. 750 per hectare for reclamation of sand cast land (less than 12" depth) for agriculture purpose and Rs. 1,000 per hectare for sand cast land (more than 12" depth) for taking up plantation of tree crops.

Soil Conservation Directorate to whom the work was entrusted, identified (March 1981), 10,521 hectares of land (less than 12" depth : 5,063 hectares and more than 12" depth : 5,458 hectares) as sand cast in 960 villages as against 7,991 hectares affected in 434 villages initially communicated (December 1980) by the Revenue authorities.

Test check of records (November 1981 and September 1984) of the Assistant Soil Conservation Officer (Survey) of Kalahandi and Koraput districts revealed that out of Rs. 79.62 lakhs of non-plan assistance placed at the disposal of the Directorate of Soil Conservation, subsidy of Rs. 57.66 lakhs (Kalahandi : Rs. 23.16 lakhs and Koraput : Rs. 34.50 lakhs) was disbursed between April 1981 and March 1982 to 6,368 beneficiaries in 483 villages. Utilisation certificate in support of disbursement of subsidy was furnished to the Directorate (August-November 1982). The following points were noticed :

(i) According to the instructions issued by Government in April 1981, immediate disbursement should be made to complete reclamation of sand cast land for sowing before onset of monsoon. Delay in disbursement (April 1981 to April 1982) of subsidy ranging from 2 to 10 months in both the districts was attributed by authorities to late receipt of subsidy, delay in getting the list of correct owners of sand cast land from Revenue authorities, delay in opening Savings Bank Accounts and disputes arising at the time of disbursement regarding ownership of land.

(ii) Against 8,021 hectares of land identified at the end of March 1982 as sand cast in Kalahandi and Koraput districts, subsidy of Rs. 23.16 lakhs was paid covering 7,042 hectares

ending April 1982 leaving 979 hectares without reclamation reportedly for want of allotment of funds. No record was also maintained to show whether the land for which subsidy was paid had been actually reclaimed. Thus certificates of actual utilisation were never furnished.

(iii) In Koraput district, against 1,918.599 hectares shown (October 1980 to March 1981) in the survey as sand cast land below 12" depth, subsidy of Rs. 34.50 lakhs paid to 4,359 beneficiaries during April 1981 to March 1982 for 2,966.003 hectares resulting in excess payment of Rs. 7.83 lakhs.

On the otherhand, while the survey showed 2,468.152 hectares of land as sand cast above 12" depth, the actual area, on the basis of payments made was only 1,226.049 hectares, the rest having been found as not sand cast at all.

After inspection (October 1982), the Soil Conservation Officer, Bhubaneswar intimated to the Assistant Soil Conservation Officer (Survey), Koraput that in 19 cases payment was made for 27.346 hectares of land as sand cast against 12.986 hectares shown in the record resulting in excess payment of Rs. 0.10 lakh in Koraput district. The excess payment was explained by Government in March 1985 as due to wrong entry of areas in acquittance register while copying the same from agreement form.

(iv) A portion of subsidy amounting to Rs. 1.36 lakhs was diverted for cashew plantation in 136 hectares of Government waste land in four blocks of Kesianga, Narla, Junagarh and Sadar of Kalahandi district though the same was not covered by the scheme as per decision taken by the Directorate (April 1981).

(v) A subsidy of Rs. 0.19 lakh was paid (July-August 1981) to 3 beneficiaries of Ramachandrapur village of Gudari Block (Koraput district) without verification of the land being sand cast due to floods. The original survey reports, maps of plots etc., could not be made available for check.

The Assistant Soil Conservation Officer, Bhawanipatna stated (September 1983) that his staff was responsible for disbursement of grant only and no other information was available with him.

LABOUR AND EMPLOYMENT DEPARTMENT

3.6. Working of the Inspectorate of factories and steam boilers and the Labour Commissioner

3.6.1. *Introductory*

A number of laws on industry and labour were enacted to secure safety, health and welfare of industrial workers and to improve their service conditions so as to provide for them the ordinary amenities of life and to bring about industrial peace which could, in turn, accelerate productive activity and all round prosperity.

The Factories Act, 1948 and the Indian Boilers Act, 1923 were administered by the Inspectorate of Factories and Boilers. Of the 20 Acts administered by the Labour Commissioner, working of the offices concerned with the enforcement of the Industrial Disputes Act, 1947, the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, the Maternity Benefit Act, 1961 and the Work-Men's Compensation Act, 1923, was reviewed by Audit during August-September 1984 in the Chief Inspectorate of Factories and Boilers (hereinafter called the Inspectorate) and in the Office of the Labour Commissioner at Bhubaneswar. The points noticed are brought out in the succeeding paragraphs.

Inspectorate of Factories and Boilers

3.6.2. *Organisational set-up*

The Chief Inspector of Factories and Boilers (Chief Inspector) is the head of the organisation who is assisted by ten Inspectors of Factories and seven Inspectors of Boilers at the Zonal level. There are seven and five zones for factories and boilers respectively.

The expenditure and receipts during the period 1979-80 to 1983-84 were as under:—

Year	Expenditure		Receipts	
	Budget provision	Actuals	Budget provision	Actuals
(In lakhs of rupees)				
(1)	(2)	(3)	(4)	(5)
1979-80	12.65	12.65	4.95	5.62
1980-81	12.14	12.15	5.72	5.65
1981-82	11.91	11.94	4.88	6.67
1982-83	13.93	13.92	4.88	13.19
1983-84	15.68	15.55	9.88	15.33

3.6.3. Short-fall in inspections

Government of India while communicating (March 1982) the decisions of the State Labour Conference held in August 1981 to the State Governments, had stated that a system should be evolved whereby all factories particularly those which have dangerous operations for occupational hazards should be inspected at least once a year. There were, however, no departmental instructions regarding the periodicity of inspection of such factory/boiler. In respect of boilers, the Inspectors had not conducted any inspections apart from those conducted at the time of certification. The Chief Inspector (September 1984) to have moved Government for sanction of more posts of Inspectors to improve performance.

The table below indicates the number of factories and boilers in the State during the period from 1977 to 1983, Inspectors in position and inspections conducted:

Year	Number of registered factories/ boilers in existence		Number of working factories	Number of Inspectors of factories/boilers in position		Average number of factories/boilers per inspector	
	Factories	Boilers		Factories	Boilers	Factories	Boilers
	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)
1977	1,539	644	1,155	8	5	192	129
1978	1,629	650	1,209	8	5	204	130
1979	1,681	646	1,261	9	5	187	129
1980	1,789	659	1,171	9	5	199	132
1981	1,928	654	1,229	10	6	193	109
1982	1,554*	635	1,405	10	6	155	106
1983	1,704	652	1,561	10	7	170	93

Number of factories/boilers inspected		Average number of factories/boilers inspected by an Inspector		Number of factories/boilers not inspected		Percentage of factories/boilers not inspected	
Factories	Boilers	Factories	Boilers	Factories	Boilers	Factories	Boilers
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
925	231	115	46	614	413	39.90	64.13
949	245	118	49	630	405	41.74	62.30
1,202	275	133	55	479	371	28.49	57.43
1,105	359	123	72	682	300	38.12	45.52
1,195	398	119	66	733	256	38.02	39.14
1,379	385	138	64	175	250	11.26	39.37
1,540	428	154	61	164	224	9.62	34.36

N. B.—*Sharp decrease was due to closure of some factories

(a) Against the norm of 150 factories/boilers per Inspector, average inspections conducted by an Inspector varied from 115 to 154 (factories) and 46 to 72 (boilers). Similarly, percentage of non-inspection varied from 9.62 to 41.74 (factories) and 34.36 to 64.13 (boilers). This was attributed by the Chief Inspector to inspections of factories being restricted to working factories only in the absence of adequate posts of Inspectors.

(b) As regards shortfall in inspections as also less number of boilers allotted to an Inspector, it was stated by the Chief Inspector that in one zone (Talcher) one Inspector was stationed to look

after installation of huge boilers in the Fertiliser Corporation and the State Electricity Board Projects which reimbursed half of the establishment cost of the Inspector. Reasons in respect of other zones were not on record.

(c) The shortfall in inspections had resulted in non-fulfilment of the objectives of inspections to a considerable extent in ensuring safety, health care and welfare of the workers.

3.6.4. *Detection of unlicensed factories/boilers*

(a) According to the norms prescribed by Government, a factory having 10 workers engaged with the aid of power and 20 workers without the aid of power on any day of the preceding 12 months will have to obtain a licence. Detection of unlicensed factories is done by the Area Inspectors basing on the above norms and by issuing notices to the concerned factories for registration under the Factories Act failing which prosecutions are launched.

By the end of December 1983, the existence of unregistered factories were as follows :

Name of Zone	Opening balance as on 1-1-1983	Number detected during the year	Number registered	Number pending registra- tion at the end of the year
(1)	(2)	(3)	(4)	(5)
Cuttack	151	106	46	211
Balasore	25	20	19	26
Sambalpur	60	35	22	73
Berhampur	48	13	17	44
Rayagada	36	10	11	35
Bhubaneswar	70	54	41	83
Rourkela	106	40	20	126
Total	496	278	176	598

There were, at least 320 cases pending registration for over a year.

(b) In regard to boilers, it was stated that no boiler working without a valid certificate came to the notice of the Inspectorate. As no inspection was conducted except during certification, the possibility of uncertified boilers functioning without detection can not be ruled out.

(c) *Renewal of licences*

The licence issued to a factory is valid up to 31st December of each year and requires renewal by the Chief Inspector after payment of prescribed fees. It was seen that out of 3,733 applications received for renewal of licences during 1981 to 1983 (calendar years), 3,644 cases were disposed of during the period and the remaining 89 cases were cleared in the subsequent years. No records could be produced for watching the renewal of licences.

3.6.5. *Certifying Surgeons*

Government appointed "Certifying Surgeons" for examination and certification of young persons and persons engaged in dangerous occupations and performing such other functions as may be entrusted to them. The duties are prescribed in the rules framed under the Act. The rules, however, do not provide for exercise of any control by the Chief Inspector over the functions performed by the Certifying Surgeons even though the 24th Session (November 1973) of the Labour Ministers' Conference had recommended Certifying Surgeons as part of the Inspectorate. No young persons were found employed in the factories as per the reports and returns available in the Inspectorate. Regarding medical check-up of the factory workers, it was stated by the Chief Inspector that in all only 3 reports of medical officers having visited the factories during the last five years were received. The Medical Inspector of Factories was declared as Certifying Surgeon and the post created in December 1980 remained vacant except during December 1981 to April 1983. Thus, the medical check-up of workers engaged in dangerous occupations remained unattended.

3.6.6. Periodical returns

As per the rules framed under the Factories Act, 1948, the management/owners of factories were required to furnish to the Chief Inspector annual and half-yearly returns by 1st February and 15th July respectively of the following year showing the number of workers employed (specially indicating women and child workers), number of working days, hours of work, wages paid, safety measures available, etc.

Between 1977 and 1983, very few factories had submitted the returns as shown below:

Year	Number of registered factories from whom returns were due			Percentage of defaulting factories
	Due	Received	Not received	
(1)	(2)	(3)	(4)	(5)
1977	1155	243	912	78.96
1978	1209	643	566	46.81
1979	1261	695	566	44.88
1980	1171	642	529	45.18
1981	1229	801	428	34.83
1982	1405	870	535	38.08
1983	1561	928	633	40.55

The percentage of defaulting factories ranged from 34.83 (1981) to 78.96 (1977). Non-receipt of returns was attributed by the Chief Inspector mainly to lack of knowledge of filling up the returns by the factory staff. No follow-up action was taken after issue of notices to the defaulting factories.

3.6.7. Occupational disease

The rules framed under the Factories Act, 1948 require the management to keep the work places clean and free from effluvia. Instances of occupational disease *viz.*, silicosis were reported by the management of a factory and the area Inspector during 1979 to 1983 which affected 23 persons causing 4 cases of death. The

matter was taken up (1980) with the Regional Occupational Health Centre, Calcutta. A team of scientists visited (June 1983) the site and recommended further intensive study which is yet (August 1984) to materialise.

It was seen that even though the Additional District Medical Officers were declared as certifying surgeons for medical check-up under the Factories Act, they could hardly devote time for regular check-up and eradication of occupational disease.

3.6.8. Accidents

Over the period from 1977 to 1983, the accident ratio per 1,000 workers had risen from 28.98 to 56.83 as shown below :

Year	Number of workers employed	Number of accidents reported			Accident rate per 1,000 workers
		Fatal	Non-fatal	Total	
(1)	(2)	(3)	(4)	(5)	(6)
1977	78,483	16	2,535	2,551	32.50
1978	82,591	30	2,627	2,657	32.17
1979	89,088	18	2,564	2,582	28.98
1980	97,307	18	4,819	4,837	49.71
1981	92,320	19	5,228	5,247	56.83
1982	1,07,318	20	4,151	4,171	38.87
1983	1,11,383	28	3,312	3,332	29.91

All the fatal and serious accidents were investigated by the Inspectorate. An analysis of investigation reports by audit revealed that out of 105 (fatal : 67 and serious accidents : 38) cases reported during 1981 to 1983, 45 were due to violations of relevant provisions of the Factories Act, 13 were caused due to various safety appliances not being used by the workers, 3 due to employment of unskilled workers in skilled jobs and 44 due to other reasons like accidents on the road side within the factory premises, falling into the ditch as also falling from a height sustaining injuries for which the management was not responsible.

The increase in number of accidents was attributed by the Chief Inspector to a tendency of workers to avail of monetary benefits under social benefit scheme towards payment of sick wages.

3.6.9. Prosecutions

The Factories Act empowers the Inspectorate to launch prosecutions against the managements or owners of factories or the workers for contravening any of the provisions of the Act or rules made thereunder. The Inspectorate resorted to prosecution when the party responsible for the offence failed to comply with the requirements, even after issue of notices to that effect.

The number of prosecutions launched, the number of cases in which the offenders were convicted and the number of cases pending decision at the end of December 1983 are given in the table below:

Year	Number of prosecutions launched including old cases	Number of cases with-drawn	Number of cases convicted	Number of acquittals	Number of cases pending in the court
(1)	(2)	(3)	(4)	(5)	(6)
1977	213 (Including opening balance of 176)	..	3	5	205
1978	251	2	1	2	246
1979	288	5	3	2	278
1980	347	..	5	11	194
					(137 dormant cases were dropped from the report)
1981	253	1	9	30	213
1982	330	9	13	8	300
1983	467	12	10	14	431

Six schemes sanctioned by Government during 1979-80 were test checked; points noticed in one of the schemes are detailed below:

3.6.10. *Industrial Hygiene Laboratory*

As decided (November 1978) in the Chief Inspectors Conference, an Industrial Hygiene Laboratory, was to be set up in each State for providing advisory services in maintaining a healthy working environment, monitoring and evaluation of health hazards of workers subject to Factories Act, who were exposed to toxic substances and air pollutants in their work environments. The Laboratory expected to be set up in the existing office premises of the Inspectorate is yet (November 1984) to be commissioned for the reason that though the State inputs like personnel, indigenous equipments including apparatus and technical publications having been made available by the end of 1983-84, the foreign equipments and other facilities like expert service guidance and training fellowship to be made available under United Nations Development Programme, were still awaited despite clearance (September 1984) by the International Labour Organisation.

A sum of Rs. 1.10 lakhs was spent between 1980-81 and 1983-84 towards salary of staff, books and equipments. It was noticed that the posts (Chemical Inspector: 1 post, Laboratory Assistants: 2 posts, Attendants: 2 posts) sanctioned by Government during 1979-80 were filled up between January 1982 and April 1983 and one post of Medical Inspector sanctioned (December 1980) is yet to be filled in. Pending functioning of the Laboratory and filling up of the post of Medical Inspector of Factories, the services of the Chemical Inspector and other staff members were reported to be utilised in inspection work of chemical industries and office work.

Labour Commissioner's Office

3.6.11. *Other Labour Laws*

(1) The Industrial Disputes Act, 1947, prescribed the following processes for settlement of disputes arising in various industries.

(a) Mediation through conciliation by officers appointed under the Act.

(b) Settlement by a Board of conciliation Court of Inquiry Labour Court or a Tribunal, if conciliation by officers failed.

The disputes which arose, settled and were pending during the period from 1977 to 1983 are indicated below :

Year	Number of cases which had arisen and were mediated	Number of cases settled after conciliation	Percentage of settled cases to number of cases mediated	Number of cases failed during conciliation	Number of cases pending
(1)	(2)	(3)	(4)	(5)	(6)
1977	534*	172	32.21	228	134
1978	575	210	36.52	291	74
1979	584	201	34.42	254	129
1980	585	229	39.14	174	182
1981	651	221	33.94	242	188
1982	724	260	35.91	263	201
1983	756	217	28.70	297	242

* Including opening balance of 77.

(i) The disputes settled by conciliation during the above period ranged from 28.70 to 39.14 per cent. (ii) As a result of disputes arising out of strikes and lock-outs, 9.88 lakh mandays from 1977 to 1980, 2.89 lakh mandays in 1981, 4.05 lakh mandays in 1982 and 8.55 lakh mandays in 1983 were lost. The production loss on this account was not available with the Labour Commissioner.

(2) Minimum Wages Act, 1948

(i) The information as to number of trades included in the schedule, minimum wages fixed therefor, number of revisions of wages and the number of employments covered by order of fixation

of minimum wages for the period from 1981 to 1983 is indicated below :

Year ending December	Number of trades covered under schedule to the Act	Number of trades for which minimum wages were fixed	Number for which minimum wages not fixed	Number of revisions of wages fixed	Number of employments covered by orders of fixation as on 31st December
(1)	(2)	(3)	(4)	(5)	(6)
1981	29	19	10	3	92,836
1982	65	28	37	11	1,03,307
1983	65	63	2	5	1,05,239

It was stated (August 1984) by the Commissioner that the matter of fixation of minimum wages in the cases cited has been under consideration of Government since January 1982.

(ii) Out of 34,315 cases (1981 : 7,682; 1982 : 12,224; 1983 : 14,409) detected for violation of the provisions of the Act, prosecutions were launched in 1,154 cases during the calendar years 1981 to 1983; 202 cases were convicted and 2,376 cases reportedly pending in the courts. The rising trend in the number of violations due to inclusion of more trades had not been arrested reportedly for want of adequate staff in enforcing the provisions of the Act.

(3) *Payment of Wages Act, 1936*

(i) The number of establishments to which the act applies, the number of returns received and the number of inspections conducted for the period from 1980 to 1982 are given below :

Year ending December	Number of establishments to which the Act applies	Number of establishments submitting returns	Percentage of non-receipt of returns	Number of inspections due	Number of inspections conducted	Percentage of establishments not inspected
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1980	17,003	1,311	92.29	4,140	2,550	38
1981	18,996	771	95.95	4,140	3,587	13
1982	20,621	1,308	93.66	4,140	3,525	15

The percentage of non-receipt of returns from the establishments ranged between 92.29 and 95.95 during 1980-83. It was stated that advance reminders were being issued to the establishments and field officers to gear up their collection; in case

persuasive measures failed, prosecution cases were launched. Regarding shortfall in inspections conducted, it was explained that the lapses had duly been brought to the notice of the field officers concerned for compliance.

(ii) Out of 286 cases of prosecution launched and 284 cases of claims filed for violations under the provisions of the Act to end of 1982, only 38 claim cases were settled, 10 cases were convicted, acquittal was ordered in 22 cases during 1980 to 1982 and 500 cases (prosecution : 254 and claims : 246) were pending in the Court. No action was taken to check the increasing trend of violations from year to year.

(4) *Maternity Benefit Act, 1961*

The number of establishments covered by the Act, number of establishments submitting returns, inspections due and conducted during the period from 1979 to 1983 are given below :

Year ending December	Number of establishments covered	Number of establishments who submitted returns	Percentage of rendition of returns	Number of inspections due to be conducted	Number of inspections actually conducted	Shortfall %
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1979	355	58	16.34	648	27	95.83
1980	355	67	18.87	648	9	98.61
1981	348	56	16.09	648	26	95.99
1982	348	50	14.37	648	38	94.14
1983	349	39	11.17	648	30	95.37

As to the poor receipt of returns and shortfall in inspections it was stated that the lapses had been brought to the notice of the field officers concerned to gear up collection and that advance reminders were being sent to the establishments and field officers for compliance.

(5) *Compensation*

Under the Workmen's Compensation Act, 1923 in the case of accidents, compensation is payable to the workers drawing monthly wages up to Rs. 1,000. Out of 1,105 cases of compensation filed

with the Claims Commissioners to end of 1983 compensation amounting to Rs. 41.97 lakhs was awarded in 578 cases leaving 527 cases (year-wise break-up not available) pending.

The reason for pendency was stated (August 1984) to be due to non-co-operation of the parties concerned who often requested for time and non-receipt of legal heirs certificates from Tahasildars.

(ii) A scrutiny of cases decided by one of the Claims Commissioner during the period from 1981 to 1983 showed that out of 56 cases, payment to the beneficiaries in 30 cases was made through him and the remaining cases were disposed of by the management direct according to the agreements with the parties. It was observed that the time lag between the receipt of deposit from the management and ultimate disbursement to the beneficiaries ranged from six months to three years and more.

Summing up

- The decision of the Government of India in March 1982 to evolve a system of inspection of all factories specially those having dangerous operations and occupational hazards at least once a year has not yet been implemented (September 1984).
- The average number of factories/boilers per Inspector ranged from 155 to 204 (factories) and 93 to 132 (boilers) as against the norm of 150 laid down by the International Labour Organisation Convention and recommended by the Government of India; the percentage of factories not inspected varied from 9.62 to 41.74 and boilers not inspected from 34.36 to 64.13.
- In all 320 unlicensed factories remained without registration for over a year.
- The Chief Inspectorate of Factories had not been exercising any control over the work of Certifying Surgeons.

- Instances of occupational disease detected in a factory between 1979 and 1983 have not been studied in depth.
- The Industrial Health and Hygiene Laboratory (to detect and prevent occupational diseases) sanctioned by Government in 1979-80 has not been commissioned yet (March 1985).
- During the period 1977 to 1983, 25.37 lakh mandays were lost on account of stoppage of work due to strikes and lockouts; the production loss sustained on this account was not available with the Labour Commissioner.
- The matter was reported to Government in October 1984 and their reply is awaited (March 1985).

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

3.7. Delay in realisation/disbursement of L.I.C. Loan

Government negotiated with the L.I.C. and obtained a loan of Rs. 1 crore carrying interest at 8.5 *per cent* per annum in February 1983 to provide financial assistance for building/repair and reconstruction of houses washed away/collapsed by the floods of August-September 1982. A post-dated cheque (18th February 1983) was obtained on 11th February 1983. The credit in this respect was afforded to Government account after 20 days of the date of cheque.

The entire amount drawn by the district officers against two sanctions issued by the Government on 18th March 1983 and kept by them in their cash chests of which only Rs. 58.37 lakhs were disbursed to beneficiaries up to July 1984. The balance amount of Rs. 41.63 lakhs still remains unspent in *cash chests* of the Collectors (March 1985).

Interest of Rs. 4.72 lakhs calculated from April 1983 to July 1984 on Rs. 41.63 lakhs kept in the Cash chests was avoidable.

Had the undisbursed amount been kept in the Treasuries in Government Account, the liquidity position would have improved to that extent.

COMMUNITY DEVELOPMENT AND RURAL RECONSTRUCTION DEPARTMENT

3.8. Integrated Child Development Services

3.8.1. *Introduction*

The Integrated Child Development Services (I.C.D.S.) scheme was designed to provide an integrated package of services to children in the age-group of 0-6 years (pre-school period) which is crucial for child development. Since the mother has a key role in physical and social development of the child, procedure of specific services to nursing and expectant mothers was brought under the scheme. The objectives of the scheme were (i) to improve the nutritional and health status of children in the age group 0-6 years, (ii) to reduce the incidence of mortality, morbidity malnutrition and school drop-outs, (iii) to lay the foundation for proper psychological and social development of the child, (iv) to achieve co-ordination of policy and implementation amongst the various departments to promote child development and (v) to enhance the capability of mother to look-after the normal health and nutritional needs of the child through proper nutrition and health education. These objectives were to be achieved through the package of services comprising of (a) supplementary nutrition, (b) immunisation, (c) health check-up, (d) referral services, (e) nutrition and health education and (f) non-formal pre-school education to the children.

The I.C.D.S. Scheme was implemented as a Centrally sponsored scheme with 100 *per cent* Central assistance for all inputs except supplementary nutrition for which funds are to be provided by the State Government under the 'Minimum Needs Programme'. The UNICEF participated in contributing consultancy services, training, equipments, *etc.* The scheme started with one I.C.D.S. Project at Subdega (Sundergarh) in 1975-76 was extended to cover 42 more projects (rural:20, tribal: 21, urban: 1) by the end of 1983-84.

3.8.2. *Organisation*

The administrative unit for an I.C.D.S. project is a Community Development Block in rural areas or a Tribal Development Block in predominantly tribal areas or a group of urban slums. A full time

Child Development Project Officer (C.D.P.O.) is in charge of the implementation of the programme in each project area and is responsible for the administration and implementation of the scheme at the field level. The focal point for delivering the services is an *Anganwadi* in each village or urban slum sub-unit covering a population of 1,000 in rural/urban project and 700 in tribal project. Supplementary nutrition programme, pre-school education and nutrition and health education is the direct responsibility of the *Anganwadi* Workers (A. W. W.) while delivery of health services such as immunisation, overall health check-up and referral services are entrusted to the staff of the Primary Health Centres (P. H. Cs.) in the project area. There are supervisors in each project to supervise the work of *Anganwadi* workers and assist C.D.P.O. in day to day working of the project.

3.8.3. Financial

The budget allotment, expenditure incurred thereagainst and the Central assistance received and utilised in respect of the scheme to end of March 1984 are as follows:

	Up to 1979-80		1980-81		1981-82		1982-83		1983-84	
	Allot- ment	Actual	Allot- ment	Actual	Allot- ment	Actual	Allot- ment	Actual	Allot- ment	Actual
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
(In lakhs of Rupees)										
Expenditure on I. C. D. S.	38.00	37.88	29.85	29.75	35.42	35.39	80.20	76.59	1,17.87	1.16.53
Central assistance received	..	44.26	..	33.85	..	40.55	..	74.50	..	1,29.00
Unutilised Central assistance	..	6.38	..	4.10	..	5.16	..	(—)2.09	..	12.47

Against the Central assistance of Rs. 322.16 lakhs received in respect of the scheme till end of 1983-84, the actual expenditure incurred worked out to Rs. 296.14 lakhs resulting in non-utilisation of Central assistance of Rs. 26.02 lakhs.

The expenditure included an amount of Rs. 2.13 lakhs incurred mainly on purchase of medicines for *Anganwadi* workers between 1978-79 and 1983-84 but diverted and utilised in hospitals outside I. C. D. S. areas; Rs. 0.31 lakh spent during 1978-79 to 1982-83 were diverted and utilised for purposes not connected with the scheme and as such the entire amount of Rs. 2.44 lakhs met from the scheme funds is not eligible for Central assistance.

Out of 43 projects in operation, test audit of the records of 8 I. C. D. S. projects (rural: 4, tribal: 3 and Urban: 1), in six districts (Koraput, Ganjam, Phulbani, Puri, Balasore and Sundergarh) and other related offices revealed the following points:

3.8.4. Service rendered by *Anganwadis*

(a) Number of *Anganwadis*

In the 43 projects in the State, the number of *Anganwadis* sanctioned and those functioning as on July 1984 are given below:

Year of sanction	Number sanctioned	Number functioning	Short-fall
(1)	(2)	(3)	(4)
Up to			
1981-82	1,275	1,267	8
1982-83	875	821	54
1983-84	1,480	371	1,109
Total	3,630	2,459	1,171

(b) Functioning of *Anganwadis*

(i) Government of India desired (November 1976) that the State Government may draw up a programme for promotion and strengthening of *Mahila Mandals* so that a well established and registered *Mahila Mandal* is in existence in such villages in a block where I. C. D. S. programme is to be implemented. It was seen that in no case voluntary organisation/*Mahila Mandal* was associated with any of the 2,635 *Anganwadis* run by the State Government. In the areas covered by 636 *Anganwadis* in 6 districts, there were 448 *Mahila Mandals* which had no involvement in the *Anganwadis*.

(ii) The scheme provided that accommodation for the *Anganwadis* was to be provided by the local community free of rent or alternatively accommodation could be hired at rent not exceeding Rs. 25 per month in rural/tribal project and Rs. 100 per month in urban project. In case of non-availability of accommodation, construction of the centre building could be taken up with Government contribution of Rs. 1,500 per building in rural and tribal projects and Rs. 6,000 in urban project the balance being contributed by the community, provided there would be no recurring liability for rent. Of the 636 *Anganwadis* in eight projects test checked, 166 were functioning in Government constructed buildings, 172 buildings provided by the community, 32 in schools and Panchayat Samiti buildings, 149 in private houses and 117 in public buildings. The community participation for providing accommodation to *Anganwadis* was 27 per cent as against 100 per cent contemplated.

(iii) Government sanctioned Rs. 1.02 lakhs during 1978-79 to 1979-80 for construction of 68 *Anganwadi* centres which were drawn by the C. D. P. O. during the period but retained in the P. L. account of Block Development Officer, Kankadahada as unutilised (November 1984). The reason for its non-utilisation was not on record. Between 1977-78 and 1982-83, Government sanctioned Rs. 7.52 lakhs for construction of 401 buildings for *Anganwadis* in 8 projects; construction of 184 buildings was not taken up till end of June 1984 even though the C. D. P. Os. had an unspent balance of Rs. 4.09 lakhs on this account. Out of 185 completed buildings, 17 houses of mud construction involving an assistance of Rs. 0.26 lakh collapsed between 1980-81 and 1982-83 (year of construction not available) reportedly due to heavy rains and 2 remained vacant in Brahmagiri project due to village feuds and defective construction. In Daringbadi project (Phulbani district), 480 numbers of A. C. sheets and 330 A. C. ridges were purchased in April 1980 at a cost of Rs. 0.79 lakh for construction of 40 *Anganwadi* buildings, were reported to the District Level Co-ordination Committee by C. D. P. O. in April 1984 to be not found in stock. Responsibility for the loss has not yet been fixed as the matter was stated (May 1984) to be under investigation.

(iv) According to Government of India instructions (December 1975), I. C. D. services will not be able to make the desired impact on the health and nutrition status of the children unless the basic requirement of safe drinking water is met. Out of 3,630 *Anganwadis* sanctioned up to 1983-84 in 43 projects, 563 *Anganwadis* (15.5 per cent) could not get the safe drinking water and had to depend upon the usual source of water.

(c) *Appointment and equippage of Anganwadi workers*

(i) According to the scheme an *Anganwadi* worker could be a female from the local village so that she can enjoy the confidence of local community; in case women having minimum qualification (VIII class) are not locally available, less educated or even illiterate women could be employed. It was noticed that out of 631 *Anganwadi* workers in 8 projects, 289 workers (46 per cent) were not found to be local people, the reason being that less number of village ladies came forward to work in the villages.

(ii) The scheme contemplated that each *Anganwadi* worker had to undergo four months training in I. C. D. S. and Functional Literacy for Adult Women (FLAW) programmes. Three to three and half months' training was given to those not conducting literacy classes. Each worker had to be provided with a guide book, a kit (prepared by her during training) for use in non-formal education of pre-school children and in imparting health and nutrition education to women and a first aid box. Out of 2,635 *Anganwadi* workers in position in all the 43 projects, 2,064 were trained to end of 1983-84 leaving 571 workers not trained so far (June 1984). The untrained workers did not have kits for use in the non-formal education and health and nutrition education. It was seen that 35 per cent of the total workers trained and untrained were not provided with 'guide book' to enable them to provide package of services as the guide books in local language were not printed till 1983-84.

(d) *Inadequate maintenance of records of beneficiaries*

Test check of 79 *Anganwadis* revealed that the *Anganwadi* workers did not maintain records of identification of 'at risk' women and 'at risk' children, pre-natal/post-natal check up and other vital events such as deaths and births. Full details of such

eligibility for supplementary nutrition programme were not shown in the quarterly home visits. No record of the beneficiaries in respect of all package of services was maintained at *Anganwadi*/C. D. P. O. level.

(e) Insufficient package of services

The number of *Anganwadi* workers and Health workers (female) in position as at the end of March 1984 was 2,635 and 88 against the number of sanctioned posts 3,630 and 104 resulting in vacancies of 995 and 16 respectively. As a result of continuing vacancies in the posts of *Anganwadi* and health workers (female), the package of services could not be delivered to children (1.69 lakhs), nursing mothers and pregnant women (0.24 lakh). The vacancies (114 out of 197 posts sanctioned) in the posts of supervisors and (13 out of 32 posts sanctioned) female health assistants had rendered the supervision of the working *Anganwadi* workers and FLAW centres ineffective.

(f) Imparting nutrition and health education to women

This service was to be provided to all women in the age group of 15-45 years, priority being given to nursing and expectant mothers through the use of (i) mass media and other forms of publicity, (ii) special campaign at suitable intervals aimed at saturating the project area, (iii) home visits by *Anganwadi* workers, (iv) specially organised short course in the area for about 30 women at a time, (v) demonstration of cooking and feeding and (vi) utilisation of the nutrition and health education programmes of the Health and Family Welfare Department, etc. It was seen that the service was mainly provided through home visits by *Anganwadi* workers neglecting other media of imparting education. In 6 projects test checked, even though the targets were fixed (1980-81 and 1981-82) at 0.63 lakh women to be covered each year, the actual coverage was nearly 11 per cent; in 8 projects the target fixed (1982-83 and 1983-84) was to cover 0.98 lakh women each year but the coverage ranged from 8 to 22 per cent during these years. The shortfall was explained by the C. D. P. O. to be due to engagement of the *Anganwadi* worker most of the time in supplementary nutrition programme and pre-school education. It

was also noticed in audit that the average visits by *Anganwadi* worker varied from 2 (Nilgiri) to 112 (Daringbadi) in a month and no norms for number of visits (consistent with other activities) were prescribed. Though 43 projectors with films were supplied free of cost by the UNICEF between 1975-76 and 1983-84 for imparting health and nutrition education, the film shows were hardly arranged reportedly for want of electricity and operators though according to the scheme the jeep drivers or any other staff could have been trained to operate the projectors. Only 242 film shows were arranged during 1975-76 to 1983-84 in 636 centres. Assistance of Rs. 0.34 lakh provided in cash by UNICEF in October 1981 for conducting demonstration of cooking and feeding to women in 17 projects was mostly spent on T. A./D. A. of supervisors and *Anganwadi* workers attending the camps. The service had thus practically no impact on the eligible women.

(g) *Non-formal education to children*

The scheme provided for imparting non-formal or pre-school education to children between 3 to 5 plus years through the institution of *Anganwadi*. It was contemplated that 50 per cent of the eligible children would be covered in the projects, so that the child would move from the *Anganwadi* to school with necessary preparation. The scheme set a norm of enrolment of 30 children (raised to 40 in July 1982) per *Anganwadi* per year for pre-school education. As against the target of 0.17 lakh children to be imparted pre-school education each year during 1980-81 and 1981-82, only 0.11 lakh to 0.12 lakh children could be covered in 6 projects, in 8 projects the targets being 0.27 lakh children to come under non-formal education, the actual coverage was 0.14 lakh to 0.18 lakh. The shortfall in attendance varied from 12 to 25 per cent which was attributed by the Project Officers to non-attendance by children due to interruptions of feeding, existence of *chatsalis* organised by villagers and engagement of children in helping the parents during cultivation and harvesting seasons.

(h) *Supplementary nutrition*

The scheme provided for supplementary nutrition to pregnant women and nursing mothers from low income families, subject to age of pregnancy (6 to 9 months)/nursing mothers (less than

6 months) and children between the age of 6 months to 6 years with shades of mal-nutrition and belonging to I. R. D. target families. Supplementary nutrition was to be given for 300 days in a year; the average cost of food per beneficiary was at 25 paise per day per child and 50 paise per woman per day. For therapeutic diet for severely mal-nourished children (in Red Zone), the provision for supplementary nutrition was kept at 60 paise per child. The cost of supplementary nutrition was met from the provision made for Supplementary Nutrition Programme (S. N. P.) in the State sector under Minimum Needs Programme (M. N. P.). Till 1982-83, no specific funds were earmarked for the I. C. D. S. projects. During 1983-84, Rs. 112.50 lakhs were provided for feeding 1.5 lakh children in the projects. No provision was made for feeding expectant and nursing mothers and therapeutic food for mal-nourished children reportedly due to paucity of funds.

