

छोड़िणा, विधान सभा में
स्थापन दिनांक.....
Laid before the Orissa
Legislative Assembly
on.....
31 MAR 2006

**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

FOR THE YEAR ENDED 31 MARCH 2005

(CIVIL)

GOVERNMENT OF ORISSA

TABLE OF CONTENTS

| | <i>Reference</i> | |
|---|------------------|-------------|
| | <i>Para</i> | <i>Page</i> |
| Preface | | ix |
| Overview | | xi-xiii |
| CHAPTER-I | | |
| FINANCES OF THE STATE GOVERNMENT | | |
| Summary | | 1 |
| Introduction | 1.1 | 2 |
| Trend of finances with reference to previous year at a glance | 1.2 | 3 |
| Summary of receipts and disbursements for the year | 1.3 | 3-4 |
| Audit methodology | 1.4 | 4 |
| Resources by volumes and sources | 1.5 | 4-6 |
| Application of resources | 1.6 | 7-11 |
| Expenditure by allocative priorities | 1.7 | 11-12 |
| Financial assistance to local bodies and other institutions | 1.8 | 12-14 |
| Misappropriations, defalcations etc. | 1.9 | 14 |
| Assets and liabilities | 1.10 | 14-20 |
| Management of deficits | 1.11 | 20-21 |
| Fiscal ratios | 1.12 | 21-22 |
| Conclusion | 1.13 | 22 |
| CHAPTER-II | | |
| ALLOCATIVE PRIORITIES AND APPROPRIATION | | |
| Introduction | 2.1 | 23 |
| Summary of Appropriation Accounts | 2.2 | 23-24 |
| Fulfilment of allocative priorities | 2.3 | 24-29 |
| Inadequate budgetary control | 2.4 | 29-30 |
| Advances from Contingency Fund | 2.5 | 31 |
| Rush of expenditure towards the end of the financial year | 2.6 | 31 |

| | <i>Reference</i> | |
|---|------------------|-------------|
| | <i>Para</i> | <i>Page</i> |
| Unnecessary parking of funds in Civil Deposits | 2.7 | 31 |
| CHAPTER-III | | |
| PERFORMANCE REVIEWS | | |
| <i>FOOD SUPPLY AND CONSUMER WELFARE DEPARTMENT/HEALTH AND FAMILY WELFARE DEPARTMENT</i> | | |
| Implementation of Acts and Rules relating to the consumer protection | 3.1 | 32-54 |
| <i>HEALTH AND FAMILY WELFARE DEPARTMENT</i> | | |
| Orissa Health Systems Development Project | 3.2 | 55-67 |
| <i>RURAL DEVELOPMENT DEPARTMENT</i> | | |
| Construction of Rural Roads | 3.3 | 68-80 |
| <i>HEALTH AND FAMILY WELFARE DEPARTMENT</i> | | |
| Indian Systems of Medicine and Homoeopathy | 3.4 | 81-87 |
| <i>PLANNING AND CO-ORDINATION DEPARTMENT</i> | | |
| Functioning of the Western Orissa Development Council | 3.5 | 88-94 |
| <i>FINANCE DEPARTMENT</i> | | |
| Teachers Provident Fund Accounting System | 3.6 | 95-102 |
| CHAPTER-IV | | |
| AUDIT OF TRANSACTIONS | | |
| Fraudulent drawal/misappropriation/ embezzlement/losses | 4.1 | 103 |
| <i>SCHOOL AND MASS EDUCATION DEPARTMENT</i> | | |
| Loss due to obsolescence of Nationalised Text (NT) books printed in excess of requirement and avoidable expenditure on rent | 4.1.1 | 103-104 |

| | <i>Reference</i> | |
|--|------------------|-------------|
| | <i>Para</i> | <i>Page</i> |
| Infructuous/wasteful expenditure and overpayment | 4.2 | 104 |
| <i>AGRICULTURE DEPARTMENT</i> | | |
| Wasteful expenditure due to abandonment of watershed projects | 4.2.1 | 104-105 |
| <i>INFORMATION AND PUBLIC RELATIONS DEPARTMENT</i> | | |
| Infructuous expenditure on defunct Television Units | 4.2.2 | 105-106 |
| Violation of contractual obligations/undue favour to contractors | 4.3 | 107 |
| <i>WATER RESOURCES DEPARTMENT</i> | | |
| Extra expenditure and non-recovery of liquidated damage from contractor due to departmental lapses | 4.3.1 | 107-108 |
| <i>WORKS DEPARTMENT</i> | | |
| Undue favour to a Corporation | 4.3.2 | 108 |
| Non-recovery of dues | 4.3.3 | 109-110 |
| Avoidable/excess/unfruitful expenditure | 4.4 | 110 |
| <i>WORKS DEPARTMENT</i> | | |
| Avoidable extra cost due to non-finalisation of tenders within the validity period | 4.4.1 | 110-111 |
| Extra cost due to non-finalisation of tender within validity period | 4.4.2 | 111 |
| <i>WATER RESOURCES DEPARTMENT</i> | | |
| Unfruitful expenditure on incomplete work | 4.4.3 | 111-112 |
| Unfruitful expenditure on a minor irrigation project | 4.4.4 | 112-113 |
| Avoidable extra cost of Rs.1.21 crore due to cancellation of tender | 4.4.5 | 113-114 |
| Avoidable extra cost towards inadmissible overheads | 4.4.6 | 114-115 |

| | <i>Reference</i> | |
|--|------------------|-------------|
| | <i>Para</i> | <i>Page</i> |
| <i>HEALTH AND FAMILY WELFARE DEPARTMENT</i> | | |
| Avoidable expenditure towards delayed payment surcharge | 4.4.7 | 115-116 |
| Idle investment/idle establishment/blockage of funds | 4.5 | 116 |
| <i>HOME DEPARTMENT</i> | | |
| Blocking of funds due to delay in construction Orissa Complex in Mumbai | 4.5.1 | 116-117 |
| <i>WATER RESOURCES DEPARTMENT</i> | | |
| Infructuous expenditure on idle establishment | 4.5.2 | 118 |
| <i>AGRICULTURE DEPARTMENT</i> | | |
| Blocking of subsidy of Rs.78 lakh meant for the benefit of farmers and agro-entrepreneurs with a corporation | 4.5.3 | 119-120 |
| <i>HIGHER EDUCATION DEPARTMENT</i> | | |
| Blocking of funds due to delay in construction of college buildings | 4.5.4 | 120-121 |
| Regularity issues and other points | 4.6 | 121 |
| <i>FINANCE DEPARTMENT</i> | | |
| Excess payment of pension, family pension through treasuries and public sector banks | 4.6.1 | 121-124 |
| <i>INFORMATION TECHNOLOGY DEPARTMENT</i> | | |
| Functioning of Orissa Computer Application Centre | 4.6.2 | 124-125 |
| <i>PANCHAYATI RAJ DEPARTMENT</i> | | |
| Misutilisation of funds under EAS/SGRY | 4.6.3 | 126-127 |
| General | 4.7 | 127 |
| Lack of response to audit | 4.7.1 | 127-128 |
| Follow-up action on earlier Audit Reports | 4.7.2 | 128-130 |

| | | <i>Reference</i> | |
|--|--|------------------|-------------|
| | | <i>Para</i> | <i>Page</i> |
| CHAPTER-V | | | |
| INTERNAL CONTROL SYSTEM IN GOVERNMENT DEPARTMENTS | | | |
| <i>FINANCE DEPARTMENT</i> | | | |
| Internal Control Mechanism in Finance Department | | 5.1 | 131-145 |
| APPENDICES | | | |
| I | Definitions of certain terms used in Chapter-I | 1.4 | 149-150 |
| II | Summarised financial position of the Government of Orissa | 1.4 | 151 |
| III | Abstract of receipts and disbursements | 1.4 | 152-154 |
| IV | Sources and application of funds | 1.4 | 155 |
| V | Time series data on State Government finance | 1.4 | 156-157 |
| VIA | Statement showing the year-wise position of wanting utilisation certificates | 1.8.1 | 158 |
| VIB | Statement showing the details of unspent balances | 1.8.3 | 159 |
| VII | Statement showing Misappropriation, losses etc. reported upto 31 March 2005 pending finalisation by the end of June 2005 | 1.9 | 160-161 |
| VIII | Statement showing the department-wise positions of arrears in preparation of proforma accounts and investments | 1.10.5 | 162 |
| IX A | Statement showing savings of more than 10 <i>per cent</i> during 2004-2005 | 2.3.2 | 163-164 |
| IX B | Statement showing persistent savings of more than 10 <i>per cent</i> | 2.3.2 | 165 |
| X | Excess Expenditure over provisions 2004-05 | 2.3.3 (ii) | 166 |
| XI | Statement showing cases where supplementary provision was unnecessary | 2.3.5(i) | 167 |
| XII | Statement showing cases where supplementary provision was made in excess of actual requirement | 2.3.5(ii) | 168 |

| | | <i>Reference</i> | |
|--------|--|------------------|-------------|
| | | <i>Para</i> | <i>Page</i> |
| XIII | Statement showing significant cases of savings in plan expenditure exceeding Rs.1 crore | 2.3.6 | 169-173 |
| XIV | Statement showing significant cases of excess expenditure (exceeding Rs.1 crore) | 2.3.7 | 174-180 |
| XV | Injudicious Surrenders | 2.3.8(ii) | 181 |
| XVI | Statement showing excessive surrenders | 2.3.8(iii) | 182 |
| XVII | Statement showing significant cases of entire provision surrendered/re-appropriated | 2.3.8(iv) | 183-190 |
| XVIII | Anticipated savings not surrendered | 2.3.8(v) | 191-192 |
| XIX | Statement showing cases where expenditure fell short by Rs.1 crore and over 20 <i>per cent</i> of provision | 2.3.9 | 193 |
| XX | Statement of New Service/New Instrument of Service | 2.3.10 | 194-195 |
| XXI | Injudicious Re-appropriation | 2.3.11 | 196 |
| XXII | Injudicious Re-appropriation | 2.3.11 | 197-198 |
| XXIII | Particulars of Major Head under which expenditure during March 2005 was substantial and also exceeded 30 <i>per cent</i> of the total expenditure during the year 2004-2005 | 2.6 | 199-200 |
| XXIV | Statement showing details of amount kept under 8443-Civil Deposits-800-Other Deposits | 2.7 | 201 |
| XXV | Statement showing the details of the substandard new construction, one time repair and renovation of project hospital buildings under the Orissa Health Systems Development Project as of March 2005 | 3.2.11 | 202-204 |
| XXVI | Statement showing the details of excess purchase of equipment, instrument and furniture | 3.2.12 | 205-207 |
| XXVII | Statement showing the details of equipment, instrument and furniture (EIF) lying idle/unutilised | 3.2.13 | 208-209 |
| XXVIII | Statement showing details of DPS paid between December 2002 and April 2005 | 4.4.7 | 210-211 |
| XXIX | Statement showing misclassification of pension by the Treasury Officers | 4.6.1 | 212 |

| | | <i>Reference</i> | |
|--------|---|------------------|-------------|
| | | <i>Para</i> | <i>Page</i> |
| XXX | Statement showing the position of outstanding Inspection Reports/paragraphs | 4.7.1 | 213-214 |
| XXXI | Statement showing the year-wise break up of outstanding IRs/paragraphs | 4.7.1 | 215 |
| XXXII | Statement showing serious irregularities | 4.7.1 | 216 |
| XXXIII | Statement of compliance notes on reviews/audit paragraphs (Civil) not received from Government as on 30 September 2005 | 4.7.2 | 217-218 |
| XXXIV | Statement showing status of PAC recommendations on which action had not been taken as on 30 September 2005 | 4.7.2 | 219 |
| XXXV | Statement showing the details of expenditure exceeded the provisions under several detailed heads of account despite the LoC system being in operation during 2001-05 | 5.1.19 | 220-224 |
| XXXVI | Glossary of abbreviations | | 225-228 |

Preface

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters I and II of this Report respectively contain audit observations on matters arising from examination of the Finance Accounts and the Appropriation Accounts of the State Government for the year ended 31 March 2005.
3. The remaining chapters deal with the findings of performance audit and audit of transactions in the various departments including the Public Works Departments, audit of stores and stock, audit of autonomous bodies and departmentally run commercial undertakings.
4. The Report containing the observations arising out of audit of Statutory Corporations, Boards and Government companies and the Report containing such observations on Revenue Receipts are presented separately.
5. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2004-2005 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 2004-2005 have also been included wherever necessary.