The following points were noticed:

(i) As against 1.98 lakh children targeted in eight projects, between 1975-76 and 1983-84, only 1.54 lakhs were covered by supplementary nutrition and 0.44 lakh (22 *per cent*) could not avail of the service. The women targeted to be covered during the period were 0.57 lakh against which 0.27 lakh were covered.

(ii) In 7 projects test checked, feeding was not done for all the 300 days. During 1982-83 and 1983-84, the feeding programme on an average took place for less than 10 days in 39 and 51 *Anganwadis*; 10—15 days in 40 and 59 centres; 16—20 days in 70 and 107 *Anganwadis* respectively. The shortfall was attributed (August 1983) by Government to non-provision of prescribed amount of funds due to constraint on State Plan resources and consequent reduction of feeding from 300 to 200 days in a year. No feeding was done in 14 *Anganwadis* during 1982-83 and in 10 *Anganwadis* during 1983-84 reportedly due to non-availability of food grains or due to absence of *Anganwadi* workers.

(iii) According to the guidelines issued (November 1977), there should be no interruption in feeding. In a number of cases involving 1 to 174 *Anganwadis*, interruptions in feeding programmes

ranged from 1 to 11 months during 1982-83 to 1983-84 in 5 to 7 projects whose records were test checked. Reasons for these were attributed by the Project Officers for want of funds.

(iv) In 3 I. C. D. S. projects (Khallikote, Subdega, Daringbadi) 100 sub-centres were opened over and above the *Anganwadi* centres without obtaining approval of Government of India and 5,400 children were provided with supplementary nutrition without other package of services.

(v) In Pottangi Project feeding stated to have been made between October 1979 and March 1980 could not be ascertained as the details of beneficiaries to whom feeding was given were not on record.

(vi) In 6 projects test checked, it was noticed that no therapeutic food was distributed to the malnourished children. In Khallikote project, 230 mal-nourished children who were supplied with enhanced supplementary nutrition during December 1982 to January 1983 instead of therapeutic food, developed dysentery and diarrhoea. In Subdega project therapeutic food (Bal Amul) was distributed intermittently between May 1978 and July 1980 and stopped thereafter due to paucity of funds. The Medical Officer reported in July 1978 that the food was distributed arbitrarily and not strictly by the weight chart findings. Against the prescribed dose of 150 to 200 grams per day per child, the distribution was done upto 250 grams per day resulting in incidence of diarrhoea. It was seen that between May 1978 and July 1980, Bal Amul was distributed to 338 to 887 children against 282 to 543 eligible ones.

The effect of the supplementary nutrition programme on the children and expectant and nursing mothers was not kept on record.

3.8.5. *Health Component of the Scheme*

(1) The health component of the scheme was intended to provide for (a) ante-natal care of expectant mothers and post-natal care for nursing mothers and new borns, (b) care of children under 6 years of age. A test check of 8 Projects revealed the following :

(a) No base line survey envisaged under the Multipurpose Workers Scheme enumerating the number of pregnant women,

nursing mothers and children was conducted to assess their immunisation and health status at the beginning of the programme, in the 7 P. H. Cs test checked.

(b) Due to inadequate manning of P. H. Cs. during 1981-82, as indicated below, in 16 Projects the programme of health coverage had suffered.

Cadre of staff	No. of posts sanctioned	No. of posts actually filled	Percentage of coverage
Medical Officers	89	75	84.4
Health Assistants (Female)	68	35	51.5
Health Workers (female)	274	223	81.4

(c) In providing ante-natal care to pregnant women and post-natal care for nursing mothers and new borns, the number of women expected to be covered and those actually covered are indicated below :

Year	Target	Actuals
1980-81	8,324	4,810
1981-82	8,324	6,324
1982-83	13,844	5,777
1983-84	13,844	7,976

The shortfall was attributed by the Project Officers to the shortage of medical staff. It was also seen that in 79 *Anganwadi* centres under 7 projects, ante-natal/post-natal cards required to be maintained in respect of each beneficiary in the *Anganwadi* to record health status and immunisation against *Titanus*, were found

to be either blank or incomplete to such an extent that the nature of services rendered were not ascertainable. Pre-natal/post-natal services had not been provided in Bhubaneswar urban locality (established in 1982-83) so far (December 1984).

(d) In 8 projects health checkup of children intended to cover general check up twice a year, serial recording of weight once in three months for normal children and monthly for malnourished children below the age of six, was restricted to those who got registered in the *Anganwadis* even though the programme envisaged coverage of all children below the age of six. The shortfall in the coverage in these Projects is indicated below :

Year	Target	Actuals	Percentage of short fall
1980-81	59,670	34,327	42
1981-82	59,670	26,906	55
1982-83	98,800	34,292	65
1983-84	98,800	37,991	62

In Bhubaneswar urban Project, against a target of 13,770 children, the number of children provided with health check up was only 609 during 1982-83 and none during the year 1983-84 as the Medical Officers and the A. N. Ms. were kept engaged in the Capital Hospital.

(e) Cent *per cent* coverage under immunisation was prescribed under the programme. Immunisation was to be so arranged that a child before attaining one year of age would have received one dose of B. C. G., 3 doses of D. P. T. and 3 doses of Polio Vaccine. The Primary Health Centres were to enumerate the number of pregnant women and children under six years of age and assess

their immunisation status. Each *Anganwadi* worker was required to maintain ante-natal cards, delivery cards in respect of women and child cards in respect of all the children in the *Anganwadi* area. Immunisation register with details of children and monthly summary of immunisation was also to be maintained at *Anganwadi*. The following points were noticed in this connection: —

(i) Immunisation was restricted to children registered in *Anganwadis* for supplementary nutrition, though the programme was intended to cover all the children below the age of six.

(ii) As the monthly summary of immunisation done was not recorded in the Immunisation Register, monthly progress reports submitted to C. D. P. Os. did not reflect the actual coverage during the month.

(iii) In 8 projects the shortfall in the immunisation of children up to the year 1983-84 against the target was 24.3 per cent for DPT, 45.5 per cent for BCG and 88.5 per cent for Polio reportedly due to want of vaccine, vehicles and refrigerators in working condition.

(iv) In 7 projects, during 1982-83 and 1983-84 out of 20,663 children administered first dose of DPT and 21,745 children administered first dose of Polio vaccine, 12,981 and 14,745 children were fully immunised against DPT and Polio respectively with all the required doses resulting in 10,751 doses of DPT and 9,943 doses of Polio proving ineffective. This was stated to be due to non-availability of vaccines in time and absence of children at the immunisation centre.

(v) In Daringbadi project, immunisation was not at all done in 18 out of 60 (*Anganwadis*) for want of vaccines. No vaccines D. P. T., D. T. and T. T. were supplied to the project since August 1983.

(vi) Immunisation was not done in 30 *Anganwadis* attached to the urban project at Bhubaneswar reportedly due to engagement of ANMs in Capital hospital.

(vii) A number of children in 6 villages of Brahmagiri project, as reported (September 1983) by the Director of Family Welfare, were immunised in 1983 who had developed abscess and tetanus due to non-sterilisation of syringes and needles.

(viii) Polio doses were not administered to the children in Subdega project till September 1981 eventhough the project was functioning since 1976-77, in Khallikote project from April 1978 to September 1979, in Pottangi project from April 1978 to March 1983 and in Nilgiri project from April 1979 to March 1983 (except last quarter of 1982-83). No reasons were kept on record.

No information was available with the department regarding the cases where complete immunisation was done.

(2) *Immunisation of expectant mothers*

It was seen during test audit of 8 projects that as against the target of 8,324 women each year for 1980-81 and 1981-82 to be covered under the programme, the coverage was 2,377 (1980-81) and 4,269 (1981-82); during 1982-83 and 1983-84 it was proposed to cover 13,844 pregnant women each year against which only 4,479 (1982-83) and 6,864 (1983-84) were covered. The shortfall ranging from 49 to 78 per cent was found to be due to the fact that pregnant women who visited the Public Health Centre were only registered while all other expectant mothers were left out of immunisation.

(3) *Referral Services*

Pregnant women/nursing mothers and children with problems requiring specialised treatment were to be referred by the A.W.W./A. N. M. to the Medical Officer P. H. C. and by the Medical Officer, P. H. C. to the subdivisonal and district hospitals. The hospital after completing the treatment was required to refer back the cases to the P. H. C. with notes of treatment given and further treatment/advice to be followed.

The table below would indicate the position obtained in 7 projects test checked:

Year	No. of children referred for specialist treatment	No. of cases where follow-up action not taken	No. of women referred for specialist services	Cases where follow-up action not taken
(1)	(2)	(3)	(4)	(5)
Up to 1979-80	4,435	92	2,803	30
1980-81	271	74	247	11
1981-82	134	41	98	1
1982-83	140	54	23	1
1983-84	243	153	11	1
Total	5,223	414	3,182	44

Reasons for not taking follow-up action were stated by the Medical Officers to be due to the patients not reporting to Primary Health Centres after specialist treatment.

3.8.6. Medicines for Anganwadis

The Government of India desired (April 1976) that medicines worth Rs. 12,000 per Public Health Centre and Rs. 3,000 per sub-centre per annum are required to be provided by the State Government from the State sector of Minimum Needs Programme in each I. C. D. S. project; additional input of Rs. 18,000 per annum for rural project and Rs. 6,500 per annum for tribal project was provided from I. C. D. S. budget upto 1981-82 for purchase of medicines by Public Health Centres and since 1982-83 provision of Rs. 300 per annum for *Anganwadi* was made in the I. C. D. S. budget for supplying essential and inexpensive medicines to *Anganwadis*.

The position of requirement of medicines, medicines purchased and supplied to the I. C. D. S. projects in respect of the projects test checked was as follows :

Year	No. of Anganwadis	Cost of medicines required	Cost of medicines purchased	Cost of medicines supplied to I. C. D. S. projects
(1)	(2)	(3)	(4)	(5)
	(Rupees in lakhs)			
1978-79	467	0.84	0.74	Nil
1979-80	467	0.84	0.79	0.47
1980-81	467	0.84	0.27	0.42
1981-82	467	0.84	0.41	0.39
1982-83	656	1.97	0.39	0.37
1983-84	654	1.97	1.21	0.03
Total		7.30	3.81	1.68

It was seen that purchase of medicines was made to the extent of 52.2 per cent of which 23 per cent of requirement was supplied to the *Anganwadis* and balance of medicines worth Rs. 2.13 lakhs were utilised in non-I. C. D. S. areas and hence did not qualify for Central assistance. Purchases between 1979-80 and 1983-84 included items such as Dai bags, weighing machines, medicines, injections, apparatus, equipments, etc., worth Rs. 0.27 lakh which were not required for I. C. D. S. project and therefore, were not eligible for Central assistance.

3.8.7. Functional literacy for adult women (FLAW)

(a) The scheme aimed at providing non-formal education to illiterate women in the age group of 15—45 years in the I. C. D. S. projects. A functional literacy class comprising of about 30 women in an *Anganwadi* was the basic unit and the course was to be spread over 250 hours in 10

months according to prescribed curriculum. The teacher-in-charge of each FLAW class was required to maintain a dossier of each woman in the class reflecting the progress made by her in each month. At the end of the course a test was to be conducted and certificates awarded to all successful candidates.

(b) The budget allotment made by the State Government, expenditure incurred and the Central assistance received and unutilised to end of 1983-84 are as follows:

(1)	Up to 1979-80		1980-81	
	Allotment	Expenditure	Allotment	Expenditure
	(Rupees in lakhs)			
(1)	(2)	(3)	(4)	(5)
Expenditure on FLAW	15.02	14.87	8.43	8.18
Central assistance received	..	16.80	..	8.35
Unutilised Central assistance	..	1.93	..	0.17

1981-82		1982-83		1983-84	
Allotment	Expenditure	Allotment	Expenditure	Allotment	Expenditure
(Rupees in lakhs)					
(6)	(7)	(8)	(9)	(10)	(11)
12.29	11.88	26.31	26.04	26.48	26.25
..	18.40	..	24.75	..	25.92
..	6.52	..	(—)1.29	..	(—)0.33

Against the Central assistance of Rs. 94.22 lakhs received in respect of the scheme till the end of 1983-84, the actual expenditure incurred worked out to Rs. 87.22 lakhs resulting in non-utilisation of Rs. 7 lakhs.

(c) The following points were seen in the test check of 8 projects:

(i) As against 0.14 lakh women targeted to be covered each year during 1980-81 and 1981-82, the actual coverage was 0.10 lakh each during these years. The targets fixed on the basis of women population were 0.20 lakh each during 1982-83 and 1983-84 to be enrolled in FLAW classes against which the coverage was 0.12 lakh (1982-83) and 0.17 lakh (1983-84). Reasons for low coverage were attributed by C. D. P. Os. to lack of sitting accommodation and tiredness after attending hard labour.

(ii) No dosier in respect of each adult woman attending the classes was maintained in the *Anganwadi* due to which the number of women successfully completing the course was not ascertainable.

(iii) The certificates in favour of successful candidates were required to be given at the end of 10 months. In 304 *Anganwadis* involving 4 projects (Pottangi, Nilgiri, Brahmagiri and Daringbadi), no such certificates have been issued so far (March 1985). No test was conducted in 2 projects (Subdega and Khallikote) during 1983-84.

(iv) Despite release of funds for a class of 30 women, the attendance varied from 8—13 numbers in 2 *Anganwadis* of Nilgiri, 11—14 numbers in 4 centres of Daringbadi, 11—15 numbers in 5 centres of Pottangi and 7—13 numbers in 13 centres of Khallikote. Poor attendance was attributed mainly to lack of sufficient accommodation in the centres.

(v) Against Rs. 0.22 lakh drawn for vocational training in Nilgiri project during 1980-81 and 1981-82, only Rs. 0.02 lakh were utilised by the *Anganwadi* workers during the period for the training and the balance of Rs. 0.20 lakh was refunded to the Treasury as unspent, with the result no useful purpose could be served to improve the economic status of adult women.

(vi) In Daringbadi project, involving 60 *Anganwadi* centres, 7,512 to 8,225 women were admitted to FLAW classes between 1979-80 and 1983-84 of which 0 to 392 candidates ranging from 0 to 4.9 per cent were declared successful. The percentage of literacy in the project had not shown any perceptible improvement despite an investment of Rs. 4.64 lakhs for the purpose. No records were maintained at C. D. P. O. level to show the number of women who improved the literacy skills after completion of training.

(vii) Government of India guidelines (July 1982) stipulated that FLAW classes need not be conducted where Adult Education centres for women were being organised by the Education Department. It was seen that in 152 *Anganwadis* in 4 projects (Bhubaneswar, Nilgiri, Kukudakhundi and Daringbadi) both FLAW classes and Adult Education scheme for women were simultaneously being implemented. On the other hand 4 projects (Patnagarh, Birmaharajpur, Rajnagarh and Rajkanika) sanctioned during 1983-84, were neither covered by FLAW classes nor womens' functional literacy under Adult Literacy Programme.

(viii) Materials for use in the vocational training worth Rs. 0.35 lakh purchased during 1981-82 by the C. D. P. O. Brahmagiri project were not taken in the stock account of the project. The C. D. P. O. stated (May 1984) that the matter would be investigated.

3.8.8. Co-ordination forum

Since the I. C. D. S. is basically an inter-departmental endeavour and is based on strategy of inter-sectoral approach to the development of children, Co-ordination forum were to be set up at all levels from the Government to the Block level. A Block Level Co-ordination Committee (B. L. C. C.) consisting of B. D. O., C. D. P. O., Medical Officer and members from the concerned non-officials in the project area constituted under the chairmanship of Subdivisional officer was to meet every month. In 7 projects test checked, the B. L. C. C. met intermittently upto 1982-83. In Pottangi Project, the B. L. C. C. did not meet even once during 1983-84 while the meetings were held once or twice in the remaining six projects.

At district level, a District Level Co-ordination Committee (D. L. C. C.) with Collector as Chairman and district level officers of the departments concerned as members was to be constituted to meet once in a quarter. During 1983-84, D. L. C. C. meetings were not held in any of the 8 projects test checked. At State level, a State Level Co-ordination Committee under the Chairmanship of the Minister, Community Development and Rural Reconstruction department (Additional Chief Secretary from April 1981) with representatives of the concerned departments, constituted in September 1976, was to meet once in six months to review the programme. The Committee has not met so far (June 1984).

3.8.9. *Monitoring*

According to the instructions issued by Government of India in February 1976, monthly progress reports are required to be submitted by the C. D. P. Os. on 15th of every month (revised to 10th of every month from October 1982) showing the achievements of previous month to the Government of India and State Government. At the State level, an I. C. D. S. cell has been established for co-ordinating the work and submission of completed quarterly progress reports to Government of India by 20th of the month following the quarter under report.

The reports did not show the number of beneficiaries fully covered by all the package services; the returns did not indicate the consolidated position of all the centres functioning; no evidence was forthcoming whether the information was subsequently collected, analysed and incorporated in the quarterly returns. Information furnished in the monthly progress reports in respect of immunisation was not uniform.

3.8.10. *Other points of interest*

Fifty-eight villages (population : 0.21 lakh) in Brahmagiri, 14 villages (population : 0.08 lakh) in Nilgiri and 40 villages (population : 0.09 lakh) in Subdega Projects were left out of the package of services contemplated in the scheme reportedly due to their remoteness and distance from *Anganwadi*.

Summing up

- Although the scheme was in operation since 1975-76 and an expenditure of Rs. 3,83.36 lakhs (I.C.D.S. : Rs. 296.14 lakhs and FLAW : Rs. 87.22 lakhs) was incurred, no evaluation study was made to ascertain the impact of services on the community.
- Out of the Central assistance of Rs. 416.38 lakhs received to end of 1983-84, Rs. 33.02 lakhs (I. C. D. S. : Rs. 26.02 lakhs and FLAW : Rs. 7 lakhs) remained unutilised.
- Rupees 2.13 lakhs incurred on purchase of medicines for centres were diverted and utilised in hospitals; Rs. 0.31 lakh spent on purpose not connected with the scheme were not eligible for Central assistance.
- Of 185 buildings completed, 166 were reported to have been occupied, 17 had collapsed and 2 remained unoccupied.
- Out of 3,630 *Anganwadis* sanctioned upto 1983-84, 563 *Anganwadis* (15.5 per cent) could not get the safe drinking water and had to depend upon the usual sources of water.
- Of 2,635 *Anganwadi* workers in position, 571 workers (21.7 per cent) were not trained and did not have kits for use in non-formal education of pre-school children and in imparting health and nutrition education to women. None of the 2,064 trained workers was provided with guide books.
- There was shortfall in the services rendered by *Anganwadi* workers to the extent of 78 to 92 per cent in respect of health and nutrition education and 12 to 25 per cent in the case of non-formal education to children.
- Adequate funds were not provided by Government for supplementary nutrition in the project areas affecting the feeding programme ranging from 5 to 295 days in a year against 300 days prescribed; interruption in feeding also ranged from 1 to 11 months; no provision was made for therapeutic food to severely malnourished children.

In 7 projects, there was shortfall in the services to be rendered by the health staff to the extent of 42 to 61 per cent in ante-natal/post-natal care and from 42 to 65 per cent in health check up of targeted children below 6 years of age. In the urban project at Bhubaneswar, pre-natal/post-natal services were not conducted so far.

—In Daringbadi project, immunisation was not at all done. 18 out of 60 *Anganwadis* for want of vaccines; immunisation was also not done in 30 *Anganwadis* attached to the urban project at Bhubaneswar.

—In 7 projects, against 8,711 and 11,952 children administered first dose of D. P. T. during 1982-83 and 1983-84 respectively, only 5,133 and 7,848 children were fully immunised. Thus, 5,542 doses of D. P. T. administered in 1982-83 and 5,200 doses in 1983-84 to 3,578 children (1982-83) and 4,100 children (1983-84) did not prove to be fruitful.

—Eighty five per cent of the targeted women was enrolled in FLAW classes during 1983-84; no test was conducted at the end of the course to elicit the extent of benefit derived by the adult women; no certificates were issued to the participants on successful completion of the course. Against the target of 30 women in a class, the attendance varied from 7 to 15. FLAW activities in one project disclosed between 1979-80 and 1982-83, the number of women who successfully completed the course ranged from 1.6 per cent to 4.9 per cent of the total number of women.

—The monitoring system did not provide as to the total number of beneficiaries who got all package of services contemplated in the scheme as against the eligible number of beneficiaries, in the absence of which no assessment was possible with regard to impact made in the improvement of the lives of women and children.

—The matter was reported to Government in July 1984; the reply is awaited (March 1985).

COMMERCE AND TRANSPORT (TRANSPORT) DEPARTMENT

10. Non-installation of weigh bridge

The Transport Commissioner, Orissa called for quotations in July 1978, before receipt of Government sanction, for supply and installation of weigh bridge at Sohela Checkgate (Sambalpur district) to facilitate assessment of weighment and realisation of M. V. Tax on goods transported through the check gate. Of the three quotations received the lowest offer of firm 'C' for 30 tonnes Atlas weigh bridge for Rs. 1.38 lakhs (including taxes) was accepted and an order was placed on the firm in February 1979. In March 1979, the Government sanctioned installation of weigh bridge at a cost of Rs. 2.70 lakhs (purchase of weigh bridge: Rs. 1.42 lakhs and Civil Works: Rs. 1.28 lakhs). The weigh bridge was purchased in May 1979 on payment of Rs. 1.26 lakhs (85 per cent of cost) to the firm after retaining Rs. 0.16 lakh for payment after installation.

The execution of Civil Works (platform and scale room) of weigh bridge was entrusted to the Executive Engineer, N.H. Division, Sambalpur in May 1979 and an amount of Rs. 1.28 lakhs was made available by the Regional Transport Officer, Sambalpur. Due to non-availability of suitable site, the construction work could not be taken up and a proposal was submitted to the Government to shift the check gate 2 km away from Sohela town. In the process there was a time lag of over four years and the selection of new site was finalised by December 1983. An estimate for Rs. 4.66 lakhs was submitted in December 1983 to Government (Works Department) by the Transport Commissioner for according administrative approval which is awaited (July 1984). The Transport Commissioner intimated audit in June 1982 and February 1984 that pending installation of weigh bridge, the goods transported through the check gate were being assessed on the basis of way bills prepared by the firms.

Thus, lack of planning and co-ordinated action in selection of site for construction of platform and scale room, resulted in non-commissioning of the weigh bridge purchased in May 1979 for Rs. 1.26 lakhs.

The matter was reported to Government in December 1979 and May 1984; their reply is awaited (March 1985).

GENERAL

3.10. Misappropriations, losses, etc.

Cases of misappropriations, losses, etc., of Government money reported to audit up to the end of March 1984 and on which final action was pending at the end of September 1984 are as follows:

	Number	Amount (In lakhs of Rupees)
(1)	(2)	(3)
Cases outstanding at the end of September 1983.	1,322	483.1
Cases reported during April 1983 to March 1984.	56	7.7
Cases disposed of till September 1984	20	2.0
Cases outstanding at the end of September 1984	1,358	488.4

Department-wise analysis of the outstanding cases is given in Appendix 33. The periods for which these are pending finalisation are given below:

	Number	Amount (In lakhs of Rupees)
(1)	(2)	(3)
Over five years (1948-49 to 1978-79)	866	193.7
Exceeding three years and within five years (1979-80 to 1980-81)	195	45.1
Upto three years (1981-82 to 1983-84)	297	249.1
Total	1,358	488.4

The reasons for which the cases were outstanding are:

	Number	Amount (In lakhs of Rupees)
(1)	(2)	(3)
Awaiting departmental and criminal investigation.	390	140.17
Departmental action started but not finalised.	680	272.39
Criminal Proceedings finalised but execution/certificate cases for recovery of the amount pending	53	8.99
Awaiting orders for recovery or write-off	138	34.23
Pending in Courts of Law	97	32.66
Total	1,358	488.44

CHAPTER IV

WORKS EXPENDITURE

IRRIGATION & POWER (INCLUDING MINOR IRRIGATION) DEPARTMENT

4.1. Pillasalki Medium Irrigation Project

4.1.1. Introductory

The Pillasalki Reservoir Project undertaken by Government 1976-77 across river Pillasalki in Phulbani district envisaged irrigation to 1,770 hectares (*Khariff*) and 1,038 hectares (*Rabi*). According to the Project Report 1973, the main components of the Project were an earth dam of 458 metres length with maximum height of 26.08 metres, an uncontrolled gravity type ogee shaped spillway of 30 metres long and two head regulators one each on either side of the dam with distribution system for a total length of 56.80 Kms. In the revised draft Report (1979) of the Project the length of the earth dam was, however, reduced from 458 to 441 metres while the length of the spillway was increased from 30 metres to 100.2 metres and the total length of the distribution system including main canals, increased from 56.80 Kms. to 118 Kms. with an increased coverage of irrigation for 2,268 hectares (*Khariff*) and 1,200 hectares (*Rabi*). The original estimate prepared in 1973 was cleared by the Planning Commission in December 1973 for Rs. 1,73.23 lakhs followed by an administrative approval for Rs. 1,67.80 lakhs accorded by Government in January 1976. The project was programmed to be completed in 6 work seasons commencing from 1976-77.

4.1.2. Programme and completion

The scheduled dates of completion of the various components of the project and the progress of work up to March 1984 are shown below :

Items of work	When commenced	When completed	Position of incomplete work at the end of March 1984	Probable date of completion
(1)	(2)	(3)	(4)	(5)
Earth dam	October 1977	June 1982	..	..
Spillway	October 1979	June 1983	..	..

Items of work	When commenced	When completed	Position of incomplete work at the end of March 1984	Probable date of completion
(1)	(2)	(3)	(4)	(5)
Right Head Regulator	March 1977	October 1981	..	..
Left Head Regulator with gate	October 1979	March 1984	..	..
Canals (108.61 kms.)	March 1979	March 1984	..	..
Canal Structures (272 numbers)	March 1979	254 numbers completed	18 numbers are to be completed	March 1985
Field channels, Water Courses and turnouts	January 1983	88 numbers completed	163 numbers are to be completed	March 1985
Land Acquisition (541,543 hectares)	January 1975	530.80 hectares acquired	11,463 hectares to be acquired	March 1985

As against the target date of March 1982 fixed for completion, the project is now expected to be completed by March 1985. The Executive Engineer in June 1984 attributed the delay in completion to the delay in acquisition of land and non-availability of funds. It was seen in audit that the work of earth dam after progressing half way, stopped in June 1980 by the contractor was resumed only in December 1980; the spillway work started in January 1977 remained suspended for 32 months (March 1977 to October 1979) due to change in design; the work of left Head Regulator commenced in October 1979 was abandoned in February 1980 and work on new site was taken up only in March 1983. Statement of allotments revealed that funds ranging up to 92 per cent (1979-80 and 1981-82) of the requirement were provided and as such the contention of the Executive Engineer about non-availability of funds is not tenable. The defective planning and change in design on the other hand mainly contributed to delay in completion of the project.

4.1.3. Estimate and expenditure

Consequent on the selection of the project in November 1976 for inclusion in the World Bank assistance programme as also due to preparation of the original estimate based on tentative design

and inadequate investigation, the estimate approved in July 1976 for Rs. 1,67.80 lakhs had to be revised (February 1979) to Rs. 3,79.97 lakhs which was projected to the World Bank for assistance. The revised project estimate after appraisal by the Central Water and Power Commission was approved in February 1980 for Rs. 3,76 lakhs without escalation and Rs. 4,01 lakhs with escalation. Revised administrative approval of Government to this estimate has not been accorded so far (August 1984). The estimate was further revised in August 1982 to Rs. 6,79 lakhs against which an expenditure of Rs. 7,17 lakhs has already been incurred by the division to end of March 1984. The break-up of original estimate, proposed revised estimate and actual expenditure to end of March 1984 are given below:

Main components of work	Project Provision		Actuals up to March 1984
	Original	Revised (proposed in August 1982)	
(1)	(2)	(3)	(4)
	(In lakhs of rupees)		
Dam and appurtenant works	1,14.67	3,32.90	2,97.76
Distributary and minors	34.92	2,19.59	1,69.39
Drainage and protective works	0.20	..	68.54
Water courses	0.05	..	..
Building	6.28	7.61	7.00
Special Tools and Plants and Tools and Plants	2.83	71.35	76.44
Losses on stock	0.39	1.30	..
Establishment and contin- gencies	12.41	91.72	98.25

Main components of work	Project Provision		Actuals up to March 1984
	Original	Revised (proposed in August 1982)	
(1)	(2)	(3)	(4)
		(In lakhs of rupees)	
Receipts and recoveries on capital accounts	3.95	55.03	..
Additional extra for accepting debit for integration of Balaskumpa left distributary	..	10.00	..
Total direct charges	1,67.80	6,79.44	7,17.38
Indirect charges	..	..	..
Total direct and indirect charges.	1,67.80	6,79.44	7,17.38

The increase in the cost of Rs. 5,11.64 lakhs in the revised estimate was attributed to (i) rise in the cost of dam and appurtenant works by Rs. 2,06.75 lakhs due to high tendered rates, increase in cost of labour and materials and change in design and specification, (ii) increase in land acquisition cost by Rs. 17.51 lakhs (from Rs. 12.74 lakhs to Rs. 30.25 lakhs), (iii) inadequate provision of Rs. 31 lakhs for distributary system which as per tendered rates worked out to Rs. 2,09 lakhs, (iv) increase in establishment and Tools and Plant charges of Rs. 1.35 lakhs and (v) other items for Rs. 25 lakhs. Due to further increase in expenditure incurred (March 1984), the revised estimate now under consideration would need further upward revision.

4.1.4. Economic viability

The original project report of 1973 envisaged that the cost of irrigation per hectare based on estimate would be around Rs. 6,048 and benefit cost ratio would be 1.82. The cost per hectare was increased to 19,591 in the revised estimate (proposed) with the benefit ratio being reduced to 1.01. Further, taking

into account the actual cost of the project together with estimated cost of balance work (Rs. 12.70 lakhs), the benefit cost ratio will further come down to below 1 making the economic viability doubtful.

4.1.5. *Execution of works*

Certain points regarding execution of works noticed during test check (April to June 1984) in audit are as follows :

(A) Inadmissible payment

The agreement with the contractor 'N' for construction (December 1980) of earth dam *inter-alia* provided for execution of earth work up to 15 metres height of the dam at the rate of Rs. 1,680 per 100 Cu.m. It was verified from the entries recorded in measurement book that 25,110 Cu.m. of earth work was done by the contractor for construction of up-stream approach (150 metres length) to Right Head Regulator (located at RD 412 M of the dam) and he was paid (May 1981) Rs. 4.22 lakhs on this account though, as per terms and conditions of the tender call notice (which forms a part of the agreement), approach road for borrowing of earth was to be constructed and maintained at the cost of the contractor. Moreover, the detailed estimate of the work did not provide for such approach.

To an audit enquiry as to the justification for such payment, the Executive Engineer stated in June 1984 that the name of the work had been recorded wrongly in the measurement book as "up-stream approach to Right Head Regulator" in place of "guide bund" that formed a part of the earth dam on the up-stream side, by the side of the approach channel for guiding the flow of water to Right Head Regulator. In the estimates for the earth dam or Head Regulator, no such guide bund was contemplated, the reasons for which could not be explained by the Executive Engineer.

In either case, payment of Rs. 4.22 lakhs made to the contractor for such item of work is not admissible since it is beyond the scope of his agreement/sanctioned estimate.

(B) Defective execution

(i) The earth work from RL 541 to 544.5 M of RD 00 to 293 M was required to be compacted to 98 *per cent* density. However, on the basis of the instructions from the Chief Engineer during his visit to site in May 1981, the earth work which was done departmentally was compacted to 90 *per cent* density and the earth work beyond 544.5 M was done with spillway muck. In September 1981, the Quality Control Authority pointed out that the compaction did not conform to the required specifications of 98 *per cent* density and instructed the Executive Engineer in December 1981, with the concurrence of the Chief Engineer, to re-excavate and refill the earth with proper compaction for the safety of the dam. Consequently, a total quantity of 8,236 Cu.m. of under-compacted earth work between RL 541 to RL 544.50 M was got re-excavated and refilled through contractor 'N' in addition to the compaction done by the department during December 1981 to January 1982 at a cost of Rs. 2.13 lakhs. Thus, the defective departmental compaction done earlier at a total cost of Rs. 1.63 lakhs was rendered infructuous.

(ii) In August 1981, wet patches were observed by the Engineer-in-charge in the down stream of the dam between RD 53 M and RD 173 M. Close observation by the Engineer-in-charge disclosed that water was entering from up-stream side through a small hole into the left abutment and with the increase in seepage in down stream, water was oozing out. During their visits to the site in November-December 1981, the Quality Control Authority and the Chief Engineer instructed that leakage points between RD 53 M and 173 M should be plugged. Accordingly, down stream protection work was taken up during May 1982 to July 1982 through job workers in the absence of any estimate, at a total cost of Rs. 1.04 lakhs for protecting the dam from erosion. On being pointed out by audit whether any investigation had been conducted to know the reasons for such seepage which occurred despite adequate internal drainage arrangements made by providing vertical filter chimney, horizontal filter drains and rock toe, the Executive Engineer stated that no investigation was necessary as the seepage in the earth dam was within the

permissible limit. But no observation data to the effect that the seepage was within the permissible limit, could be made available. This has resulted in an avoidable expenditure of Rs. 1.04 lakhs.

(C) Extra expenditure due to defective planning and design

(i) The estimate for excavation of foundation of spillway was sanctioned by Additional Chief Engineer, Medium Irrigation in September 1976 for Rs. 0.51 lakh. According to the drawing, the length of the spillway was 41.6M and the same was required to be excavated upto RL 537M. The excavation of foundation of the spillway was entrusted to contractor 'K' at his lowest tender value of Rs. 0.67 lakh (estimated cost put to tender : Rs. 0.48 lakh). According to the agreement executed with the contractor, the work commenced in January 1977 with stipulation for completion by April 1977. After execution of work worth Rs. 0.62 lakh up to March 1977, the work was finally stopped by the department as hard rock was available at RL 540 M instead of the designed foundation level at RL 537M. In July 1977, the department decided to change the design from gated spillway of 41.6M to saddle spillway of 100.2 M length in consideration of site condition as hard rock was exposed at higher level. The revised drawing was approved in December 1978 and revised estimate sanctioned in January 1979 for Rs. 2.09 lakhs. The excavation of foundation of the spillway as per revised drawing was entrusted to another contractor 'N' at his lowest tender value of Rs. 3.15 lakhs (amount put to tender : Rs. 1.40 lakhs). The work commenced in October 1979 and was completed in April 1980 at a cost of Rs. 3.82 lakhs of which, Rs. 3.63 lakhs had been paid to the contractor by March 1981.

As a result of the increase in the length of the spillway from 41.6 M to 100.2 M, the width of the exit channel had to be increased. The excavated materials (4,661 Cu. m.) previously deposited at the down stream of spillway axis leaving sufficient space for excavation of exit channel of 41.6 M width, had to be removed by contractor 'K' at a cost of Rs. 0.47 lakh in March 1980. Besides, an expenditure of Rs. 0.09 lakh was incurred during October 1979 to January 1980 for removal of excavated debris of spillway through the departmental labourers.

Thus, the revision of the design of the spillway due to inadequate survey and investigation of the site condition at the initial stage, resulted in an extra expenditure of Rs. 1.28 lakhs on excavation of foundation upto a length of 100.2 M through the second contractor 'N' as compared to the rates of the original contractor 'K' besides Rs. 0.56 lakh spent on the removal of spillway muck.

(ii) The approved design and specification of the dam provided for a length of 441 metres and a height of 26.50 metres. However, in November 1976, the Additional Chief Engineer sanctioned an estimate for Rs. 114.23 lakhs for the construction of the dam with a length of 454 metres and height of 29.50 metres keeping in view the increase in the storage capacity. Tenders for the earth dam from RD 00 to 330 M, in the first phase, were called for in November 1976 with an estimated cost of Rs. 58.08 lakhs on this basis. When the lowest tender of the contractor 'A' for Rs. 49.45 lakhs was recommended by the Chief Engineer in March 1977, to the Government for acceptance, Government pointed out that the length and height of the dam were not in conformity with the CWC specifications and directed him to call fresh tenders. In the fresh tenders called for in June 1977, the lowest tender of the contractor 'M' worked out to Rs. 64.41 lakhs which was approved by the Government.

Had the CWC specifications for the dam been correctly adopted at the time of floating tender in November 1976, and the tender of 'A' accepted at that time itself, it would have resulted in a saving of Rs. 0.81 lakh computed with reference to the rates accepted for the contractor 'M'.

(iii) In the course of execution of work by contractor 'N', the Schedule of Rates had undergone change from January 1979. The contractor represented in September 1979 and again in May 1980 that he was unable to execute the work unless the rates were suitably enhanced and stated that he could not achieve proportionate progress of the work due to decision of the department to postpone the earth work in the river gap portion, non-completion of the rock-toe and bed filter works entrusted to other agency and change in position of cut-off trench work. He stopped

the work in June 1980 after executing work worth Rs. 32.32 lakhs (against the agreement amount of Rs. 64.41 lakhs). The Chief Engineer thereupon recommended to Government in October 1980 for closure of the contract of 'N' without penalty on the following grounds :

(a) The filling of river gap portion was postponed because of non-completion of right Head Regulator which started in February 1980.

(b) Change of alignment of cut-off trench between RD 193—330M towards up-stream of the river for the sake of economy.

(c) Non-completion of rock toe and bed filter work from RD 331 M to 441M entrusted to other agency.

(d) Non-acquisition of borrow areas in the villages of Chandupadar and Rajakumpa.

(e) Non-admissibility of higher rates to the contractor as per the terms of the contract.

Government accordingly ordered closure of the Contract in March 1981. Before closure of his Contract, the balance work estimated to cost Rs. 61.15 lakhs based on the revised S. R. 1979 was put to tender in June 1980. The work was entrusted to the same contractor 'N' in December 1980 at his lowest negotiated value of Rs. 68.28 lakhs. The work which was to be completed by August 1981 was actually completed by 30th June 1982. The extension of time applied for due to heavy rains in the locality and labour problem has not yet (August 1984) been sanctioned. The contractor had been paid Rs. 74.37 lakhs against his contract value of Rs. 68.28 lakhs and the final bill for Rs. 78.69 lakhs (gross) and Rs. 4.32 lakhs (net) is still (August 1984) pending for settlement.

Computed with reference to his original rates, extra cost involved in the execution of the balance work, was Rs. 38.45 lakhs. This extra cost was mainly attributed to defective planning and lack of co-ordination in execution of various components of the work.

(iv) The work of excavation of foundation of right Head Regulator was entrusted to the lowest negotiated tenderer 'K' for Rs. 0.35 lakh (estimated cost put to tender : Rs. 0.25 lakh). The excavation work was taken up at the site in the absence of drill hole data or approved design. The work was executed to the extent of Rs. 0.31 lakh (excavation in different kinds of soil : 39 *per cent* and excavation in different kinds of rock : 34 *per cent*) to end of March 1977 by the contractor and the amount was paid to him in July 1977. The Superintending Engineer during his inspection of the site in June 1977 noticed that the excavation at the present site would involve heavy rock cutting and therefore, suggested for shifting the site by 10 to 15 metres towards the river side. Accordingly, a fresh design of the right Head Regulator was approved in April 1978. The excavation at the new site at RD 412 M of the dam was done at a cost of Rs. 1.75 lakhs.

Thus, the expenditure of Rs. 0.31 lakh already incurred on the excavation of foundation of right Head Regulator at the old site in the absence of drill hole data or approved design was rendered infructuous.

4.1.6. *Under-utilisation of Machinery*

As against the provision of Rs. 6.97 lakhs in the *proforma* project report which was increased to Rs. 71.35 lakhs in the revised project estimate, special T & P articles valuing Rs. 76.44 lakhs were procured from different sources. It was seen in audit that 11 heavy machinery like dozers, tractors and trailers procured at the cost of Rs. 46.35 lakhs between October 1976 and November 1978 were not fully utilised. According to the norm prescribed by Government, each such machine should work 1,200 hours per annum. Computed at this rate, the total working hours of these heavy machinery worked out to 52,500 hours against which, these actually worked for 21,100 hours only between October 1976 and May 1983, their under-utilisation being between 20 and 100 *per cent*. In reply to Audit, the Executive Engineer stated in June 1984 that the machinery being old, required frequent repairs and as such, their full utilisation could not be achieved. The reply of the Executive Engineer is not tenable as it was seen that in respect of 4 dozers (1 of which was new and

remaining 3 were in good condition), the under utilisation varied between 20 and 48 per cent. Ten machines were transferred to other projects / divisions during August 1982 to April 1983 at the re-sale value of Rs. 36.41 lakhs. Out of these, 1 trailer procured in June 1977 from other division at a cost of Rs. 1 lakh and got repaired at a cost Rs. 1.92 lakhs was not put to any use at all by the project and the same was transferred to another division in August 1981. Spare parts of machinery worth Rs. 0.78 lakh were lying unused in the division.

Summing up

- Payment made to the contractor to the extent of Rs. 4.22 lakhs was beyond the scope of his agreement.
 - Unfruitful expenditure of Rs. 2.67 lakhs was incurred due to defective execution of work.
 - Defective planning in execution of work had resulted in an avoidable extra expenditure of Rs. 2.40 lakhs, extra expenditure on account of execution of balance work at higher rates due to abandonment of work by the original contractor was Rs. 38.45 lakhs.
 - Delay in completion of the project by three years resulted in non-achievement of irrigation benefits targeted.
- The points mentioned above were reported to Government in August 1984; their reply is awaited (March 1985).

4.2. Infertuous expenditure on survey and investigation of Budhabalanga Pump Storage Project.

With a view to solve the power crisis of the eastern region of Orissa, the construction of a Hydro-Power Project on river Budhabalanga in Similipal forest area (Mayurbhanj district) for generating about 20M. W. of power was contemplated in 1973-74. Before detailed survey was taken up, a large pump storage scheme of 1,000 M. W. to 1,200 M. W. in place of the earlier one in the core-area of the Similipal Tiger Reserve Forest, was administratively approved in October 1977 for Rs. 7.23 lakhs by the Irrigation and Power Department. The survey and investigation work was, however, taken up by the Electrical Project Investigation division. No. II

Keonjhar (for electrical works) and Subarnarekha-Budhabalanga Investigation division, Baripada (for civil works) from 1975-76 and 1977-78 respectively, despite objections raised earlier from the field staff of Similipal Tiger Reserve. Since the project site fell within the core area of the Similipal Tiger Reserve, the Field Director of Similipal Tiger Reserve raised an objection (September 1979) stating that the State Government in collaboration with Centre had decided earlier in April 1976 that there would be no forestry operation, collection of minor forest produce, bamboo extraction, grazing of domestic cattle, apart from any human interference including tourism, in the core area. In September 1982, Government in Irrigation and Power department decided not to take up further survey and investigation inside the Project Tiger area of the Similipal hills in view of Government Orders obtained subsequently by the Forest, Fisheries and Animal Husbandry Department. Further survey and investigation works were stopped by both the divisions with effect from October 1982 by which time, an expenditure of Rs. 4.86 lakhs had already been incurred on this account which could have been avoided had clearance obtained from the Similipal Tiger Reserve Forest authority before undertaking such investigation in the core area.

The matter was reported to Government in August 1984, it was stated (January 1985) by Government in Irrigation and Power Department that an alternative scheme for having a smaller hydel project at a different site outside the core area is under consideration of Government.

4.3. Construction of Aqueduct in Right Main Canal of Ramiala Irrigation Project

Construction of an Aqueduct at RD 3.44 K. M. of Right Main Canal of Ramiala Irrigation Project in Dhenkanal district (estimated cost : Rs. 9.53 lakhs) was entrusted to a Registered Co-operative Society in April 1977 at their lowest tendered amount of Rs. 10.26 lakhs (7.72 per cent above estimated cost put to tender) for completion by April 1978. The Society, however, could not complete the work within the stipulated period and it was only in June 1978, the Executive Engineer, Ramiala Canal division

recommended to the Additional Chief Engineer (Medium Irrigation) for grant of extension of time upto March 1979 mainly on the ground that the approach to the site was totally cut off from June to October 1977 due to river crossing. Again in June 1979, the Executive Engineer recommended further extension of time upto March 1980 mainly owing to the constant illness of the Director of the Society in-charge of the work, but the work was abandoned from September 1979 after executing only 43 per cent of the work (total payment made to Society in June 1979 amounted to Rs. 4.36 lakhs). The agreement of the Society was rescinded in May 1980 under clause 3 (a) of the agreement forfeiting their security deposit of Rs. 0.04 lakh due to unsatisfactory progress of work. The final bill of the Society for Rs. 0.01 lakh has not been settled so far (September 1984). The Society had also not returned back stock materials worth Rs. 0.15 lakh outstanding against them alongwith 2,812 numbers (cost : Rs. 0.04 lakh) of empty cement bags.

The balance work was got executed by January 1982 on retender (January 1981) through lowest tenderer 'D' at an extra cost of Rs. 4.56 lakhs (7th Final bill paid in March 1984). The extra cost could not be recovered from the Society as the department had not terminated their agreement under clause 3 (c) of the agreement (recovery of extra cost on balance work) notwithstanding the fact that the agreement was rescinded on account of unsatisfactory progress of work despite extension of time.

On being pointed out in Audit, the Executive Engineer has initiated action (March 1984) for recovery of Rs. 0.79 lakh being the penal cost of the stock materials (5 times cost) as per clause 9 (a) of the agreement. No recovery has been made so far (September 1984).

The matter was reported to Government in September 1984; their reply is awaited (March 1985).

4.4. Extra expenditure due to misclassification of rock

The work of excavation of Gompakonda Main Canal from R. D. 20.00 Km. to 25.04 Km. in Potteru Irrigation Project was entrusted to 'O' (a State Government undertaking) in

March 1979 for Rs. 29.04 lakhs. The Contract provided for "Blasting Hard or Sheet Rock" for a quantity of 9,300 Cu. m. at Rs. 34 per Cu. m. (against the estimate rate of Rs. 20.32 per Cu. m.) but no rate was provided for excavation in "Medium Hard Rock". During actual execution, however, it was noticed that a quantity of 19,322.53 Cu. m. of excavation in "Medium Hard Rock" was executed as recorded in the Measurement Book in November 1979 and confirmed during the joint inspection by the Executive Engineer and the contractor in January 1980, when the contractor was asked to offer his rate for this extra item of work in terms of the contractual provision requiring the determination of rates for such new items from the tendered rates. The contractor did not indicate any rate for execution of Medium Hard Rock. The Additional Chief Engineer, to whom the matter was referred by Executive Engineer, however, decided in March 1980 that in the absence of any specific item in the prevailing schedule of rates for Medium Hard Rock this was incorporated under Hard or Sheet Rock and the contractor quoted his rates keeping this in view, and ordered payment at the rate for Hard or Sheet Rock. The entries in the Measurement Book were accordingly altered and payment made.

It was, however, noticed in Audit that in a number of past cases (five cases executed during 1977-78 and one case executed during 1978-79), the Additional Chief Engineer himself had ordered in April 1977 for payment at the rate of Rs. 15.45 per Cu. m. for Medium Hard Rock as derived from the rate of Rs. 20 per Cu. m. for Hard or Sheet Rock provided for in the schedule of rates. Thus, the rate payable to 'O' for Medium Hard Rock in the instant case, as could be derived from his quoted rate of Rs. 34 per Cu. m. for Hard or Sheet Rock, could not have exceeded Rs. 26.26 per Cu. m. Computed with reference to the rate of Rs. 26.26 per Cu. m., the extra expenditure is of the order of Rs. 1.50 lakhs.

The matter was reported to Government in July 1984; their reply is awaited (March 1985).

4.5. Construction of earth dam of Ramiala Irrigation Project

The work of construction of earth dam of Ramiala Irrigation Project from RD 190 M to 475 M (excluding rock toe portion from

RD 190 M to 290 M and from 350 M to 475 M) was awarded to contractor 'N' in February 1977 at a cost of Rs. 76.06 lakhs (13.34 per cent excess over the estimated cost of Rs. 67.11 lakhs) for completion within 24 months i. e., by February 1979 (subsequently extended upto January 1980 by the Additional Chief Engineer, Medium Irrigation). The said contractor was also executing the right training wall of the spillway (Part-C of Block-5) from April 1978. While both the works were in progress it was observed by the Executive Engineer in April 1979, on receipt of the detailed drawings of the fixture of radial gates for the spillway, that the right training wall sections where construction of earth dam was completed (upto RL 105) were inadequate and unsafe to bear the load. Consequently, earth work adjacent to the right training wall for a length of 30 metres was suspended from February 1980. The original drawing of the training wall according to which it was being constructed, was modified (May 1980) to provide widening of the training wall. As the contractor 'N' refused (April 1980) to undertake the rectification work, the same was got completed (March 1981) through job workers at an extra expenditure of Rs. 0.31 lakh.

In May 1980, the contractor left the work and applied for closure of his contract without penalty due to prolongation of the contract arising out of revision in design of right training wall. The closure of contract without penalty as recommended by the Executive Engineer in March 1981 has not been approved by Government (September 1984). The contractor has received payment of Rs. 63.93 lakhs upto 29th Running Account Bill paid in March 1981.

The 30th final bill of contractor 'N' prepared in March 1982 after taking final level measurement in December 1981 duly check-measured by the Executive Engineer, revealed an excess payment of Rs. 2.09 lakhs upto 29th R. A. bill due to inflated measurement recorded in running measurement stages besides Rs. 0.25 lakh due for recovery towards cost of materials and royalty charges. Out of security deposit of Rs. 2.58 lakhs recovered from him, Rs. 2.32 lakhs were refunded in October 1981 under the orders of Superintending Engineer, Northern Irrigation Circle, even before his final

bill was prepared. The final bill is still (September 1984) pending in the divisional office due to non-receipt of orders for the closure of contract and non-sanction to the deviation statement/extension of time (upto May 1980).

The balance work (with reduced quantity as per actual requirement) was entrusted (May 1981) to contractor 'B' at his tendered value of Rs. 3.14 lakhs (estimated cost : Rs. 2.80 lakhs) and was got completed through him in May 1982 at an extra expenditure of Rs. 0.77 lakh (computed with reference to the rates of 'N').

Thus, due to the delay in receipt of the detailed drawings of the fixture of radial gates of spillway and subsequent modification to the original drawing of the training wall, while the work was in progress, there had been a total extra expenditure of Rs. 1.08 lakhs. The excess payment of Rs. 2.09 lakhs made at the time of running account payments is still (September 1984) to be recovered apart from the recovery of Rs. 0.25 lakh towards the cost of materials outstanding against the contractor.

The matter was reported to Government in September 1984; their reply is awaited (March 1985).

4.6. Extra liability for rejection of lowest tender without valid reasons

Out of 7 tenders received in response to the call notice of 4th September 1981 from special class contractors for the construction of Domkutch Minor Irrigation Project (Head Works) in Phulbani district, estimated to cost Rs. 44.03 lakhs (based on 1979 Schedule of Rates), the first four lowest tenders of contractors 'R', 'U', 'G', and 'UP' were for Rs. 53.39 lakhs (21.26 *per cent* excess), Rs. 55.91 lakhs (26.97 *per cent* excess), Rs. 59.36 lakhs (34.81 *per cent* excess) and Rs. 59.42 lakhs (34.94 *per cent* excess) respectively.

The Executive Engineer, M. I. Division, Phulbani recommended in February 1982 the acceptance of the second lowest tender of 'U' on the grounds that the rate quoted by the first lowest tenderer 'R', particularly for earth work in dam, was unrealistic being 10 to 20 *per cent* less than the prevailing rates/new S. R. 1982 which in the

meantime had come into force (January 1982) and his efficiency to execute the work was not known to his division. The Executive Engineer, had, however, on a previous occasion, recommended his tender (Rs. 28.20 lakhs) for Palaskutuni M. I. P. for acceptance apart from another work (viz., Perhal M. I. P. in Kantamal Block of Phulbani district) for Rs. 37.27 lakhs already decided in his favour. The Executive Engineer stated (February 1982) that, in particular the rate for earth work excavation which was the main item of the tender was abnormally low compared to the rate of 36.12 *per cent* excess over 1979 schedule of rates allowed to him for the work in Palaskutuni M. I. P. It is, however, seen that the rate for the earth work excavation in the instant case was Rs. 1,402 per 100 Cu. m. which was also actually 36 *per cent* over the rate of Rs. 1,027.40 per 100 Cu. m. as per 1979 schedule of rates.

The acceptance of the second lowest tender without proper justification, in preference to the lowest one, has entailed an extra liability of Rs. 2.52 lakhs which could have been avoided had the work been awarded to the lowest tenderer.

The matter was reported to Government in October 1984; their reply is awaited (March 1985).

4.7. Loss due to non-delivery of cement by Transport Contractor

The work of transportation of stores materials like cement, iron, steel, etc., from H. S. L. Stockyard, Vizag Port and factories at Visakhapatnam to Balimela departmental store (Potteru Irrigation Project), was awarded to contractor 'M' in April 1981 for a quantity of 1,500 tonnes with stipulation for its completion by October 1981.

With a view to avoid lapse of allotted quota of cement which mainly comprised of imported cement and to release maximum quantity of cement from ship within the scheduled time the contractor was authorised by the Executive Engineer, P. H. R. Division in May 1981 to store such cement in transit stores (hired by the contractor) in the Industrial Estate, Visakhapatnam with the permission of Andhra Pradesh authorities till these are transported to Balimela. To keep a close

watch on the transaction and to safeguard the Government property, a Sub-Assistant Engineer and a Work Sarkar were specifically stationed at Vizag, till the transshipment was over. None of these officers had, however, any access to or control over the transit stores.

The contractor took delivery of 909 tonnes in May and June 1981 of imported cement from Visakhapatnam Port and transported 497 tonnes only to Balimela. He also delivered 90 tonnes of cement unauthorisedly to Minor Irrigation division, Berhampur in June 1981 though this division was not under the control of Potteru Irrigation Project. Thus, out of 909 tonnes of cement initially taken delivery of from Visakhapatnam Port, the contractor had delivered 587 tonnes in all to Government departments leaving a balance quantity of 322 tonnes for delivery to the department.

On noticing, non-delivery of the balance of cement on 31st August 1981, the Sub-divisional Officer, Water Course Sub-division, Balimela reminded the contractor through registered post on 11th September 1981 and on receipt back of the letter undelivered, he went personally to Visakhapatnam and while handing over the earlier letter to the contractor on the 26th September 1981, he informed him that he would inspect his transit store to which, the contractor did not agree on the plea that he would be out on some urgent business and on his return to Vizag on 28/29th September 1981, he would be available for the purpose. On the failure of the contractor to turn up at Vizag, the Sub-divisional Officer verified the existence of cement through the ventilating window and found that the store was empty. A complaint was lodged by him in October 1981 with the Officer-in-charge of Police Station, Visakhapatnam, final report of which was awaited (August 1984).

According to the Agreement clause, the contractor is liable to pay Rs. 7.58 lakhs including penalty (at five times its price) towards the 322 tonnes cement not delivered to the department.

An Arbitration case against the contractor, before the Arbitration Tribunal for the recovery of Government dues has since been filed (July 1984), the final outcome of which is awaited (July 1984).

The Government stated in January 1985, that Rs. 1.10 lakhs due to the contractor has been withheld and the Chief Engineer has been asked to explain the circumstances for making such faulty arrangements and to fix responsibilities for the negligence.

4.8. Extra expenditure

During November 1980—October 1983, 5.98 lakhs Cu.m. of earth work was compacted departmentally with dozers and sheepfoot rollers at Hariharjore and Harbhangi Irrigation Projects. On the basis of analysis of rates (1979) which provided for 12 passes with a 20 tonne dozer involving one dozer hour for the compaction of 1 unit of 100 Cu.m., the total dozer hours required in these two cases work out to 5,995 against which 15,039 dozer hours were utilised by the department. The Executive Engineer, Hariharjore Irrigation division explained (December 1983) that due to clayey soil, 15 to 16 passes were required for compaction of one unit, while the Executive Engineer, Harbhangi Project stated (December 1983) that the number of passes required depended on the nature of soil.

Even assuming that the nature of soil required 15 to 16 passes for compaction of one unit of earth, the total dozer hours required at 30 *per cent* over the analysis of rate of 1979, would be 7,793. The department, thus, utilised 7,246 extra dozer hours which, computed at the average rates of consumption of diesel worked out to an excess consumption of 1.72 lakh litres of diesel valued at Rs. 5.88 lakhs.

The matter was reported to Government in February/March 1984; their reply is awaited (March 1985).

4.9. Avoidable extra expenditure due to rejection of lowest tender

There was no response to tenders for excavation of Gompokonda Main Canal from RD 17.00 Km. to 20.00 Km. (estimated cost based on schedule of rates 1975: Rs. 4.33 lakhs) invited five

times between January 1977 and September 1977 by the Executive Engineer, Balimela Irrigation division (now Potteru Irrigation division). In response to the tender call for the sixth time in October 1977, two tenders were received (November 1977) of which, the lowest negotiated offer (February 1978) of 'B' for Rs. 14.96 lakhs (245.28 *per cent* excess over the amount put to tender) was recommended by the Additional Chief Engineer (Irrigation) in April 1978 for acceptance. This was, however, rejected by Government in June 1978 due to non-deposit of earnest money along with the tender (which was deposited by the contractor in December 1977) and excessively high rates, with instruction to call for fresh tenders.

Fresh tenders for the work were called for in August 1978 and the lowest negotiated (November 1978) offer of Rs. 15.64 lakhs (out of 2 tenders received) of 'S' which was 260.93 *per cent* excess over the estimated amount put to tender, was recommended (December 1978) by the Additional Chief Engineer (Irrigation) for acceptance on the ground of reasonableness of the rates since the contractor had to spend a sizeable amount due to escalation of price of labour and materials, inaccessibility of worksite, transportation of imported labour, provision for hutments and medical facility at his cost. Government instructed in January 1979 to have further negotiation with the contractor and finding that the negotiated rates of February 1979 not appreciably reduced, Government desired (June 1979) to have further negotiation with a view to reduce rates to which the contractor did not agree. Fresh tenders were invited in October 1979 and the lowest tender for Rs. 22.08 lakhs of the same contractor 'B' (whose lowest negotiated offer of Rs. 14.96 lakhs in February 1978 was earlier rejected) was negotiated three times and in March 1980, the reduced offer for Rs. 16.64 lakhs was approved by the Government. The work was executed through the contractor between April 1980 and October 1981 as stipulated (total amount of final bill pending settlement for want of sanction to deviation: Rs. 19.43 lakhs; amount upto 8th R.A. bill already paid: Rs. 19.09 lakhs) resulting in an extra expenditure of Rs. 1.25 lakhs computed with reference to his earlier negotiated rates of February 1978 which were not considered by Government.

Further scrutiny revealed that earlier to the rejection (June 1978) of the lowest negotiated offer which stood at 245.28 *per cent* excess, Government already accepted similar higher rates between 237.42 and 277.34 *per cent* excess over the estimated cost put to tender for similar work in other reaches of this canal (i.e., from RD 12.125 to 13.500 Km., RD 15.00 to 17.00 Km.) and for works involved in the neighbouring reaches of Tamasha Main Canal (from RD 9.021 to 12.428 km.) during September 1977 to April 1978.

Government stated (January 1985) in reply that the earlier offer of the contractor in February 1978 was rejected being excessive with an expectation to get more competitive rates on retendering. The Government reply is, however, silent about the acceptance of still higher rates at that time for similar work in other reaches.

4.10. Construction of spillway of Dumerbahal Irrigation Project

Construction of spillway of Dumerbahal Irrigation Project (Kalahandi district) was awarded to the contractor 'N' in April 1979 for Rs. 24.87 lakhs (estimated cost of work: Rs. 29.81 lakhs) for completion within a period of 8 months. During the course of excavation of foundation of the spillway by blasting (in hard and compacted sheet rock) and chiselling (in hard granite stone), excess excavation (cost: Rs. 0.17 lakh) was, however, made by the contractor beyond the design level reportedly (16th July 1980) due to non-existence of compacted sheet rock and presence of cracked and fissured rock along with some pockets of soft rock. The Superintending Engineer, Western Irrigation Circle as well as the Executive Engineer, Nawapara Irrigation division observed on 10th July 1980 during site inspection that the chute profile had not been excavated properly and extra expenditure on this score was likely to be incurred due to gross negligence in supervision by the departmental staff in detecting the same at proper time. The Superintending Engineer, further instructed the Executive Engineer to work out the details of the extra excavation done beyond the design level and to prepare an estimate for extra

concrete that would be needed to fill up the pockets/excavation done by means of blasting beyond design level to bring it to the design level before laying concrete for final chute profile. The Executive Engineer assessed the excess excavation to be about 835 Cu.m., but did not prepare any detailed estimate therefor. However, the filling work was got executed between March and June 1981 through job workers at a cost of Rs. 1.28 lakhs for a total quantity of 676 Cu.m. as against permissible limit of 46 Cu.m. provided in the original estimate to bring the surface to the design level.

A scrutiny of the final bill revealed that except hard and compacted sheet rock (by means of blasting) and hard granite stone (by chiselling), no other types of stones viz., cracks/fissured or soft rock were encountered in the course of foundation excavation, which otherwise, could have been included in the final bill for payment to the contractor.

Thus, due to excess excavation of the foundation and then re-filling the same by concrete, to bring it to the design level, the department had to incur an extra expenditure of Rs. 1.36 lakhs (cost of excess excavation: Rs. 0.17 lakh and filling by concrete: Rs. 1.19 lakhs excluding the cost of 46 Cu.m.) which could have been avoided had the department ensured that the contractor "conformed exactly, fully and faithfully to the design and drawing" as required under his contract by strict supervision at the time of foundation excavation.

The department did not initiate any action to recover the extra expenditure from the contractor.

The matter was reported to Government in September 1984; their reply is awaited (March 1985).

4.11. Flood damage repair to O. A. Embankment on Mahanadi left breach closing

Tenders for the work of flood damage repair to breach closing of O. A. E. (Other Agricultural Embankment) on the Mahanadi left from Kumarigaon hill to Nandapur between RD 0.58 km. and 1.48 km. of Govindpur (Chereighai) breach No. 33, were invited

by the Executive Engineer, Mahanadi North division in September 1982. Out of the nine tenders received (October 1982) the lowest tender of contractor 'G' for Rs. 22.15 lakhs (16.98 per cent excess over the estimated cost of Rs. 18.84 lakhs) was recommended by the Chief Engineer, Minor Irrigation in November 1982 and was approved by Government in September 1983.

The work order was issued to the Contractor 'G' by the Executive Engineer in November 1982 (stipulated period for completion: within 5 months) in anticipation of approval of the tender by the Government. The work was completed in April 1983 at a total cost of Rs. 24.18 lakhs for which the agreement was entered into only in July 1984. Interim payments were made to the contractor by executing K2 Agreements. Final payment had not been made to the contractor due to insufficiency of allotment and want of letter of credit.

The work, according to the estimate (September 1982) as well as the approved tender schedule comprised of earth work to be carried by head loads (1.06 lakh Cu.m.) and earth work to be carried by mechanical means (0.54 lakh Cu.m.) for which the contractor's rates were Rs. 550 and Rs. 1,900 respectively per unit of 100 Cu.m. The Executive Engineer felt it necessary to keep the top width of the core-wall at 3 metres instead of 1.5 metres (as originally proposed in the estimate) which would facilitate partial compaction by plying of trucks over the core-wall section and for speedy execution of work as also to fill up the ditches in the breach extending towards country side with standing pool of water with borrowed earth instead of sand available in the vicinity. The contractor was allowed to execute 0.42 lakh Cu. m. of earth work by head load (against 1.06 lakh Cu. m. in the estimate) ^{and} 0.84 lakh Cu.m. of earth work by mechanical means (against 0.54 lakh Cu. m. in the estimate). It was noticed in audit that the Executive Engineer had verified at the time of preparation of the estimates (September 1982) that borrowed earth was available in sufficient quantities to be carried by head loads. Further, it is observed that compaction through plying of trucks is neither on accepted mode of compaction nor contemplated in the estimate or tender. Thus, widening the top width of the core-wall merely

resulted in allowing the contractor to execute large quantities of work by the costlier mode, resulting in an extra cost of Rs. 8.64 lakhs to Government on the basis that 1.06 lakh Cu. m. (out of total of 1.26 lakh Cu. m. of work actually done) could have been executed by head loads.

As per the Agreement, deduction at the rate of $12\frac{1}{2}$ per cent had to be made for settlement of earth, but in respect of earth work for a quantity of 0.52 lakh Cu. m. done in filling ditches, the required deduction for 0.07 lakh Cu. m. (at $12\frac{1}{2}$ per cent) was, however, not made by the division which resulted in an excess payment of Rs. 1.24 lakhs (computed at the rate of Rs. 1,900 per 100 Cu. m. paid to the contractor for 6,547 Cu. m. rounded to 0.07 lakh Cu. m.) which is yet (October 1984) to be recovered from the contractor.

The matter was reported to Government in October 1984; their reply is awaited (March 1985).

WORKS (INCLUDING RURAL ROADS AND BUILDINGS) DEPARTMENT

4.12. Construction of Vented Causeway over Marmeda Nallah on Karanjia—Turumunga Road

The construction of a vented causeway with two rows of 47 numbers of 4 feet dia Hume pipe vents and approaches on either side, over Marmeda Nallah on Karanjia-Turumunga road in Keonjhar district was administratively approved for Rs. 5.35 lakhs in May 1979 to provide an all weather linkage to the seven Panchayats of Champua Block with its block headquarters. The execution of work estimated to cost Rs. 3.76 lakhs was taken up by the erstwhile Rural Engineering division, Keonjhar through a contractor 'M' at his lowest negotiated tender value of Rs. 2.94 lakhs for completion by May 1980. The contractor 'M' executed upstream and downstream cut-off walls and procured 84 numbers of Hume pipes from the division (against requirement of 94 numbers) by May 1980 and stored them at the work site. With the abolition of Rural Engineering Organisation (R. E. O.) in June 1980, the work was transferred to the National Highway (N. H.) division, Keonjhar. By January 1981, the bed concreting portion was completed by the

contractor. The Superintending Engineer, N. H. Circle inspected the work on two occasions *i. e.*, on 18th November 1980 and on 16th February 1981 and it was during his later inspection he detected that the floor protection measures were deficient as the cut-off walls were reported to have been founded on sand except for a length of 22 feet in downstream. He thereupon instructed the Executive Engineer to check up the entire design including the hydraulic particulars based on which such design was finalised by the then R. E. O. and to collect soil particulars and fresh hydraulic data before further work is done. By this time (February 1981), the contractor had further executed the bed concreting and a total payment of Rs. 1.79 lakhs was made to him up to his 7th R. A. bill paid in May 1981. Based on the fresh hydraulic particulars obtained in March 1981, the design was revised by the Chief Engineer, National Highway and Projects between April 1981 and June 1982 for providing a submersible bridge with 12 spans of 6M each, on technical consideration that the earlier structure would have caused 40 *per cent* obstruction to the flow of water undermining the safety of the structure since it would have been inadequate for high flood discharge. As a result of the change of design, a portion of the work already done had to be dismantled resulting in an infructuous expenditure of Rs. 1.00 lakh (cost of R. R. masonry work and cement concrete work: Rs. 0.58 lakh; cost of dismantled work: Rs. 0.35 lakh; Conveyance charges of Hume pipe: Rs. 0.09 lakh *minus* savings on account of excavation of foundation work: Rs. 0.22 lakh).

Government intimated (December 1984) that the original design of the vented causeway had been made by the Irrigation Engineers who has no expertise knowledge and on transfer of the work to National Highway Organisation, the bridge was redesigned after investigation to meet high flood discharge.

4.13. Advance payment to Cement factories

In order to ensure timely procurements of cement released by the Regional Cement Controller, orders of Government in Finance Department (April 1979) permit payment of advance upto 90 *per cent* of the full value of cement against such release orders.

These advances were subject, *inter-alia*, to the conditions that there is a firm offer of supply of specified quantities of cement as also the precise date by which delivery is to be effected. In cases where the supplies are not likely to be received within 3 months of the payment of the advance, there should be a condition stipulated in the agreement for recovery of interest at 15 per cent per annum for the period of delay beyond the said limits.

Based on the release of Regional Cement Controller, New Delhi, the Civil Supplies Department placed orders with firm 'A' (May 1980) for supply of 5,000 tonnes of cement and with firm 'B' (December 1980) for supply of 6,000 tonnes of cement. These allotments were distributed to various divisions under the control of Chief Engineers, Roads and Buildings and N. H. and Projects. However, supply of cement by the factories was not in the nature of normal allocations but would be supplied only when cement in the factory's silos get filled beyond specified capacity and they were not in a position to deliver cement to regular release order holders. No firm date could therefore be mentioned by which the supply of cement in these cases would be completed. However, the Civil Supplies Department issued instructions for payment of advances against this allotment at 90 per cent of full value and without making any specific provision for realisation of any interest for the delayed supplies beyond three months.

A test check in Audit revealed that out of Rs. 37.60 lakhs deposited by 9 divisions (Roads and Buildings : 8; N. H. and Projects : 1) with firm 'A' of Bargarh (Rs. 25.90 lakhs) during July 1980 to June 1981 and firm 'B' of Rajgangpur (Rs. 11.70 lakhs) during February and March 1981 where no firm date of supply was given, cement could be supplied for Rs. 13.96 lakhs only (firm 'A' of Bargarh : Rs. 13.13 lakhs; firm 'B' of Rajgangpur : Rs. 0.83 lakh). Out of the balance amount of advance for Rs. 23.64 lakhs, the firms refunded Rs. 16.03 lakhs between June and November 1982 and the balance of Rs. 7.61 lakhs (firm 'A' of Bargarh : Rs. 7.56 lakhs, firm 'B' of Rajgangpur : Rs. 0.05 lakh) is yet to be refunded (August 1984).

Thus, payment of large advances in cases not specifically provided for under Government orders and failure to provide penal

clause for payment of interest at prescribed rates resulted in blocking of Government money and loss of interest of Rs. 7.24 lakhs in respect of advances remaining outstanding against those firms.

The matter was reported to Government in September 1984; while accepting the factual position, Government intimated (December 1984) that action is being taken to recover the outstanding advance and provide necessary 'interest' clause in the sanction order to avoid loss of interest in future.

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

4.14. Supply of drinking water to problem villages

4.14.1. *Introductory*

Rural Water Supply Schemes have been under execution since the First Five Year Plan period (1951—56) and till the Fourth Five Year Plan (1969-74), surface wells, tube wells and piped water supply schemes were executed under National Water Supply and Sanitation Programme, Local Development Works Programme, Special Employment Programme and Accelerated Water Supply Scheme (introduced in 1972-73 with 100 *per cent* Central assistance) at a total cost of Rs. 7,95.25 lakhs. A National Programme for minimum needs (M. N. P.) was introduced during Fifth Five Year Plan (1974—79) with the object of providing one source of safe drinking water to problem villages having no source of water within a distance of 1.6 km., sources of water supply were liable to endemic to water-borne diseases and suffering from excess of salinity, iron or flouride and other toxic elements hazardous to health.

With the introduction of the Minimum Needs Programme, the Accelerated Water Supply Scheme (A. R. P.) was discontinued but reintroduced in 1977-78 with the object of supplementing the resources of the State Government in providing safe drinking water facilities to the identified problem villages, giving priority to the needs of the Scheduled Castes and Scheduled Tribes. The Sixth Five Year Plan envisaged to cover all problem villages with one source of drinking water in each village in the first phase and to provide water sources in each village on population basis (one tube-well for a population of 250).