OVERVIEW

This Report includes two Chapters containing observations on Finance and Appropriation Accounts of the Government of Orissa for the year 2004-2005 and three others comprising seven reviews and 22 paragraphs dealing with the result of performance audit of selected programmes and schemes as well as audit of the financial transactions of the Government.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling methods as well as on judgement basis. The specific audit methodology adopted for programmes and schemes has been mentioned in the reviews. The audit conclusions have been drawn and recommendations made taking into consideration the views of the Government.

A summary of the financial position of the State and the audit findings is given below:

Financial position of the State Government

Revenue deficit witnessed a decline since 2001-2002 and the ratio of revenue deficit to fiscal deficit also decreased from 58 *per cent* in 2000-2001 to 38 *per cent* in 2004-2005. Nevertheless, the revenue expenditure as percentage of total expenditure was 91 *per cent* in 2004-2005 and the proportion of developmental expenditure in total expenditure was on the decline from 56 *per cent* in 2000-2001 to 50 *per cent* in 2004-2005. Interest payment increased by 46 *per cent* during 2000-2005 primarily due to continued reliance on borrowings for financing the deficit.

Fiscal liabilities as ratio to GSDP increased marginally from 61.74 *per cent* in 2000-01 to 62.62 *per cent* in 2004-05 and stood at 3.05 times of its revenue receipts and 6.54 times of its own resources comprising its own tax and non tax revenue

Against the budget provision of Rs.1869.73 lakh under three grants, the expenditure was Rs.2863.68 lakh. The excess was mainly due to payment of loan of Rs.1390.91 lakh to Orissa State Cooperative Bank for conversion of short term loan to medium term loan requiring regularisation under Article 205 of the Constitution of India.

Implementation of Acts and Rules relating to consumer protection

The basic objective of protecting the rights of the consumers by providing speedy and inexpensive redressal of their grievances through implementation of the Consumer Protection Act, 1986 remained largely unachieved due to failure of the Department in creating awareness among the people about the consumer rights and procedure for filing cases, delayed disposal of the cases by the State Commission and District Forums coupled with inadequate

monitoring. Functioning of the district forums were also handicapped by infrastructural deficiencies.

The State Consumer Protection Council had not been reconstituted since April 2001 and the Councils at the district level had not been constituted as of June 2005 which had affected the protection and promotion of consumers' interest in the State.

Orissa Health Systems Development Project

To overcome the constraints existing in the health care system in the State, the State Government launched (September 1998), the Orissa Health Systems Development Project with financial assistance from the International Development Association (IDA) with a long term goal of ensuring improvement in performance of health care system. The Project scheduled to be completed by March 2004 was lagging behind schedule due to slow spending, delayed construction of buildings, under utilisation of equipment and instruments, shortage of medical and paramedical staff and inadequate training.

Construction of Rural Roads

Despite emphasis in the plan periods for establishing "all weather" village road communication and providing resources by GoI and GoO under different schemes, the objective remained unfulfilled due to lack of a consolidated plan for prioritisation and selection of roads to achieve connectivity.

Several roads and bridge projects remained incomplete due to lack of monitoring during execution and frequent changes in designs. As of March 2005, 55 per cent of the total road length still remained in metal and earthen track that too with many missing links.

Indian Systems of Medicine and Homoeopathy

The poor infrastructure in hospitals and dispensaries, non revision of norms of medicine and diet, shortage of staff in dispensaries, inadequate supply of medicines and equipment to dispensaries stood in the way of providing quality health care services through Indian Systems of Medicine and Homoeopathy (ISMH).

Vacancy in the teaching staff of the medical colleges affected the standard of education. In the absence of Drug Testing Laboratory in the State for testing of homoeopathic and ayurvedic medicines, the quality and standard of ISMH drugs could not be ensured. Maintenance of herbal gardens was not effective.

Functioning of the Western Orissa Development Council

Failure of the Western Orissa Development Council to formulate long term action plans due to non-assessment of the regional imbalances, incurring large part of expenditure on repair and maintenance of existing assets, slow pace of execution of works despite availability of resources, lack of monitoring and supervision indicated deficient governance in the Council's activities.

Internal Control Mechanism in Finance Department

Budgetary and expenditure controls, cash management and monitoring mechanism were deficient in the department. The basic checks such as proper maintenance of cash books, submission of reports and returns were not followed properly. Supervisory control by carrying out periodic inspection of treasuries by the Director of Treasuries and Inspection was inadequate. Follow up of audit objections raised by the Local Fund Auditors was not being done. Internal Audit System expected to bring failures in internal control measures to the notice of the senior management was non-existent in the department.

Besides the above, audit of financial transactions, subjected to test-check in various departments of the Government and their field functionaries revealed instances of losses or bad spending of about Rs. 40 crore as mentioned below:

Loss of Rs. 73.55 lakh was noticed in School and Mass Education Department and infructuous and wasteful expenditure amounted to Rs. 91 lakh in Information and Public Relations Department (Rs. 55 lakh) and Agriculture Department (Rs. 36 lakh).

Avoidable extra cost, unfruitful expenditure and undue benefit to contractor amounted to Rs. 23.09 crore in Water Resources (Rs. 14.61 crore), Works (Rs. 8.22 crore) and Health Family Welfare Departments (Rs. 26 lakh).

There were instances of blockage of funds and idle investments of Rs. 6.22 crore in Home (Rs. 3 crore), Water Resources (Rs. 1.61 crore), Agriculture (Rs. 78 lakh) and Higher Education Departments (Rs. 83 lakh) besides irregular expenditure of Rs. 6.47 crore in Finance, Information Technology and Panchayati Raj Departments.

Failure of the Chief Engineer, Works and the Government to finalise tenders within the validity period, resulted in avoidable extra cost of Rs.5.98 crore.

(Paragraph 4.4.1 and 4.4.2)

Payment of advance to the Orissa Industrial infrastructure Development Corporation without watching its utilisation led to blockage of rupees three crore for two years.

(Paragraph 4.5.1)

Excess printing of 12.65 lakh Nationalised Text books by the Director, Text Book Production and Marketing without due assessment caused loss of Rs.73.55 lakh.

(Paragraph 4.1.1)

Failure of the CE, Rengali Left Bank Canal to reject the inadmissible claim of a contractor abinitio resulted in extra expenditure of Rs.0.71 crore on price escalation and non-imposition of penalty of Rs.1.21 crore.

(Paragraph 4.3.1)

CHAPTER-I

Finances of the State Government

SUMMARY

Revenue deficit witnessed a continuous decline since 2001-02 and the ratio of revenue deficit to fiscal deficit also decreased from 58 per cent in 2000-01 to 38 per cent in 2004-05. The trend would, however, need to be maintained to achieve the zero revenue deficit on or before 2008-09 as envisaged by the Twelfth Finance Commission. Nevertheless, the revenue expenditure as percentage of total expenditure increased from 82 per cent in 2003-04 to 91 per cent in 2004-05. Overall revenue receipts increased from Rs.6902 crore in 2000-01 to Rs.11850 crore in 2004-05 at an average trend rate of 14 per cent per annum.

There were however, significant variations in the growth rates from year to year. During the current year, revenue receipts grew by 26 per cent as against 12 per cent during 2003-04. The State's own tax revenue increased by 26.5 per cent from Rs.3302 crore in 2003-04 to Rs.4177 crore in 2004-05 and the non-tax revenue grew by 23 per cent from 1094 crore in 2003-04 to Rs.1345 crore in 2004-05.

On an average 45 per cent of revenue had come from State's own resources. The Central Tax transfers and grants-in-aids together contributed nearly 55 per cent of the total revenue during 2000-2005.

Overall expenditure of the State increased from Rs.10,304 crore in 2000-01 to Rs.13,633 crore in 2004-2005 at an average trend rate of 8 per cent per annum while the proportion of developmental expenditure in total expenditure declined from 56 per cent in 2000-01 to 50 per cent in 2004-05.

Revenue expenditure, which constituted 91 per cent of total expenditure, grew at a trend rate of 7.5 per cent over the five year period while the capital expenditure hovered around six to nine per cent during the same period. Interest payment increased by 46 per cent from Rs.2287 crore in 2000-01 to Rs.3332 crore in 2004-05 primarily due to continued reliance on borrowings for financing fiscal deficit. The interest payment constituted 27 per cent of revenue expenditure during the year and consumed 28 per cent of the revenue receipts.

Fiscal liabilities as ratio to GSDP increased marginally from 61.74 per cent in 2000-01 to 62.62 per cent in 2004-05 and stood at 3.05 times of its revenue receipts and 6.54 times of its own resources comprising its own tax and non tax revenue.

1.1 Introduction

The Finance Accounts of the Government of Orissa are laid out in 19 statements, presenting receipts and expenditure, revenue as well as capital, in the Consolidated Fund, Contingency Fund and the Public Accounts of the State Government. The lay out of the Finance Accounts is depicted in Box 1.

Box 1

Layout of Finance Accounts

Statement No. 1: presents the summary of transactions of the State Government – receipts and expenditure, revenue and capital, public debt receipts and disbursements etc. in the Consolidated Fund, Contingency Fund and Public Account of the State.

Statement No. 2: contains the summarised statement of capital outlay showing progressive expenditure to the end of 2004-05.

Statement No.3: gives financial results of irrigation works, their revenue receipts, working expenses and maintenance charges, capital outlay, net profit or loss, etc.

Statement No.4: indicates the summary of debt position of the State, which includes borrowings from internal sources, Government of India, other obligations and servicing of debt.

Statement No. 5: gives the summary of loans and advances given by the State Government during the year, repayments made, recoveries in arrears, etc.

Statement No. 6: gives the summary of guarantees given by the State Government for repayment of loans etc. raised by the statutory corporation, local bodies and other institutions.

Statement No. 7: gives the summary of cash balances and investments made out of such balances.

Statement No.8: depicts the summary of balances under Consolidated Fund, Contingency Fund and Public Account as on 31 March 2005.

Statement No.9: shows the revenue receipts and revenue expenditure under different heads for the year 2004-05 as a percentage of total revenue/expenditure.

Statement No.10: indicates the distribution between the charged and voted expenditure incurred during the year.

Statement No.11: indicates the detailed account of revenue receipts by minor heads.

Statement No.12: provides accounts of revenue expenditure by minor heads under Non-Plan, State Plan, Central Plan and Centrally Sponsored Plan schemes separately and capital expenditure major head-wise.

Statement No.13: depicts the detailed capital expenditure incurred during and up to the end of 2004-05 and blockade of capital in incomplete projects as on 31st March 2005.

Statement No.14: shows the details of investment of the State Government in statutory corporations, Government companies, joint stock companies, co-operative banks and societies etc. up to the end of 2004-05.

Statement No.15: depicts the capital and other expenditure to the end of 2004-05 and the principal sources from which the funds were provided for that expenditure.

Statement No.16: gives the detailed account of receipts, disbursements and balances under heads of account relating to debt, contingency fund and public account.

Statement No.17: presents detailed account of debt and other interest bearing obligations of the Government of Orissa.

Statement No.18: provides the detailed account of loans and advances given by the Government of Orissa, the amount of loan repaid during the year, the balance as on 31 March 2005 and the amount of interest received during the year.

Statement No.19: gives the details of earmarked balances of reserved funds.