UNICEF participated in the programme by providing assistance in the shape of machinery/equipment for tube-wells and training facilities during the Sixth Five Year Plan. Further, rejuvenation programme to replace the hand pumps fitted to the tube-wells to end of the Fifth Five Year Plan with India-Mark-II pumps, to reduce the maintenance expenditure, was also implemented from 1980.

4.14.2. Organisation

Piped water supply schemes and tube-wells were executed by the Public Health Engineering Organisation under the administrative control of the Housing and Urban Development Department. The surface wells (ordinary open wells) and sanitary wells (well with top cover and a hand pump) were executed by Panchayat Samitis under the administrative control of the Community Development and Rural Reconstruction Department out of the grants-in-aid released to them for the purpose. The specification and design for sanitary wells were, however, given by the Chief Engineer, Public Health.

Mention of certain aspects of the schemes was made in Chapter IV of the Audit Report for the year 1977-78. Further points noticed in test-check of the records of the implementation of the scheme are mentioned in the sub-paragraphs which follow.

4.14.3. Overall Performance

(i) Physical targets and achievements

The targets and achievements of execution of sanitary wells and tube-wells under Minimum Needs Programme and Accelerated Water Supply Scheme during 1974-75 to 1983-84 were as follows :

Year	Minimum Needs Programme				Accelerated Water Supply Scheme	
	Sanitary Wells		Tube-Wells		Tube-Wells	
	Target	Achievement	Target	Achievement	Target	Achievement
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	(In Numbers)					
Up to 1979-80	14,742	6,044	6,102	5,740	5,980	5,360
1980-81	4,195	3,852	2,297	2,557	2,244	2,177
1981-82	5,823	2,368	2,663	2,826	4,664	5,167
1982-83	346	154	2,615	2,464	5,355	4,339
1983-84	Nil	770	1,962	1,775	7,572	6,801
Total	25,106	13,188	15,639	15,362	25,815	23,844

The shortfall in achievement in respect of sanitary wells under M. N. P. and tube wells under Accelerated Water Supply Scheme (ARP) was 47.5 per cent and 7.6 per cent respectively. This shortfall was attributed by the Block Development Officers and Executive Engineers to inadequacy of funds and placing of allotments at the fag end of the year. As against 15,894 problem villages targeted to be covered during the Fifth Plan Period with at least one source of drinking water in each village, only 8,793 villages (55.3 per cent) were covered leaving 7,101 villages without any source of drinking water by 1979-80. Government reassessed in 1979-80 that 70,582 sources of water would be required to cover 27,077 identified villages during the Sixth Five Year Plan, on the basis of population but to end of March 1984, 6,759 problem villages were left without any source of water supply.

(ii) *Financial targets and achievements*

The Minimum Needs Programme was implemented as a State Plan Scheme and the Accelerated Water Supply Scheme was executed as a Centrally Sponsored Scheme with 100 per cent Central assistance. The budget allotment, expenditure incurred, Central assistance received during 1974-75 to 1983-84 was as under :

Year	Minimum Needs Programme		Accelerated Water Supply Scheme		
	Sanitary Wells and Tube Wells		Tube Wells		
	Budget provision	Expenditure	Budget provision	Expenditure	Central assistance received
(1)	(2)	(3)	(4)	(5)	(6)
	(In lakhs of rupees)				
Up to 1979-80	19,42.50	19,45.39	6,48.53	6,10.41	6,09.80
1980-81	5,65.81	5,66.55	2,99.58	3,12.68	3,62.09
1981-82	5,96.22	5,92.15	4,76.22	4,76.45	5,99.00
1982-83	5,95.16	5,94.38	9,47.38	9,48.98	9,47.98
1983-84	6,25.25	6,25.25	13,38.82	13,39.00	12,63.82
Total	43,24.94	43,23.72	37,10.53	36,87.52	37,82.69

Central assistance unutilised to end of March 1984 was Rs. 95.17 lakhs. Besides, the expenditure under this A. W. S. scheme included Rs. 32.97 lakhs incurred during 1980-81 to 1983-84 by the public health divisional officers on account of purchase of compressors (Rs. 5.47 lakhs against actual cost of Rs. 3.87 lakhs) for maintaining the tube wells; repairs and restoration of piped water supply schemes, water supply through tankers (Rs. 11.67 lakhs); repairs to tools and plants (Rs. 7.53 lakhs) and other items (Rs. 8.30 lakhs) which should have been met from out of the normal budgetary grant of the department and as such did not qualify for Central assistance.

The expenditure under Accelerated Water Supply also included a sum of Rs. 8.96 lakhs incurred for setting up 56 tube wells in un-identified villages and as such did not qualify for Central assistance. Expenditure incurred under M. N. P. also included Rs. 15.43 lakhs diverted and utilised mainly in the augmentation of Urban Water Supply Scheme, salaries to maintenance staff, repairs to tools and plant, telephone and electricity charges and works in connection with Economic Rehabilitation of Rural Poor.

4.14.4. Test check conducted (February to June 1984) of the records of 9 public health divisions, 6 district offices, 31 Blocks and Chief Engineer, Public Health revealed the following points:

(a) Problem Villages—Identification and coverage

(i) On the basis of a special survey conducted in 1972-73 by the Public Health Engineering Organisation, 15,894 villages (ordinary scarcity villages: 6,751; health hazard villages: 3,507, villages where sources of water supply are endemic to water-borne diseases: 4,725; villages which suffer from excessive iron, chloride or flouride: 911) were identified to be covered during the Fifth Plan period. According to the guide lines prescribed by the Government of India in May 1974, Government decided in July 1974 to provide drinking water supply to identified problem villages either through tube-wells or sanitary wells during Fifth Five Year Plan. As per Government's decision in September 1974, tube wells were to be restricted to villages where the source of water for supply was endemic to water-borne diseases or suffered from health hazards or where sanitary

wells were not technically feasible due to geological/cost considerations. All other identified villages were to be covered by sanitary wells of approved design. Accordingly, 9,143 villages were earmarked for tube wells and 6,751 villages for sanitary wells. It was seen in Audit that in 8,793 villages, 17,144 wells (tube wells: 11,100 and sanitary wells: 6,044) were constructed providing more than one source of drinking water while 7,101 villages were left without any source of drinking water by 1979-80. It was also noticed that identification of villages which was the starting point for implementation in the Fifth Five Year Plan period, was not finalised even in the last year of the Plan period (1979-80).

(ii) With the approval (September 1977) of Government of India, three Investigation Units (Bhubaneswar, Sambalpur and Berhampur) under Accelerated Water Supply Scheme were established in February 1978 (converted in November 1979 into Investigation divisions by sanction of additional posts under Minimum Needs Programme) for identification of problem villages apart from preparation of district-wise lists of problem villages, district-wise plans showing location of problem villages already covered and to be covered *etc.* A fresh survey conducted during 1979-80 through the Investigation Units indicated that out of 46,992 villages in the State, 27,077 villages (scarcity and difficult villages: 16,968; villages where source of water are endemic to water-borne diseases: 7,020; villages where water suffers from excessive iron, chloride or flouride: 3,089) were identified as problem villages of which 3,461 villages were fully covered by end of March 1980 leaving 23,616 villages to be covered during remaining period of the Sixth Five Year Plan ~~Period~~. The list of 27,077 problem villages included 74 villages (Cuttack district: 42 and Puri district: 32) identified twice and 9 villages (Keonjhar district: 4 and Puri district: 5) which were non-existing.

On the basis of one source of water for 250 to 300 population, Government assessed that 70,582 sources of water (tube wells: 42,235 and sanitary wells: 28,347) would be required to cover 27,077 identified villages to end of the Sixth Plan period. It was noticed that at the end of March 1984, 52,394 sources (tube wells: 39,206 and sanitary wells: 13,188) were provided covering 14,279

villages (including 3,461 villages) fully and 6,039 villages partially. These identified problem villages consisted of 143.04 lakh population (including Scheduled Castes: 20.65 lakhs and Scheduled Tribes: 27.09 lakhs). At the end of March 1984, 98.65 lakh population (including Scheduled Castes: 14.36 lakhs and Scheduled Tribes: 18.54 lakhs) were reportedly covered by some source of drinking water, leaving 44.39 lakhs of rural population (31 *per cent*) in 6,759 identified villages (including Scheduled Castes: 6.29 lakhs and Scheduled Tribes: 8.55 lakh population) without water. Thus, while 31 *per cent* of the general population in the identified villages was yet to be provided with at least one source of drinking water, 30 *per cent* of the Scheduled Caste and 32 *per cent* of the Scheduled Tribe population went without any source of water. The Chief Engineer, Public Health stated that some of the villages were inaccessible and might not be covered even by the end of the Sixth Plan. Government, however, decided (December 1983) that a list of such inaccessible villages should be finalised to find out alternative programme to make the villages accessible. The list is yet (June 1984) to be finalised.

(iii) According to the procedure prescribed (September 1979), the Block Development Officer in consultation with the local member of Parliament, members of Legislative Assembly, Grama Panchayat members was to recommend the requirement of sanitary or tube wells to the Investigation division in the prescribed *pro forma* to enable them to finalise the list of identified villages to be got ratified by the District Collector. Test check revealed that in 29 blocks of Cuttack, Dhenkanal, Mayurbhanj, Ganjam, Phulbani and Koraput districts the records relating to the recommendations of the Block Development Officers were not produced to Audit. According to the records of Sambalpur Investigation division, the survey completed in June 1983 disclosed that 9,742 tribal villages in 5 districts (Bolangir, Dhenkanal, Keonjhar, Sambalpur and Sundergarh) had been left out of the re-survey conducted in 1979-80. The Executive Engineer, Berhampur Investigation division reported (April 1982) to the Chief Engineer, Public Health that the lists of identified villages in 42 Blocks of Koraput district could not be finalised by

him due to non-receipt of recommendations from the concerned Block Development Officers. As a result, two District Development Boards (Dhenkanal and Sundergarh) were critical of the lists of identified villages prepared by the Investigation division, Sambalpur and demanded re-survey on the ground that many villages fulfilling the conditions of problem villages were left unidentified.

Government observed (March 1984) that some of the villages in the interior areas have been inadvertently omitted from the list of identified villages in the earlier survey (1979-80) and considered it necessary to conduct a re-survey which has not been taken up so far (September 1984).

4.14.5. *Implementation*

(i) *Tube-well programme*

The number of tube-wells set up between 1974-75 and 1983-84 under the Minimum Needs Programme was 15,362 against the target of 15,639; under Accelerated Water Supply Scheme it was 23,844 against the target of 25,815.

The following points were noticed during test check:

(a) According to the approved programme, tube-wells were to be set up only in identified problem villages. However, 448 tube-wells (Minimum Needs Programme: 392; Accelerated Water Supply Scheme: 56) were set up between 1979-80 to 1981-82 in non-problem villages in the districts of Balasore, Bolangir, Cuttack, Dhenkanal, Koraput and Phulbani involving an expenditure of Rs. 71.68 lakhs. Similarly, sixty-five tube-wells were set up in two districts (Koraput by March 1982: 16; Puri during 1982-83: 49) involving an expenditure of Rs. 8.80 lakhs in un-inhabited villages. The reasons for sinking of these tube-wells are awaited from Government.

(b) Government of India decided (January 1982) that in villages where the population is more than 300, additional sources of water may be provided on the basis of one source for 250—300 population. A test check of the tube-well directories prepared (as on 31st March 1983) by the Public Health Engineering Organisation for all the districts (except Sundergarh up to 31st

March 1981) revealed that in 2,091 identified villages, 3,395 tube wells were set up in excess over the norm, notwithstanding the fact that 7,401 identified villages had no source of drinking water.

(c) Government decided (January 1982) that tube wells could be taken up in ordinary scarcity villages where sanitary wells were not feasible. The tube wells set up between April 1974 and December 1981, however, included 9,993 tube wells in 5,936 ordinary scarcity villages although according to approved plan, sanitary wells could have been provided in such cases. Based on the State average cost of Rs. 12,000 and Rs. 7,200 for construction of tube wells and sanitary wells respectively, the construction of tube wells in place of sanitary wells in these 5,936 ordinary scarcity villages constituted an added liability of about Rs. 479.66 lakhs. The reasons for deviation in the execution of the programme was stated (April 1984) by the Chief Engineer, Public Health to be mainly due to public demand.

(d) Fifty tube wells (MNP : 26, ARP : 24) set up between 1980-81 and 1983-84 in Cuttack district were noticed to have failed after incurring an expenditure of Rs. 2.00 lakhs due to presence of excessive chloride contents as revealed from the analytical test results. Of this, 15 tube wells (MNP : 10, ARP : 5) were again rebored during 1982-83 at a cost of Rs. 1.80 lakhs. The failures were attributed (March 1983) by the Superintending Engineer (P. H. Cuttack) to absence of water-logging equipments and trained Geo-physicists to identify fresh water-bearing sand horizons. On the other hand, Geo-physical instruments like resistivity metres, electric bore logger, etc., valued Rs. 0.86 lakh supplied in March 1982 by UNICEF to Public Health Engineering Organisation for taking up systematic survey of the ground water available, identification of formation and selection of suitable bores for tube wells so as to minimise the failure rate of borings, etc., were lying idle from the month of their acquisition (March 1982) in Baripada Public Health Division pending training of personnel to handle them. No training programme has also been arranged so far (September 1984).

(e) There were, 8,710 defunct tube wells in the State by March 1984, of which 5,496 (prior to February 1974 : 2,028, 1974-75 to 1983-84 : 3,468) were identified problem villages. The records did not indicate whether alternative source of water was provided in these villages. No assessment was made by the Chief Engineer, Public Health to ascertain the cost involved in restoring all the defunct tube wells to working order. However, restoration of 3,635 defunct tube wells (existing prior to February 1974 in both identified and unidentified villages) to working order was estimated by the Chief Engineer in November 1976 to cost Rs. 2,15.60 lakhs. Government decided that during 1984-85 the defunct tube wells will be replaced by new tube wells, wherever those are located. No action has been taken so far for the restoration of the tube wells.

Materials salvaged (1973-74 to 1980-81) from 94 defunct tube wells in Koraput district were awaiting disposal (June 1984).

(f) Advances aggregating Rs. 12.43 lakhs were paid (March 1980 to March 1981) to Central Ground Water Board by the Executive Engineer, Cuttack Public Health Division for sinking 20 tube wells under Accelerated Water Supply Scheme. The Board has not so far (June 1984) rendered account to Cuttack Public Health division nor the division could maintain any records to show the location as well as completion of the tube wells.

(g) According to the instructions issued (December 1982) by the Chief Engineer, Public Health the minimum depth of tube well drilled through sophisticated rigs should be 50 metres and the minimum discharge should be 14 litres per minute. In the case of unsuccessful tube wells, the boring should be done to a depth of 60 metres in order to declare the bore as a failed one. It was noticed in test check that 37 tube-wells in the districts of Sundergarh, Mayurbhanj, Koraput, Phulbani, Cuttack and Sambalpur were not drilled up to 60 metres between December 1983 and March 1984 before declaring them as failures. A further analysis disclosed that 11 tube wells drilled between 10 and 20 metres, 15 tube wells between 20 and 30 metres, 5 tube wells between

30 and 40 metres and 6 tube-wells between 40 and 50 metres, were declared to have failed though no reasons for doing so were stated.

(h) The representatives of the UNICEF have been emphasising in their field visits, the need for construction of platform and drainage system to save water pollutions for which shutterings were provided; nevertheless, 9,745 tube-wells sunk in all the 13 districts under various programmes were reported to be without platform and drainage system at the end of February 1984.

(i) Against some indents for supply of stone-ware (S.W.) pipes for works unconnected with the scheme, the Chief Engineer, Public Health placed orders (October 1979) for supply of high density polythene (HDP) pipes *in lieu* of S. W. pipes which were not available with the suppliers. Against this purchase order, Bhanjanagar P. H. division procured (January-August 1980) HDP pipes worth Rs. 0.99 lakh from out of the funds meant for the scheme which had not been useful and were lying unused (June 1984). The Executive Engineer stated (April 1984) that there was no scope for utilisation of the pipes in the works of the division in the near future nor the pipes could be transferred to other divisions for which there was no demand.

(ii) *Yield test*

Yield test for the tube-wells was necessary to ascertain from time to time if the designed water-supply existed. It was stated (April 1984) by the Chief Engineer, Public Health that yield test of tube-wells was conducted on completion of the drilling and before fixing hand pump. The test, however, was not conducted at different intervals to ensure availability of water at all times particularly during summer.

(iii) *Maintenance and repairs of tube-wells*

A three tier system of maintenance and repair of tube-wells was evolved in November 1978 which envisaged appointment of a trained voluntary village level caretaker, a block level mechanic for every 100 tube-wells and a mobile maintenance team consisting

of a supervisor, mechanic and helpers to attend to repairs of tube-wells in each district. It was seen during Audit that in 7 divisions the shortage of village level caretakers (requirement: 9,524 and actually appointed: 1,635) was 83 *per cent* and shortage of block level mechanics in 200 blocks was 122 (47.4 *per cent*). There was no effective system to monitor proper maintenance of the tube-wells under the three tier system.

(iv) Performance of rigs

The Public Health Engineering Department acquired 34 rigs (including 11 rigs supplied by UNICEF free of cost) during 1955-56 to 1980-81. The Chief Engineer, Public Health fixed (June 1964) a norm of 60 bores per rig per annum. According to the UNICEF, the rigs supplied by them were intended to drill 120 bores per rig per annum.

The log books of the rigs were not produced to Audit. The divisions stated that the rigs were lying at different sites and transferred frequently from one division to another. A review of the performance reports in respect of 10 departmental rigs and 6 rigs supplied by UNICEF disclosed that from the date of their commissioning (June 1979 to July 1982) the rigs remained idle for periods varying from 1 to 32 months. For the periods the rigs worked, optimum out-turn was not obtained; the performance was short of the norm prescribed; the shortfall varied from 2 to 58 *per cent*. The underutilisation of the rigs were attributed by the Chief Engineer to delay in selection of sites, want of fuel in time, breakdowns, delay in procurement of spares, etc.

(v) Sanitary wells

Mention was made in Para 4.1.6. of the Audit Report (Civil) for the year 1977-78 regarding construction of sanitary wells. Further points noticed are indicated below:

(a) During 1975-76 to 1982-83, grants aggregating Rs. 10,49.83 lakhs (including Rs. 80 lakhs allotted from drought grant) were sanctioned by Government and paid to Panchayat Samitis for construction and deepening of 25,106 sanitary wells;

grants amounting to Rs. 25 lakhs were also sanctioned by Government and paid to the Samitis for completing 2,084 (out of 4,578) incomplete wells in identified villages. To end of March 1984, only 13,188 wells (52.5 *per cent*) were completed at a cost of Rs. 10,74.83 lakhs.

(b) To end of 1979-80, 6,751 problem villages were identified as ordinary scarcity villages to be provided with sanitary wells as a minimum need but 6,044 wells (ordinary scarcity villages: 2,345; unidentified villages: 2,325; villages where sanitary wells were not feasible: 1,374) were constructed at a cost of Rs. 1,32.23 lakhs. Thus, 4,660 villages identified for provision of sanitary wells remained uncovered while 3,699 wells were constructed in other areas at a cost of Rs. 1.47 lakhs.

(c) Four hundred six sanitary wells (cost not known) were constructed during 1981-82 to 1982-83 in 406 non-problem villages of four districts (Koraput : 67, Ganjam : 35, Phulbani : 236 and Mayurbhanj : 68) thereby depriving 1.22 lakh rural population of problem villages of safe drinking water.

(d) All sanitary wells constructed upto surface level by March 1984 were not provided with hand pump and cover due to escalation of cost of materials and labour, thus defeating the purpose of supplying safe drinking water.

(e) In 808 geophysically difficult villages, where sanitary wells were not ordinarily feasible, nine hundred and seventy two sanitary wells (Koraput : 434, Ganjam : 402 and Phulbani : 136) were constructed between 1975-76 and 1982-83 in 31 blocks. The data on the availability of water in these wells were not available with the B. D. Os.

(f) One hundred four sanitary wells were constructed during 1975-76 to 1982-83 in 80 villages in the districts of Koraput, Ganjam and Mayurbhanj at a cost of Rs. 4.60 lakhs. Of these, 5 wells collapsed during construction and 99 wells have fully dried up rendering the entire expenditure as infructuous. The B. D. O. attributed (May 1984) the collapse and driage to defective construction, non-observance of required specification and

bad soil. Responsibility for defective construction, etc., has not been fixed by the department so far (September 1984).

(g) Thirty three sanitary wells in 33 villages constructed during 1975-76 to 1982-83 in the districts of Koraput, Ganjam, Mayurbhanj and Phulbani at a cost of Rs. 0.87 lakh were abandoned during execution reportedly due to appearance of sheet granite rock in excavation or geophysical conditions.

(h) According to Government instructions (May and June 1979) at least 6' of water should remain in the sanitary wells during the driest period (April and May) of a year. In 29 Blocks of Koraput district, 884 wells (out of 1,850 sanitary wells constructed) dried up in summer, 86 sanitary wells constructed in 2 blocks of Mayurbhanj district had less than 6' of water. The B.D. Os. attributed reasons mainly to non-execution of sanitary wells to the prescribed depth of 10.5 metres. No records could be produced to Audit regarding the alternative arrangements made to supply drinking water in these problem villages.

(i) Following the decision (January 1978) of the District Development Board in Cuttack to construct R. C. C. ring wells instead of sanitary wells in Tangi Choudwar Block, the Block Development Officer purchased (January to March 1983) 567 R. C. C. rings of which, 500 rings valued at Rs. 0.30 lakh have been utilised so far (June 1984). Similarly, the B. D. O, Boudh (Phulbani district) purchased (August 1977) sanitary fittings worth Rs. 0.20 lakh which also have not been used so far (June 1984) in the wells.

4.14.6. *Monitoring/Evaluation by Government*

The Government has not evaluated the schemes to ascertain the achievements of the programme despite investment of Rs. 80.11 crores in the programme over years.

Summing up

Against Central assistance of Rs. 37,82.69 lakhs received between 1977-78 and 1983-84 for implementation of Accelerated Rural Water Supply Scheme, expenditure incurred was Rs. 36,87.52 lakhs, leaving Rs. 95.17 lakhs unutilised.

Funds to the extent of Rs. 32.97 lakhs out of Central assistance and Rs. 15.43 lakhs under MNP were diverted for other purposes.

The shortfall in achievement of sanitary wells under MNP and tube wells under ARP was 47.5 per cent and 7.6 per cent respectively.

Out of 27,077 problem villages targeted to be covered at the end of Sixth Plan Period, 14,279 villages fully and 6,039 villages partially were covered leaving 6,759 problem villages uncovered at the end of March 1984. On population basis, 31 per cent of the general population, 30 per cent Scheduled Caste and 32 per cent Scheduled Tribe population in the identified villages went without at least one source of drinking water during the first four years of the Sixth Five Year Plan Period.

In all, 448 tube wells were set up between 1979-80 and 1981-82 in non-problem villages of 6 districts at a cost of Rs. 71.68 lakhs; 65 tube wells were also set up in two districts during 1982-83 in un-inhabited villages involving an expenditure of Rs. 8.80 lakhs and 406 sanitary wells (cost not known) were constructed during 1981-82 to 1982-83 in 406 non-problem villages of 4 districts.

At the end of March 1983, 2,091 identified villages were provided with 3,395 tube wells in excess over the prescribed norm, notwithstanding the fact that 7,401 identified villages had no source of drinking water.

In all, 13,187 sanitary wells constructed upto surface level by March 1984 were not provided with sanitary fittings like hand pump and cover and due to deferment of sanitary arrangement, thus defeating the very purpose of supply of safe drinking water.

One hundred and four sanitary wells costing Rs. 4.60 lakhs constructed during 1975-76 to 1982-83 in 80 problem villages of 3 districts had either collapsed during construction or dried up rendering the entire expenditure infructuous.

To end of 1979-80, 4,406 villages identified for provision of sanitary wells remained uncovered while 3,699 wells were constructed in other areas at a cost of Rs. 1.47 lakhs.

Out of 1,850 sanitary wells constructed, 884 wells in one district dried up in summer and 86 wells in another district had less than 6' of water (against the minimum of 6' water prescribed) due to non-execution of sanitary wells to the prescribed depth of 10.5 metres.

No monitoring/evaluation of the programme was done though investment was Rs. 80.11 crores.

The matter was reported to Government in August 1984; their reply is awaited (March 1985).

4.15. Extra expenditure on procurement of Spun Pipes

For execution of "Integrated Water Supply for mine workers at Joda and Sikirdih" and 'Water supply to Joda N.A.C.' (Keonjhar district) orders were placed by the Chief Engineer P. H. in October 1983 and March 1984 for supply of spun pipes of 6,845 metres (300 m.m. dia) and 3,243 metres (250 m. m. dia amounting to Rs. 32.68 lakhs on two Calcutta firms 'K' and 'E' respectively on D.G.S. & D. Rate contract. The material worth Rs. 32.25 lakhs was supplied by these firms between October 1983 and February 1984 and between March and May 1984.

According to the D. G. S. & D. Rate contract, the rates were ex-factory and freight and transit insurance charges were to be borne by the consignee. The department had accordingly paid Rs. 1.64 lakhs to Railway authorities during November 1983 and onwards, towards freight charges from Sodepur and Bounsfaria railway stations to Barbil railway station and Rs. 0.18 lakh towards transit insurance charges.

It was seen in Audit that before placement of orders with the Calcutta firms, the Executive Engineer, Project P. H. division, Joda requested the Chief Engineer in August and September 1983 that for timely execution of work and to avoid the additional cost on transportation and to avail the discount facility (at 0.3 per cent on the cost of materials), orders may preferably be placed with local unit of Industrial Development Corporation, Orissa (a State Government Undertaking) at Barbil (Keonjhar district), who were already having

the required sizes of spun pipes and were on Rate contract with the D. G. S. & D. from May 1983. They had also supplied earlier (July/August 1983) similar materials to the division within the scheduled time. No action was, however, taken by the Chief Engineer in this regard.

The Chief Engineer, Public Health stated (November 1984) *inter alia* that the firm at Barbil being a new one, his organisation had no idea about the quality of pipes produced by the firm and its capability of timely delivery of such materials. He further mentioned that his organisation issued supply orders to the extent of Rs. 42.70 lakhs to this firm between July 1983 and March 1984 for the use of such materials by different Public Health divisions of the State. The contention of the Chief Engineer about the doubtful reliability of the Firm is not tenable in view of the fact that it was a Rate Contract holder with the D. G. S. & D. and the firms having Rate Contracts with the D. G. S. & D. are registered only after due inspection by such authority as to their capacity and the quality of products. In fact, the organisation placed orders with this firm for quite substantial amounts during 1983-84 for different Public Health divisions and there was as such, hardly any justification to overlook the proposal of the Executive Engineer, Project Public Health division, Joda made in August-September 1983 before placement of orders with the Calcutta Firms.

Thus, failure in not placing orders on the Barbil Firm for supply of such materials, entailed an extra expenditure of Rs. 1.92 lakhs on Railway freight upto Barbil (Rs. 1.64 lakhs), transit insurance charges (Rs. 0.18 lakh) and discount (Rs. 0.10 lakh).

The matter was reported to Government in August 1984; their reply is awaited (March 1985).

CHAPTER V
STORES AND STOCK ACCOUNTS
IRRIGATION AND POWER (INCLUDING MINOR IRRIGATION)
DEPARTMENT

5.1. Stores and Stock of Upper Kolab Project

5.1.1. *Introductory*

The Upper Kolab Project (started in the year 1975) envisaged construction of a dam at Kolabnagar (Koraput district) at an estimated cost of Rs. 75,29.85 lakhs (revised in 1979 to Rs. 229,05.77 lakhs) to impound water for generating power and to provide irrigation. The Project *inter alia* envisaged procurement of considerable quantities of stock materials such as cement, etc.

Orders for bulk supplies of stock materials, on the basis of indents received from field divisions are placed by the Chief Engineer after obtaining annual clearance from the Central Water Commission (C. W. C.) and Central Electricity Authority (C. E. A.) so far as cement is concerned. The six divisions (10 divisions prior to December 1979) procured stock materials against allotments received, handled divisional store and maintained/rendered accounts thereof to Audit.

5.1.2. *Accounting*

(a) Under the procedure prescribed for maintenance of stock accounts, the value of stores received is debited to the stock suspense on receipt of materials. When stores are actually issued to the works, the stock suspense is cleared by debit of the value to the works to which they are issued. A Priced Stores Ledger is required to be maintained showing item-wise the numerical quantities of opening balances, receipts, issues and closing balances which are to be valued on the basis of cost of purchase (for receipts) and issue rates (for issue to works) determined from time to time. In terms of quantities, the receipts are to be supported by entries in Measurement Books/Goods Received Sheets and the issues by receipted indents. The closing balances are to be tallied with periodical physical verification

reports. As per values in the Priced Stores Ledger, the totals of value of receipts, issues and balances in a month are required to be agreed with the debits, credits and balances in the monthly account of stock suspense head rendered to the Accountant General, any difference on account of variation in issue rates being adjusted periodically and value of shortages/excesses noticed during physical verification adjusted under proper authority.

(b) Prior to 1st December 1979 (when accounting was centralised with Financial Adviser and Chief Accounts Officer), 10 divisions were engaged in stores transactions. According to the monthly accounts rendered to Audit Office by these divisions, the closing balance of stock suspense as on 1st December 1979 worked out to Rs. 2,42.03 lakhs. Though this amount is appearing as closing balance in the books of Audit, the F. A. and C. A. O. had excluded it in his account of stock suspense altogether by assuming an opening balance of 'NIL' amount, for reasons not on record. In the absence of the details of opening balance, the F. A. and C. A. O. has not been maintaining the Priced Stores Ledger as required. No entries have been made in such ledger, even of the quantities and values of current receipts and issues. Consequently, no reconciliation has been attempted between the financial accounts (debits/credits and balances) under stock suspense and the totals of values of current receipts/issues and balances in the Priced Stores Ledger.

(c) For want of detailed stores account from the divisions upto 1st December 1979, it was decided to adopt the opening balances on the basis of the ground balances with proper valuation. As against a book balance of Rs. 2,42.03 lakhs pertaining to 10 divisions, only 7 divisions had furnished figures to F. A. and C. A. O. by March 1985 showing a ground balance valued at Rs. 234.14 lakhs as on 1st December 1979, against a corresponding book balance of Rs. 2,12.01 lakhs in the stock suspense account. The net difference of Rs. 22.13 lakhs between the ground and book balances is mainly due to non-adjustment of receipts/issues to works, sales to other Projects, etc., though the difference has not so far (March 1985) been reconciled, the extent of actual

physical shortages/excesses could not be ascertained. The remaining three divisions are still (March 1985) to furnish such information.

(d) The balance under the stock suspense head of account at the end of March 1984, according to the books of the F. A. and C. A. O. was Rs. 18,35.64 lakhs, which together with the opening balance of Rs. 2,42.03 lakhs on 1st December 1979 totalled upto Rs. 20,77.67 lakhs. This includes an amount of Rs. 2,34.47 lakhs representing the value of materials actually issued from stock to works during the period from December 1979 to March 1984, but the relevant accounts rendered by the divisions concerned remain to be adjusted by the F. A. and C. A. O. as credit to stock. Besides, it was noticed that in a number of such cases of issues from stock to works during the said period, no adjustment could be carried out as the divisions are yet to render the accounts to the F. A. and C. A. O. It has, thus, resulted not only in over statement of the value of stock-in-hand, but also in the accounts of the works being substantially incorrect and under-stated, even though considerable quantities of materials have actually been utilised in such works.

5.1.3. A test check (July—September 1984) of the stores and stock transactions of 3 divisions (out of 6 stock holding divisions) of Upper Kolab Project for the period 1981-82 to 1983-84 disclosed the following points:

(i) Injudicious purchase of stores

(a) Quotations were called for by the Executive Engineer, Upper Kolab Mechanical division in February 1978 for supply of 1,000 rft. of wire rope of 16 m. m. and 13 m. m. sizes without an estimate of requirement. The offer of 'B' being the lowest was accepted and purchase orders placed in March 1978. The required materials were supplied in March 1978 and payment made to the firm for Rs. 0.22 lakh. A repeat order for Rs. 0.56 lakh was placed by the Executive Engineer on his own initiative with the firm in May 1978 to supply 2,000 rft. of wire ropes of 16 m. m. size and 3,000 rft. of 13 m. m. size as per the earlier

rates of the firm to be despatched within 30 days from the date of receipt of the purchase order. The materials were despatched on the 13th and 20th June 1978 by the firm through a transport firm 'C' in two consignments but these were not accepted by the division as the purchase orders were cancelled on the 23rd June 1978 by another Executive Engineer who was posted to the division; the bills preferred by the firm were returned to it which were again received back in the division and the firm insisted in July 1978 to release the materials from the transport organisation. The reason for cancellation stated (July 1978) by the Executive Engineer to Superintending Engineer was that the materials indented were not immediately required in Upper Kolab Project and these could be obtained if required at cheaper rate from the project store at Chitrakonda of Balimela Dam Project situated at a distance of 150 Kms. from the Upper Kolab Project site. The Additional Chief Engineer opined, as reported by the Superintending Engineer in October 1978, that since the purchase order had already been cancelled the question of releasing the materials did not arise. The materials were neither released by the division nor payments made as a result of which the firm 'B' served a notice under 80 CPC on the Executive Engineer in July 1979. The Superintending Engineer's suggestions of March 1979 to the Additional Chief Engineer to release the materials were not carried out, since it was not considered necessary by the Chief Engineer in view of availability of materials in stock. Action was, however, initiated against the defaulting Executive Engineer for such injudicious purchase.

As the notice under 80 CPC failed to elicit any response, the firm filed a money suit for Rs. 0.70 lakh (cost of materials: Rs. 0.56 lakh, damage at the rate of 12 per cent: Rs. 0.14 lakh) in the Sub-Judge Court, Jeypore against which the court ordered (December 1981) payment of Rs. 0.88 lakh including Rs. 0.18 lakh towards 6 per cent interest from August 1980 to June 1984 and cost of suit in addition to the original claim of the firm. An appeal preferred by the department in the Orissa High Court on the grounds that the judgement of the lower court was not based on evidence, materials were not consigned in favour of the

specified consignee, the transport contractor was not made a party in the case, *etc.*, was dismissed by the Honourable Court in March 1984 and the department paid the decreed amount in June 1984. The department has not so far (March 1985) claimed the materials which are reportedly lying in the godown of the transport organisation. The Chief Engineer, Upper Kolab reported to Government in June 1984 not to release the materials as the demurrage charges payable (Rs. 0.77 lakh) as claimed by the transport organisation exceeded the cost of materials (Rs. 0.56 lakh).

(b) According to Government instructions (October 1982) non-levy cement, being costlier, should not be purchased except under special circumstances and purchases if at all required should be made only after inviting quotations. However, the Chief Engineer placed purchase orders on Andhra Cement Company, Visakhapatnam (A. C. C.), a private firm, for the supply between May and July 1983 of 5,250 tonnes of Gouri brand of non-levy cement at Rs. 1,232.40 per tonne *ex-stock*, without calling for tenders, though the Chief Engineer had earlier (February 1983) reported to the Central Water Commission that tests conducted indicated that this brand of cement did not attain the required strength and was found unfit for use in masonry or concrete work. The department did not consider the offer of June 1983 of another firm 'C' of Madhya Pradesh for supply of non-levy cement at Rs. 950 per tonne *ex-stock*, which was further reduced to Rs. 737.16 per tonne, even though cement supplied by this firm during February 1983 to August 1983 had been used in the project. Non-levy cement was also purchased in April 1984 from Industrial Development Corporation (Government of Orissa undertaking) to the extent of 2,000 tonnes at Rs. 970 per tonne. The cost of cement purchased from A. C. C. including freight by road upto the dam site worked out to Rs. 1,370.40 per tonne as against the rate of Rs. 943.26 (including freight) of the firm 'C' and thereby purchase of 5,103.65 tonnes of cement from Andhra Cement Company resulted in an extra expenditure of Rs. 21.80 lakhs, besides the acquisition of sub-standard material.

(ii) *Irregular issue of billets*

The Chief Engineer entrusted the work of conversion of 300 tonnes of steel billets into different sizes, to a firm 'B' in November 1980 for delivery by March 1981 and subsequently extended to July 1981. Without entering into contract, the firm 'B' was issued 404.60 tonnes of billets in February to August 1982. As against 368.186 tonnes of re-rolled material expected to be delivered, after taking into account 9 per cent wastage as per the contract, the firm returned only 130.337 tonnes upto June 1983 and the balance of 237.849 tonnes of rerolled material, equivalent to 261.376 tonnes of billets valued at Rs. 9.85 lakhs is yet (November 1984) to be returned. The firm is no longer in operation and the Chief Engineer had ordered legal action though no agreement exists, if the firm failed to deliver the balance material by 15th August, 1984. Further developments in the matter are awaited (March 1985).

Similarly, a contract was entered in August 1982 with a firm 'K' for conversion of 297 tonnes of billets for delivery by November 1982. Of this, the firm delivered only 172.62 tonnes of finished steel (against 267.32 tonnes expected) by September 1982 and another 69.795 tonnes in November 1984. The firm was, however, supplied another 199.58 tonnes billets in August 1982, without any approval, of which nothing has been received back so far (November 1984) leaving a total of 204.505 tonnes of finished product equivalent to 227.228 tonnes of billets, valued at Rs. 8.56 lakhs with the firms. The division has not taken any legal action for recovery of the dues from the firm (March 1985).

(iii) *Loss of cement*

(a) As per terms of contract with firm 'H' executing construction of dam, the department was to supply cement on weighment basis from the store at dam site (Kolabnagar) and recover the cost thereof at the agreed rate of Rs. 27 per 50 Kg. bag. It was seen during Audit that 1.91 lakh bags of cement (computed weight of 9,551.650 tonnes) were issued to the firm between January and June 1983 from the store at Kolabnagar without actual weighment even though a weigh bridge was installed since July 1981 in the Central Store at the site. A complaint was lodged by firm 'H' in

February 1984 with Head Works division that recovery on account of cement was made from them basing on the number of bags instead of actual weight of 9,235.883 tonnes recorded on the weigh bridge installed by the firm, resulting in a shortage of 315.767 tonnes. The claim on this account of the firm for Rs. 1.71 lakhs was admitted in August 1984 by the Chief Engineer and payment made accordingly. Nothing was on record to show if the weighment done by the firm was actually verified by the Engineers at site before releasing the payment.

Further, a total quantity of 7.08 lakh bags of cement (equivalent to 35,405.700 tonnes) was issued between September 1983 and June 1984 to the firm against which the firm claimed that the actual weight was only 34,587.328 tonnes and the value of the difference of 818.372 tonnes which worked out to Rs. 4.42 lakhs is to be refunded to them. The claim of the contractor is pending with the Chief Engineer for finalisation (March 1985).

(iv) Avoidable expenditure

When the lowest rates (Rs. 897 per ton) of 'S' and 'K' were under finalisation (actual date of execution of agreement with 'S' and 'K': September 1982) for rerolling 703.08 tonnes billets ('S': 403.08 tonnes, 'K': 300 tonnes), the Chief Engineer issued another order in August 1982 for issue of 971.42 tonnes billets to Industrial Development Corporation (I. D. C.), Hirakud (a State Government Undertaking) for conversion into rods at a still higher rate of Rs. 1000 per ton without calling for quotations even when the rates of other contractors were under finalisation by him. The I.D.C. was given an advance payment of Rs. 9 lakhs in September 1982 to undertake the job. By November 1984, it delivered a total quantity of 808.80 tonnes of finished product entailing an extra cost of Rs. 0.83 lakh to the project when compared to the rates of 'S' and 'K'. The final claim of the Corporation *vis-a-vis* adjustment of the advances paid to it in September 1982, is still awaited (September 1984).

(v) Shortages and damages

Cement unloaded at the rail head Rayagada (Koraput district) was kept in the store yard under the supervision of the Forwarding Officer of the Project. It was seen during audit that out of 1.69 lakh

bags of cement received at the rail head during July 1981 to February 1982, 0.66 lakh bags were kept outside in open yard exposed to sun and rain as reported by the Forwarding Officer in February 1982. As on March 1982, only 0.46 lakh bags were lifted by the Civil division leaving 0.20 lakh bags in the open yard resulting in damage of 4,325 bags valuing Rs. 1.64 lakhs. The survey report for the loss of cement bags was submitted (June 1983) by the Forwarding Officer and is awaiting sanction of the competent authority (September 1984).

(vi) Short receipt/ non-receipt of materials

(a) A consignment of 45.3 tonnes of 25 mm steel valuing Rs. 2.63 lakhs despatched by the Indian Iron and Steel Company, Calcutta to the Forwarding Officer, Rayagada as per R. R. dated 15th February 1983 (advance payment made against the R. R. in February 1983: Rs. 1.95 lakhs) could not be unloaded due to shortage of 13.2 tonnes of material noticed by the Forwarding Officer at the time of taking delivery. The Railway authorities, who were moved for reimbursement of the cost of materials found short, refused to entertain the claim for refund and thereupon the Forwarding Officer of the Project refused to take delivery. The materials are reportedly lying (September 1984) with Railways even though the Chief Commercial Superintendent (Claims), South-Eastern Railway had been moved (August 1983) in this connection. The Forwarding Officer should have accepted whatever quantity was available and then lodged a claim for shortage. The department will be liable to pay the demurrage charges, if any, claimed by the Railways.

(b) Under the Buffer Scheme 1981-82, 99.95 tonnes of prime M. S. equal angles valuing Rs. 4.12 lakhs were imported through Steel Authority of India Limited (SAIL) from South Korea which were insured from INCHON (port of loading) to Calcutta (port of discharge). The Assistant Director of Shipping D. G. S. & D. intimated the Shipping Corporation of India (SCI) in January 1983 that against 102 bundles of M. S. angles (99.95 tonnes) only 85 bundles (76.974 tonnes) were unloaded resulting in shortage of 22.976 tonnes of material valuing Rs. 0.95 lakh.

The Assistant Director intimated (January 1983) the Executive Engineer, Upper Kolab Roads and Buildings division to lodge a complaint with steamer agents within one year from the date of berthing (17-7-1982). The bin card maintained exhibited the account of 76.974 tonnes of M. S. angles between September 1982 and August 1984 and a claim was lodged (August 1983) by the Executive Engineer with the SCI to refund Rs. 1 lakh towards approximate cost of materials short received, 13 months after the date of berthing, *i. e.*, after the mandatory period of one year. The reimbursement of the cost of materials to the Project by the Insurance Company is awaited (March 1985).

In another case, 146.77 tonnes of Prime M. S. equal angles worth Rs. 5.97 lakhs were imported from Japan (insured from OSAKA to Calcutta) through SAIL. The Assistant Director, D. G. S. & D. intimated (April 1983) short receipt of 2 bundles (5.645 tonnes) valuing Rs. 0.08 lakh to the steamer agents and asked Executive Engineer, Roads and Buildings Project division to lodge a complaint with necessary documents within one year from the date of berthing (31-8-1982). No complaint was lodged by the Executive Engineer with the Shipping agent so far (March 1985) even though one year has already lapsed.

(c) Transportation of cement for 2,000 tonnes each from Akaltara and Baikuntha (Madhya Pradesh) to Kolabnagar (Project-site) was entrusted (March/February 1983) to the contractor 'G' under two separate agreements, for completion by March 1983.

The contractor got released 1,674 tonnes of cement from the Cement Corporation of India's (CCI) Factory at Akaltara and 1,949 tonnes from a private cement factory at Baikuntha and transported (April 1984) 1,345 tonnes and 1,901 tonnes respectively, to Kolabnagar, leaving a balance of 377 tonnes (Akaltara: 329 tonnes, Baikuntha: 48 tonnes) valued at Rs. 2.77 lakhs (Akaltara: Rs. 2.42 lakhs at the rate of Rs. 736.20 per tonne, Baikuntha: Rs. 0.35 lakh at the rate of Rs. 733.68 per tonne) yet to be delivered to the project authorities (Roads and Buildings division).

No action has so far (March 1985) been initiated by the project authorities except withholding Rs. 0.48 lakh from their transportation bills.

(vii) Payment of demurrage/wharfage charges

Test check revealed that large amount of demurrage/wharfage charges of Rs. 4.03 lakhs were paid in respect of 95 consignments taken delivery between April 1981 and March 1984 by the Forwarding Officer at Rayagada who is the consignee for majority of materials procured and delivered at the rail head, Rayagada. To an audit enquiry, the Forwarding Officer attributed the reasons to be due to late receipt of RR and lack of proper storage facilities.

In one of those cases, iron joists (450×150) weighing 47.4 tonnes were received in March 1982 from SAIL at Rayagada and unloaded in April 1982 in Plot No. 27 owned by the project but lying adjacent to railway yard. The materials after being unloaded occupied an extra space of $5' \times 60'$ in the railway yard which could not be cleared by the Forwarding Officer for want of space in the project store yard. This encroachment continued upto October 1982 and a request to the Railway authorities to allow temporary base of the area occupied was turned down. This had resulted in a payment in March 1983 of wharfage charges amounting to Rs. 1.47 lakhs for the period from March 1982 to October 1982.

In another case, 15 wagons loaded with M. S. plates and joists were despatched from Sealdah (West Bengal) and the consignments were received from 7th to 28th of August 1982 at Rayagada. As the departmental crane was out of order, the material could not be lifted; the Forwarding Officer requisitioned the Railway crane which was also not available. The staff requisitioned from the Mechanical division repaired the departmental crane and the wagons were unloaded on 20th and 21st August 1982 after payment of demurrage charges of Rs. 0.19 lakh. To lift the other materials from the Railway platform, the departmental trailers were requisitioned which were made available on 1st September, 1982 and the materials were ultimately lifted from 3rd to 5th September 1982 after payment of wharfage charges of Rs. 0.87 lakh to the Railways.

Thus, due to lack of timely arrangements at the rail head for unloading, lifting and storing the materials transported through Railways, the department had to incur an avoidable expenditure of Rs. 4.03 lakhs towards demurrage and wharfage charges.

(viii) Outstanding advances

As per the accounts maintained by the Financial Adviser and Chief Accounts Officer, advances aggregating Rs. 9,06.15 lakhs paid to the Steel Authority of India (SAIL) and various cement companies during December 1979 to June 1984 were continued to be shown outstanding in the absence of adjustment vouchers though, in certain cases, the supplies have been made by such agencies. Neither the Financial Adviser and Chief Accounts Officer nor the divisions were in a position to say how much supplies were made against such advances paid to SAIL and various cement companies. Details of advances shown as outstanding against such supplying agencies are indicated in the table below:

Sl. No.	Name of party to whom advances paid towards the supply of steel/cement	Number of advances	Date on which advances were paid	Amount of advances paid and shown to be outstanding in the books of F. A. & C. A. O. (Rupees in lakhs)
(1)	(2)	(3)	(4)	(5)
1.	SAIL (H. S. L.)	144	December 1979 to June 1984	3,34.46
2.	Industrial Development Corporation	1	February 1982	12.57
3.	Tata Iron and Steel Company	15	March 1982 to February 1983	2,67.13
4.	Indian Iron and Steel Company	20	December 1979 to March 1983	47.30
5.	Andhra Pradesh State Trading Corporation	11	November 1980 to February 1982	1,24.41
6.	Andhra Cement Company	6	January 1982 to April 1982	1,20.28
		<u>197</u>		<u>9,06.15</u>

Further, though some of the supplying agencies (*viz.* APSTC Vizag: Rs. 0.58 lakh, SAIL Vizag: Rs. 1.52 lakhs, ACC Vizag: Rs. 0.53 lakh) had come forward on their own accord, to pay back the dues out of the advances paid to them, the F. A. & C. A. O./divisions were unable to work out the dues and to intimate the parties the amount to be refunded by them.

The matter was reported to Government in October 1984; their reply is awaited (March 1985).

HEALTH AND FAMILY WELFARE DEPARTMENT

5.2. Medical Stores and Stock Accounts

5.2.1. *Introductory*

According to the orders issued by Government from time to time, medicines, surgical instruments, equipments, beddings, clothing, *etc.*, required for use in the District Headquarters Hospitals, Primary Health Centres, Dispensaries, *etc.*, are to be purchased annually from the Medical Stores Depot (M. S. D.), Calcutta based on the indents placed by the Indenting Officers. In the event of non-availability of such medicines/articles, with the M. S. D., purchases are required to be effected from the approved firms to be selected by a Purchase Committee (by 31st July each year) constituted at Government level in consultation with the technical sub-committee formed at the level of Director of Medical Education and Training (D. M. E. T.) on the basis of quotations to be called for by 15th May each year. The approved list of the year (valid upto 31st March till 1981-82 and thereafter upto 30th June each year) is to be circulated to all Indenting Officers after its finalisation each year. Allotments of funds for the purpose, under different units are communicated by the Director of Health Services (DHS) and DMET to the District Level Officers and the Superintendents of Medical College Hospitals.

5.2.2. Budget provision/expenditure

The following table indicates the budget provision and expenditure for last 3 years ending on 31st March, 1984 under medicines, equipments, bedding and clothing:

Year	Budget provision/expenditure		
	Medicines	Equipment	Bedding and clothing
(1)	(2)	(3)	(4)
	(Rupees in lakhs)		
1981-82	3,65.61	6.77	10.36
	3,65.61	6.77	10.36
1982-83	3,82.51	20.99	13.77
	3,93.50	20.93	13.77
1983-84	4,06.56	13.00	24.80
	3,89.60	17.34	15.79

5.2.3. The results of the test check of records of 6 Chief District Medical Officers (*viz.*, Mayurbhanj, Balasore, Keonjhar, Dhenkanal, Puri and Cuttack) and Superintendents of 2 Medical College Hospitals (*viz.*, S. C. B. Medical College Hospital, Cuttack, M. K. C. G. Medical College Hospital, Berhampur) conducted in Audit during June-August 1984 are brought out in the subsequent paragraphs.

(i) *Injudicious purchase of medicines, instruments and equipments.*

(a) *Purchase of anti-malarial drugs and anti-hypertension drugs.*

The Indenting Officers are required to purchase medicines that will cover consumption for three months only. However, the C. D. M. O., Keonjhar purchased 0.60 lakh 'Metakelfin' tablets and

0.60 lakh 'NatriliX' tablets (anti-hypertension Vaspilatone) which were not of the category of essential/life saving drugs during the year 1980-81 for Rs. 1.08 lakhs and Rs. 1.11 lakhs respectively (constituting 18 per cent of the total allotment of the year) without any indents from the subordinate medical institutions. The drugs were received in the Central Store of the C. D. M. O. during the period from June 1981 to December 1981 and supplied to the hospitals and peripheries leaving a balance of 0.12 lakh 'Metakelfin' tablets and 0.09 lakh 'NatriliX' tablets at the end of 31st March 1982.

A test check of consumption of these medicines in respect of District Headquarters Hospital alone during the year 1981-82 revealed balance of 0.20 lakh 'Metakelfin' and 0.10 lakh 'NatriliX' tablets at the end of March 1982. The store account has not been completed after March 1982.

(b) Extra expenditure on purchase of Mebalmin tablets

In terms of the purchase order dated 30th March, 1981 placed by the C. D. M. O., Puri, firm 'R' was to supply 4.68 lakh 'Mebalmin' tablets valued at Rs. 1.68 lakhs (at the rate of Rs. 32 per 100 as per the approved list of 1980-81) within 21 days of the order failing which the order was liable to be cancelled. The rate of this tablet was reduced subsequently by the firm to Rs. 24 (per 100 tablets) as per the approved (September 1981) list of 1981-82. The supply was actually effected in August-September 1981, long after the expiry of the approved list for 1980-81. But the earlier order was not cancelled for delay in effecting supplies which would have enabled the department to obtain the supplies at the reduced rate avoiding an extra expenditure of Rs. 0.37 lakh (excluding taxes).

(c) Purchase of medicines at the fag end of the financial year to avoid lapse of budget grant

The C. D. M. Os., Cuttack and Keonjhar placed purchase orders for medicines worth Rs. 5.60 lakhs and Rs. 3.92 lakhs respectively during 24th March 1982 to 31st March 1982, against receipt of allotment at the fag end of the financial year (without discharging existing liabilities of Rs. 11.48 lakhs and Rs. 5.47 lakhs

respectively). These medicines were not urgently required and were actually received after the validity period of the approved price list for 1981-82. This was done to avoid lapse of funds for the year.

(d) Irregular purchase of instruments and equipments in excess of requirement

While placing purchase orders for supply of instruments and equipments, the Indenting Officers, according to the instructions issued from time to time, were to make proper assessment of their requirement based on the actual need of the medical institutions functioning under their control, apart from taking into account the stock in hand and funds left with them. They were strictly prohibited from indenting huge quantity of any item at one time in the absence of specific requirement.

A test check of the records of C. D. M. Os., Cuttack, Dhenkanal and Balasore and Superintendent of S. C. B. Medical College Hospital, Cuttack, however, revealed that large quantities of instruments and equipments such as suture needles, thermometres, blood pressure instruments, gloves, scissors, plastics, electrical instrument sterilisers, food wagon, B. P. blades *etc.* were procured and such procurement has no relevance to the annual consumption and the stock available at the beginning of year (during the period 1980-81 to 1981-82) as detailed below :—

	Annual consum- ption	Opening balance available	Net require- ment	Actual purchase	Purchases more than requirement
	(Rupees in lakhs)				
1980-81	5.91	3.38	2.53	8.00	5.47
1981-82	4.11	2.11	2.00	7.94	5.94
1982-83	6.39	3.90	2.49	11.77	9.28

The Superintendent, S. C. B. Medical College Hospital, Cuttack and C. D. M. Os. of Dhenkanal and Cuttack purchased equipments and instruments (*viz.*, lint plane, food wagon, endotracheal tube, S. S. rice tray, long cloth, *etc.*) worth Rs. 3.13 lakhs during 1980-81 to 1982-83 against which there was no utilisation (July 1984) and as a result, these were allowed to be accumulated in stock.

(e) Excess purchase of beddings

As per orders of D. M. E. T. issued in June/December 1982, 10 per cent of the cotton mattresses are required to be replaced every year by cushion beds. The present indoor capacity of the M. K. C. G. Medical College Hospital, Berhampur was 830 numbers of beds and accordingly 83 numbers of cushion beds are required to be replaced each year. Against the requirement of 166 beds for two years, 326 numbers of U-Foam mattresses were however, purchased between February 1982 and June 1983 at a cost of Rs. 1.81 lakhs resulting in an excess purchase of 160 numbers of U-Foam mattresses valued at Rs. 0.90 lakh. One hundred and three numbers of these 166 U-Foam mattresses valuing Rs. 0.69 lakh and 217 numbers of cotton mattresses valuing Rs. 0.17 lakh were lying in stock without being issued to end of March 1984.

(f) Purchase/use of sub-standard medicines

It is usual practice that Drug Inspectors take the samples of medicines from the stores of Indenting Officers for getting analytical tests. A test check of Drug Inspectors' reports pertaining to six Indenting Officers (*i.e.*, C.D.M.Os., Mayurbhanj, Keonjhar, Balasore and Dhenkanal, Deputy Director, Medical Stores (E.R.M.S.), Bhubaneswar and Superintendent, M.K.C.G. Medical College Hospital, Berhampur) received between February 1977 and March 1984 revealed that out of the medicines purchased by these Indenting Officers from April 1976 to January 1984, medicines valued at Rs. 5.31 lakhs were found to be of sub-standard quality as per the analytical test reports. Out of these, medicines worth Rs. 4.33 lakhs were utilised in hospitals, *etc.*, during April 1976 to March 1984 including medicines worth Rs. 0.84 lakh for which analytical test results had already been received by the Indenting

Officers. Out of the balance medicines worth Rs. 0.98 lakh, medicines for Rs. 0.42 lakh were replaced by the firms and the remaining medicines valuing Rs. 0.56 lakh continued in stock (July 1984) without being replaced. The circumstances leading to the utilisation of such sub-standard medicines worth Rs. 4.33 lakhs could neither be stated by the Indenting Officers nor the matter reported to Government. No steps had been taken to replace the remaining sub-standard medicines lying in the stock (July 1984).

(g) Accumulation of time-barred medicines

As per the orders of D.M.E.T. circulated in March 1977, in the event of there being no possibility of utilisation of drugs in stock within the potency period, the supplier concerned, is required to be requested at least 6 months ahead of the expiry date, either to take back or to replace the same with longer potency drugs. A test check of stock registers of Superintendent of S.C.B. Medical College Hospital, Cuttack and Emergency Relief Medicine Store (E.R.M.S.) of Deputy Director of Medicine Stores, Bhubaneswar revealed that potency period of medicines worth Rs. 0.67 lakh purchased since 1966-67 to July 1984 by the Superintendent of S.C.B. Medical College Hospital, Cuttack and Medicines valuing Rs. 0.10 lakh purchased during 1976-77 by the Deputy Director of Medicine Stores expired. The said medicines were still lying in store (July 1984). The circumstances under which the potency period of these medicines were allowed to expire without being utilised before hand could neither be stated nor any action taken for their replacement by the supplier.

(ii) Loss on local purchase due to delay in publication of approved price list.

Medicines at district level are purchased by the C.D.M. Os. as per the approved price list published by the Director, Medical Education and Training (D.M.E.T.) from time to time. The validity of the approved price list is generally for one year. It was, however, noticed that there had been abnormal delay on the part of D.M.E.T. in finalisation of approved list of firms and its circulation

each year, the delay being for periods ranging from 6 to 11 months, the details of which are indicated below:

Year	Due date of finalisation/ circulation	Actual date of finalisation/ circulation	Period of delay (in months)
(1)	(2)	(3)	(4)
1976-77	31-3-1976	18-3-1977	Over 11 months
1978-79	31-3-1978	30-11-1978	8
1979-80	31-3-1979	24-11-1979	7
1980-81	31-3-1980	10-3-1981	11
1981-82	31-3-1981	30-9-1981	6
1982-83	30-6-1982	5-3-1983	8
1983-84	30-6-1983	24-3-1984	8

According to the Government orders, the Indenting Officers are to procure the requirement from Medical Store Depot (M.S.D.), Calcutta or in the event of non-supply of medicines by the approved firms and where M. S. D., Calcutta fails to effect supply, local purchases for one month's requirement is to be resorted on quotation basis. It was noticed from the records of the C. D. M. O., Puri, Balasore, Dhenkanal, Keonjhar and Mayurbhanj that due to non-finalisation of tenders in time, these officers purchased medicines far in excess of a month's requirement at higher rates without contacting M. S. D., Calcutta or obtaining approval from the D. M. E. T. resulting in an extra expenditure of Rs. 5.38

lakhs on local purchase of medicines at higher rates compared to prices of the approved list of the respective years as detailed below:

Name of the C. D. M. O.	Amount payable as per approved rate	Amount paid on quotation basis	Amount paid in excess over approved rate
(1)	(2)	(3)	(4)
(Rupees in lakhs)			
C. D. M. O., Puri	2.19	4.37	2.18
Balasore	1.37	1.65	0.28
Dhenkanal	1.76	3.64	1.88
Keonjhar	0.56	1.18	0.62
Mayurbhanj	0.27	0.69	0.42
	<hr/> 6.15 <hr/>	<hr/> 11.53 <hr/>	<hr/> 5.38 <hr/>

5.2.4. *Issue of medicines in excess of norms fixed*

According to the norms fixed (October 1979) by Government for supply of medicines to the hospital and dispensaries, Rs. 6.50 and Rs. 0.50 per day are allowed for each in-door and out-door patient respectively, while for each Primary Health Centre and Sub-Centre lump amounts of Rs. 15,000 and Rs. 3,000 per annum respectively are to be provided.

The store accounts maintained by the Chief District Medical Officers, Mayurbhanj and Keonjhar revealed that the Primary Health Centres were supplied with medicines ranging between Rs.0.18 lakh (in Bhandra of Keonjhar district during (1982-83) and Rs. 0.54 lakh (in Bangripasi of Mayurbhanj district during 1982-83) which was much in excess of the norm of Rs. 15,000 per annum fixed by Government. No reasons were on record for excess issue of medicines to the P. H. Cs., etc.

5.2.5. *Non-disposal of empties*

As per orders of D. M. E. T., the empties like Saline bottles, Photo solutions, Photo films, etc., available in stock are required to be disposed of by inviting quotations and observing the other required financial formalities.

The records of C. D. M. Os., Puri, Cuttack, Keonjhar, Mayurbhanj and Dhenkanal and Superintendent's Medical College Hospitals at Cuttack and Berhampur revealed that during 1976-77 to 1983-84, 16.26 lakh saline bottles were used in the various hospitals of which 7.19 lakh empty bottles were disposed by July 1984 by public auction, leaving a balance of 9.07 lakh empties (value: Rs. 6.35 lakhs) which are yet to be disposed of (July 1984). These also occupy considerable storage space.

5.2.6. *(i) Idle machines, instruments and accessories*

Some machines, instruments and accessories purchased during 1980-81 to 1983-84 at a cost of Rs. 5.23 lakhs for use in Medical College Hospitals and Headquarters Hospital, were (July 1984) lying idle for want of installation/technical personnel (vide Appendix 5.1).

(ii) Unserviceable instruments/ equipments

A test check of the records of the Chief District Medical Officers, Mayurbhanj, Balasore, Puri and Keonjhar and Superintendents, S. C. B. Medical College Hospital at Cuttack and M. K. C. G. Medical College Hospital at Berhampur revealed that instruments and equipments worth Rs. 11.86 lakhs were lying unserviceable since 1974-75 onwards. No action has been taken so far (July 1984) either to get the same repaired or to dispose of the same, after declaring them as condemned.

In reply to Audit, department stated that in some cases repair would not be economical and that some were rolling in stock unutilised since inception of the hospitals, as they were not required for use. The department has not taken any action (March 1985) for their disposal.

5.2.7. *Emergency Relief Medical Stores, Bhubaneswar, (E. R. M. S.)*

To meet any National Emergency like war, epidemic, flood, etc., Government sanctioned (March 1963) the establishment of a Reserve Store of medicines and equipments to meet the requirements of six months. A set of rules were also to be framed by the Director of Health Services for smooth functioning of the stores.

The following points were noticed in Audit on the scrutiny of ERMS records :

(i) Even after 20 years of its creation the E. R. M. S. was still functioning without any approved set of rules as the draft rules submitted by the Director of Health Services in 1963 are still awaiting Government's approval (March 1985).

(ii) The vouchers etc., in support of the entries made in the stock account for purchase of medicines, instruments, etc., worth Rs. 6.88 lakhs (1979-80) and Rs. 8.18 lakhs (1981-82) could not be shown to Audit. No information could also be made available to Audit about purchases effected and issues made for the remaining year 1980-81 and 1982-83 onwards.

(iii) Although provision was made for supply of common drugs to various Indenting Officers to meet unforeseen needs at the end of the financial year, supplies were made by the Deputy Director, Medical Stores (D. D. M. S.) to meet their normal requirements without any requisition from the District Indenting Officers during 1979-80 to 1981-82. The C. D. M. O., Dhenkanal stated (July 1984) that he had received supplies of medicines during 1982-83 to 1983-84 from E. R. M. S. without any requisition from him. The D. D. M. S. could not also produce indents of district level officers to Audit for check.

(iv) During test check of Stock Register of C. D. M. O. Dhenkanal and Balasore and Superintendent of S. C. B. Medical College Hospital, Cuttack it was noticed that some of the medicines supplied by ERMS during December 1976 to May 1984 were of

limited potency period with expiry dates being January 1977 (Majority cases), August 1983 and January to May 1984. Consequently, most of the medicines vide Appendix 5.2 could not be used before the expiry of the potency period and were lying in the store.

(v) *Shortage of Medicines and Equipments*

Stock ledger of medicines and equipments for the years 1976-77 to 1983-84 indicated short accountal of a number of medicines/equipments (value not indicated) due to carry over of less quantity of opening balance for the year 1977-78 than the closing balance of the previous year 1976-77. Reasons for short accountal in the stock ledger of 1977-78 were not recorded in the stock ledger. Though it was stated that physical verification of stock was conducted, the results of such physical verification were neither recorded nor, the same could be produced to Audit. However, some cases of shortage of medicines and instruments worth Rs. 2.33 lakhs as could be worked out in Audit under different categories are indicated in the table below. Due to non-recording of cost of medicines and instruments in the stock ledger, the exact cost involved could not be worked out.

Sl. No.	Items of shortage	Particulars of stock ledger	Amount of shortage to the extent available (In lakhs of rupees)
(1)	(2)	(3)	(4)
1.	Medicine	(i) Flood and drought stock ledger	2.05
		(ii) General stock ledger	0.25
2.	Instruments and Equipments	Equipments and Surgical stock ledger	0.03
			<u>2.33</u>

The reasons for the shortages had not been investigated so far (July 1984).

5.2.8. Consolidated Stock and Stores Account rendered to Audit

A scrutiny of the Stock and Stores Account prepared by the D. M. E. T. for the period from 1976-77 to 1981-82 (basing on the figures furnished by the District Level Indenting Officers under his control) and submitted to Audit *vis-a-vis* test-check of the stock and stores accounts of Superintendents of Medical College Hospitals at Cuttack and Berhampur and the Chief District Medical Officers, Balasore, Mayurbhanj and Keonjhar conducted in Audit revealed the following :

(i) The stock and stores account reflects the stock position of District Headquarters Hospitals and Medical College Hospitals. The stock position of peripheral medical institutions had, however, not been included therein.

(ii) The closing balance in the stock and stores account for 1982-83 furnished by D. M. E. T. to Audit did not include Rs. 3.61 lakhs on account of stock temporarily issued to other departments of the S. C. B. Medical College Hospital (Rs. 3.22 lakhs) and condemned articles of the College Hospital not written off (Rs. 0.39 lakh) even though the physical balance continued to exist in the account.

It was stated by the Superintendent of the College Hospital that the correct procedure would be followed in future.

(iii) An amount of Rs. 2.70 lakhs spent on purchase of 700 M. A. Machine in Radiology Department of M. K. C. G. Medical College Hospital, Berhampur was omitted to be accounted for in the stock and store account of 1978-79 as receipt under instruments and appliances.

(iv) An amount of Rs. 1.05 lakhs was shown to have been utilised under 'Miscellaneous' in the stock accounts (1981-82) of M. K. C. G. Medical College Hospital, Berhampur but the working sheet indicated Rs. 0.90 lakh only. It was stated that the discrepancy would be reconciled in the subsequent account.

(v) As against the actual receipt of medicines valued at Rs. 9.60 lakhs in Headquarters Hospital, Baripada from the Central Store, Rs. 9.96 lakhs was shown as receipt under "Medicine" in the

stores and stock account for 1983-84 of C. D. M. O., Mayurbhanj submitted to D. M. E. T. The discrepancy of Rs. 0.36 lakh is stated to be under reconciliation (July 1984).

(vi) The figures exhibited by the C. D. M. O., Balasore, Mayurbhanj and Keonjhar in the stock and stores account for the period from 1976-77 to 1981-82 could not be checked in Audit due to non-production of the relevant records.

(vii) The stock and store accounts for the years 1982-83 and 1983-84 could not be produced to Audit by the D. M. E. T. on the ground that the same were not prepared (July 1984) in the absence of which, the latest position of stock and store is not ascertainable in Audit.

The points mentioned above, were reported to Government in October 1984; their reply is awaited (March 1985).

CHAPTER VI

COMMERCIAL ACTIVITIES

6.1. General

On 31st March 1984 eight departmental commercial and quasi-commercial undertakings were in operation. The extent of arrears in submission of *proforma* accounts in respect of these undertakings is indicated below. The matter has been brought to the notice of Government from time to time.

Name of the undertaking	Year from which accounts are in arrears
A. State Trading Scheme	
(i) Grain Purchase Scheme	1977-78
(ii) (a) Trading in Kendu leaves	1965-66 to 1972-73 (a)
(b) Nationalisation of Kendu leaves	1975-76
B. Transport	
(iii) State Transport Service	1972-73 (b)
C. Industries	
(iv) K. S. Potteries Development Centre, Jharsuguda	1982-83
D. Education	
(v) Text Book Press, Bhubaneswar	1966-67
(a) The consolidated <i>proforma</i> accounts relating to Kendu leaves scheme prior to nationalisation, for the period from 1965-66 to 1972-73, submitted to audit (March 1978) were not certified pending rectification of mistakes noticed during the course of audit. The revised accounts are awaited (December 1984).	
(b) Taken over by Orissa State Road Transport Corporation in May 1974.	

E. *Cold Storage Plant*

(vi) Cold Storage Plant, Cuttack (Unit-I)	1975 (c)
(vii) Cold Storage Plant, Cuttack (Unit-II)	1976 (c)
(viii) Cold Storage Plant, Bhubaneswar	1971 (c)
(ix) Cold Storage Plant, Similiguda	1973
(x) Cold Storage Plant, Sambalpur	1971 (c)
(xi) Cold Storage Plant, Parlakhemundi	1972
(xii) Cold Storage Plant, Bolangir	1979

F. *Others*

- (xiii) Scheme for exploitation and marketing of fish 1975-76

The undermentioned schemes remained inoperative/closed from the year noted against each; their assets and liabilities have not been fully disposed of/liquidated (December 1984).

Name of the Scheme	Year from which remained inoperative/closed
(i) Grain Supply Scheme	1958-59
(ii) Scheme for trading in Iron Ore through Paradeep Port	1966-67
(iii) Cloth and Yarn Scheme	1954-55

The summarised financial results of the commercial undertakings in respect of which the *proforma* accounts have been received subsequent to those mentioned in paragraph 6.1 of the Audit Report (Civil) for the year 1980-81, are given in the Appendix 6.1.

Personal ledger accounts have been opened by Government in respect of the schemes mentioned below. Although these schemes are of a commercial nature, Government have not

-
- (c) Taken over by Orissa State Seeds Corporation from 1st March 1979.

prescribed the preparation of *pro forma* accounts for them; the financial results of these schemes have not been worked out.

Undertakings	Year in which personal ledger account was opened	Accounts for 1983-84			
		Opening balance	Credit	Debit	Closing balance
		(Rupees in lakhs)			
(1)	(2)	(3)	(4)	(5)	(6)
State Trading Schemes					
1. Purchase and distribution of quality seeds to cultivator.	1977-78 (Revenue account)	(—)288.76	856.06	592.68	(—)25.38*
2. Poultry Development	1974-75 (Capital account)	3.02	..	..	3.02
Cold Storage Plant					
3. Cold Storage Plant, Kuarmunda	1977-78 (Revenue account)	0.07	..	1.63	(—)1.56

FOREST, FISHERIES AND ANIMAL HUSBANDRY DEPARTMENT

6.2. State trading in Kendu leaves

Mention was made in paragraphs 97, 6.5 and 6.2 of the Audit Reports for the years 1970-71, 1973-74 and 1979-80 (Civil) respectively regarding the performance of the scheme of 'State Trading in Kendu Leaves' up to 1979-80. Further points noticed as a result of test check of records of certain K. L. divisions are indicated below:

(i) Additional cost due to fall in productivity

In 8 divisions (viz., Bolangir, Athmallik, Boudh, Khariar, Patnagarh, Bhawanipatna, Jharsuguda and Sambalpur) the per acre cost of bush cutting operation had been rising constantly viz., from Rs. 3.23 in 1980 to Rs. 4.45 in 1981, Rs. 5.00 in 1982 and Rs. 5.62 in 1983. The divisions attributed this to rise in minimum labour wage rate. It was, however, seen that the daily labour

* Minus balance is under reconciliation.

rates rose by 25 per cent in 1981 (from Rs. 4 to Rs. 5) and by 20 per cent in 1983 (from Rs. 5 to Rs. 6). On these basis the per acre cost should have been Rs. 4.04 against Rs. 4.45 in 1981 and Rs. 5 in 1982 whereas for 1983 it should have been Rs. 4.85 against Rs. 5.62 actually incurred. This indicated a fall in labour productivity showing an uptrend in mandays used per acre from 0.81 in 1980 to 0.89 in 1981, 1.00 in 1982 and 0.94 in 1983. Based on the base figures of 1980, the additional cost on this account in subsequent three years worked out to Rs. 4.04 lakhs. No reasons were furnished by the divisions for the fall in productivity.