1.2 Trend of Finances with reference to previous year at a glance

Finances of State Government during the current year compared to previous year was as under:

| (Rupees in crore) | | | |
|-------------------|---------|-----------------------------|----------|
| 2003-04 | Sl. No. | Major Aggregates | 2004-05 |
| 9440 | 1. | Revenue Receipts (2+3+4) | 11850 |
| 3302 | 2. | Tax Revenue | 4177 |
| 1094 | 3. | Non-Tax Revenue | 1345 |
| 5044 | 4. | Other Receipts | 6328 |
| 273 | 5. | Non-Debt Capital Receipts | 417 |
| 273 | 6. | Of which Recovery of Loans | 417 |
| 9713 | 7. | Total Receipts (1+5) | 12267 |
| 10588 | 8. | Non-Plan Expenditure (9+11) | 10626 |
| 9218 | 9. | On Revenue Account | 10416 |
| 2860 | 10. | Of which, Interest Payments | 3332 |
| 1370 | 11. | On Capital Account | 210 |
| 1322 | 12. | Of which, Loans disbursed | 156 |
| 2698 | 13. | Plan Expenditure (14+15) | 3007 |
| 1643 | 14. | On Revenue Account | 1956 |
| 1055 | 15. | On Capital Account | 1051 |
| 250 | 16. | Of which, Loans disbursed | 49 |
| 13286 | 17. | Total Expenditure (8+13) | 13633 |
| (-) 3573 | 18. | Fiscal Deficit (17-1-5) | (-) 1366 |
| (-) 1421 | 19. | Revenue Deficit (9+14-1) | (-) 522 |
| (-) 713 | 20. | Primary Surplus (18-10) | (+) 1966 |

1.3 Summary of Receipts and Disbursements for the year

Table 1 summarises the finances of the State Government of Orissa for the year 2004-05 covering revenue receipts and expenditure, capital receipts and expenditure, public debt receipts and disbursements and Public Accounts receipts and disbursements made during the year as emerging from Statement-1 of Finance Accounts and other detailed statements.

Table 1: SUMMARY OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2004-05

| (Rupees in crore) | | | | | | | |
|--------------------|---------------------------------|----------|----------|-------------------------------|----------|---------|----------|
| 2003-04 | Receipts | 2004-05 | 2003-04 | Disbursements | 2004-05 | | |
| SECTION-A: Revenue | | | | | | | |
| | | | | | Non-Plan | Plan | Total |
| 9440.24 | I. Revenue receipts | 11850.19 | 10861.16 | I. Revenue expenditure | | | 12372.49 |
| 3301.73 | Tax revenue | 4176.60 | 5158.67 | General services | 6476.29 | 4.20 | 6480.49 |
| 1094.55 | Non-tax revenue | 1345.52 | 3709.61 | Social Services | 2817.04 | 1163.36 | 3980.40 |
| 3327.68 | Share of Union Taxes/Duties | 3977.66 | 1771.35 | Economic Services | 964.64 | 788.48 | 1753.12 |
| 1716.28 | Grants from Government of India | 2350.41 | 221.53 | Grants-in-aid / Contributions | 158.48 | Nil | 158.48 |

| 2003-04 | Receipts | 2004-05 | 2003-04 | Disbursements | 2004-05 | | |
|--------------------|---------------------------------------|----------|----------|---------------------------------------|---------|---------|--------------|
| SECTION-B: Capital | | | | | | | |
| Nil | II. Misc. Capital Receipts | Nil | 852.95 | II. Capital Outlay | 54.04 | 1001.51 | 1055.55 |
| 273.07 | III. Recoveries of Loans and Advances | 416.95 | 1572.01 | III. Loans and Advances disbursed | 155.89 | 49.20 | 205.09 |
| 5879.14 | IV. Public debt receipts | 4111.80 | 2727.27 | IV. Repayment of Public Debt* | | | # 2252.67 |
| 7656.70 | V. Public account receipts | 7372.89 | 7082.59 | V. Public account disbursements | | | # 6206.57 |
| 0.27 | Receipts to Contingency Fund | 54.44 | 7.33 | VI. Expenditure from contingency Fund | | | # 73.94 |
| (-) 104.25 | Opening Balance | 41.86 | 41.86 | Closing Balance | | | 1681.82 |
| 23145.17 | Total | 23848.13 | 23145.17 | Total | | | 23848.13 |

Note: * Includes net ways and means advances and over draft also
Bifurcation of plan and non- plan not available

1.4 Audit Methodology

Audit observations on the Finance Accounts bring out the trends in the major fiscal aggregates of receipts and expenditure and Finance Accounts for the year 2004-05 show these in the light of time series data and periodic comparisons based on the statements of the major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and loans and advances etc. have been presented as percentages to the Gross State Domestic Product (GSDP) at current market prices. For tax revenues, non-tax revenues, revenue expenditure etc.; buoyancy projections have also been provided for a further estimation of the range of fluctuations with reference to the base represented by GSDP. The key indicators adopted for the purpose are (i) Resources by volumes and sources, (ii) Application of resources (iii) Assets and Liabilities and (iv) Management of deficits. Audit observations have also taken into account the cumulative impact of resource mobilisation efforts, debt servicing and corrective fiscal measures. Overall financial performance of the State Government as a body corporate has been presented by the application of a set of ratios commonly adopted for the relational interpretation of fiscal aggregates.

In addition, the section also contains a paragraph on indicators of financial performance of the Government. Some of the terms used here are explained in Appendix- I. The other statements of Liabilities and Assets, Receipts and Payments, Sources and Application of funds and Time Series Data are given in Appendix-II to V.

State Finances by key Indicators

1.5 Resources by volumes and sources

Resources of the State Government consist of revenue receipts and capital receipts. Revenue receipts consist of tax revenues, non-tax revenues, State's share of Union taxes and duties and grants-in-aid from the Central Government. Capital receipts comprise miscellaneous capital receipts like

proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources viz. market loans, borrowings from financial institutions/ commercial banks etc. and loans and advances from Government of India (GOI) as well as accruals from Public Accounts.

Table 2 shows that the total receipts of the State Government for the year 2004-05 was Rs.23752 crore of which, the revenue receipts of the State Government was Rs.11850 crore only, constituting 50 *per cent* of the total receipts. The balance of receipts came from borrowings, Recovery of Loans and Advances and Public Account receipts.

Table 2 – Resources of Orissa

| | | (Rupees in crore) |
|------------------------------------|-------------------------------------|-------------------|
| I. Revenue Receipts | | 11850 |
| II. Capital Receipts | | 4529 |
| a | Miscellaneous Receipts | Nil |
| b | Recovery of Loans and Advances | 417 |
| c | Public Debt Receipts | 4112 |
| III Public Account Receipts | | 7373 |
| a | Small Savings, Provident Fund, etc. | 1938 |
| b | Reserve Fund | 1123 |
| c | Deposits and Advances | 2749 |
| d | Suspense and Miscellaneous | (-)428 |
| e | Remittances | 1991 |
| Total Receipts | | 23752 |

1.5.1 Revenue receipts

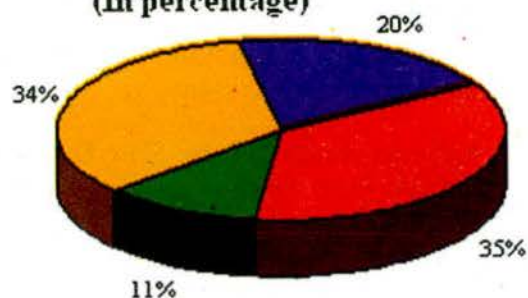
Statement-11 of the Finance Accounts details the Revenue Receipts of the Government. The Revenue Receipts of the State consist mainly of its own tax and non-tax revenues, central tax transfers and grants-in-aid from GOI. Overall revenue receipts, its annual rate of growth, ratio of these receipts to the GSDP and its buoyancy is indicated in Table 3.

Table 3: Revenue Receipts – Basic Parameters (Values in Rupees crore and others in *per cent*)

| | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 |
|-----------------------------------|---------|---------|---------|---------|---------|
| (Rupees in crore) | | | | | |
| Revenue Receipts | 6902 | 7048 | 8439 | 9440 | 11850 |
| Own taxes | 2184 | 2467 | 2872 | 3302 | 4177 |
| Non-Tax Revenue | 685 | 692 | 961 | 1094 | 1345 |
| Central Tax Transfers | 2604 | 2647 | 2806 | 3328 | 3978 |
| Grants-in-aid | 1429 | 1240 | 1800 | 1716 | 2350 |
| (in per cent) | | | | | |
| Rate of Growth of Revenue Receipt | 17.28 | 2.12 | 19.74 | 11.86 | 25.53 |
| Rate of growth of own taxes | 28.17 | 12.96 | 16.42 | 14.97 | 26.50 |
| Revenue Receipts/GSDP | 17.82 | 16.74 | 19.02 | 17.54 | 20.56 |
| GSDP Growth | 0.26 | 8.69 | 5.41 | 21.32 | 7.07 |
| Revenue Buoyancy | 67.43 | 0.24 | 3.65 | 0.56 | 3.61 |
| Own tax buoyancy | 109.91 | 1.49 | 3.04 | 0.70 | 3.75 |

REVENUE RECEIPTS FOR 2004-05

(In percentage)



■ Own Taxes ■ Non-Tax Revenue ■ Central Tax Transfer ■ Grants-in-aid

Revenue receipts of the State increased from Rs.6902 crore in 2000-2001 to Rs.11850 crore in 2004-05 at an average trend rate of 14.11 *per cent* per annum. There were, however, significant inter-year variations in the growth rates with lowest growth of 2.12 *per cent* during 2001-02. During 2003-05 the buoyancy of the revenue receipts was lagging behind the buoyancy of State's Own Taxes. The increase in the Own Tax revenue during the year over 2003-04 was mainly on Taxes on Sales, Trades etc. (Rs.607 crore), State Excise (Rs.50 crore) and Taxes on Duties and Electricity (Rs.61 crore).

While on an average around 45 *per cent* of the revenue had come from the State's own resources during 2000-2005, central tax transfers and grants-in-aid together continued to contribute nearly 55 *per cent* of the total revenue. Sales Tax was the major source of State's Own Tax Revenue having contributed 59 *per cent* of the tax revenue followed by State Excise (eight *per cent*), Taxes on Vehicles (eight *per cent*), Other Taxes (11 *per cent*) etc. Of non-tax revenue sources, Non-Ferrous Mining and Metallurgical Industries (50 *per cent*), Forest and Wildlife (six *per cent*) and Interest Receipts (18 *per cent*) were principal contributors.

The arrears of revenues increased by 112 *per cent* from Rs.1063.84 crore in 2000-2001 to Rs.2259.05 crore at the end of 2004-05. Of these, Rs.593.96 crore (26 *per cent*) were outstanding for a period of more than five years and pertained to Industrial Water Rate (Rs.45.23 crore), State Excise (Rs.9.92 crore), Sales Tax (Rs.527.09 crore), Mines and Mineral (Rs.3.12 crore) and Police (Rs.8.60 crore).

The source of revenue receipts under different heads and GSDP during 2000-2005 are indicated in Table 4.

Table 4 – Sources of Receipts: Trends

| Year | Revenue Receipts | (Rupees in crore) | | | | Total Receipts | Gross State Domestic Product |
|---------|------------------|-------------------|---------------|--------------------------------|----------------------------|----------------|------------------------------|
| | | Non-Debt Receipts | Debt Receipts | Receipts from Contingency Fund | Accruals in Public Account | | |
| 2000-01 | 6902 | 77 | 3589 | 1 | 6175 | 16744 | 38728 |
| 2001-02 | 7048 | 132 | 3273 | Nil | 6813 | 17266 | 42095 |
| 2002-03 | 8439 | 177 | 4760 | Nil | 7150 | 20585 | (P) 44372 |
| 2003-04 | 9440 | 273 | 5879 | Nil | 7657 | 23249 | (Q) 53830 |
| 2004-05 | 11850 | 417 | 4112 | 54 | 7373 | 23806 | (A) 57638 |

P=Provisional Estimates

Q=Quick Estimates

A=Advance Estimates

1.6 Application of resources

1.6.1 Trend of Growth

Statement 12 of the Finance Accounts depicts the detailed revenue expenditure by minor heads and capital expenditure major head wise. The total expenditure of the State increased from Rs.10304 crore in 2000-01 to Rs.13633 crore in 2004-05 at an average trend rate of 7.32 *per cent* per annum. There were sharp inter-year variations in the rate of growth of revenue expenditure.