(ii) *Extra expenditure/loss on purchase of leaves*

(a) Against the per quintal rate of Rs. 84, Rs. 90, Rs. 90 and Rs. 125 approved by Government for the four years 1980 to 1983 respectively for the purchase of growers' leaves, the Sambalpur (KL) division allowed the rates of Rs. 84.67, Rs. 128.20, Rs. 120.00 and Rs. 147.54 for the growers' leaves during those four years while, the Athmallick division, allowed the rate of Rs. 143.49 during the year 1983. The extra expenditure for purchase of 8,252.30 quintals of such leaves by the two divisions during these years amounted to Rs. 1.56 lakhs. Government approval for payment of such higher rates have not been obtained so far (August 1984).

(b) It was noticed (April—August 1984) during the course of audit of the accounts records of the Chief Conservator of Forests (KL) that although the size of the *kerry* for the crop year 1983 had initially been fixed to be of 20 leaves, in an order issued in April 1983, the C. C. F. (KL) changed the quantum to 22 leaves each so as to get 20 leaves fit for manufacture after discarding 2 cover leaves and instructed the divisions to effect purchases accordingly. The divisions, however, did not implement the order and continued to purchase *kerries* containing 20 or less number of leaves each including cover ones from pluckers during 1983-84 season. Basing on the total purchases to the extent of Rs. 3,43.33 lakhs made by these divisions during this period, it resulted in an extra expenditure of Rs. 31.21 lakhs to the department.

(iii) *Extra expenditure due to engagement of seasonal staff beyond prescribed category.*

For the purpose of State Trading in *Kendu* leaves State Government approved (1973) appointment of seasonal staff such as head checkers, circle checkers/*binding moharirs*, checkers, *munshis*, chowkidars and *chaparasis* for a period ranging from 2 to 11 months in a year.

According to the yard-stick prescribed by the Government, one *munshi* and one *chaparasi* are to be appointed for each *phady*. During the course of test check of records of 3 divisions (viz., Boudh, Patnagarh and Bolangir) it was, however, noticed that excess *munshis* and *chaparasis* ranging from 3 (1982-83) to 15 (1980-81) and 7 (1983-84) to 29 (1980-81) respectively for each *phady* were engaged during the period from 1980-81 to 1983-84 entailing an additional expenditure of Rs. 0.39 lakh to the department. Besides, 90 to 149 "cow-guards" not contemplated in the scheme, were engaged during this period with the approval of Divisional Forest Officer for about 2 months in each year in Bolangir (KL) division entailing a total expenditure of Rs. 0.61 lakh on their wages. Government's approval for the entertainment of such category of posts had not been obtained.

The points mentioned above were reported to Government in November 1984; their reply is awaited (March 1985).

CHAPTER VII

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

7.1. General

(a) During 1983-84, Rs. 2,37.37 crores were paid as grants to non-government bodies/institutions. This formed 30.32 per cent of the Government's total expenditure ~~on revenue account~~ on revenue account. The corresponding figures for the previous year 1982-83 were Rs. 2,19.33 crores and 26.60 per cent.

The main beneficiaries of the grants were Panchayat Raj institutions which received Rs. 1,37.12 crores during 1983-84 for the purposes shown below:

(Rupees in crores)

1. Education—	
Primary and Secondary Education	1,04.64
2. Community Development and Rural Reconstruction—	
Community Development	28.99
3. Forest—	
Grants from sale proceeds of <i>Kendu</i> leaves	2.51
4. Revenue Department—	
Repairs and Restoration of roads/buildings	0.98

(b) According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the accounts of the bodies and authorities substantially financed by grants and loans from the Consolidated Fund of the State are to be audited by the Comptroller and Auditor General of India. Section 15 of the Act prescribes that where grant or loan is given from the Consolidated Fund of the State for any specific purpose, the Comptroller and Auditor General of India shall scrutinise the procedure by which the sanctioning authority satisfied itself as to fulfilment of the conditions subject to which such grants and loans were given.

Mention was made in paragraph 7.1(b) of the Audit Report (Civil) for 1982-83 about non-receipt of information from departments of Government regarding grants and loans given to various bodies and authorities during 1971-72 to 1981-82 to determine the applicability of Section 14 audit in these cases. The position did not improve and the information for 1982-83 to the extent indicated below was also not received.

Year	No. of bodies/ authorities which received grants/ loans of not less than Rs. 5 lakhs in the year	No. of bodies whose accounts were	
		Received in Audit	Not received in Audit
(1)	(2)	(3)	(4)
1971-72	310	9	301
1972-73	290	9	281
1973-74	314	11	303
1974-75	308	11	297
1975-76	330	6	324
1976-77	346	14	332
1977-78	359	13	346
1978-79	358	5	353
1979-80	360	6	354
1980-81	392	9	383
1981-82	411	20	391
1982-83	413	20	393

According to the amended Act, 1984, the amount of grants/loans received being for amounts of not less than Rs. 25 lakhs in the year, information was called for from respective bodies, etc., and information received in respect of 89 bodies (out of 413), only 46 bodies qualified for audit under Section 14 in respect of the accounts for the year 1983-84.

Audit of some local bodies and authorities substantially financed by Government and falling under Section 14 of the Act was conducted. Important points noticed in the audit of these institutions and scrutiny of the records of sanctioning authorities under Section 15 and other related matters are given in the succeeding paragraphs.

AGRICULTURE AND CO-OPERATION DEPARTMENT

7.2. Command Area Development Programme

Mention was made in Para 7.2 of Audit Report (Civil) for 1979-80 regarding assistance received for Command Area Development Programme (CADP). The programme is being implemented through the four Command Area Development Agencies (Mahanadi Stage-I Delta Area, Cuttack; Mahanadi Stage-II Delta Area same as Puri Delta Area, Puri; Hirakud Area, Sambalpur and Salandi Area, Bhadrak). Further points noticed in Audit (October 1983 to April 1984) as a result of test check of records (1979 to 1983) of Command Area Development Authorities (CADAs) along with the executing agencies on the implementation of programme other than IRDP which has been transferred to District Rural Development Agency since 1979-80, are dealt with in the following paragraphs.

7.2.2. Pattern of assistance

The scheme initially provided for matching assistance by the Central and State Governments for cost of establishment of Command Area Development Authorities, survey and equity participation in Land Development Corporation. Subsidy to small and marginal farmers for "On Farm Development (OFD)" works at prescribed rates (25 *per cent* of the cost of works in case of small farmers having 1.01 to 2.00 hectares of land and 33 1/3 *per cent* in case of marginal farmers having land up to 1.00 hectare), loan for construction of field channels and loan for purchase of equipments and machinery were to be fully financed by the Central Government. From 1979-80 financing was shared by the Central and the State Governments on 50:50 basis for the establishment of CADAs, survey and planning, construction of field channels, adaptive trials and Warabandi. The scope of the institutional

finance in the CAD programme was to be confined to the land levelling and shaping work and for construction of field drains were necessary. It was envisaged that modernisation of irrigation system, drainage, agriculture extension, creation of infrastructure facilities like, roads, regulated markets, *etc.*, would be taken care of by the State Government. This pattern was continued during the Sixth Five Year Plan as well.

No separate guidelines were issued by the State Government for implementation of the programme except a manual on field channel and field drains prepared (October 1981) by the Director of Agriculture.

7.2.3. Overall performance

(i) Physical progress

The main objective of the scheme was bridging of gap between irrigation potential and utilisation in the Command Area. The culturable command area under the four projects at the beginning of 1977-78 was 5.32 lakh hectares but the exact extent of the area of uncovered gap has not been assessed. The Commissioner, C. A. D. A. intimated (January 1985) that the exact connotation of irrigation potential created and utilised are still under consideration of the Ministry of Irrigation and Power and it is not possible to exactly assess the uncovered gap though micro-studies have been made in this respect.

The physical progress of important components executed from 1977-78 to end of the third year of the Sixth Plan (upto 1983-84) were as follows :

Items	Mahanadi Stage I Cuttack	Mahanadi Stage II Puri	Hirakud	Salandi	Total
(1)	(2)	(3)	(4)	(5)	(6)
	(In thousand hectares)				
Soil Survey	1,57.90	1,14.60	65.76	76.69	4,14.95
Topographical Survey	2,12.64	1,38.00	2,19.14	79.27	6,49.05
Construction of field channels and field-drains	26.73	30.90	27.46	11.62	96.71
Warabandi	2.917	2.016	2.000	1.000	7.933
Adaptive trials	}	}	}	}	}
Increase in utilisation of irrigation potential on account of C. A. D. Pro- gramme.					
			Not available		

The following are some of the important features noticed in audit:

(a) No work was carried out under 'Land Levelling' and shaping.

(b) The progress made under 'Adaptive trial and demonstration' work was not on record.

(c) No targets were fixed for bridging the gap between irrigation potential created and utilised.

(ii) Financial Progress

The assistance received by the 4 C.A.D.As. and the expenditure incurred by them from the inception (1976-77) to 1982-83 are as follows:

Name of CADA	Assistance received		Expenditure incurred from 1979-80 to 1983-84	Balance as on 31-3-1984
	Opening balance as on 1st April 1979	1979-80 to 1983-84		
(1)	(2)	(3)	(4)	(5)
		(Rupees in lakhs)		
Mahanadi Stage-I	29.90	2,28.95	1,91.13	67.72
Hirakud	6.54	1,98.77	1,84.94	20.37
Salandi	11.84	90.74	90.05	12.53
Mahanadi Stage-II	4.97	2,32.31	1,92.81	44.47
	<u>53.25</u>	<u>7,50.77</u>	<u>6,58.93</u>	<u>1,45.09</u>

The points noticed are as follows:

(a) The total unspent balance of assistance lying with C.A.D.As. at the end of 1983-84 was Rs. 1,45.09 lakhs. In addition, Rs. 1,11.66 lakhs were lying unutilised with C.A.D Engineering divisions as explained in the subsequent paras. The Commissioner intimated that the unspent balances are being kept by the Project Directors in the P. L. accounts with the concerned treasuries as per Government instructions.

(b) The expenditure on 'Warabandi' and 'Adaptive trials' was very low.

(c) Diversion of assistance including inadmissible expenditure incurred under the scheme amounted to Rs. 26.59 lakhs as discussed in subsequent paras.

(iii) Details of release of Central assistance, are as under :

Components	Expenditure eligible for Central assistance (1976-77 to 1983-84)	Central assistance admissible	Central assistance received by CADAs.	Excess receipt of Central assistance
(1)	(2)	(3)	(4)	(5)
(Rupees in lakhs)				
Project establishment.	81.88	40.94	42.42	1.48
Survey and Planning	4,63.45	2,31.73	2,23.53	(—)8.20
Field Channels	4,06.84	2,03.42	2,22.72	19.30
Warabandi	0.84	0.42	19.62	19.20
Adaptive trials	14.84	7.42	20.20	12.78
	<u>9,67.85</u>	<u>4,83.93</u>	<u>5,28.49</u>	<u>44.56</u>

The Central assistance received in excess has neither been adjusted against subsequent release of Central assistance nor utilised.

7.2.4. Programme implementation

(A) Construction of field channels

The field channels are water channels with an outlet command to deliver water to the individual fields. No annual targets were fixed to end of 1981-82 and year-wise achievements against those

targets were not ascertainable. The physical and financial progress as reported under this component against the targets are summarised below:

(a) *Physical targets and achievements*

Name of CADA	Up to 1983-84		Percentage
	Target	Achievement	
(1)	(2)	(3)	(4)
	(In hectares)		
Mahanadi Stage I	39,006	26,734	68
Mahanadi Stage II	51,623	30,899	59
Salandi	13,727	11,620	84
Hirakud	30,351	27,461	90
	134,707	96,714	

(b) *Financial targets and achievements*

Name of CADA	Funds allotted 1976-77 to 1983-84	Total expenditure of works till 1983-84	Unutilised balance as on 1-4-1984
(1)	(2)	(3)	(4)
	(Rupees in lakhs)		
Mahanadi Stage I, Cuttack	1,37.98	81.58	56.40
Mahanadi Stage-II, Puri	1,78.40	1,38.17	40.23
Salandi, Bhadrak	50.18	48.10	2.08
Hirakud, Sambalpur	96.44	93.66	2.78
	4,63.00	3,61.51	1,01.49

These works were executed through the Agricultural Engineering (CAD) divisions. Out of the total allocation of Rs. 4.63 crores (grant including subsidy: Rs. 2.90 crores, loan : Rs. 1.73 crores) for field channels and drains during 1976-77 to 1983-84, Rs. 3.62 crores have been shown as spent leaving a balance of Rs. 1.01 crores remaining unspent at the end of March 1984. Reasons for the shortfall in the physical and financial progress were explained to be due to non-finalisation of the modalities regarding recovery of loans from the beneficiaries, absence of consolidation operations, shortage of staff and non-availability of suitable categories of registered contractors.

A test check revealed the following :

(i) Two divisions of Mahanadi Stage I were entrusted with 105 works covering 5,480 hectares programmed to be executed during 1982-83 for which a sum of Rs. 55.94 lakhs was allotted to them in addition to a spill over amount of Rs. 25.08 lakhs. These two divisions had completed only 53 works involving Rs. 31.59 lakhs leaving an unspent balance of Rs. 24.35 lakhs. The reasons for low achievement were not on record. However, the actual achievement was only 2,690 hectares though the divisions had reported to Government a coverage of 6,801 hectares on the basis of works started during the year, as stated by the Commissioner (January 1985). Usually execution of a particular project takes two successive working seasons.

(ii) CAD-VI division of Hirakud took up 50 projects during 1982-83 at a cost of Rs. 11.75 lakhs which were partly completed even though shown as completed. The Executive Engineer stated that almost in all the OFD Projects no beneficiary had gone to his new *chak* (land allotted after consolidation) and as a result, part of the OFD work such as installation of division boxes and road crossings had not been taken up; the outlets from which channels were to take off had not been fixed by the irrigation authority; in most of the cases the channels were not functional and acceptable. Due to lack of proper monitoring and co-ordination between beneficiaries and executing agencies, the CADA and Irrigation Department, the investment of Rs. 11.75 lakhs had been unfruitful (June 1984).

(iii) Four works covering 221 hectares executed by CAD division II under Mahanadi Stage II Puri at a cost of Rs. 0.97 lakh during 1981-82 and 1982-83 were reportedly inoperative on account of non-availability of irrigation sources due to non-completion of sub-minor, non-functioning of distributary and minor, non-provision of outlets, etc. The Work of construction of field channels in 63 hectares in village Matiapada II executed during 1982-83 by Mahanadi Stage II CADA (CAD division I) in anticipation of administrative approval at a cost of Rs. 0.20 lakh (estimated cost of Rs. 0.37 lakh) was going without supply of water from Matiapada minor for want of outlet. Due to defective planning in the execution, the entire expenditure of Rs. 1.17 lakhs has proved unfruitful (June 1984). The Commissioner stated (December 1984) that disciplinary action had been initiated for the lapses against the Executive Engineer concerned.

(iv) From 1979-80, Central assistance is given at the rate of 25 per cent as grant and 25 per cent as loan with matching assistance from the State Government. Loan of Rs. 147 lakhs (1976-77 : Rs. 5 lakhs; 1980-81 : Rs. 74 lakhs; 1981-82 : Rs. 35 lakhs and 1982-83 : Rs. 33 lakhs) and subsidy of Rs. 49.50 lakhs were sanctioned by the Government to the CADAs with condition to utilise the loan during the year of sanction failing which it should be refunded to Government. A scrutiny of the records of Commissioner CAD revealed that although it was contemplated initially that the farmers should take the loan and construct field channels with their own effort, they were not inclined to take up this work and therefore, the programme could not be implemented till 1980-81. Government decided in March 1981 that pending finalisation of the modalities of recovery of the loan component from the beneficiaries, execution of field channels would be taken up at Government cost. Such modalities are yet (January 1985) to be finalised. In the meantime, amounts allotted by way of loan though sanctioned under loan heads were released to the executing agencies by CADAs in the same manner as grants-in-aid for execution of works. Subsidies which were admissible on loan components were also released by the CADAs without payment of loan to the beneficiaries. In the absence of

the comprehensive list of beneficiaries eligible for loan, the utilisation of Rs. 46.60 lakhs received by way of loan and Rs. 15.54 lakhs received as subsidy from Government of India till 1982-83 was not susceptible to verification. The Commissioner intimated (January 1985) that strict instructions have since been given to Project Authorities to maintain list of beneficiaries.

Even after investment of Rs. 4.63 crores on field channels over a period of 8 years, the results and benefits accrued under the scheme are yet to be explored. While accepting the position, the Commissioner stated (December 1984) that in order to ascertain scientifically the benefits accruing from the field channels and field drains and other on-farm development works in the Command Area, regular evaluation of the programme by suitable organisations are necessary. In this connection, Evaluation Organisation of Orissa University of Agriculture and Technology (OUAT) made studies regarding economic evaluation of the CAD programme Puri-Delta 1981—1983 and Mahanadi Barrage Project evaluation Mahanadi I, Cuttack. The results of the evaluation study have, however, not been intimated to Audit.

(B) Soil and Topographical survey

Soil survey and topographical survey are required to be carried out to provide reliable data for proper planning and execution of OFD works like field channels, land levelling, etc. No target was fixed for such surveys nor was it linked to the progress of OFD works. Upto the end of 1983-84, the area actually covered under topographical survey was 6.49 lakh hectares at a cost of Rs. 314.40 lakhs though the land levelling work was not undertaken and only 0.97 lakh hectares of field channels have been executed against the target of 1.35 lakh hectares. The area covered under topographical survey was in excess (22 per cent) of the total culturable command area (5.32 lakh hectares) of the CADAs. The reason for excess as stated by the Commissioner CADA was that the topographical surveys as well as soil surveys had to be conducted over the gross command area which included non-irrigated and non-consolidable area and thereafter the net

irrigated areas are identified for the purpose of planning of OFD works. However, it was noticed that the planning and designing of OFD work was very slow.

With the present rate of progress of field channels (12,000 hectares on average in a year) it may not be possible within the next 10 years to cover the entire advanced survey area with the field channels.

(C) Land levelling and shaping

The primary objective of land levelling/shaping is to ensure even spread of irrigation water into the fields and drainage of excess irrigation/rain water from the fields without causing water stagnation and soil erosion. No targets were fixed for this programme even in the Sixth Plan period nor was it taken up for execution reportedly due to paucity of funds. The implications of construction of field channels without matching land levelling/shaping on the programme objective do not appear to have been studied (December 1984).

(D) Warabandi

In order to ensure equitable distribution and efficient utilisation of water for irrigation, particularly for providing water to the weaker farmers at the tail end of areas of the field channels and to reduce wastage of water by head-reach farmers, the guidelines issued (April 1980) by the Government of India contemplated introduction of a turn system of water distribution (Warabandi) which could guarantee each farmer his turn for water supply. No target was fixed under this programme till 1980-81. As against an estimate of 47,933 hectares during 1982-83 the actual coverage to end of 1982-83 was 3,020 hectares as reported by 3 CADAs (Mahanadi Stage I : 1,113 hectares, Mahanadi Stage II : 1,860 hectares and Salandi area : 47 hectares) at a cost of Rs 0.84 lakh (1981-82 : Rs. 0.20 lakh and 1982-83 : Rs. 0.64 lakh). Even though the target of 0.40 lakh hectares was fixed for 1982-83 by the Government of India, nothing substantial was implemented against the target as field channels had reportedly been devastated due to floods and cyclone. Although the Central assistance of

Rs. 19.62 lakhs representing equity share for 0.40 lakh hectares released for 1982-83, the Commissioner, CAD recorded (August 1983) in the review meeting that adoption of a wider coverage under this programme was not possible owing to constraint on resource and Warabandi had since been taken up during 1984-85. The total expenditure incurred towards repair of channels in connection with Warabandi being Rs. 0.84 lakh (March 1983), the Central assistance utilised worked out to Rs. 0.42 lakh only.

(E) Adaptive trials and demonstrations

According to the Government of India guidelines (April 1980), adaptive trials of physical works and soil and water management practices were required to be carried out to evaluate their suitability to local conditions before works were taken up in the Command Area. OFD works (cost : Rs. 361.51 lakhs) were executed during 1981-82 and 1983-84 without conducting extensive trials and demonstrations. Against release of Rs. 5.20 lakhs by Government, the expenditure on crop demonstrations reported by the CADAs was Rs. 1.85 lakhs during 1982-83. Neither any target was fixed nor the achievement made was recorded under the programme.

7.2.5. Cement Account

The CADAs without assessing the requirement of cement for use on OFD works released advances to the Agricultural Engineering divisions for procurement of cement through the Cement Controller and the Rate Contract suppliers.

(a) Non-utilisation of cement

Out of total assistance of Rs. 16.62 lakhs received till 1981-82, Hirakud CADA advanced Rs. 13.51 lakhs to Soil and Water Management division for purchase of cement during 1978-79 to 1981-82 for use in OFD works by the divisions; 3,817.40 tonnes of cement valued at Rs. 20.30 lakhs (including Rs. 2.28 lakhs incurred for transportation, etc.,) were procured till the end of 1982-83 of which 1,535 tonnes valuing Rs. 9.68 lakhs were not utilised (March 1983) and diverted to other divisions including non-CAD divisions for works unconnected with OFD works. Cement utilised by Hirakud CAD divisions on OFD works during the period was 49 per cent only.

(b) Unauthorised sale

Although the cement released by the Government of India (through the Cement Controller) was meant solely for OFD works, the Hirakud CADA sold over a period ended March 1984, 5,60.6 tonnes of cement valuing Rs. 3.86 lakhs to non-CAD divisions (purpose not known) without approval of the project authorities; sale proceeds amounting to Rs. 0.60 lakh were yet (June 1984) to be realised.

Similarly, Salandi division V unauthorisedly sold during 1980-81 to 1982-83, 203.5 tonnes of cement worth Rs. 1.77 lakhs to Regional Co-operative Marketing Society, Salandi Canal division and non-CAD Agricultural Engineering divisions at the current issue rate (Rs. 43.50 per bag) for utilisation in non-CAD works. Recovery is stated (January 1985) to have been made from the divisions and others except to the extent of 200 bags (Rs. 0.09 lakh) issued to Canal division, Bhadrak.

The Commissioner, CADA stated that as the consolidation authorities could not release the targeted villages, work could not be taken up as per time schedule and the excess stocks were supplied to other offices.

(c) Non-accountal of cement

Out of a quantity of 2,950 tonnes of cement valued at Rs. 17.70 lakhs (ex-factory) released to CAD Division I, Bhubaneswar during March 1982 to March 1983, the division reported (December 1983) to the Joint Director of Agriculture (Engineering) 1,828 tonnes as having been received and 1,000 tonnes yet to be lifted. The balance of 122 tonnes of cement valued at Rs. 1.20 lakhs still remained to be accounted for. The matter is stated (January 1985) to be under vigilance/departmental enquiry.

(d) Irregular issues to contractors

(i) Between January and May 1983 CAD division I issued 5,040 bags (252 tonnes) of cement valued at Rs. 2.45 lakhs at issue rates to the contractors executing OFD works without

obtaining proper hand receipts. It was seen during audit that loose sheets of plain paper were used for hand receipts and for want of valid documents, the contractors in all the 14 cases, disowned receipt of cement valued at Rs. 2.45 lakhs, the recovery of which is awaited (December 1984).

(ii) Orders were placed by the division in February 1982 with the firm 'K' for supply of hume pipes required for construction of field channels. Neither any conditions were stipulated for supply of cement for laying hume pipes nor any issue rate was fixed even though 217 bags of cement were issued without obtaining hand receipts. Full cost of hume pipes (Rs. 0.44 lakh) was paid to the firm in March 1982 but recovery of the cost of cement (Rs. 0.11 lakh) was awaited (January 1985). The matter is stated to be under vigilance/departmental enquiry.

(e) Loss of cement

(i) Two transport contractors 'U' and 'B' were entrusted (February 1981) by CAD divisions III and IV for transportation of cement of 160 tonnes each by 'U' from Andhra Pradesh State Trading Corporation, Vizag and by 'B' from Regional Cement Controller, Madras for delivery by the former at Cuttack (CAD division III) and later at Kendrapara (CAD division IV). Though both the contractors lifted the stock of 160 tonnes each between January and March 1981, they did not deliver 153.05 tonnes ('U' : 125 tonnes and 'B' : 28.05 tonnes) valued at Rs. 0.73 lakh (Market value : Rs. 1.84 lakhs). It has been intimated by the Commissioner that the police after investigation, has submitted necessary charge sheet to the Court and the Government pleader is stated to have issued instructions to file a Civil suit in the Court. Further developments are awaited (January 1985). Adequate security was not obtained from the transport contractors to cover the loss.

(ii) In three CAD divisions, 345 bags of cement (17.25 tonnes) valued at Rs. 0.16 lakh (Soil and Water Management division, Sambalpur, 245 bags : Rs. 0.11 lakh and CAD division I,

Bhubaneswar, 100 bags : Rs. 0.05 lakh) were clodded during 1982-83 reportedly due to long and improper storage for which responsibility is yet (January 1985) to be fixed.

(f) Suspected misappropriation

270 bags of cement valuing Rs. 0.15 lakh received by a Junior Engineer-in-Charge of sectional store on transfer from another section between June 1981 and April 1982 under CAD division I, Bhubaneswar, were not entered in the stock account. Suspecting misappropriation of stock in May 1984, the matter was reported (June 1984) by the Executive Engineer to the Joint Director of Agriculture (Engineering). Responsibility for the loss has not been fixed (March 1985).

The divisions/sub-divisions/centres receiving the stock did not maintain stock registers; the transactions relating to receipts and issues were not entered in the stock registers in the order of occurrence. The system of making priced stores ledger containing both numerical and value accounts was not followed in any of the CAD divisions.

7.2.6. Non-accountal/non-utilisation of Hume pipes

(a) In the course of audit of stock account of hume pipes in CAD division I, Bhubaneswar, it was seen that 50 numbers of 305 m. m. dia and 20 numbers of 914 m. m. dia hume pipes valuing Rs. 0.68 lakh received from the division in June 1982 by the Junior Engineer-in-charge of stores were not accounted for in the sectional stock register. On being pointed out by audit in January 1984, the Executive Engineer in charge of the division found that necessary payment was made in July 1982 to the supplier on the basis of a pre-receipted stock entry certificate signed by the then Executive Engineer in May 1982. Both the bills for payment made and the supplier's copy of challan were found missing in the division. Suspecting misappropriation of the stock of hume pipes, the Executive Engineer CAD division I requested (April 1984) the Joint Director of Agriculture (Engineering) to initiate suitable action for recovery of stock materials. The matter is now pending with Government since April 1984 for fixation of responsibility. Further developments are awaited (December 1984).

(b) Hume pipes 1,160 numbers and R. C. C. round channels 1,350 metres procured by CAD division I between January 1982 and February 1983 for construction of field channels remained unutilised.

7.2.7. *Precast structures*

For providing permanent structures to field channels and field drains, the use of precast structures instead of conventional brick and mortar construction was considered economical. The requirement of precast structures in Hirakud Command was found essential because of the presence of undulating terrain. The grants released for purpose of designing and manufacture of structures were different from those released by CADAs for OFD works. The Engineering divisions of the CADAs took up in 1978-79 manufacture of the structures but regular manufacturing account as prescribed in P. W. A. Code though required was not maintained; expenditure on the manufacture and the finished products was not on record; accounts of the quantities and values of products of the manufacture were not exhibited; issue rates based on the cost of manufacture were not fixed and loss or gain on issues made was not adjusted in accounts. No technical testing of structures was ever done as regards their quality, standard, feasibility, etc.

The following points were noticed in audit:

(i) Against receipt of assistance of Rs. 10.50 lakhs by Soil and Water Management division, Sambalpur during 1977-78 to 1981-82, the division spent Rs. 21.98 lakhs to end of March 1983 on manufacture of 3.46 lakh structures even though the average consumption in works was only 0.06 lakh structures. The excess expenditure of Rs. 11.48 lakhs (including Rs. 7.50 lakhs on cost of cement purchased out of OFD grant) was not approved by the Project authorities. Structures worth Rs. 7.18 lakhs were shown as issued/sold to other non-CAD divisions/offices for works unconnected with CAD Programme from whom recovery of Rs. 4.47 lakhs was awaited (June 1984). No sale account has been maintained by the division so far.

(ii) Four centres under CAD division V at Bhadrak manufactured 1,23,524 precast structures during 1979-80 to 1982-83 and utilised 69,453 structures. The stock remained unutilised (March 1984) by the 4 centres was found to be 54,071 structures (value: Rs. 3.69 lakhs). The division did not maintain complete accounts and therefore, could not explain the reason for excess manufacture. In one of the centres (Baripada) measurement books were used for recording operation account of manufacture. In another centre (Charampa) the stock showed a shortage of 2,739 structures worth Rs. 0.28 lakh on the 31st March 1981 at the time of handing over the charge by the Sub-Assistant Engineer (SAE) to the incoming Junior Engineer. Proceedings drawn up in February 1984 are still awaiting finalisation (June 1984).

7.2.8. (a) *Diversion of assistance*

(i) Central assistance was available for field channels constructed to deliver water to the farmers' field from an irrigation outlet. Maintenance and repairs of irrigation channels including construction of outlets were the responsibilities of the State Government. It was noticed that CADA, Hirakud released in March 1982 Rs. 10 lakhs in favour of two Irrigation divisions (Sambalpur Irrigation division, Burla: Rs. 6 lakhs and Canal division, Bargarh: Rs. 4 lakhs) due to shortage of funds with the Irrigation and Power department for taking up 47 numbers of special repair works in Hirakud supply channels (estimated at Rs. 38 lakhs) for renovation and assured supply of water through the outlets which should have been met by Irrigation department. To an audit enquiry about claim by the Project authorities for refund, the Commissioner, CADA stated (January 1985) that modernisation of canals and renovation of water course were done by the Irrigation and Power department at a total cost of Rs. 34 lakhs out of which Rs. 10 lakhs were provided by CADA as per the decision taken at Government level and as such, nothing is refundable by the irrigation and Power department. No action was, however, taken to adjust 50 per cent of Rs. 10 lakhs met out of Central assistance.

(ii) Rupees 1.39 lakhs allotted during 1982-83 for the scheme 'Multiple Cropping Demonstration Programme' (State Plan) were diverted by the Project Director CADA Mahanadi Stage I to the scheme 'warabandi' (Centrally Sponsored) and placed with the Deputy Director of Agriculture, Cuttack. Of this, Rs. 1.11 lakhs was given to CAD division, Kendrapara who could spend Rs. 0.64 lakh for executing the project. The diversion was done without the approval of Government.

(b) Inadmissible expenditure

(i) The Soil and Water Management division, Sambalpur took over (May-June 1980) three condemned tractors (purchased during 1962-63) from a Government owned workshop for use, after repair, in the transportation of precast structures for OFD works. The local dealers entrusted with the repair work of these tractors, submitted quotations to the division for repairs of one tractor at Rs. 0.36 lakh and another at Rs. 0.33 lakh. Considering the dealer's rate as economical in view of the prevailing price of a new tractor (Rs. 0.75 lakh approximately) and the satisfactory services of the tractors for at least 5 more years to come, the CADA Hiraikud approved in May 1982 the repair and maintenance expenditure to be met out of assistance released. The division spent Rs. 2.27 lakhs (in the nature of contingent expenditure) from out of assistance released for OFD works by end of December 1983 on repair of three tractors even though the cost of repairs of each tractor was higher than the anticipated price of a new tractor. Till now only Rs. 0.65 lakh has been recouped to OFD works.

(ii) During 1979-80 to 1982-83 the four CADAs unauthorisedly spent Rs. 14.97 lakhs (Hiraikud : Rs. 1.23 lakhs, Mahanadi Stage II : Rs. 9.27 lakhs, Mahanadi Stage I : Rs. 3.81 lakhs, Salandi : Rs. 0.66 lakh) for items of expenditure in the nature of contingent expenditure i.e., repairs to vehicles, POL, forms and stationery, telephone bills, house rent and other miscellaneous charges from out of assistance released for implementation of the schemes. The items of expenditure have been mostly exhibited in the cash books of respective CAD divisions against the cash book vouchers as 'unadjusted vouchers' pending adjustment. After adjustment, the amount will be recouped to OFD works which is awaited (June 1984).

7.2.9. Flood and Cyclone damage repair

A sum of Rs. 65 lakhs was sanctioned by Government in February 1983 for repair/restoration of CAD works damaged by cyclone during June 1982 (Rs.15 lakhs) and field channels damaged by the floods during August-September 1982. (Rs. 50 lakhs) with conditions *inter alia* that the allocations should be utilised in full by 31st March 1983 for the intended purpose exclusively in the areas declared as flood or cyclone affected and utilisation certificates furnished by the first week of April 1983. The Government indicated in August 1982 that expenditure incurred up to 31-3-1983 would be shared by the Central and State Governments and any spill over amount beyond the date would not be eligible for Central assistance. A scrutiny of the records of CADA however, revealed the following :

Name of CADA	Allotment received (1982-83)	Unspent amounts retained by CADAs as on 31-3-1983	Unutilised amounts with the executing agencies as on 31-3-1983	Total unspent at the end of March 1983
(1)	(2)	(3)	(4)	(5)
(In lakhs of rupees)				
<u>F. D. R. grant</u>				
Mahanadi Stage II	30.00	11.84	16.42	28.26
Mahanadi Stage I	13.46	4.97	6.23	11.20
Hirakud	6.54	4.64	1.30	5.94
	<u>50.00</u>	<u>21.45</u>	<u>23.95</u>	<u>45.40</u>
<u>CDR grant</u>				
Mahanadi Stage II	3.77	0.05	2.67	2.72
Mahanadi Stage I	9.23	4.21	4.81	9.02
Salandi	2.00	1.36	0.14	1.50
	<u>15.00</u>	<u>5.62</u>	<u>7.62</u>	<u>13.24</u>

Even though 90 *per cent* of the FDR/CDR grants remained unutilised by the end of March 1983, the State Government claimed (June 1982) to have spent the entire grants by end of March 1983 and accordingly put forth their demand for Central assistance. The exact amount of assistance received from the Government of India was not made available to Audit. It was noticed that by January 1984, the grant remaining unutilised amounted to Rs. 27.27 lakhs (FDR grant : Rs. 21.09 lakhs and CDR grant : Rs. 6.18 lakhs); utilisation certificates pending with the CADAs also amounted to Rs. 38.89 lakhs (FDR grant : Rs. 32.54 lakhs and CDR grant : Rs. 6.35 lakhs).

7.2.10. *Utilisation certificates*

Contrary to the terms stipulated in the sanction orders for submission of utilisation certificates by the CADAs to Government by 30th June of the succeeding financial year, submission of utilisation certificates was heavily in arrears, as shown below:

Name of CADA	Assistance received upto 1983-84	Expenditure to the end of March 1984	Amounts for which utilisation certificates are pending as on December 1984
(1)	(2)	(3)	(4)
			(Rupees in lakhs)
Mahanadi Stage-I, Cuttack	3,28.72	1,84.60	1,65.47
Mahanadi Stage-II, Puri	2,92.85	1,99.88	1,19.60
Salandi, Bhadrak	1,27.25	1,06.27	10.78
Hirakud, Sambalpur	2,72.66	2,28.37	1,03.74
Total	10,21.48	7,19.12	3,99.59

Reasons for delay in the submission of utilisation certificates were not on record.

7.2.11. *Evaluation*

To assess the extent to which the objectives of the programme had been achieved, the Expenditure Finance Committee decided in 1982 that Central assistance on matching basis in the form of grant might be extended to the states for commissioning evaluation studies by independent agencies like State Planning Evaluation Directorate or Universities so that systematic and objective studies on the performance of the programme could be carried out to facilitate policy decisions and to take corrective measures. The Government of India stressed in January 1983 the need for conducting such evaluation studies on priority basis. So far (January 1985) only part evaluation of the programme has been done by an independent body (Orissa University of Agriculture and Technology).