Total expenditure of the State, its trend and annual growth, ratio of expenditure to the State's GSDP and revenue receipts and its buoyancy with regard to GSDP and revenue receipts are indicated in Table-5 below:

Table 5: Total Expenditure – Basic Parameters (Value: Rupees in crore and others in *per cent*)

| | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | Average |
|---|---------|---------|---------|---------|---------|---------|
| Total Expenditure (TE) | 10304 | 11148 | 11432 | 13286 | 13633 | 11961 |
| Rate of Growth | 5.86 | 8.19 | 2.55 | 16.22 | 2.61 | 7.32 |
| TE/GSDP | 26.61 | 26.29 | 25.58 | 25.77 | 23.65 | 25.27 |
| Revenue Receipts/TE | 66.98 | 63.22 | 73.82 | 71.05 | 86.92 | 72.40 |
| Buoyancy of Total Expenditure with | | | | | | |
| GSDP | 22.85 | 0.94 | 0.471 | 0.761 | 0.369 | 0.806 |
| Revenue Receipts | 0.339 | 3.872 | 0.129 | 1.367 | 0.102 | 0.519 |

There was upward trend in the ratio of revenue receipts to total expenditure from 66.98 *per cent* in 2000-01 to 86.92 *per cent* in 2004-05, indicating that approximately 87 *per cent* of the State's total expenditure was met from its current revenue, leaving the balance to be financed from borrowings. Average buoyancy of the total expenditure with GSDP during 2000-2005 was 0.806 indicating that for every one-percentage point increase in GSDP, expenditure increased by 0.806 *per cent*. Higher growth in revenue receipts in 2004-05 kept the overall buoyancy of expenditure with revenue receipt at 0.519 only.

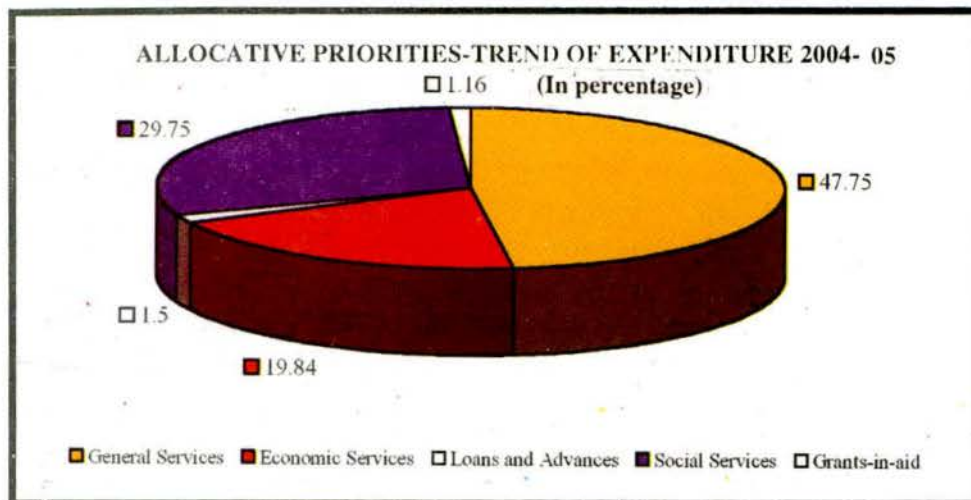
In terms of the activities, total expenditure could be considered as being composed of expenditure on general services including interest payments, social and economic services and loans and advances. The relative share of these components in total expenditure is indicated in Table 6.

Table 6: Components of expenditure – Relative Share (in *per cent*)

| | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | Average |
|---|------------|------------|------------|------------|------------|------------|
| General Services including interest payment | 39.42 | 44.92 | 42.21 | 39.12 | 47.75 | 42.68 |
| Social Services | 31.43 | 30.56 | 31.67 | 28.88 | 29.75 | 30.46 |
| Economic Services | 21.53 | 19.77 | 21.83 | 18.51 | 19.84 | 20.30 |
| Grants-in-aid | 1.45 | 1.35 | 1.29 | 1.66 | 1.16 | 1.38 |
| Loans and advances | 6.17 | 3.40 | 3.00 | 11.83 | 1.50 | 5.18 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |

The movement of relative share of these components of expenditure indicated that while the share of economic services in total expenditure declined from

21.53 per cent in 2000-01 to 19.84 per cent in 2004-05, the relative share of general services increased from 39.42 per cent in 2000-01 to 47.75 per cent in 2004-05. In case of Social Services, the relative share declined from 31.43 per cent in 2000-01 to 29.75 per cent in 2004-05.

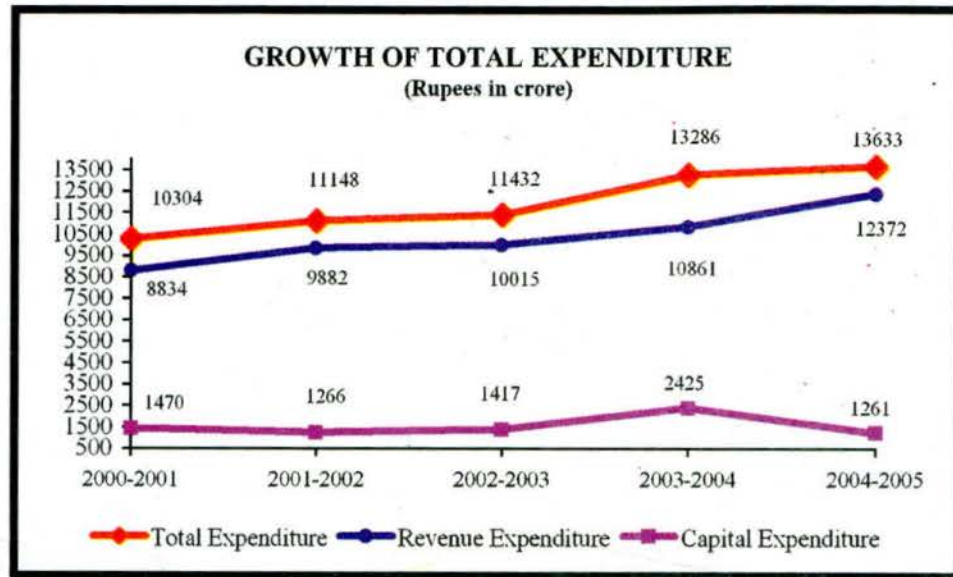


1.6.2 Incidence of Revenue expenditure

Revenue expenditure had the predominant share in total expenditure. Revenue expenditure is usually incurred to maintain the current level of assets and services. Overall revenue expenditure, its rate of growth, ratio of revenue expenditure to State's GSDP and revenue receipts and its buoyancy with both GSDP and revenue receipts is indicated in Table 7 below:

Table 7: Revenue Expenditure – Basic Parameters (Value: Rupees in crore and others in per cent)

| | 2000-2001 | 2001-2002 | 2002-2003 | 2003-2004 | 2004-2005 | Average |
|---|-----------|-----------|-----------|-----------|-----------|---------|
| Revenue Expenditure (RE) | 8834 | 9882 | 10015 | 10861 | 12372 | 10393 |
| Rate of Growth | 4.43 | 11.86 | 1.35 | 8.45 | 13.91 | 7.51 |
| RE/ GSDP | 22.81 | 23.30 | 22.41 | 21.07 | 21.47 | 21.96 |
| RE as per cent of TE | 85.73 | 88.64 | 87.60 | 81.75 | 90.75 | 86.89 |
| RE as per cent to Revenue Receipts | 127.99 | 140.21 | 118.68 | 115.05 | 104.41 | 118.97 |
| Buoyancy of Revenue Expenditure with | | | | | | |
| GSDP | 17.298 | 1.365 | 0.249 | 0.396 | 1.967 | 0.827 |
| Revenue Receipts | 0.257 | 5.608 | 0.068 | 0.712 | 0.545 | 0.532 |



Revenue expenditure of the State increased from Rs.8834 crore in 2000-01 to Rs.12372 crore in 2004-05 at an average trend rate of 7.51 *per cent* per annum. Rate of growth of revenue expenditure went up to 11.86 *per cent* in 2001-02 against 4.43 *per cent* in 2000-01 and then it had declined sharply to the lowest 1.35 *per cent* in 2002-03 and then went up to 8.45 *per cent* in 2003-04 and during 2004-05, the growth rate reached to the maximum of 13.91 *per cent*. The increase in the revenue expenditure during the year was mainly due to more expenditure on Appropriation for reduction or Avoidance of Debt (Rs.635 crore: Transfer of Rs.785 crore to Consolidated Sinking Fund in 2004-05 against Rs.150 crore in 2003-04), Interest Payment (Rs.472 crore mainly due to adjustment of Rs.336.70 crore towards interest on Provident Fund of employees of aided Educational Institutions against Rs.10 crore in 2003-04), Medical and Public Health (Rs.148 crore) and General Education (Rs.121 crore) in comparison to the previous year.

Revenue expenditure accounted for 91 *per cent* of total expenditure during 2004-05. Though the ratio of revenue expenditure to revenue receipts declined from 127.99 *per cent* in 2000-01 to 104.41 *per cent* in 2004-05, yet dependence of the State on borrowings, for meeting its current expenditure continues primarily due to the fact that salaries (Rs.4294 crore), Interest payments (Rs.3332 crore) and Pensions (Rs.1260 crore) alone consumed 74 *per cent* of total revenue receipts of the State during the year.

Average buoyancy of revenue expenditure to GSDP during 2000-05 was 0.827 indicating that for each one percentage increase in GSDP, revenue expenditure increased by 0.827 *per cent*. Similarly, for each one percentage increase in the State's receipts, the revenue expenditure increased by 0.532 *per cent*.

High salary expenditure

Salaries alone accounted for nearly 36 *per cent* of the revenue receipts of the State during 2004-05. The expenditure on salaries increased from Rs.3803

crore in 2000-01 to Rs.4294 crore in 2004-05 as indicated in Table 8 below:

Table 8

| Heads | (Rupees in crore) | | | | |
|-----------------------------------|-------------------|---------|---------|---------|---------|
| | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 |
| Salary expenditure | 3803 | 3736 | 3929 | 4002 | * 4294 |
| As percentage of GSDP | 10 | 9 | 9 | 7 | 7 |
| As percentage of Revenue Receipts | 55 | 53 | 46 | 42 | 36 |

* Revised Estimate 2004-05

Huge expenditure on pension and other retirement benefits

Pension payments have increased by 51 *per cent* from Rs.832 crore in 2000-01 to Rs.1260 crore in 2004-05. Year-wise break up of expenditure incurred on pension payments during the years 2000-01 to 2004-05 was as under:

Table 9

| Year | Expenditure | Percentage to total revenue |
|---------|-------------------|-----------------------------|
| | (Rupees in crore) | |
| 2000-01 | 832 | 12 |
| 2001-02 | 1003 | 14 |
| 2002-03 | 1030 | 12 |
| 2003-04 | 1143 | 12 |
| 2004-05 | 1260 | 11 |

With the increase in the number of retirees, the pension liabilities are likely to increase further in future. The State Government has not constituted any fund to meet the fast rising liabilities towards pension etc. of the retired State employees. Considering the rate at which pension liabilities are increasing, reforms in the existing pension schemes assume critical importance.