7.2.12. *Other points of interest*

(i) Contrary to the provisions in the rules, the Ex-Executive Engineer of CAD division I, Bhubaneswar paid during 1980-81 and 1981-82 advances (Rs. 0.25 lakh) to the contractors in cases where no works were executed, estimates were not approved and work orders not issued (Rs. 0.17 lakh), final bills were paid but recoveries not effected (Rs. 0.43 lakh) and no bills were pending for work done (Rs. 0.26 lakh). In another case cash advance of Rs. 0.23 lakh was paid in June 1983 to a contractor without indicating in the cash book the purpose for which advance was given to which the contractor represented later not to have received any such payment. Another advance of Rs. 0.87 lakh was paid unauthorisedly to four firms for supply of spare parts/repair charges of vehicles. The present Executive Engineer intimated in July 1984 that in all these cases genuine receipts were not obtained and kept on record resulting in non-recovery of the advances. The Divisional Officer suspected the payments (Rs. 2.21 lakhs) to be *malafide* and requested the Director of Agriculture (Engineering) for investigation, results of which are awaited (July 1984).

(ii) Under the approved programme, development of infrastructures like roads, processing industries market yards, *etc.*, was to be done by the State Government from out of their own resources. No action was initiated by the CADA to move the Government in this regard.

Summing Up

- Out of assistance of Rs. 8,04.02 lakhs received by the CADAs from the Central and State Governments to end of 1983-84, Rs. 256.75 lakhs were lying unutilised either with the CADAs or the implementing agencies. As against the admissible Central assistance of Rs. 4,83.93 lakhs, the CADAs claimed and received Rs. 528.49 lakhs resulting in excess release of Rs. 44.56 lakhs during 1976-77 to 1983-84, which is pending adjustment.
- The gap between irrigation potential created and utilised was not assessed nor targets fixed for bridging the gap.
- As against the target of 1.35 lakh hectares for field channels, the achievement was only 0.97 lakh hectares (72 *per cent*) during 1980—84.
- One division under Hirakud CADA executed 50 projects (field channels) during 1982-83 at a cost of Rs. 11.75 lakhs which were partly completed even though shown as completed but for want of outlets; the channels were not functional and acceptable and as such the investment of Rs. 11.75 lakhs had not brought any results so far.
- In the absence of the list of beneficiaries eligible for loan, the utilisation of Rs. 46.60 lakhs received from the Government of India by way of loan and Rs. 15.54 lakhs received as subsidy for execution of field channels was not susceptible of verification.
- The area covered by topographical survey to end of 1983-84 was 6.49 lakh hectares in different commands which was far in excess of the Culturable Command area of 5.32 lakh

hectares; soil survey conducted upto 1983-84 covered 4.15 lakh hectares whereas the field channel target was 1.35 lakh hectares. Evidently therefore, the advance survey done was not effective due to slow pace of execution of OFD works.

- Stock of cement received by CADAs was far in excess of requirement resulting in blocking up of assistance (Rs. 16.74 lakhs), unauthorised sale to other non-CAD divisions and parties (Rs. 5.63 lakhs), irregular issues to contractors (Rs. 2.45 lakhs) and diversion of stock (Rs. 7.50 lakhs). Besides, there were also cases of loss of cement (Rs. 2.00 lakhs) and misappropriation of stock (Rs. 0.15 lakh). Hume pipes worth Rs. 0.68 lakh were not accounted for in the stock accounts of one CAD division and were suspected to have been misappropriated.
- Out of the assistance received for implementation of OFD works, Rs. 26.59 lakhs were diverted and utilised for purposes unconnected with the programme affecting the progress of works.
- Even though the CADAs started functioning since the year 1976-77, no comprehensive evaluation study was undertaken.

COMMUNITY DEVELOPMENT AND RURAL RECONSTRUCTION DEPARTMENT

7.3. Integrated Rural Development Programme

7.3.1. *Introductory*

The Integrated Rural Development (I. R. D.) Programme was launched in the State in 1978-79 in 114 selected blocks and was extended to all the 314 blocks of the State from 2nd October 1980. The programme aimed at upliftment of the rural poor above the poverty line by giving them income generating assets acquired through institutional credit with an element of subsidy from Government shared equally by the Central and State Governments. It envisaged identification of poor families in the rural sector to encourage them to adopt any of the economically viable block level programmes viz., community irrigation, agriculture, animal

husbandry, fisheries, village Industries, forestry, etc., that would generate adequate income to raise each family above the poverty line.

The target group of beneficiaries under the programme consisted of small and marginal farmers, share croppers, agricultural and non-agriculture labourers, rural artisans and families (with 5 members on an average) including Scheduled Castes and Scheduled Tribes with an annual income below Rs. 3,500. For their identification, house-hold survey of the blocks was to be completed during 1979-80 and selection of beneficiaries was made on the Antodaya approach so that the poorest families could be selected in the ascending order of their income. According to the Government of India guide lines, in each block 600 poor families in a year were to be covered (3,000 families during the Sixth Plan period). It was provided that at least 30 per cent (20 per cent upto February 1981) of the S. C./S. T. families were to be assisted and an equal percentage of resources in terms of subsidy and credit would go to them. The ceiling of subsidy was fixed at Rs. 5,000 for scheduled Tribe family and Rs. 3,000 for others (Rs. 4,000 per family selected in Drought Prone Areas). The Programme was being implemented through the District Rural Development Agencies (DRDAs).

7.3.2. Overall performance

(i) Outlay and allocation

A uniform allocation of Rs. 35 lakhs was made for each block during the Sixth Plan (Rs. 5 lakhs in the first year, Rs. 6 lakhs in the second year and Rs. 8 lakhs each in subsequent three years) for providing subsidy to the beneficiary families apart from incurring expenditure on essential infrastructural development, administrative costs etc. Against the proposed outlay of Rs. 84.78 lakhs during the first four years of the Sixth Five Year Plan, the Central Government provided Rs. 33.85.53 lakhs and the State Government contributed Rs. 26.82.06 lakhs to cover 8.17 lakh families. The shortfall in the release of funds to end of 1983-84 was Rs. 24.10.41 lakhs i. e., 28 per cent less.

(ii) Financial/Physical targets and achievements

Details of release of grants by the Central and State Governments, expenditure incurred, credit mobilised, beneficiaries targeted and actually assisted during the years 1978-79 to 1983-84 are shown in the table below :

Year	Opening balance	Amount of grants released		Total	Expenditure	Credit mobilised	Number of beneficiaries (i. e. families assisted)	
		Central	State				Target	Achievement
		(3)	(4)				(8)	(9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				(Rupees in lakhs)			(Number in lakhs)	
1978-79	..	3,43.65	7.50	3,51.15	1,98.98	5,99.42	Nil	0.26
1979-80	1,52.07	3,42.10	3,34.43	8,28.60	5,55.93	13,90.62	Nil	0.83
1980-81	2,72.67	6,80.34	3,38.97	12,91.98	6,69.08	15,90.40	1.88	1.01
1981-82	6,22.90	7,31.19	7,38.90	20,92.99	14,95.85	20,75.13	1.88	1.38
1982-83	5,97.14	10,74.00	7,38.87	24,10.01	22,92.78	35,32.78	1.88	2.52
1983-84	1,17.23	9,00.00	8,65.32	18,82.55	22,50.70	29,47.15	1.89	2.17

Although the department claimed to have achieved the physical target during 1982-83 and 1983-84 it did not have any information about the number of families crossing the poverty line. No information was also made available regarding the sector-wise expenditure and performance except for the year 1982-83. The programme contemplated the subsidy ceiling between Rs. 3,000 to Rs. 5,000 per beneficiary. However, the anticipated subsidy per family on the basis of Rs. 84.78 lakhs provided during the first 4 years of the Sixth Plan intended to benefit 7.53 lakh families, worked out to Rs. 1,125 only. The actual expenditure incurred on 7.08 lakh families covered during this period was Rs. 67.08.41 lakhs which amounted to Rs. 947 only per family.

7.3.3. Test check (September 1983 to June 1984) of the accounts of 8 out of 13 D. R. D. As. along with a few blocks, District Agricultural Offices, Divisional Forest Offices, Minor

Irrigation Divisions, Lift Irrigation Divisions, *etc.*, revealed the following :

(i) Improper identification of beneficiaries

The programme was implemented without taking the required preparatory measures in conducting house-hold survey to identify the families living below the poverty line, despite instructions of July 1979.

Test check of records of 25 blocks in areas operated by the D. R. D. As. Puri, Balasore and Ganjam revealed that the lists of beneficiaries relating to implementation of Small Farmers Development Agency Programme (covering agriculture sector) as available with the blocks till 1982-83 were generally made use of without undertaking any fresh identification under I. R. D. Programme for both agriculture and non-agriculture sectors. In some cases the house-hold survey schedules were prepared haphazardly leaving many columns blank. The procedure of finalising the list of beneficiaries at block level in consultation with or after obtaining approval of the village committee was not followed till as late as 1983-84 in most of the blocks despite instructions issued by Government from time to time.

In Nimapara block (Puri district) head of a Harijan family shown as a rickshaw puller with a monthly income of Rs. 150 was categorised as an agricultural labourer, three other families in the same block having no land of their own were identified as agriculture/non-agriculture labourers, six families in Khurda block (Puri district) who were advanced loans between July 1978 and September 1979 and whose subsidy was adjusted during February 1981 and March 1981 under Rural Artisan Programme for purposes such as basket making, tailoring, dress making *etc.*, were identified as agricultural labourers, in Tangi block (Puri district) one family financed as 'Radio mechanic' was, however, identified as a marginal farmer; four families in Nayagarh block (Puri district) formerly identified as marginal farmers or agricultural labourers were assisted under Rural Artisan Programme for such trades like carpentry, processing, tailoring *etc.*; in Gop block (Puri district)

two small farmers were assisted for running a cloth shop and a hair-cutting saloon and assistance was given to 9 beneficiaries in Puri district for dug wells, bullocks, pump sets though they were identified as agricultural labourers and did not possess any land in their name. In all these cases the subsidy involved was Rs. 0.15 lakh including Rs. 0.05 lakh paid irregularly.

(ii) Diversion of funds

(a) The D. R. D. A. Balasore had released a subsidy of Rs. 44.07 lakhs (1982-83 : Rs. 5.50 lakhs and 1983-84: Rs. 38.57 lakhs) including Rs. 32.57 lakhs advanced in March 1984 to different blocks in the district for implementation of tank fishery under the State Plan Scheme of Economic Rehabilitation of Rural Poor (E. R. R. P.) despite instructions (November 1982) of the Community Development and Rural Reconstruction department that expenditure on tank fishing was to be met exclusively from C. D. & R. R. department grants. The agency stated that the money was given for facilitating speedy implementation of E. R. R. P. with instructions to B. D. Os. to refund the amounts to the agency. No refund on this account has been made so far (September 1984).

(b) As per instructions of Government of India, expenditure for health care of animals supplied to IRD beneficiaries was to be met by the State Government from their own normal budget. Contrary to this, the D. R. D. A., Mayurbhanj paid (December 1981) Rs. 0.50 lakh to the Chief District Veterinary Officer for purchase of medicines for animals supplied to IRD beneficiaries. No action was taken to get back the money unauthorisedly spent.

(c) The D. R. D. A. Ganjam paid subsidy of Rs. 0.83 lakh in June 1983 to 89 beneficiaries for wells stated to have been dug between 1971-72 and 1980-81 though payments for such works were not contemplated in the programme. Even the actual existence of such dug wells was not verified before releasing the subsidy. The loan ledgers of the concerned Land Development Bank indicated that many of the beneficiaries were defaulters in repayment of loans taken by them for construction of dug wells in the past and as such the entire subsidy released was adjusted by the bank against the past loans.

(iii) Incomplete Projects

The D. R. D. A., Puri released Rs. 4.90 lakhs to the B. D. Os. during 1981-82 and 1982-83 as subsidy representing 50 per cent of the estimated cost of 52 irrigation works. Out of 52 works, 6 were completed, 12 remained incomplete (March 1984), 4 were not taken up and in respect of remaining 30 works, no information was available as to the expenditure incurred on each of the works and whether these works were completed. Instructions of Government to release subsidy on the basis of actual expenditure in accordance with the quantum of work executed were thus not followed.

(iv) Execution of programmes not provided in Annual Action Plan

Seven Agencies had executed projects during 1981-82 valuing Rs. 8.23 lakhs (sericulture : Rs. 0.42 lakh, Farm Forestry : Rs. 0.39 lakh, agriculture demonstration: Rs. 3.69 lakhs, institution plantation : Rs. 1.19 lakhs, bullock with cart : Rs. 0.83 lakh, tank improvements : Rs. 0.11 lakh and infrastructure : Rs. 1.60 lakhs) without any provision in the Annual Action Plans or approval of the State Level Co-ordination Committee.

(v) Administration of subsidy

Upto February 1982, the D. R. D. As. were required to deposit with the concerned financing institutions the portion of subsidy as soon as the loan applications were sanctioned by the banks so that the burden on the beneficiaries was only to the extent of net loan. Thereafter the D. R. D. As. were required to keep their amounts in Savings Bank accounts in the principal district branches of the participating banks so as to avoid delay in adjustment of subsidy on one hand and also unnecessary blocking up of funds without earning interest. Test check of records of four district Agencies revealed that huge amounts of advance subsidy continued to remain unadjusted/unutilised with the financing institutions as well as district level offices, B. D. Os. and State undertakings. Delay in releasing the subsidy by the agency or adjustment by the bank, however, continued to occur.

(a) Subsidy paid in advance

(i) Subsidy to the extent of Rs. 328.87 lakhs was advanced till 31st March 1983 by the D. R. D. As., Balasore and Puri to the banks/financing institutions, out of which Rs. 174.01 lakhs were lying unadjusted/unutilised (March 1984). Similarly out of Rs. 90.68 lakhs advanced as subsidy till 31st March 1982 by D. R. D. A., Cuttack, Rs. 65.55 lakhs were lying unadjusted/unutilised with the Banks, Government Offices and State Government undertakings as on December 1983.

(ii) The D. R. D. A. Cuttack advanced subsidy of Rs. 6.64 lakhs to the Deputy Director of Agriculture, Divisional Forest Officers, B. D. Os. and Assistant Soil Conservation Officers during 1981-82 towards cost of inputs and raising of seedlings for horticulture and social forestry activities. Out of 22.22 lakh seedlings raised for distribution, 8.78 lakh seedlings (value: Rs. 2.89 lakhs) were not distributed (December 1983). The Agency also placed a sum of Rs. 2.46 lakhs at the disposal of District Agriculture Officers, Cuttack Sadar, Jagatsinghpur, Jajpur, Kendrapara and Athgarh towards cost of coconut seedlings but had no information about their distribution.

(b) Excess payment of subsidy

Against two claims for Rs. 11.27 lakhs sent by the B. D. O., Khallikote to the D. R. D. A., Ganjam for payment of subsidy to 1,152 beneficiaries, the agency paid (March 1983) Rs. 11.57 lakhs to the bank. As the records were not made available, the circumstances leading to the excess payment of Rs. 0.30 lakh could not be verified from the agency records.

(c) Double release of subsidy

The D. R. D. A. Balasore released (March 1983) subsidy of Rs. 0.60 lakh to United Bank of India, Mangalpur in favour of 29 beneficiaries under dug well scheme and in the same month released Rs. 0.68 lakh in favour of 27 beneficiaries who stood included in the earlier list of 29. On being pointed out by Audit (April 1984) the D. R. D. A. had asked the Bank to refund the amount (Rs. 0.50 lakh) which is awaited (September 1984). However, no action was taken to fix up the responsibility for double payment of subsidy.

(d) Unutilised Subsidy

The D. R. D. A. Balasore released Rs. 76.50 lakhs to the Orissa Lift Irrigation Corporation (OLIC) during 1981-82 to 1983-84 for construction and energisation of 239 Lift Irrigation Points, of which 148 Lift Irrigation Points (Rs. 53.01 lakhs) remained incomplete including those not taken up (April 1984). The agency had paid subsidy at a uniform rate of Rs. 0.30 lakh for each Lift Irrigation Point irrespective of the cost involved and without taking into account the total number of small/marginal farmers to be benefitted. The DRDA., Puri had placed Rs. 76.30 lakhs with the OLIC during 1978-79 to 1983-84 for construction of 137 Lift Irrigation Points, of which the OLIC had so far (April 1984) utilised Rs. 12.79 lakhs out of Rs. 18.91 lakhs released up to 1980-81 for 42 Lift Irrigation points and nothing has been spent out of the balance of Rs. 57.39 lakhs released subsequently for 95 Lift Irrigation Points. No information was also available with the agency as to the Lift Irrigation Points completed and number of small/marginal farmers benefitted. Similarly, the D. R. D. A., Ganjam paid Rs. 106.63 lakhs to the Corporation for executing 293 Lift Irrigation Points during 1979-80 to 1982-83 out of which 134 Lift Irrigation Points (involving Rs. 48.94 lakhs) are yet to be completed.

(e) Delay in release of subsidy

The D. R. D. A. Puri released subsidy amounting to Rs. 1.23 lakhs between 1981-82 and 1983-84 in favour of 67 beneficiaries long after disbursement of loan by the financing institutions resulting in undue interest burden on the beneficiaries. The delay ranged from 5 months to 4 years.

(f) Payment for creation of infrastructure

(i) Despite instructions issued by the Government of India that assistance for complementary infrastructure should be to the extent of 50 per cent of the capital cost of the infrastructure unit after considering the economic viability, the D. R. D. A. Ganjam paid subsidy of Rs. 2.27 lakhs in March 1983 representing cent per cent value of complementary infrastructure on items such as cost of vehicle, equipments for mobile veterinary institution, cost of service cans, etc., although an amount of Rs. 1.14 lakhs being 50 per cent of the value was only admissible.

(ii) The D. R. D. A. Cuttack released (May 1981) Rs. 1 lakh to Athgarh Potato Growers' Storage and Marketing Co-operative Society Limited towards working capital on behalf of marginal farmers and agricultural labourers with a view to provide godown and marketing facilities for the agricultural produce of potato growers and help them in supplementing their income. The Society did not report the fact of utilisation of the amount (November 1983). The records of the D. R. D. A. did not show the list of beneficiaries in whose favour the share money was paid and whether they were the beneficiaries identified under I. R. D. P.

7.3.4. *Training of Rural Youth for Self Employment (TRYSEM)*

TRYSEM which formed a component of IRDP, aimed at training of rural youth in the age group of 18 to 35 years belonging to the target group of families. They were to be equipped with necessary skills and technology to enable them to seek self employment and generation of additional income for raising their families above the 'Poverty line'. The full cost of training to the identified participants was met out of IRDP funds.

(i) Out of 19,410 persons trained during 1981-82 to 1983-84 (December 1983), only 5,979 persons were found to have been rehabilitated so far (July 1984).

(ii) The District Industries Centres (DIC) were entrusted to conduct training programmes; out of Rs. 49.25 lakhs placed by five agencies in the district of Puri, Dhenkanal, Cuttack, Balasore and Keonjhar with the respective DIC's during 1980-81 to 1983-84, Rs. 16.82 lakhs remained unutilised (March 1984). Two agencies in Balasore and Keonjhar had no information regarding extent of utilisation of funds. In four blocks of Puri district, 45 youths were to be trained in different trades and crafts like coir, applique, wool knitting, radio repairing *etc.*, with the period of training ranging from 2 to 8 months for which a sum of Rs. 0.50 lakh was paid to the DIC, Puri during 1981-82 but the training programme has not yet been started (March 1984). The DRDA Cuttack purchased tool kits during 1981-82 worth Rs. 2.93 lakhs for free distribution to trainees but neither the stock register

of the agency showed any such receipt nor acknowledgements of the trainees receiving the kits could be made available to audit for check.

7.3.5. Other points of interest

(i) Of the subsidy paid during the years 1980-81 to 1982-83 the D. R. D. A. Puri and Balasore released funds to the tune of 55 to 75 per cent during March 1981, 1982 and in March 1983. The D. R. D. A. Cuttack spent Rs. 51.41 lakhs (out of Rs. 1,03.38 lakhs) during the last 5 days of the financial year 1981-82.

(ii) The difference between the balances as per cash book and the bank pass books relating to DRDAs Puri and Keonjhar has not been reconciled. In D. R. D. A., Puri the cash book balance as on 31st March 1982 showed a balance of Rs. 25.98 lakhs but the balance as per bank pass books was Rs. 86.35 lakhs. Similarly, against the cash book balance of Rs. 8.21 lakhs as on 31st March 1982 of D. R. D. A., Keonjhar, the bank had reported a balance of Rs. 45.37 lakhs. The differences have neither been explained nor reconciled so far (March 1984).

7.3.6. Utilisation certificates

Submission of utilisation certificates was heavily in arrears as shown below:

Year	Assistance received up to March 1983	Expenditure to end of March 1983	Amounts for which utilisation certificates submitted
(1)	(2)	(3)	(4)
		(Rupees in lakhs)	
1978-79	351.15	198.98	194.77
1979-80	676.53	555.93	447.97
1980-81	1,019.31	669.08	597.72
1981-82	1,470.09	1,495.85	1,245.62
1982-83	1,812.87	2,292.78	1,446.99
Total:	5,329.95	5,212.62	3,933.07

7.3.7. Monitoring—*Vikas Patrikas*

Government of India prescribed in May 1980 maintenance of "*Vikas Patrika*" (identity-cum-monitoring card) for beneficiaries with a view to watching their progress for at least 2 years to measure their income to see if they had crossed the poverty line. One copy of the "*Vikas Patrika*" was required to be handed over to the beneficiary and one copy each thereof was required to be retained by the Block Development Officer, the Institutional Financing Agency and the D.R.D.A. Test Check of 7 agencies covering 47 blocks revealed that in none of the blocks "*Vikas Patrikas*" were filled in properly. Out of 3.52 lakh "*Vikas Patrikas*" required to be issued by 5 agencies in respect of Rs. 0.88 lakh families assisted, only 0.30 lakh were issued ranging from 6 to 12 per cent.

7.3.8. Evaluation

No evaluation as advised by the Government of India (January 1980) was made to ascertain the impact of the programme till 1980-81. The evaluation study of the programme for the year 1981-82 was entrusted by Government in March 1984 to outside agencies such as Executive Director, Retired Government Officers' Association, Bhubaneswar; Director, Statistical Consultant of Orissa, Bhubaneswar; Director, Indian Institute of Action Research, Cuttack, etc. No evaluation study has been made so far (July 1984).

Summing up

The total expenditure on IRDP to end of 1983-84 amounted to Rs. 74,63.32 lakhs with which 8.17 lakh rural families were stated to have been covered. With the above outlay and assistance, Rs. 947 per family only could be provided as against Rs. 3,000 to Rs. 5,000 per family contemplated in the programme. The department did not have any information regarding sector-wise expenditure incurred nor the number of assisted families who have actually crossed the poverty line.

Funds to the extent of Rs. 45.40 lakhs were diverted for purposes not connected with the programme.

Out of Advance Subsidy of Rs. 4,19.55 lakhs released by 3 agencies to the financing institutions between 1980-81 to 1982-83, Rs. 2,39.56 lakhs remained unadjusted/unutilised with the Banks.

For construction and energisation of 669 Lift Irrigation points, the Orissa Lift Irrigation Corporation was advanced Rs. 2,59.43 lakhs between 1978-79 to 1983-84, of which 324 Lift Irrigation points valuing Rs. 165.46 lakhs remained incomplete.

One agency paid subsidy of Rs. 2.27 lakhs representing *cent per cent* value of complementary infrastructure although an amount of Rs. 1.14 lakhs being 50 *per cent* of the value was admissible.

Out of 19,410 persons trained during 1981-82 to 1983-84, only 5,979 persons were found to have been rehabilitated so far. Five agencies reported that out of Rs. 49.25 lakhs placed by them with the District Industries Centres for training, only Rs. 28.43 lakhs were utilised for the purpose.

Utilisation certificates were not submitted to the tune of Rs. 39,33.07 lakhs to end of March 1984 out of Rs. 52,12.62 lakhs incurred up to 1982-83 under the programme.

Evaluation study of the programme for 1981-82 entrusted to some outside agencies has not been done so far.

The above points were reported to Government in August 1984; their reply is awaited (March 1985).

7.4. National Rural Employment Programme

7.4.1. *Introductory*

The erstwhile 'Food for Work Programme' launched by the Government of India in April 1977 was restructured as 'National Rural Employment Programme' (NREP) in October 1980. The programme envisaged (i) generation of additional gainful employment for the unemployed and underemployed persons in the rural areas, (ii) creation of durable community assets for strengthening the rural infrastructure which will lead to rapid growth of rural economy and steady rise in the income levels of the rural poor and (iii) improvement of nutritional status and the living standards of

the rural poor. The expenditure on the programme was met fully by the Government of India up to 1980-81 and thereafter shared equally between the Centre and the State. The programme was monitored and co-ordinated at the State level by the Planning and Co-ordination department upto October 1983 and by the Community Development and Rural Reconstruction department thereafter at the district level by the Collectors up to July 1982 and by the District Rural Development Agencies (DRDA) thereafter. The programme was also implemented by eight other departments of the State Government through 507 executing agencies including 314 Panchayat Samitis.

7.4.2. Allocation of funds

The funds allotted, expenditure incurred and the assistance given by Government are indicated below:

Year	Budget provision	Expenditure	Cash assistance given by Government of India	Matching cash assistance by State Government	Food grains provided by	
					Government of India	State Government
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	(Rupees in lakhs)			(In Tonnes)		
1980-81	8,91.25	83.55	5,86.00	..	18,500	..
1981-82	14,70.60	14,48.85	5,42.20	4,70.60	15,900	10,000
1982-83	16,65.00	12,83.62	5,39.76	8,00.00	17,300	..
1983-84	12,89.22	11,36.09	5,27.41	7,61.81	16,685	..
Total	53,16.07	39,52.11	21,95.37	20,32.41	68,385	10,000

In addition, during 1983-84 food grains of 15,682.47 tonnes valuing Rs. 3,15.89 lakhs were purchased from out of the cash released by the Government of India for the programme through Public Distribution System. Out of 0.78 lakh tonnes of food grains allotted during 1980-81 to 1983-84, 0.64 lakh tonnes were lifted and 0.55 lakh tonnes (valued at Rs. 10,12.82 lakhs) were utilised apart from the cash utilisation of Rs. 29,39.29 lakhs at the end of 1983-84. The progress reports submitted by the State

Government to the Government of India, however, showed that Rs. 13,63.96 lakhs remained unutilised to end of 1983-84.

Food grains (1,000 tonnes) worth Rs. 15.50 lakhs and cash component of Rs. 2,44.92 lakhs (consisting of wage and material components) were diverted to the State Plan Scheme (Economic Rehabilitation of Rural Poor) during 1980-81 to 1982-83. Besides, cement and food grains (50.09 tonnes) worth Rs. 0.72 lakh were also diverted for other works/activities (food grains for Pahchayat Samiti roads: 12.36 tonnes; food grains for feeding programme: 12.73 tonnes and cement for Bio-gas plant: 25 tonnes) during 1981-82 and 1982-83 unconnected with the programme.

7.4.3. A test check conducted during October 1983 to June 1984 of the records of 90 executing agencies disclosed the following :

(a) Shelf of projects

The guidelines issued by the Government of India provided for preparation of shelf of projects (a master plan of the works to be taken up) for each block/district taking into account the felt needs of the rural community, to be obtained by the Block Development Officer in respect of each Grampanchayat. Suitable linkage was also to be established with rural development programmes with particular preference to those works which benefit the weaker sections of the community mostly in unemployment/under-employment and bonded labour pockets which was to be approved by the District Level Committee (D. L. C.) upto October 1982 and thereafter by District Rural Development Agency (D. R. D. A.) who was to maintain the shelf of projects of the district as a whole. An annual action plan was to be drawn up at the beginning of each year selecting the works to be taken up out of the shelf of projects and no work outside the shelf of projects/Action Plan should be taken up for execution under the programme. It was seen during Audit that approval of shelf of projects/annual Action Plan was not obtained in 7 cases; in 10 cases funds were allotted without obtaining approval of Action

Plans and without knowing the actual requirement of funds of the executing agencies based on these plans and in 14 cases Action Plans were submitted after taking up works. Following the orders of State Government, M. I. Division, Dhenkanal took up 17 minor irrigation projects (estimated cost: Rs. 42.33 lakhs) during 1982-83 and 1983-84 under the programme (Rs. 19.21 lakhs incurred so far) the cost of which should have been met from out of the normal budget of the department. Funds provided under N. R. E. P. were utilised in executing 35 works (23 works: cost Rs. 2.05 lakhs and 12 works details not furnished) by four executing agencies during 1980-81 to 1983-84 outside the shelf of projects without obtaining approval of District Rural Development Agency.

(b) Allocation of resources

The programme envisaged allocation of resources among the districts giving 75 *per cent* weightage to the number of rural agricultural labourers and marginal farmers and 25 *per cent* to incidence of poverty. In the absence of data regarding incidence of poverty, resources were being allocated since 1982-83 on the basis of a percentage determined allowing 75 *per cent* weightage on the ratio of population of small, marginal farmers and agricultural labourers bearing to the total population of the district and 25 *per cent* weightage on the ratio of Scheduled Caste/Scheduled Tribe population bearing to the total population of the district based on 1971 census resulting in distribution of resources ranging from 3.2 *per cent* in Phulbani district to 15.9 *per cent* in Cuttack district instead of 25 *per cent*. The basis on which funds were allocated during 1980-81 and 1981-82 was not on record.

In the district of Dhenkanal, the resources were distributed purely on population basis of each Panchayat Samiti reportedly due to inhabitation predominantly by Scheduled Castes/Scheduled Tribes people,

(c) Execution of works

Number of works executed and completed in the programme and the value of work done during 1980-81 to 1983-84, available

from the progress reports submitted to Government of India, are as follows :

Category	1980-81	1981-82	1982-83	1983-84
(1)	(2)	(3)	(4)	(5)
1. Social forestry and afforestation works	..	10	90	..
2. Drinking water wells, Community Irrigation wells	..	1,356	1,135	1,058
3. Village Tanks	..	..	1,947	119
4. Embankments, drainage works and field channels	..	32	25	..
5. Soil and water Conservation works	..	136	34	..
6. Rural Roads	..	942	519	..
7. Other works like School buildings etc.	71	2,435	2,812	2,145
Value of works done (in lakhs of rupees)	83.61	1,448.85	1,283.62	3,322

Information regarding number of works taken up and works remaining incomplete was not available with the department. Scrutiny of the records of some of the executing agencies revealed the following.

(i) One of the basic objectives of the programme was creation of durable assets. Out of a total expenditure of Rs. 2,40.72 lakhs incurred by 19 executing agencies for village road works during 1980-81 to 1983-84, Rs. 1,07.06 lakhs (44 per cent) were

incurred on maintenance repairs like earth work and spreading of morum without any provision for hard surfacing. This was contrary to the guidelines according to which expenditure on maintenance and repair of the assets created under N. R. E. P. was to be met from the State budget.

(ii) The programme envisaged taking up such works which would directly help to improve rural economy by strengthening rural infrastructure. The executing agencies spent Rs. 4.51 lakhs during 1980-81 to 1983-84 in execution of 44 works such as construction of compound walls of Block quarters, lady teachers' quarters, construction of rest sheds in Block colony, gabions for trees in Block compound, aviary in deer park and aquarium, fencing around compact area of Cashew plantation on private lands which did not strengthen rural infrastructure. In yet another case, two special projects, (i) Ekamra Kanan-plant resource centre and (ii) Chandaka Elephant Sanctuary were sanctioned by Government in June 1983 under the programme at a cost of Rs. 50 lakhs (Ekamra Kanan : Rs. 20 lakhs and Elephant Sanctuary : Rs. 30 lakhs) with the object of developing lake, grading of land, establishment of nursery, construction of boundary walls and layout of farm for Ekamra Kanan to be executed by the Soil Conservation Officer, Cuttack in the capital area at Bhubaneswar. The Elephant Sanctuary included in the programme was executed by the Wild Life Conservation Officer, with a view to spend money on trenching, fencing and plantation works for the sanctuary. Both the projects are still in progress and in no way contributed to the creation of durable community assets for strengthening rural infrastructure. An expenditure of Rs. 9 lakhs was incurred on these projects (Ekamra Kanan : Rs. 5.36 lakhs and Elephant Sanctuary : Rs. 3.64 lakhs) as on July 1984.

(iii) Instead of constructing rural roads as contemplated in the programme, Rs. 1,06.70 lakhs were spent by the National Highway and Roads and Buildings division during 1980-81 to 1982-83 on improvement to National Highways and Public Works roads not borne in the books of Panchayat Samitis.

(iv) As the works under the programme were to be executed otherwise than through contractors, it was envisaged that the estimates should be prepared at $12\frac{1}{2}$ per cent below the Public Works schedule of rates and this deduction should be made in the final bills of the executants. It was, however, seen that between 1980-81 and 1983-84, 507 executing agencies executed works where the wage component amounting to Rs. 26,88.20 lakhs included the profit element of 3,36.02 lakhs at $12\frac{1}{2}$ per cent which was not deducted from the payment made to the executants. Deduction of this profit element as envisaged would have provided 56 lakh mandays more, computed at the maximum wage rates (rates 4 & 6) obtaining during the period. Some of the executing agencies stated that the deduction was not made, as instructions of Government were received only in January 1984. It may be mentioned that the orders of Government issued in January 1984 were only a reiteration of their earlier instructions of April 1981.

Besides, during the same period 26 executing divisions incurred an expenditure of Rs. 419.03 lakhs on various works and programmes which included Rs. 60.89 lakhs towards departmental charges at 17 per cent of the value of the works against ceiling of 5 per cent amounting to Rs. 20.95 lakhs towards strengthening of the staff to be deployed in implementing the programme including contingent expenditure envisaged in the guidelines. The overcharge of Rs. 39.94 lakhs on this account resulted in loss of Rs. 6.66 lakh mandays computed at the maximum wage rates.

(v) Due to late receipt of allotment under N. R. E. P. during 1981-82, expenditure of Rs. 6 lakhs already incurred on flood control works under normal budget was transferred under N.R.E.P. to show full utilisation of funds under the programme by Angul Irrigation division.

(vi) It was noticed in Audit that balance quantity of foodgrains 68.7 tonnes valuing Rs. 1.35 lakhs and Rs. 17.74 lakhs in cash advanced during May 1981 to December 1983 to the village leaders by the executing agencies were not fully utilised since some of the works entrusted to them were either not taken up or the foodgrains issued were in excess of the work done.

(d) *Utilisation of resources on priority works*

As per the guidelines issued by the Government of India, 10 *per cent* of the resources should be earmarked for scheme of social forestry to maintain ecological balance. It was stipulated that social forestry works should be undertaken on Government and community lands belonging to Panchayats, etc., and should include road side plantation, plantation along canal banks and on waste lands on sides of railway lines, etc., involving plantation of fuel, fodder and fruit trees, distribution/sale of sapplings on private lands provided the sale proceeds are ploughed back for N. R. E. P. works. As against 10 *per cent* of the resources earmarked, actual utilisation of resources on such schemes ranged from 0.94 to 3.13 *per cent* during 1980-81 to 1983-84 as under :

Year	Allocation	10 per cent of allocation	Amount utilised	Per cent
(1)	(2)	(3)	(4)	(5)
(Rupees in lakhs)				
1980-81	8,91.25	89.13	8.13	0.94
1981-82	14,70.60	1,47.06	1,11.16	7.50
1982-83	16,65.00	1,66.50	60.00	3.60
1983-84	12,89.22	1,28.92	40.00	3.13
Total	53,16.07	5,31.61	2,19.94	

The utilisation ranged from 3 to 7 *per cent* in the test checked districts of Dhenkanal, Ganjam, Cuttack, Puri and Koraput and in the districts of Keonjhar, Bolangir and Sambalpur; no resources were utilised for social forestry during 1983-84. No valid reasons for the shortfall could be ascribed by the D. R. D. As.