Interest payments

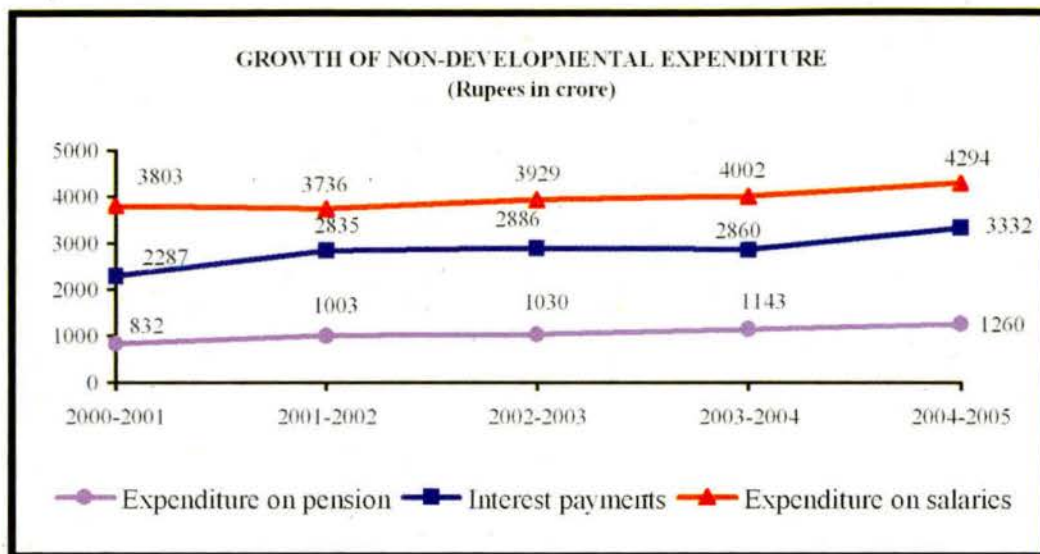
The Eleventh Finance Commission recommended (August 2000) that as a medium term objective, States should endeavour to keep interest payment as a ratio to revenue receipts at 18 *per cent*. It was however observed that Interest payments as percentage of revenue receipts ranged between 28 and 40 during the last five years as below.

Table 10

| Year | Interest Payment | Percentage of interest payment with reference to | |
|---------|-------------------|--|---------------------|
| | (Rupees in crore) | Revenue Receipts | Revenue Expenditure |
| 2000-01 | 2287 | 33 | 26 |
| 2001-02 | 2835 | 40 | 29 |
| 2002-03 | 2886 | 34 | 29 |
| 2003-04 | 2860 | 30 | 26 |
| 2004-05 | 3332 | 28 | 27 |

In absolute terms, Interest payments increased by 46 *per cent* from Rs.2287 crore in 2000-01 to Rs.3332 crore in 2004-05 primarily due to continued reliance on borrowings for financing the fiscal deficit. The increase in interest

payments during 2004-05 was mainly due to increase in interest on Internal Debt (Rs.236 crore).



1.7 Expenditure by Allocative Priorities

The actual expenditure of the State in the nature of plan expenditure, capital expenditure and developmental expenditure emerging from Statement 12 of Finance Accounts reflect the allocative priorities of the State. Higher the ratio of these components to total expenditure, better is deemed to be the quality of expenditure. Table 11 below gives the percentage share of these components of expenditure in State's total expenditure*.

Table 11: Quality of expenditure (per cent to total expenditure*)

| | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | Average |
|---------------------------|---------|---------|---------|---------|---------|---------|
| Plan Expenditure | 27.16 | 24.41 | 23.12 | 20.97 | 22.03 | 23.54 |
| Capital Expenditure | 8.63 | 8.24 | 9.69 | 7.28 | 7.86 | 8.34 |
| Developmental Expenditure | 56.44 | 52.10 | 55.16 | 53.75 | 50.34 | 53.56 |

*Total expenditure exclude expenditure on loans and advances.

All the three components of expenditure show a relative decline during 2000-05. Plan expenditure declined from 27.16 *per cent* of total expenditure in 2000-01 to 22.03 *per cent* in 2004-05. Similarly capital expenditure declined from 8.63 *per cent* in 2000-2001 to 7.86 *per cent* in 2004-05. There was also a decline in the share of development expenditure. The average share of expenditure on these components was significantly below the level achieved in 2000-01.

Out of the developmental expenditure (Rs.6760 crore), social services (Rs.4056 crore) accounted for 60 *per cent* of the developmental expenditure during the year. General Education, Medical and Public Health and Water Supply and Sanitation consumed 68 *per cent* of the expenditure on social sector.

Table 12

Social Sector Expenditure

(Rupees in crore)

| | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| General Education | 1715 | 1717 | 1857 | 1852 | 1957 |
| Medical and Public Health | 383 | 387 | 425 | 429 | 540 |
| Water Supply and Sanitation | 221 | 251 | 249 | 258 | 276 |
| Total | 2319 | 2355 | 2531 | 2539 | 2773 |

Similarly, the expenditure on Economic Services (Rs.2704 crore) accounted for 40 per cent of the developmental expenditure of which, Agriculture and Allied activities (Rs.590 crore), Irrigation and Flood Control (Rs.694 crore) and Rural Development (Rs.468 crore) accounted for 65 per cent of the expenditure on Economic sector.

Table 13

Economic Sector Expenditure

(Rupees in crore)

| | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Agriculture and Allied activities | 574 | 506 | 559 | 699 | 590 |
| Irrigation and flood control | 647 | 645 | 698 | 579 | 694 |
| Rural Development | 412 | 448 | 469 | 459 | 468 |
| Total | 1633 | 1599 | 1726 | 1737 | 1752 |

1.8 Financial assistance to local bodies and other institutions

In 2004-05, Government provided financial assistance of Rs.1063.54 crore by way of grants and loans to various non-government bodies/Institutions. Category-wise details are given below:

Table 14

| Sl. No. | Category of bodies/Institutions | Amount of assistance paid (Rupees in crore) |
|---------|--|---|
| 1. | Educational Institutions (aided schools, private colleges, universities) | 384.26 |
| 2. | District Rural Development Agency (DRDA) | 247.28 |
| 3. | Municipalities, Corporations, District Council, Development Authorities etc. | 44.47 |
| 4. | Panchayati Raj Institutions viz., Panchayat Samitis, Zilla Parishads and Gram Panchayats | 134.21 |
| 5. | Co-operative Societies and Institutions | 0.15 |
| 6. | Integrated Tribal Development Agencies (ITDAs) | 51.77 |
| 7. | Non-Government Organisations | 6.22 |
| 8. | Other Institutions | 141.60 |
| 9. | Western Orissa Development Council (WODC) | 50.00 |
| 10. | Command Area Development Authority (CADA) | 3.58 |
| | Total | 1063.54 |

The financial assistance of Rs.1063.54 crore provided during the year 2004-05 formed 8.60 per cent of total revenue expenditure (Rs.12372.49 crore) of Government.

1.8.1 Outstanding Utilisation Certificates (UCs)

Audit of 153 institutions/autonomous bodies conducted during the year 2004-05 revealed that Utilisation Certificates (UCs) for an amount of Rs.665.57 crore relating to 112 units of Panchayat Samitis (Rs.371.26 crore), 11 DRDAs (Rs.242.28 crore), 7 ITDAs (Rs.21.13 crore) and 23 others (Rs.30.90 crore) were outstanding as detailed in Appendix-VI-A. This included Rs.412.20 crore for which yearwise details were not available. It was also seen that the pendency of the UCs was mainly due to release of grants as a matter of routine without insisting on furnishing of UCs for the grants given earlier as stipulated in the sanction orders.

1.8.2 Audit of Autonomous Bodies

During the year ended 31 March 2005, Audit of accounts of 153 autonomous bodies (Departments of Panchayati Raj: 124, School and Mass Education: 9, Scheduled Tribe and Scheduled Caste Development: 9, Co-operation: 1, Planning and Coordination:1, Housing and Urban Development: 5, Women and Child Development: 1, Science and Technology: 2 and Industries: 1) was conducted under Section-14 of the Comptroller and Auditor General of India's (Duties, Powers and Conditions of Service) Act, 1971. During the period covered by audit, the bodies received financial assistance of Rs.2763.91 crore. Important points noticed during audit are brought out in the following paragraphs.

1.8.3 Unspent balance of grants

The financial rules of Government required that the grants should be utilised within the financial year during which they were sanctioned or within one year from the date of sanction. The unspent balances were to be refunded to Government immediately thereafter unless permitted by Government for utilisation in subsequent years. These provisions were not followed by the bodies or the authorities and the unspent balances were being carried over to subsequent years as a matter of routine. There was unspent balance of Rs.564.26 crore at the end of the year in respect of 153 bodies for which audit was conducted as detailed in Appendix-VI-B. However, the position of unspent balance was not available in respect of 11 bodies for want of analysis in the cash book. It was also noticed that the above institutions were not maintaining the prescribed register of Grants-in-aid to record the expenditure incurred sanction-wise and scheme-wise for each year against funds received. As a result, the periods to which the unspent balances related and reasons for non-utilisation were not available.

1.8.4 Outstanding Advances

According to Orissa Zilla Parishad and Panchayat Samiti Accounting Procedure Rules, 1961, payment of advances was generally prohibited except in case of works expenditure and amount so advanced were to be regularly and promptly adjusted. However, advances aggregating to Rs.203.95 crore were

outstanding in the accounts audited (112 Panchayat Samities: Rs.53.62 crore¹ and 41 other bodies/ authorities: Rs.150.33 crore). The position of outstanding advances in respect of 15 bodies could not be ascertained for want of relevant records. Stringent measures were called for either to adjust or recover these amounts in order to avert possible loss with lapse of time.

1.9 Misappropriations, defalcations etc.

Cases of misappropriation, losses etc. of Government money reported to audit up to the end of March 2005 and on which final action was pending at the end of June 2005, were as follows

| | | Number of cases | Amount (Rupees in lakh) |
|------|--|-----------------|----------------------------|
| i) | Cases reported up to the end of March 2004 but outstanding at the end of June 2004 | 2093 | 1475.61* |
| ii) | Cases reported during April 2004 to March 2005 | 14 | 122.24 |
| iii) | Cases disposed of till June 2005 | 8 | 1.78 |
| iv) | Cases reported up to March 2005 but outstanding as of June 2005 | 2099 | 1596.07 |

* The outstanding balance at the end of June 2004 was 1475.40 lakh. However, this was enhanced to Rs.1475.61 lakh after revaluation of 20 cases of six departments.

Department-wise analysis of the outstanding cases is given in the Appendix-VII. The period for which these were pending are given below:

| | | Number of Cases | Amount (Rupees in lakh) |
|------|--|-----------------|----------------------------|
| i) | Over five years (1948-49 to 1999-2000) | 1998 | 1314.36 |
| ii) | Exceeding three years but within five years (2000-01 to 2001-02) | 47 | 93.22 |
| iii) | Upto three years (2002-03 to 2004-05) | 54 | 188.49 |
| | Total | 2099 | 1596.07 |

The reasons for which the cases were outstanding are as follows:

| | | Number of Cases | Amount (Rupees in lakh) |
|------|--|-----------------|----------------------------|
| i) | Awaiting departmental and criminal investigation | 546 | 439.64 |
| ii) | Departmental action initiated but not finalised | 833 | 760.05 |
| iii) | Criminal proceedings finalised but execution of certificate cases for the recovery of the amount pending | 41 | 22.36 |
| iv) | Awaiting orders for recovery or write off | 539 | 139.71 |
| v) | Pending in the courts of law | 140 | 234.31 |
| | Total | 2099 | 1596.07 |

1.10 Assets and Liabilities

The Government accounting system does not attempt a comprehensive accounting of fixed assets, i.e. land, buildings etc., of the Government. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure. Statement 16 read

¹ Up to 2002-03 (14): Rs.3.79 crore and for 2003-04 (98): Rs.49.83 crore.

with details in Statement 17 of Finance Accounts show the year-end balances under the Debt, Deposit and Remittance heads from which the liabilities and assets are worked out. Appendix-II presents an abstract of such liabilities and the assets as on 31 March 2005, compared with the corresponding position on 31 March 2004. While the liabilities in this statement consist mainly of money owed by the State Government such as internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Fund, the assets comprise mainly the capital expenditure and loans and advances given by the State Government. The liabilities of Government of Orissa depicted in the Finance Accounts, however, do not include the pension and other retirement benefits payable to serving/retired State employees, guarantees/ letters of comforts issued by the State Government. Appendix-II depicts the liability and assets of the State Government at the end of March 2005.

1.10.1 Financial results of irrigation works

The financial results of 11 major and 41 medium irrigation projects with a capital expenditure of Rs.2439.97 crore at the end of March 2005 showed that the revenue realised from these projects during 2004-05 was only Rs.0.04 crore as against the direct working expenses of Rs.57.98 crore. After meeting the working and maintenance expenditure (Rs.58.25 crore) and interest charges (Rs.164.72 crore), the schemes suffered a net loss of Rs.222.92 crore. The loss was substantial (Rs.143.27 crore) in all the major irrigation projects.

1.10.2 Incomplete projects

As of 31 March 2005, there were 31 (major 14 and medium 17) incomplete projects in which Rs.5107.79 crore were blocked. These projects were incomplete for periods ranging from five to 10 years (6: Rs.371.02 crore), 10 to 15 years (8: Rs.496.76 crore), 15 to 20 years (2: Rs.211.12 crore) and more than 20 years (15: Rs.4028.89 crore). This showed that the Government was spreading its resources thinly, which failed to yield any return. Reasons for incomplete projects were paucity of funds, works left incomplete by contractors, change in site/design of the project(s), defective planning etc.

1.10.3 Investments and returns

As on 31 March 2005, Government had invested Rs.1610.41 crore in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives. Government's return on this investment was meagre (less than one per cent) during 2001-02 as indicated in Table 15 below.

Table 15: Return on Investment

| Year | Investment at the end of the year | Return | Percentage of return | (Rupees in crore) |
|---------|-----------------------------------|--------|----------------------|--|
| | | | | Weighted rate of interest on Government borrowing (per cent) |
| 2000-01 | 1408.82 | 37.91 | 2.69 | 10.35 |
| 2001-02 | 1473.20 | 8.77 | 0.60 | 10.95 |
| 2002-03 | 1519.39 | 152.22 | 10.07 | 9.85 |
| 2003-04 | 1556.63 | 138.06 | 8.87 | 8.83 |
| 2004-05 | 1610.41 | 69.15 | 4.29 | 9.51 |

1.10.4 Loans and advances by State Government

In addition to its investment, Government has also been providing loans and advances to many of these bodies. Total outstanding balance of the loans advanced was Rs.3619 crore as on 31 March 2005 (Table 16). Overall, interest received against these advances stood at 5.13 *per cent* during 2004-05. The difference between interest paid and received is negative during last five years. Further, in most cases, Government orders sanctioning the loans did not specify the terms and conditions for these loans.

An amount of Rs.4005.15 lakh (Principal Rs.3223.60 lakh and interest Rs.781.55 lakh) was due for recovery at the end of 2004-05 in respect of loans and advances to Municipalities, Local Bodies, Corporations and Loans under State Aid to Industries Act for which detailed accounts are maintained in Accounts office.

Table 16: Average Interest Received on Loans Advanced by the State Government

(Rupees in crore)

| | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 |
|--|-------------|-------------|-------------|-------------|-------------|
| Opening Balance | 1560 | 2119 | 2366 | 2532 | 3831 |
| Amount advanced during the year | 636 | 379 | 343 | 1572 | 205 |
| Amount repaid during the year | 77 | 132 | 177 | 273 | 417 |
| Closing Balance | 2119 | 2366 | 2532 | 3831 | 3619 |
| Net Addition (+) / Reduction (-) | 559 | 247 | 166 | 1299 | (-)212 |
| Interest Received (Rupees in crore) | 10 | 18 | 68 | 161 | 191 |
| Interest received as <i>per cent</i> to outstanding Loans and advances | 0.54 | 0.80 | 2.78 | 5.06 | 5.13 |
| Average weighted rate of interest paid by the State | 10.35 | 10.95 | 9.85 | 8.83 | 9.51 |
| Difference between interest paid and received | (-) 9.80 | (-) 10.15 | (-) 7.07 | (-) 3.77 | (-)4.38 |

1.10.5 Failure to prepare accounts and lack of accountability in the use of public funds by departments/commercial undertakings

Activities of quasi commercial nature are performed by certain Government departments through undertakings/schemes which are to prepare Proforma Accounts in the prescribed format annually showing the results of financial operations so that the Heads of Departments in Government can assess the results of their working. The Heads of Departments in Government are to ensure that these undertakings/schemes, which are funded by budgetary release, prepare the accounts on timely basis and submit the same to the Accountant General for audit.

As of March 2005, out of 15 undertakings/schemes, four were inoperative/closed. The Department-wise positions of arrears in preparation of proforma accounts and investment as per last accounts of the remaining undertakings/schemes are given in Appendix-VIII.

In respect of the four undertakings/schemes, which remained inoperative or were closed, the assets and liabilities were not fully disposed of or liquidated by Government. The details as well as reasons for non-operation or closure were not available.

In respect of two schemes for which Government had not prescribed the preparation of Proforma Accounts, only Personal Ledger accounts were opened and maintained by the concerned departments of Government. The position of these Personal Ledger accounts at the end of 2004-05 was as follows:

(Rupees in Lakh)

| Name of the Undertaking/ Unit/Scheme | Year in which the Personal Ledger accounts were opened | Accounts for 2004-05 | | | |
|--|---|----------------------|--------|---------|--------------------|
| | | Opening Balance | Credit | Debit | Closing Balance |
| Purchase and distribution of quality seeds to cultivators | 1977-78 (Revenue accounts) | 1615.72 | 281.27 | 1162.37 | 734.62 |
| Poultry Development | 1979-80 (Revenue accounts) | 3.02 | -- | -- | 3.02 |

The Comptroller and Auditor General had commented in the Audit Reports of the State about the failure of the Heads of Departments and the management of the undertakings/schemes to prepare their proforma accounts in time. The Public Accounts Committee in their 14th Report (10th Assembly) had expressed (November 1992) concern at the state of affairs in preparation of Proforma Accounts and had desired that responsibility be fixed for failure to prepare the accounts. Despite that, the Government neither initiated action against the defaulting management for their failure to prepare the accounts nor took any effective initiative to set right the position.

1.10.6 Management of Cash Balances

It is generally desirable that State's flow of resources should match its expenditure obligations. However, to take care of any temporary mis-matches in the flow of resources and the expenditure obligations, a mechanism of Ways and Means Advances (WMA) from Reserve Bank of India has been put in place. Orissa had the WMA limit of Rs.215 crore from 3 March 2003 and Rs.250 crore from 1 April 2004. During the year, the State used this mechanism for 99 days only as against 150 days last year although it raised borrowings of Rs.1198.97 crore from the market on six occasions. Resort to overdraft, which is over and above the WMA limits, is all the more undesirable. The State did not use the overdraft facilities during the year as against using 171 days last year.

Table 17: Ways and Means and Overdrafts of the State and Interest paid thereon
(Rupees in crore)

| | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 |
|--|---------|---------|---------|---------|---------|
| Ways and Means Advance | | | | | |
| Taken in the Year | 2137 | 1355 | 2000 | 3204 | 1450 |
| Outstanding | 179 | 179 | 239 | Nil | Nil |
| Interest Paid | 11.71 | 11.59 | 10.88 | 12.19 | 1.85 |
| Overdraft | | | | | |
| Taken in the Year | 3828 | 5393 | 4723 | 3809 | Nil |
| Outstanding | 833 | 1064 | 210 | Nil | Nil |
| Interest Paid | 4.13 | 8.32 | 8.75 | 8.42 | Nil |
| Number of Days State was in Overdraft | 203 | 252 | 188 | 171 | Nil |

1.10.7 Undischarged Liabilities**Fiscal liabilities – public debt and guarantees**

The Constitution of India provides that State may borrow within the territory of India, upon the security of its Consolidated Fund, within such limits, as may from time to time, be fixed by an act of Legislature. However, no such law was passed in the State to lay down any such limit. Statement 4 read with Statements 16 and 17 of Finance Accounts show the year-end balances under Debt, Deposit and Remittances heads from which the liabilities are worked out.

It would be observed that the over all fiscal liabilities of the State increased from Rs.23911 crore in 2000-01 to Rs.36093 crore in 2004-05 at an average growth rate of 12.22 per cent. These liabilities as ratio to GSDP increased marginally from 61.74 per cent in 2000-01 to 62.62 per cent in 2004-05 and stood at 3.05 times of its revenue receipts and 6.54 times of its own resources comprising its own tax and non-tax revenue. Table 18 below gives the fiscal liabilities of the State, its rate of growth and ratio of these liabilities to GSDP, revenue receipts and own resources and buoyancy of these liabilities with respect to these parameters.

Table 18: Fiscal Imbalances–Basic Parameters (Rupees in crore and Ratios in per cent)

| | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | Average |
|--|---------|---------|---------|---------|---------|---------|
| Fiscal Liabilities | 23911 | 27853 | 30735 | 34014 | 36093 | 30521 |
| Rate of growth | 17.85 | 16.49 | 10.35 | 10.67 | 6.11 | 12.22 |
| Ratio of fiscal liabilities to | | | | | | |
| GSDP | 61.74 | 66.17 | 69.27 | 63.19 | 62.62 | 64.48 |
| Revenue Receipts | 346.44 | 395.19 | 364.20 | 360.32 | 304.58 | 351.59 |
| Own Resources | 833.43 | 881.70 | 801.85 | 773.75 | 653.62 | 780.82 |
| Buoyancy of fiscal liabilities to | | | | | | |
| GSDP | 69.657 | 1.896 | 1.913 | 0.501 | 0.864 | 1.346 |
| Revenue Receipts | 1.033 | 7.794 | 0.524 | 0.899 | 0.239 | 0.866 |
| Own Resources | 0.965 | 1.631 | 0.485 | 0.726 | 0.239 | 1.157 |

In addition to these liabilities, Government had guaranteed loans of its various Corporations and others, which in 2004-05 stood at Rs.9296.86 crore out of which Rs.3823.25 crore is outstanding. The guarantees are in the nature of contingent liabilities of the State and in the event of non-payment of loans, there may be an obligation on the State to honour these commitments.

On test check it was revealed that an amount of Rs.145.75 crore was due to be realised towards guarantee commission of which Rs.74.69 crore had been realised leaving a balance of Rs.71.06 crore as on 31 March 2005. Guarantee fee amounting to Rs.46.19 lakh in respect of 4 Co-operative institution had not been realised as of 31 March 2005 although the loan sanctioned against them has been liquidated by end of 2003-04.

Further one of the Co-operative Institution viz. Nayagarh-co-operative sugar Industry was sold on 20 June 2004 to a private sector but the guarantee fee of Rs.4.13 lakh was not realised by 31 March 2005. Currently, the fiscal

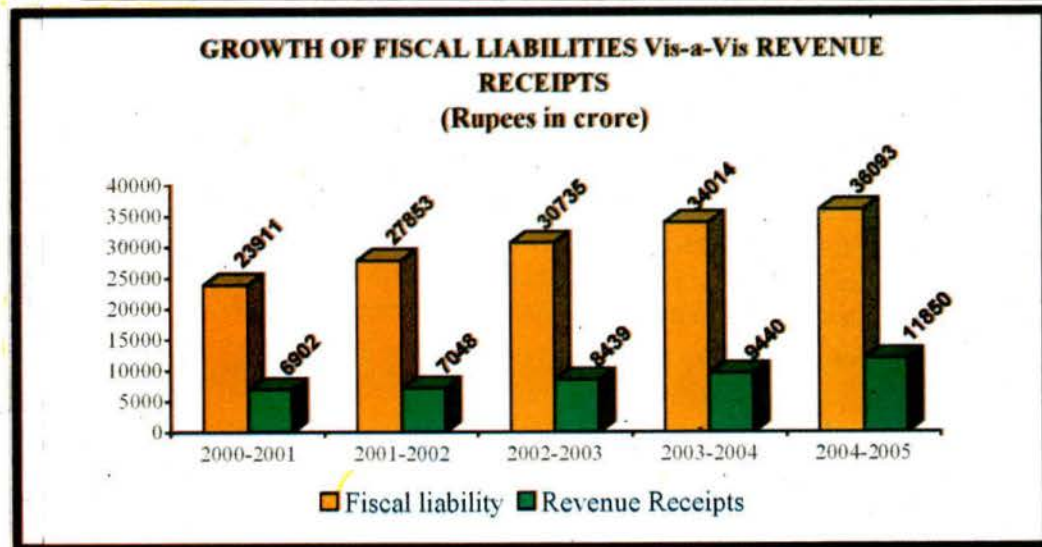
liabilities including the contingent liabilities exceeded three times the revenue receipts of the State.