(i) In Dhenkanal division, Rs. 1.56 lakhs (19 *per cent*) of the allotted funds (Rs. 8.15 lakhs) were spent on new plantations during 1981-82 to 1983-84 and the balance of Rs. 6.59 lakhs on departmental works like maintenance of nursery, construction of culverts, digging of trenches, purchase of implements, renovation of tank at Kapilash (a place of pilgrimage), aviary at the deer park at Kapilash, etc., not connected with the scheme of social forestry.

In Angul forest division, Rs. 1 lakh out of Rs. 4.56 lakhs allotted, were spent during 1981-82 and 1982-83 on new plantations and the balance of Rs. 3.56 lakhs was spent on departmental works *viz.*, construction of forest roads, raising of nursery, trench fencing, raising of seedling, *etc.*

(ii) Sale of sapplings for social forestry on private lands was permissible under the scheme provided the sale proceeds were ploughed back to N. R. E. P. Contrary to this, Divisional Forest Officers, Baripada/Rairangpur distributed free of cost 8.81 lakhs of sapplings valuing Rs. 1.58 lakhs between 1980-81 and 1982-83 to Government departments/institutions and public without realising the cost thereof as provided in the guidelines issued by Government resulting in loss of 0.26 lakh mandays.

(iii) The State Government while sanctioning funds to the district authorities/D. R. D. As. laid down a condition that further 10 per cent of funds allotted were to be earmarked for execution of schemes directly benefitting Scheduled Castes/Scheduled Tribes without fixing modality for spending the money and watching its utilisation. A test check of records of 10 district agencies and 80 executing agencies disclosed that 10 per cent of the funds allotted (Rs. 5,31.61 lakhs) during 1980-81 to 1983-84 were not earmarked exclusively for directly benefitting the Scheduled Caste/Scheduled Tribe people nor any shelf of project or annual action plan was prepared by the executing agencies.

(e) *Employment generated*

The number of mandays proposed and generated from 1980-81 to 1983-84 as computed by the State Government are as follows:

Year	Number of mandays proposed to be generated	Number of mandays generated
	(In lakhs)	
1980-81	24.09	13.22
1981-82	200.05	194.31
1982-83	160.00	176.61
1983-84	182.00	132.26

With a view to adopting uniform method for computing mandays generated under the programmes Government instructed (May 1982) that the expenditure under wage component should be booked keeping in view of the food grains supplied from time to time under the programme as wage component. Correlating with the value of food grains actually issued and the amount of cash paid as wage with the total expenditure booked under wage component divided by wage rate will give the figure for mandays generated. Instructions were also issued that the mandays reported to have been generated should be based on muster rolls. It was seen in audit that a number of executing agencies made payments on the basis of measurement of work done on job basis instead of on muster rolls.

The following further points were noticed:

(i) Two Blocks calculated and reported to District Collector, mandays on the basis of food grains (654.25 quintals) received (Angul Block : 72 quintals and Attabira Block : 582.25 quintals) during 1980-81 to 1983-84 which remained unutilised (July 1984) with two Co-operative Societies and other executants.

(ii) The standard estimate of sinking of a tube well in Dhenkanal district was Rs. 0.19 lakh (wage component : Rs. 0.08 lakh and material component : Rs. 0.11 lakh) per tube well where as the wage component to material component was in the ratio of 42 : 58 as against the ratio of 60 : 40 prescribed under the Government of India guidelines. On enquiry it was stated that the material component of a tube well was based on the actual requirement and could not be changed. As a result, in the execution of 27 tube wells in the district, the Executive Engineer reported generation of 4,860 mandays against the expected generation of 0.36 lakh mandays.

(iii) Mandays generated were shown on higher side in the progress reports submitted to Government by the Assistant Soil Conservation Officer, Dhenkanal in the following cases :

Year	Expenditure under wage component	Wage rate	Number of mandays according to expenditure under wage component	Number of mandays reported
(Rupees)				
1980-81	48,920	4	12,237	12,500
1982-83	90,600	6	15,100	18,120
1983-84	21,600	6	3,600	Not available

Similarly, the Minor Irrigation division, Dhenkanal reported during 1982-83 to 1983-84 to have generated 2.05 lakh mandays instead of 1.03 lakh mandays based on the wage components of Rs. 6.17 lakhs spent by him during the said period.

The lack of proper monitoring at the Government level resulted in reporting inflated figures regarding the employment generated by the executing agencies.

(f) *Distribution of foodgrains as wages*

(i) Under the programme, 2 Kgs. of food grains per head per day were to be given as part of the wages during 1980-81 to 1981-82 and 1 Kg. per head per day thereafter and the balance to be paid in cash. The quantity of foodgrains utilised for distribution as wages and the number of mandays of employment generated reported by the State Government to the Government of India during 1980-81 to 1983-84 are as follows :

Year	Quantities of foodgrains utilised	Number of mandays generated	Average utilisation of foodgrains per head per day
	(In tonnes)	(In lakhs)	(In Kgs.)
1980-81	2,643.56	13.22	2.00
1981-82	24,834.69	194.31	1.28
1982-83	12,172.85	176.61	0.69
1983-84	15,682.47	132.26	1.20

Thus, no uniformity was maintained in the distribution of foodgrains as wages; the average quantity of foodgrains issued during 1982-83 was far below the prescribed minimum of 1 Kg. per head.

(ii) It was noticed during audit that eight blocks in Kalahandi district received foodgrains (1980-81 : 40 quintals; 1981-82: 1,070.76 quintals and 1982-83: 999 quintals) worth Rs. 3.73 lakhs after close of the financial year; in another 10 blocks of the district wages were not paid uniformly during 1980-81 to 1982-83 as intimated by the D. R. D. A., Bhawanipatna; in Angul Block (Dhenkanal district) cash payments were made to workers during 1983-84 for want of foodgrains (40 quintals); foodgrains (5,000 quintals) could not be utilised in time in Dhenkanal district for want of wage component; cash payment was made to workers despite availability of foodgrains worth Rs. 0.25 lakh for 3 works executed in Sadar Block of Bolangir and foodgrains (206 quintals) worth Rs. 0.32 lakh were refused by the workers due to coarse quality of rice in Rengali Block during 1982-83 and in Intensive Cattle Development Project, Sambalpur during 1983-84. Thus, no uniformity was maintained regarding disbursement of foodgrains *in lieu* of wages.

(g) *Diversion of funds*

Funds to the extent of Rs. 260.42 lakhs were diverted during 1980-81 to 1981-82 from N. R. E. P. to State Plan Scheme "Economic Rehabilitation of Rural Poor (E. R. R. P.)" under the orders of Government as detailed below on items such as cashew plantation and tank fisheries designed to assist individual families.

(i) Foodgrains of 2,000 tonnes allotted during 1980-81 could not be lifted by the Collectors reportedly due to want of clearance from the Regional Manager, F. C. I., Bhubaneswar. The Government of India, however, reallocated 1,000 tonnes against 1980-81 stock valuing Rs. 15.50 lakhs which was diverted for utilisation in E. R. R. P. Due to non lifting of 1,000 tonnes by the Collectors reportedly for want of clearance from the Regional Manager, Food Corporation of India, Bhubaneswar, the Programme suffered a loss in 1,000 tonnes generating employment of 4.52 lakh mandays.

(ii) Two Blocks of Dhenkanal district had done cashew plantations on private lands (873 acres) during 1981-82 and 1982-83 under E. R. R. P. which were distributed to 656 individual beneficiaries and mandays generated thereon were included under NREP.

(iii) Rupees 8.33 lakhs diverted for fishery scheme under E. R. R. P. during 1982-83 remained unutilised with Assistant Directors reportedly for want of financial sanction and administrative approval (July 1984).

(iv) In Madanpur-Rampur Block of Kalahandi district, 123.61 quintals of rice valuing Rs. 0.22 lakh were diverted under orders (June 1982) of Collectors for Samiti Works between July 1982 and May 1983. Similarly under orders (April 1984) of Collector, the D. R. D. A., Baripada diverted (between February and April 1984) 25 tonnes of cement valuing Rs. 0.25 lakh to Assistant Agricultural Engineer, Baripada for utilisation in construction of Bio-gas plant, 12.73 tonnes of rice valuing Rs. 0.25 lakh were also diverted to Special Officer, Feeding Programme, Baripada for feeding under the other programme. In none of the cases the stock have been recouped to N. R. E. P. so far (July 1984).

(h) Allocation and utilisation of foodgrains

Scrutiny of the progress reports submitted to the Government of India disclosed the following:

Year	Food grains allotted	Food grains lifted	Unutilised stock of previous year	Utilised	Balance of unutilised stock
(1)	(2)	(3)	(4)	(5)	(6)
			(In tonnes)		
1980-81	18,500	13,854.14	..	2,643.56	11,210.58
1981-82	25,900	24,846.34	11,210.58	24,834.69	11,222.23
1982-83	17,300	17,100.00	11,222.23	12,172.85	16,149.38
1983-84	16,685	8,027.66	16,149.38	15,682.47	8,494.57

(i) Government stated that as per the information received from Collectors, out of 16,300 tonnes of food grains allotted during 1980-81 for N. R. E. P. works, foodgrains not lifted were 4,606.09 tonnes. However, according to F. C. I.'s reports to Government,

3,800 tonnes were unlifted stock. The difference of 806.09 tonnes valuing Rs. 11.29 lakhs is yet (December 1984) to be reconciled by the Collectors. The relevant records indicating lifting of the balance stock were not made available by the department.

(ii) Loss of 49.54 tonnes of foodgrains worth Rs. 0.96 lakh pertaining to 1983-84 was noticed by Audit in the stock account of food grains maintained by D. R. D. A., Baripada due to (i) short lifting of 18.25 tonnes and (ii) 31.29 tonnes of food grains found unfit for human consumption mainly due to defective storage.

(iii) In Odapada Block, 39.20 tonnes of rice valuing Rs. 0.71 lakh were reported to have been damaged in June 1982; Block Development Officer, Kamakhyanagar reported (September 1983) damage of 5.1 tonnes of wheat valuing Rs. 0.07 lakh to have been eaten away by white ants and in Rengali Block 0.06 tonnes of rice valued at Rs 0.02 lakh were damaged (March 1984) due to long storage awaiting write-off orders of the competent authority in all the cases. In 8 Blocks of Mayurbhanj district supplied with food grains by D. R. D. A., Baripada, shortages and wastage of 51.84 tonnes of food grains valuing Rs. 1.03 lakhs were noticed (December 1983) due to short lifting (16.21 tonnes); long storage and deterioration in quality rendering unfit for human consumption (31.29 tonnes) loss in weighment and bagging (23 quintals) and loss on account of theft and want of godown facilities (0.20 tonnes). Action taken for write-off/recovery in all these cases is awaited (January 1985).

(iv) In D. R. D. A., Sambalpur food grains (566 tonnes of raw rice) valued at Rs. 11.32 lakhs pertaining to 1982-83 could not be utilised by end of March 1984, reportedly due to the fact that the people of the area being not accustomed to this type of rice were not willing to work under the programme. No action either to return these food grains to the concerned authorities or to report the matter to Government was taken by D. R. D. A.

(v) In Angul Block, 7.2 tonnes of food grains valuing Rs. 0.13 lakh received in 1982-83 and lying undistributed (June 1984) with two service co-operative societies, were shown as utilised in

the progress report for June 1983; in Maneswar Block (Sambalpur district) acknowledgement for 5.99 tonnes of rice valued at Rs. 0.12 lakh issued during 1982-84 were not forthcoming.

(vi) As per the shelf of projects approved by D. R. D. A., Sambalpur (1982-83) renovation of tank in special live stock breeding farm, Chiplima (estimate Rs. 3.95 lakhs) was taken up for which the Executive Engineer, Canals division, Bargarh was advanced (February 1983) Rs. 1 lakh in cash and 84.55 tonnes of raw rice in kind. The Superintending Engineer, Hirakud Dam circle while ordering in September 1983 to transfer the work to Sambalpur Irrigation division under whose jurisdiction the work was being executed, also opined that the work not being primarily a labour intensive one involved more material component. The work was therefore not taken up. Ultimately, the stock of rice (84.55 tonnes) valuing Rs. 1.52 lakhs allotted to Canals division was diverted (March 1984) to Irrigation division which found them as unfit for human consumption. An amount of Rs. 1 lakh advanced in cash by D. R. D. A. has not been refunded so far (June 1984). Lack of co-ordination amongst D.R. D. A., Canals division, Bargarh, Irrigation division, Sambalpur and Superintending Engineer, Hirakud Dam circle resulted in non-utilisation of N. R. E. P. funds of Rs. 2.52 lakhs apart from the loss sustained due to damaged food grains.

(i) Advance of cash/foodgrains pending settlement

Thuamal Rampur Block (Kalahandi district) advanced foodgrains of 53.80 tonnes (Rs. 0.97 lakh) between May 1981 and June 1983; Khunta I Block released advance of 8.41 tonnes (Rs. 0.16 lakh) of foodgrains during 1981-82 to 1982-83 and 3 other Blocks (Karanjia, Rairangpur and Baripada) of the same district advanced Rs. 0.86 lakh to various executants either for distribution of stock through fair price shops (Co-operatives) or execution of works under the Programme. The advances remained unadjusted so far (April—July 1984) reportedly due to non-completion of works, issue of foodgrains in excess of requirements, inefficiency of the executants, etc.

(ii) The Block Development Officer, Khunta-I Block advanced in September 1982, 10 tonnes of rice valuing Rs. 0.20 lakh to the

executant for the work 'vented cause way over Kundi river' before administrative approval was accorded. While according technical sanction, the Executive Engineer, Minor Irrigation division intimated further requirement of Rs. 1 lakh for the work and consequently the work was discontinued (July 1983) and the materials already taken to site remained unutilised. Neither the rice advanced was returned nor its value realised.

(iii) Rupees 11.02 lakhs were deposited with a firm 'A' of Rajgangpur during 1983-84 by D.R.D.A., Baripada for supply of 1393 tonnes of cement in addition to deposit (amount not known) on account of 266 tonnes, made by the Collectors during 1982-83. According to the arrangements made, the transporting firm 'B' of Baripada was to transport the stock for distribution to Blocks who were to pay the cost for adjustment of deposits already made by D.R.D.A. with the cement factory. Out of 1,659 tonnes, 610 tonnes of cement worth Rs. 6.42 lakhs were supplied to 26 Blocks of which Rs. 2.60 lakhs were repaid by the Blocks leaving Rs. 3.82 lakhs still (April 1984) to be recovered. Details of transportation of the remaining quantity of 1,049 tonnes of cement has not been obtained from the transporting agent so far (April 1984) and thereby it is not known if the funds deposited with the cement Company were utilised for creating employment opportunity in rural areas.

The D.R.D.A., Bhawanipatna deposited in August 1983 Rs. 3.05 lakhs towards cost of 360 tonnes of cement to be lifted by transporting firm 'P' of Kesinga and Nawapara for distribution of cement amongst Block Development Officers. Though the entire stock was lifted during November and December 1983, no records were made available regarding distribution of the stock to the Block Development Officers.

In all these cases agreements were not executed with the village leaders and no effective steps were taken to adjust the long pending advances.

7.4.4. Training of personnel

Orientation training for the Officers handling N.R.E.P. work envisaged in the Programme was not organised either by the State Government or by the D.R.D.As. in ten districts.

7.4.5. *Technical Manuals/Guide Books*

No attempt was made to prepare the guides or manuals by the State Government to ensure that the works executed under N.R.E.P. were of durable nature and could meet appropriate technical standards and specifications.

7.4.6. *Other topics of interest*

(i) Physical verification of stock conducted in March 1983 by Block Development Officer, Dharamgarh revealed non-accountal of 1.62 tonnes of rice valued at Rs. 2,916, 0.03 tonnes of rice (value: Rs. 600) in Jeypore Block was found short at the time of handing over charge by the Stores Clerk. No action was initiated to fix responsibility in both the cases (July 1984).

(ii) The D. R. D. As. were responsible for ploughing back the sale proceeds of empty gunny bags in N. R. E. P. works to meet the extra cost of material component of the works over and above the prescribed 50 *per cent* with a view to ensure the durability of works. It was noticed that 27 executing agencies kept unsold stock of 0.45 lakh of empty gunny bags worth Rs. 1.57 lakhs and no action was taken to recover the cost from their final bills. Block Development Officers, Sambalpur and Keonjhar retained the sale proceeds of Rs. 0.39 lakh and Rs. 0.07 lakh respectively and Executive Engineer, Minor Irrigation, Dhenkanal credited (March 1984) Rs. 0.11 lakh being the sale proceeds of empty gunny bags to revenue account.

7.4.7. *Monitoring*

For effective monitoring of the implementation of the scheme, committees at the State and district levels were to be constituted. The former were expected to meet once in a quarter and the latter, once a month. It was, however, noticed that State Level Committee met only 4 times during the four years from 1980-81 to 1983-84. The District Level Committees were also meeting sporadically. Besides, physical monitoring of the performance was to be effected through regular field inspection by the officers at the site headquarters as well as those at the District and sub-divisional and block levels. No schedule prescribing the minimum number of such visits was, however, drawn up.

7.4.8. *Reports and returns*

Test check of the records of Government Department revealed that annual plan of work (Proforma-I) was never submitted to the Government of India; monthly progress reports (Proforma-II) for March and April 1981 due on 10th of the succeeding month were submitted on 11th August 1981; quarterly progress reports (Proforma-III) were delayed by 3 to 5 months mainly due to delay in receipt of information from the district authorities and other departments. Annual Report in Proforma-IV for 1983-84 due on 31st May 1984 had not been submitted so far (August, 1984).

7.4.9. *Evaluation of the programme*

No evaluation study as envisaged under the programme was undertaken by the State Government so far (July 1984) with a view to assess the achievements of the objectives of the programme. Report of evaluation study conducted (June 1983) by a team of Government of India, Ministry of Rural Development is awaited (July 1984).

Summing up

- Out of 0.78 lakh tonnes of foodgrains allotted under the programme during 1980-81 to 1983-84, 0.64 lakh tonnes were lifted by the executing agencies and 0.55 lakh tonnes were utilised apart from the cash utilisation of Rs. 29,39.29 lakhs; stock remaining unutilised at the end of March 1984 worked out to 0.09 lakh tonnes.
- Foodgrains 1,000 tonnes valuing Rs. 15.50 lakhs and cash assistance of Rs. 244.92 lakhs consisting of wage and material components, were diverted to the State Plan Scheme during 1980-81 to 1982-83; 59.99 tonnes valued at Rs. 0.77 lakh were diverted for other works unconnected with the programme.
- Seventeen Minor Irrigation Projects estimated to cost Rs. 42.33 lakhs were allowed to be executed under the programme which should have been met from out of the normal budget of the department; works were also executed out of the shelf of projects without approval of D. R. D. A.

- During 1980-81 to 1982-83, 19 executing agencies spent Rs. 1,07.06 lakhs on maintaining *kutchha* roads instead of on creation of durable assets in rural areas; Rs. 1,06.70 lakhs were spent by National Highways and Roads and Buildings divisions on National Highways and Public Works roads not borne in the books of Panchayat Samitis.
- Reported number of mandays of employment generated during 1980-81 to 1983-84 were invariably computed on the basis of value of work done instead of on muster rolls. In a district for sinking tube-wells under the Programme, the wage component to material component was in the ratio of 42:58 as against the prescribed ratio of 60:40. During 1980-81 and 1982-83, the figures of mandays generated were shown inflated by the executing agencies.
- The average quantity of foodgrains issued during 1981-82 was 1.28 Kgs. as against prescribed minimum of 2 Kgs. per labourer per day; during 1982-83, the average utilisation of foodgrains per head per day was 0.69 Kg. as against the prescribed minimum of 1 kg. Instances were noticed where wages were not paid uniformly, cash payments were made to workers for want of foodgrains, foodgrains could not be utilised for want of wage component and cash payments were made to workers despite availability of foodgrains.
- In 11 Blocks, 96.20 tonnes of rice and wheat valuing Rs. 1.83 lakhs were found damaged/lost due to shortage in lifting, long storage, theft, etc.

The State and District Level Committees to monitor the implementation of the programme did not meet frequently resulting in ineffective monitoring.

The points mentioned above were reported to Government in September 1984; their reply is awaited (March 1985).

K. N. Rao

BHUBANESWAR,

(K. N. RAO)

The

Accountant General-I (Audit), Orissa

27 JAN 1986

Countersigned

T. N. Chaturvedi

NEW DELHI,

(T. N. CHATURVEDI)

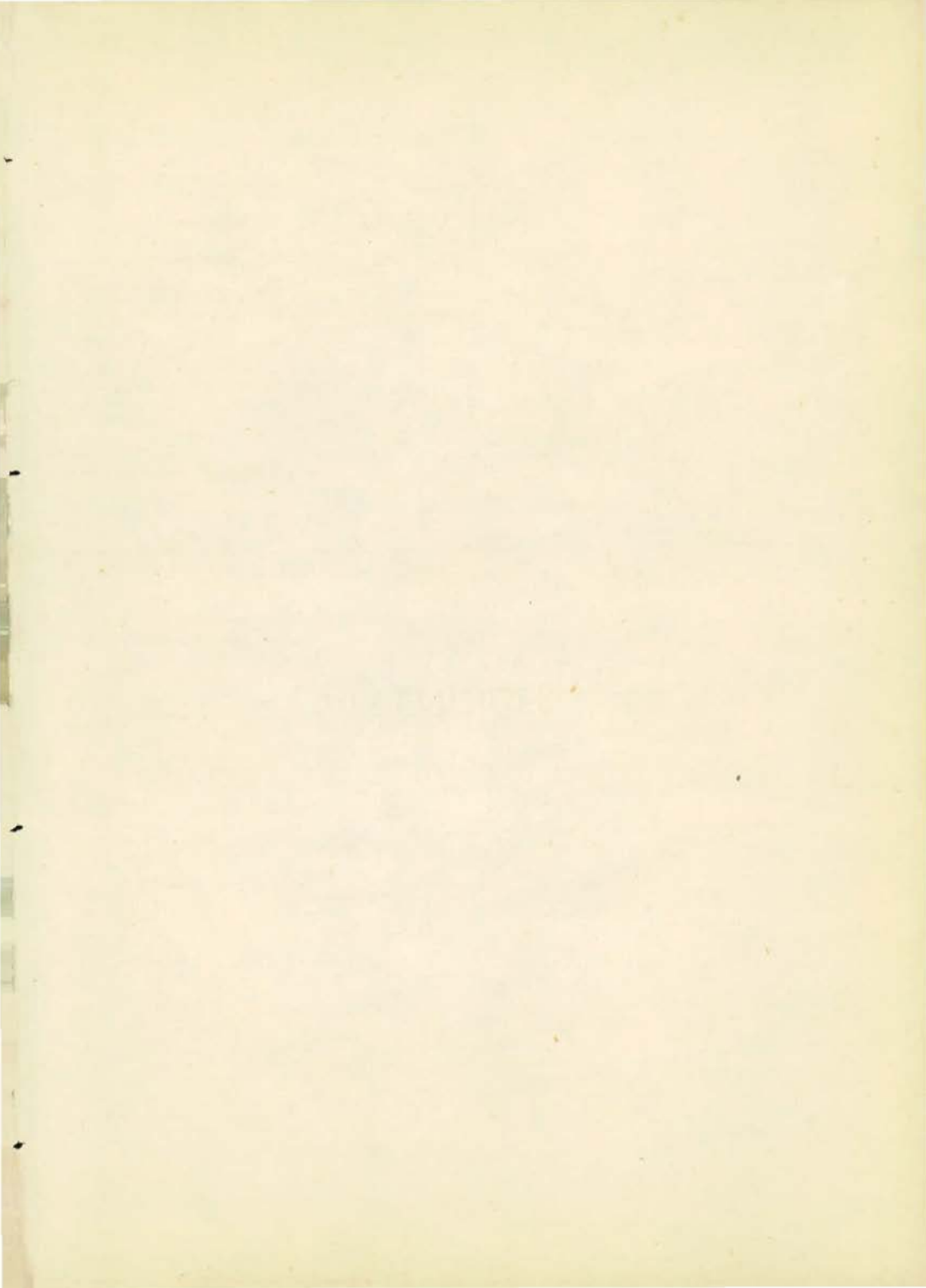
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31 MAR 1986 *Comptroller and Auditor General of India*

31 MAY 1966

31 MAY 1966

APPENDICES



APPENDIX 2.1

Grants/Charged appropriations where excess requires regularisation under Art. 205 of the Constitution

(Ref:—Paragraph 2.1.4. at page 18)

Sl. No.	(a) Voted Grants	Total grant/ appropriation (Rupees)	Expenditure (Rupees)	Amount of excess (Rupees)
(1)	(2)	(3)	(4)	(5)
1.	4—Expenditure relating to the Law Department (Revenue)	3,39,10,000	3,43,51,363	4,41,363
2.	7—Expenditure relating to the Works Department (Revenue)	50,87,81,000	81,32,98,628	30,45,17,628
3.	13—Expenditure relating to the Housing and Urban Development Department (Revenue)	59,10,27,000	61,56,11,988	2,45,84,988
4.	20—Expenditure relating to the Irrigation and Power Department (Revenue)	31,63,73,000	33,39,15,356	1,75,42,356
5.	6—Expenditure relating to the Commerce Department (Capital)	3,50,21,000	3,89,66,083	39,45,083
6.	22—Expenditure relating to the Forest, Fisheries and Animal Husbandry Department (Capital)	27,76,71,000	32,75,79,170	4,99,08,170

(b) Charged Appropriations

Interest payments ..	95,01,82,000	96,30,07,246	1,28,25,246
Internal Debt of the State Government	6,37,26,44,000	8,42,01,75,370	2,04,75,31,370
Loans and Advances from the Central Government	60,18,24,000	60,24,99,400	6,75,400

2,46,19,71,604

APPENDIX 3.1

(Reference : Paragraph 3.1.4. (L) (iv), Page 51)

Statement showing non-issue of medicines stocked

Name of the Office test checked	Year of purchase	Name of the medicine	Quantity lying in stock	Cost (Rupees)
(1)	(2)	(3)	(4)	(5)
A. D. M. O. (F.W.) Ganjam	1980-81	Chloroquine tablets ..	15,700	21,980
	1980-81	Phenobarbiton tablets ..	1,100	Not furnished
	1980-81	F. S. and Folio Acid tablets (large)	5,47,000	Ditto
	1980-81	F. S. and Folio Acid tablets (small)	8,89,000	Ditto
	1980-81	D. T. vaccine (vials) ..	9,020	Ditto
	1982-83	Mebryl tablets ..	19,848	Ditto
		F. S. and Folio Acid tablets (small)	4,31,000	Ditto
A. D. M. O. (F.W.) Cuttack	1979-80	Riboflobin tablets ..	2,85,000	Ditto
	1979-80	B. Complex tablets ..	3,01,000	Ditto
	1980-81	Liver extract injections ..	1,850	Ditto
	1981-82	A. D. Capsules ..	97,500	Ditto
	1982-83	Multi-vitamin tablets ..	2,22,000	Ditto
	1982-83	Chloroquine tablets ..	47,000	Ditto
	1982-83	Centacid tablets ..	57,000	Ditto

APPENDIX 3.2

(Reference: Paragraph 3.1.5. (i) Page 51)

Statement of birth, death and growth rates during 1978 to 1982

Years	Number of estimated population	Number of estimated live births	Estimated birth rate	Number of estimated deaths	Death rate (per 1,000)	Growth rate (per 1,000)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1978	2,64,95,924	8,71,134	32.88	3,77,801	14.26	18.62
1979	N. A.	N. A.	32.17	..	15.06	17.11
1980	2,72,03,337	9,02,708	33.18	4,00,946	14.74	18.44
1981	2,77,88,674	9,07,290	32.65	3,63,359	13.08	19.57
1982	2,88,53,932	9,93,033	34.42	3,81,963	13.24	21.18

APPENDIX

(Reference : Paragraph

Misappropriations, losses, etc., reported upto 31st March

Sl. No.	Name of the department	Cases in which Criminal/departmental proceedings have not been instituted due to non-receipt of detailed reports from sub-ordinate authorities		Cases in which departmental action started but not finalised	
		No. of cases	Amount	No. of cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)
1.	Revenue and Excise	26	2.38	71	11.34
2.	Forest, Fisheries and Animal Husbandry	177	65.92	87	64.22
3.	Agriculture and Co-operation	26	3.76	73	14.40
4.	Health and Family Welfare	5	0.79	44	6.59
5.	Education and Youth Services	4	1.74	36	13.07
6.	Community Development and Rural Reconstruction	21	6.02	17	9.44
7.	Harijan and Tribal Welfare	1	0.11	30	6.08
8.	Industries	4	0.42	26	2.04
9.	Home	1	0.01	25	4.17
10.	Finance	2	0.42	12	2.93
11.	Commerce and Transport	1	0.74	1	0.03
12.	Food and Civil Supplies	..	..	1	0.03
13.	Information and Public Relations	4	0.09	4	0.03
14.	Labour and Employment	2	0.10	4	0.40
15.	Law	3	0.35	2	1.73
16.	Mining and Geology	..	..	..	..
17.	General Administration	..	..	1	0.93
18.	Tourism, Sports and Culture	..	..	..	..
19.	Planning and Co-ordination	..	..	..	..
20.	Irrigation and power (including Minor irrigation)	86	44.84	106	21.53
21.	Works (including Rural Roads and Buildings)	22	9.10	83	107.83
22.	Housing and Urban Development	5	3.38	57	5.30
Grand total		390	140.17	680	272.39

3.3

3.10. at Page 100)

1984 pending finalisation at the end of September 1984

(Amount In lakhs of Rupees)

Cases in which
criminal cases were
finalised but execu-
tion/certificate cases
for recovery of the
amount are
pendingCases awaiting
Government orders
for recovery or
write-offCases in
Courts of Law

Total

No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
34	4.64	7	0.46	9	0.72	147	19.54
1	0.11	21	2.04	13	12.97	299	145.26
..	..	21	1.07	10	1.45	130	20.68
..	..	14	0.59	9	5.36	72	13.33
..	..	7	1.48	8	1.87	55	18.16
5	0.93	3	0.46	7	0.79	53	17.64
4	0.07	8	0.82	4	0.35	47	7.43
..	..	6	0.70	3	0.05	39	3.21
..	..	2	0.23	6	1.26	34	5.67
..	..	6	0.47	4	2.09	24	5.91
1	0.14	..	..	..	..	3	0.91
3	2.95	3	0.17	1	0.09	8	3.24
..	..	1	0.07	..	..	9	0.49
..	..	2	0.03	1	0.70	9	1.23
..	..	1	0.01	6	3.93	12	6.02
..	..	2	0.06	1	0.47	3	0.53
..	..	1	0.31	..	..	2	1.24
..	..	1	0.16	..	..	1	0.16
..	..	2	0.90	..	..	2	0.90
3	0.12	26	12.02	10	0.21	231	78.72
2	0.03	2	12.15	..	..	109	129.11
..	..	2	0.03	5	0.35	69	9.06
53	8.99	138	34.23	97	32.66	1,358	488.44

APPENDIX

(Reference : Paragraph

Statement showing the details of machines,

Sl. No.	Name of Medical College Hospitals/ Headquarters Hospitals	Particulars of machines, instruments, etc., purchased
(1)	(2)	(3)
1.	M. K. C. G. Medical College Hospital, Berhampur	(i) Heart lung machine (ii) Accessories
2.	M. K. C. G. Medical College Hospital, Berhampur	(i) Fluorescent Microscope
3.	C. D. M. O., Mayurbhanj	(i) Portable battery-cum-main diffibilltor (ii) Bedside Monitor

5.1

5.2.6. (i), Page 163)

instruments and accessories lying idle

Year of purchase	Cost (Rupees in lakhs)	Purpose for which purchased	Reasons attributed by the Superintendent, Medical College Hospital/C.D.M.O. in reply to Audit
(4)	(5)	(6)	(7)
1980-81	0.85	O p e n heart operation	For want of further equipments to the extent of Rs. 6 lakhs
1982-83	3.60	For installation of the Heart lung machine	For installation of machine, proposal for required fund has been submitted by the DMET in January 1984.
	<u>4.45</u>		
June 1983	0.26	Early Cancer Detection centre	For want of service of a trained pathologist the post of which was sanctioned by Government in November 1981.
March 1981	0.34	Intensive coronary care unit	Could not be installed for want of accommodation and powersupply; in the absence of this unit, emergent cases were being referred to Medical College Hospital for treatment.
July 1981	0.18		
	<u>0.52</u>		
	<u>5.23</u>		

APPENDIX 5.2

(Reference: Paragraph 5.2.7. (iv) Page 165)

Statement showing Medicines Supplied by the E. R. M. S. which carried lesser period of utility

Sl. No.	Name of the medicine	Quantity supplied	Date of supply	Date of Expiry	To whom supplied
(1)	(2)	(3)	(4)	(5)	(6)
1.	A. R. V.	2,000 c.c.	18-12-1976	4-1-1977	C. D. M. O., Phulbani
2.	A. R. V.	1,050 ml.	18-12-1976	4-1-1977	S. D. M. O., Kendrapara
3.	Neofortindon	65,000 tablets	29-12-1976	10-3-1977	C. D. M. O., Ganjam
4.	A. D. caps	26,000 tablets	29-12-1976	10-3-1977	C. D. M. O., Ganjam
5.	Neofortindon	65,000 tablets	29-12-1976	10-3-1977	C. D. M. O., Puri
6.	A. R. V.	4,000 ml.	10-1-1977	27-1-1977	Superintendent, M. K. C. G. Medical College Hospital, Berhampur
7.	A.R. V.	2,000 ml.	10-1-1977	27-1-1977	C. D. M. O., Sundergarh
8.	A. R. V.	1,000 ml.	10-1-1977	27-1-1977	C. D. M. O., Bolangir
9.	A. R. V.	4,000 c.c.	10-1-1977	27-1-1977	Superintendent, S. C. B. Medical College Hospi- tal, Cuttack
10.	A. R. V.	1,000 c.c.	11-1-1977	29-1-1977	S. D. M. O., Bhanjanagar

Sl. No.	Name of the medicine	Quantity supplied	Date of supply	Date of Expiry	To whom supplied
(1)	(2)	(3)	(4)	(5)	(6)
11.	Vit. B. Complex	50,000 tablets	23-1-1984	1-3-1984	C. D. M. O., Puri
12.	Polivitamin	40,000 tablets	29-6-1983	1-8-1983	C. D. M. O., Puri
13.	Polivitamin	2,00,000 tablets	7-5-1983	January 1984	C. D. M. O., Keonjhar
14.	Dexamethazine	500 vials	12-11-1983	May 1984	C. D. M. O., Phulbani

APPENDIX

(Reference: Paragraph 6.1,

Summary of financial results of working of the departmentally

Name of the undertakings	Year of account	Government capital Rs. in lakhs	Mean capital Rs. in lakhs
(1)	(2)	(3)	(4)
Cold Storage Plant			
1. Cold Storage Plant, Bolangir	1976	11.92	12.68
	1977	11.07	11.50
	1978	11.76	11.41
2. Cold Storage Plant, Paralakhemundi	1971	9.41	9.90
Industries Department			
3. K. S. Potteries Development Centre, Jharsuguda	1979-80	17.76	17.22
	1980-81	21.28	19.52
	1981-82	23.69	22.49
State Trading Scheme			
4. Grain Purchase Scheme	1976-77	1,993.68	1,781.10

6-1

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managed Government undertakings as disclosed by the *proforma* accounts

Free reserve	Block assets Rs. in lakhs	Depreciation Rs. in lakhs	Profit (+) Loss (—)	Percentage of return on mean capital
(5)	(6)	(7)	(8)	(9)
			<i>(Rupees in lakhs)</i>	
..	12.75	3.97	(—)3.95	(—)31.15
..	12.75	4.61	(—)2.89	(—)25.13
..	12.75	5.19	(—)1.58	(—)13.85
..	9.99	0.82	(—)1.57	(—)15.86
..	13.85	6.25	(+)0.05	(+)0.29
..	13.94	6.84	(+)2.50	(+)12.81
..	14.03	7.40	(+)0.02	(+)3.65
..	..	..	(+)250.98	(+)14.09