Increasing liabilities had raised the issue of sustainability of State Government. Fiscal liabilities are considered sustainable if the average interest paid on these liabilities is lower than the rate of growth of GSDP.

Debt sustainability with reference to weighted interest rate, GSDP growth rate and interest spread is indicated in Table 19.

Table 19: Debt Sustainability – Interest Rate and GSDP Growth (in per cent)

| | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | Average |
|------------------------|-----------|----------|----------|---------|----------|----------|
| Weighted Interest Rate | 10.35 | 10.95 | 9.85 | 8.83 | 9.51 | 9.90 |
| GSDP Growth | 0.26 | 8.69 | 5.41 | 21.32 | 7.07 | 9.08 |
| Interest spread | (-) 10.09 | (-) 2.26 | (-) 4.44 | 12.48 | (-) 2.43 | (-) 0.82 |



Another important indication of debt sustainability is net availability of the funds after repayment of the principal of earlier loans and payment of interest. Table-20 below gives the position of the receipts and repayments of internal debt over the last five years. The net funds available on account of the internal debt and loans and advances from GOI after providing for the interest and repayments varied from (-) 16 per cent to 20.73 per cent during 2000-05. The net funds available declined to the lowest level of (-) 16 per cent of total fresh loans during 2004-05.

Table 20: Net Availability of Borrowed Funds (Rupees in crore)

| | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 |
|--|---------|-----------|-----------|------------|-----------|
| Internal Debt | | | | | |
| Receipts* | 1044 | 1687 | 2296 | 4338 | 2689 |
| Repayments (Principal+ Interest) | 867 | 987 | 1298 | 1834 | 2344 |
| Net Funds Available | 177 | 700 | 998 | 2504 | 345 |
| Net Funds Available (per cent) | 16.95 | 41.49 | 43.47 | 57.72 | 12.83 |
| Loans and Advances from Government of India | | | | | |
| Receipts* | 1489 | 973 | 1769 | 1141 | 1423 |
| Repayments (Principal+ Interest) | 1405 | 1632 | 2062 | 2509 | 2426 |
| Net Funds Available | 84 | (-) 659 | (-) 293 | (-) 1368 | (-) 1003 |
| Net Funds Available (per cent) | 5.64 | (-) 67.73 | (-) 16.56 | (-) 119.89 | (-) 70.48 |

| | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 |
|----------------------------------|---------|---------|---------|---------|-----------|
| Total Public Debt | | | | | |
| Receipts* | 2533 | 2660 | 4065 | 5479 | 4112 |
| Repayments (Principal+ Interest) | 2272 | 2619 | 3360 | 4343 | 4770 |
| Net Funds Available | 261 | 41 | 705 | 1136 | (-) 658 |
| Net Funds Available (per cent) | 10.30 | 1.54 | 17.34 | 20.73 | (-) 16.00 |

* Internal debt excluding ways and means advances and overdraft

1.11 Management of deficits

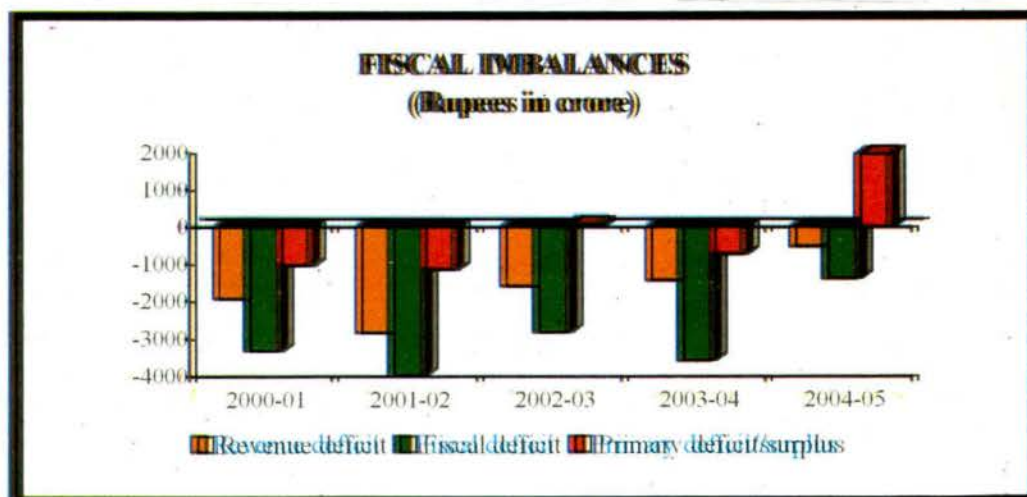
1.11.1 Fiscal imbalances

The deficits in Government accounts represent the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources so raised are applied, are important pointers to the fiscal health.

The revenue deficit (Statement 1 of Finance Accounts) of the State, which is the excess of its revenue expenditure over revenue receipts, decreased from Rs.1932 crore in 2000-01 to Rs.522 crore in 2004-05. The fiscal deficit, which represents the total borrowing of the Government and its total resource gap, decreased from Rs.3325 crore in 2000-01 to Rs.1366 crore in 2004-05. The State also had a primary deficit decreasing from Rs.1038 crore in 2000-01 to primary surplus Rs.1966 crore in 2004-05 as indicated in Table 21.

Table 21: Fiscal Imbalances – Basic Parameters (Value: Rupees in crore and Ratios in per cent)

| | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | Average |
|-------------------------------------|----------|----------|----------|----------|----------|----------|
| Revenue deficit | (-) 1932 | (-) 2834 | (-) 1576 | (-) 1421 | (-) 522 | (-) 1657 |
| Fiscal deficit | (-) 3325 | (-) 3968 | (-) 2816 | (-) 3573 | (-) 1366 | (-) 3010 |
| Primary Deficit (-)/ Surplus (+) | (-) 1038 | (-) 1133 | (+) 70 | (-) 713 | 1966 | (-) 170 |
| RD/GSDP | (-)5 | (-)7 | (-)4 | (-)3 | (-)1 | (-)4 |
| FD/GSDP | (-)9 | (-)9 | (-)6 | (-)7 | (-)2 | (-)6 |
| PD/GSDP | (-)3 | (-)3 | 0.16 | (-)1.32 | 3.41 | (-)0.36 |
| RD/FD | 58 | 71 | 56 | 40 | 38 | 55 |



Revenue deficit witnessed a continuous decline since 2001-02 from Rs.2834 crore in that year to Rs.522 crore in 2004-05. The ratio of

revenue deficit to fiscal deficit also decreased from 58 *per cent* in 2000-01 to 38 *per cent* in 2004-05. As proportion of GSDP, revenue deficit decreased to one *per cent* and fiscal deficit to two *per cent* in 2004-05. This trend would, however, need to be maintained to achieve zero revenue deficit on or before 2008-09 as envisaged by the Twelfth Finance Commission.

1.12 Fiscal Ratios

The finances of a State should be sustainable, flexible and non-vulnerable. Table 22 below presents a summarised position of Government Finances over 2000-2005, with reference to certain key indicators that help assess the adequacy and effectiveness of available resources and their applications, highlight areas of concern and capture its important facets.

The ratios of revenue receipts and State's own taxes to GSDP indicate the adequacy of the resources. The buoyancy of the revenue receipts indicates the nature of the tax regime and the State's increasing access to resources with increase in GSDP.

Various ratios concerning the expenditure management of the State indicate quality of its expenditure and sustainability of these in relation to its resources mobilisation. The ratio of revenue expenditure to total expenditure increased from 86 *per cent* in 2000-2001 to 91 *per cent* in 2004-05. But its capital expenditure and developmental expenditure as percentage to total expenditure had declined during 2000-2005. Its revenue expenditure when compared to its revenue receipts had shown comparatively higher buoyancy. All these indicated State's increasing dependence on borrowings for meeting its revenue expenditure and inadequate expansion of its developmental activities.

Table 22: Ratios of Fiscal Efficiency (in *per cent*)

| Fiscal Ratios | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | Average |
|--|----------|----------|----------|----------|----------|----------|
| Revenue Receipts/GSDP | 17.82 | 16.74 | 19.02 | 17.54 | 20.56 | 18.46 |
| Revenue Buoyancy | 67.43 | 0.24 | 3.65 | 0.56 | 3.61 | 1.55 |
| Own Tax/GSDP | 5.64 | 5.86 | 6.47 | 6.13 | 7.25 | 6.34 |
| Total Expenditure/GSDP | 26.61 | 26.48 | 25.76 | 24.68 | 23.65 | 25.27 |
| Revenue Receipts/ Total Expenditure | 66.98 | 63.22 | 73.82 | 71.05 | 86.92 | 72.40 |
| Revenue Expenditure/Total Expenditure | 85.73 | 88.64 | 87.60 | 81.75 | 90.75 | 86.89 |
| Capital Expenditure/Total expenditure. | 8.63 | 8.24 | 9.69 | 7.28 | 7.86 | 8.34 |
| Development Expenditure/ Total Expenditure (RE+CE) | 56.44 | 52.10 | 55.16 | 53.75 | 50.34 | 53.56 |
| Buoyancy of TE with RR | 0.339 | 3.872 | 0.129 | 1.367 | 0.102 | 0.519 |
| Buoyancy of RE with RR | 0.257 | 5.608 | 0.068 | 0.712 | 0.545 | 0.532 |
| Deficits/Surplus | | | | | | |
| Revenue Deficit (<i>Rupees in crore</i>) | (-) 1932 | (-) 2834 | (-) 1576 | (-) 1421 | (-) 522 | (-) 1657 |
| Fiscal Deficit (<i>Rupees in crore</i>) | (-) 3325 | (-) 3968 | (-) 2816 | (-) 3573 | (-) 1366 | (-) 3010 |
| Primary Deficit/Surplus (<i>Rupees in crore</i>) | (-) 1038 | (-) 1138 | 70 | (-) 713 | 1966 | (-) 170 |

| Fiscal Ratios | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | Average |
|---|----------|----------|----------|----------|----------|-------------|
| Revenue Deficit/Fiscal Deficit | 0.58 | 0.71 | 0.55 | 0.39 | 0.38 | 0.55 |
| Management of Fiscal Liabilities | | | | | | |
| Fiscal Liabilities (FL)/GSDP | 61.74 | 66.17 | 69.27 | 63.19 | 62.62 | 64.48 |
| Fiscal Liabilities/Revenue Receipts | 346.44 | 395.19 | 364.20 | 360.32 | 304.58 | 351.59 |
| Buoyancy of FL with Revenue Receipt. | 1.033 | 7.794 | 0.524 | 0.899 | 0.239 | 0.866 |
| Buoyancy of FL with Own Resources | 0.965 | 1.631 | 0.485 | 0.726 | 0.239 | 1.157 |
| Interest Spread | (-)10.09 | (-) 2.26 | (-) 4.44 | 12.48 | (-) 2.43 | (-) 0.82 |
| Net Fund Available | 48.45 | 10.30 | 1.54 | 17.34 | 20.73 | 19.67 |
| Other Fiscal Health Indicators | | | | | | |
| Return on Investment | 2.69 | 0.60 | 10.02 | 8.87 | 4.29 | 5.29 |
| BCR (Rupees in crore) | (-) 1069 | (-) 1945 | (-) 1410 | (-) 1228 | (-) 1517 | (-) 1433.80 |
| Financial Assets/Liabilities | 0.56 | 0.52 | 0.52 | 0.52 | 0.55 | 0.53 |

1.13 Conclusion

Revenue deficit witnessed a continuous decline since 2001-02 and the ratio of revenue deficit to fiscal deficit also decreased from 58 *per cent* in 2000-01 to 38 *per cent* in 2004-05. The trend would, however, need to be maintained to achieve the zero revenue deficit on or before 2008-09 as envisaged by the Twelfth Finance Commission. Nevertheless, the revenue expenditure as percentage of total expenditure increased from 82 *per cent* in 2003-04 to 91 *per cent* in 2004-05.

During the current year, revenue receipts grew by 26 *per cent* as against 12 *per cent* during 2003-04 due to 26.5 *per cent* increase in own tax revenue and 23 *per cent* in non-tax revenue. On an average 45 *per cent* of revenue had come from State's own resources. The Central Tax transfers and grants-in-aids together contributed nearly 55 *per cent* of the total revenue during 2000-2005.

Overall expenditure of the State increased from Rs.10304 crore in 2000-01 to Rs.13633 crore in 2004-2005 at an average trend rate of eight *per cent* per annum while the proportion of developmental expenditure in total expenditure declined from 56 *per cent* in 2000-01 to 50 *per cent* in 2004-05. The capital expenditure hovered around six to nine *per cent* during the same period.

Interest payment increased by 46 *per cent* from Rs.2287 crore in 2000-01 to Rs.3332 crore in 2004-05 primarily due to continued reliance on borrowings for financing fiscal deficit.

Fiscal liabilities as ratio to GSDP increased marginally from 61.74 *per cent* in 2000-01 to 62.62 *per cent* in 2004-05 and stood at 3.05 times of its revenue receipts and 6.54 times of its own resources comprising its own tax and non-tax revenue.

CHAPTER-II

ALLOCATIVE PRIORITIES AND APPROPRIATION

2.1 Introduction

The Appropriation Accounts prepared annually indicate capital and revenue expenditure on various specified services vis-à-vis those authorised by the Appropriation Act in respect of both charged and voted items of budget.

Audit of appropriation by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act by the State Legislature for that year and the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the act., relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2004-2005 against grants/appropriations was as follows:

| | Nature of expenditure | Original grant/appropriation | Supplementary grant/appropriation | Total | Actual expenditure | Savings(-)/Excess(+) |
|----------------------|-------------------------|-------------------------------|-----------------------------------|-----------------|--------------------|----------------------|
| | | (R u p e e s i n c r o r e) | | | | |
| Voted | I. Revenue | 9614.44 | 308.07 | 9922.51 | 8389.48 | (-) 1533.03 |
| | II. Capital | 1169.89 | 309.61 | 1479.50 | 1163.64 | (-) 315.86 |
| | III. Loans and Advances | 495.05 | 8.68 | 503.73 | 207.29 | (-) 296.44 |
| Total Voted | | 11279.38 | 626.36 | 11905.74 | 9760.41 | (-) 2145.33 |
| Charged | IV. Revenue | 4715.10 | 0.14 | 4715.24 | 4282.98 | (-) 432.26 |
| | V. Capital | 2.36 | 0.72 | 3.08 | 1.77 | (-) 1.31 |
| | VI. Public Debt | 4102.59 | 1500.00 | 5602.59 | 3703.13 | (-) 1899.46 |
| Total Charged | | 8820.05 | 1500.86 | 10320.91 | 7987.88 | (-) 2333.03 |
| Grand Total | | 20099.43 | 2127.22 | 22226.65 | 17748.29 | (-) 4478.36 |

These were gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under Revenue heads (Rs.299.98 crore) and Capital heads (Rs.112.05 crore). However, all the 42 Grants and Appropriation showed savings indicating lack of budgetary discipline and accuracy.

2.2.1 During 2004-05 the total expenditure under Consolidated Fund stands inflated to the following extent for the reasons mentioned there against:

- (i) Rs.23.76 crore drawn on Abstract Contingent Bills during 2004-05 for which the detailed contingent bills were not received as of March 2005.
- (ii) Rs.54.44 crore drawn from Orissa Contingency Fund during previous years but recouped during 2004-05.

2.2.2 During 2004-05 total expenditure was understated to the following extent:

- (i) Rs.73.94 crore drawn from the Orissa Contingency Fund during 2004-05 remained unrecouped at the close of the year.
- (ii) The balance in 8443 Civil Deposits-800-Other Deposits was decreased by Rs.122.74 crore. (Disbursements Rs.220.84 crore less Deposits Rs.98.10 crore)
- (iii) Rs.3.51 crore was not accounted for as expenditure for want of voucher from Treasuries.

2.3 Fulfilment of Allocative Priorities

2.3.1 Appropriation by Allocative Priorities

- (i) Analysis of savings with reference to allocative priorities brought out the following:

Grant No. 3 – Revenue

(Rupees in crore)

| | Original | Supple- mentary | Total grant | Actual Expenditure | Saving |
|-----------------|----------|--------------------|----------------|-----------------------|--------|
| Revenue (Voted) | 950.66 | 1.83 | 952.49 | 786.41 | 166.08 |

Savings occurred mainly under the major head 2245 Relief on Account of Natural Calamities-80-General-Lump provision (Rs.299.79 crore) and entire provision was withdrawn through reappropriation for regularisation of the expenditure already incurred for relief work. Savings of Rs.110.33 crore under the major head 2245 Relief on Account of Natural Calamities-Grants to OSDMA was also surrendered attributing to non-release of funds by Government of India.

Grant No. 5 – Finance

(Rupees in crore)

| | Original | Supple- mentary | Total grant | Actual Expenditure | Saving |
|-----------------|----------|--------------------|----------------|-----------------------|--------|
| Revenue (Voted) | 1727.40 | -- | 1727.40 | 1324.26 | 403.14 |

Savings occurred mainly under the major head 2071 Pension and Other Retirement Benefits. Voluntary retirement/voluntary separation benefits for State Government Employees (Rs.66.06 crore), Voluntary Separation Scheme for NMR, DLR Work Charged etc. (Rs.20.00 crore), commuted value of

pension (Rs.88.73 crore), Death-Cum-Retirement Gratuity (Rs.66.12 crore), Family Pensions (Rs.38.73 crore), Pension and Gratuity for Non-Government teachers of Secondary Schools and Colleges (Rs.43.92 crore). Reasons for anticipated savings were not intimated (July 2005) to Accountant General (A&E) by Finance Department. The anticipated saving of Rs.50 crore under Major Head 2075 miscellaneous General Services-Payment on account of invocation of Guarantees was also surrendered without assigning any reason.

Grant No. 5 – Finance

(Rupees in crore)

| Revenue (Charged) | Original | Supple- mentary | Total grant | Actual Expenditure | Saving |
|-------------------|----------|--------------------|----------------|-----------------------|--------|
| | 400.01 | -- | 400.01 | 150.01 | 250.00 |

Anticipated saving of Rs.250.00 crore under the Major Head 2075 Miscellaneous General Services-Transfer to/from Reserve Fund and Deposit Account Guarantee Reserve Fund was surrendered without assigning any reason.

Grant No.5 – Finance

(Rupees in crore)

| | Original | Supple- mentary | Total grant | Actual Expenditure | Saving |
|-----------------|----------|--------------------|----------------|-----------------------|--------|
| Capital (Voted) | 223.99 | -- | 223.99 | 120.45 | 103.54 |

Savings occurred mainly under the major head 7610-Loans to Government Servants etc. Special House Building Advance (Rs.72.82 crore) House Building Advance (Normal) (Rs.32.89 crore). Reasons for savings of Rs.72.82 crore was not intimated to Accountant General (A&E) by Finance Department and the saving of Rs.32.89 crore was surrendered attributing to less requirement.

Grant No. 30 – Energy

(Rupees in crore)

| | Original | Supple- mentary | Total grant | Actual Expenditure | Saving |
|-----------------|----------|--------------------|----------------|-----------------------|--------|
| Capital (Voted) | 259.71 | -- | 259.71 | 93.57 | 166.14 |

Savings occurred due to surrender of provision mainly under the major head 6801 Loans for Power Projects, State Plan, State Sector, Strengthening and Improvement of Distribution System under APDRP.

Appropriation-2049 Interest Payment.

(Rupees in crore)

| | Original | Supple- mentary | Total grant | Actual Expenditure | Saving |
|-------------------|----------|--------------------|----------------|-----------------------|--------|
| Revenue (Charged) | 3461.91 | -- | 3461.91 | 3332.02 | 129.89 |

Entire provision of Rs.58.50 crore in respect of interest on the balance of Calamity Relief Fund remained unutilised, unsurrendered and unexplained (July 2005). Reasons for final savings in respect of Interest on General Provident Fund (Rs.63.61 crore) & payment of interest on additional market

borrowing during 2002-2003 (Rs.51.21 crore) were not intimated to Accountant General (A&E) by Finance Department.

Appropriation-6003 Internal Debt of the State Government

(Rupees in crore)

| | Original | Supple- mentary | Total grant | Actual Expenditure | Saving |
|-------------------|----------|--------------------|----------------|-----------------------|---------|
| Capital (Charged) | 3465.41 | -- | 3465.41 | 2258.56 | 1206.85 |

The saving was mainly due to saving of Rs.1049.54 crore under repayment of Ways and Means Advances which remained unintimated to the Accountant General (A&E) by Finance Department (July 2005) and the entire provision of Rs.500 crore under over draft with RBI remained unutilised, unsurrendered and unexplained.

Appropriation-6004 Loans and Advances from Central Government

(Rupees in crore)

| | Original | Supple- mentary | Total grant | Actual Expenditure | Saving |
|-------------------|----------|--------------------|----------------|-----------------------|--------|
| Capital (Charged) | 2137.18 | -- | 2137.18 | 1444.57 | 692.61 |

Savings occurred mainly under 02-Loans for State/Union Territory Plan Scheme-101-Block Loans (Rs.316.46 crore) and 01-Non-Plan Loans-102-Share Small Saving Collection (Rs.375.24 crore). Anticipatory Savings were surrendered attributing to Debt Swap.

2.3.2 Persistent savings

Savings of more than 10 per cent were noticed in 28 out of 42 grants/appropriations. Such savings persisted during the period 2002-2005 in 22 out of the above 42 grants/appropriations (Appendix-IX-A and B).

2.3.3 Excess over provision requiring regularisation

2.3.3 (i) Excess over provisions relating to previous years

Excess over provisions relating to previous years

As per Article 205 of the Constitution of India, it is mandatory for the State Government to get the excess over a grant/appropriation regularised by the State Legislature. The excess expenditure amounting to Rs.8819.14 crore for the years 1996 -97 to 2003 -2004 was yet to be regularised as detailed below:

| Year | No. of grants/ appropriations | Grant/Appropriation Number | Amount of excess | Amount for which explanations not furnished to PAC |
|-------------------|----------------------------------|--|------------------|--|
| (Rupees in crore) | | | | |
| 1996-97 | 6 | 3 Revenue, 6 Commerce, 7 Works, 22 Forest and Environment, 28 Rural Development, 29 Parliamentary Affairs | 107.40 | 107.40 |
| 1997-98 | 8 | 3 Revenue, 5 Finance, 7 Works, 13 Housing and Urban Development, 15 Sports & Youth Services, 22 Forest & Environment, 6003 Internal debt of the State Government & 6004 Loans etc. | 989.97 | 989.97 |

| Year | No. of grants/appropriations | Grant/Appropriation Number | Amount of excess | Amount for which explanations not furnished to PAC |
|--------------|------------------------------|--|-------------------|--|
| | | | (Rupees in crore) | |
| 1998-99 | 9 | 5 Finance, 6 Commerce, 7 Works, 8 Legislative Assembly, 12 Health and Family Welfare, 13 Housing & Urban Development, 24 Steel and Mines, 32 Tourism & Culture, 35 Public Enterprises | 126.26 | 126.26 |
| 1999-2000 | 12 | 1 Home, 5 Finance, 6 Commerce, 7 Works, 8 Orissa Legislative Assembly, 10 School and Mass Education, 17 Panchayati Raj, 20 Water Resources, 26 Excise, 28 Rural Development, 29 Parliamentary Affairs and 6003 Internal debt of the State Government | 2658.52 | 2658.52 |
| 2000-2001 | 8 | 6 Commerce, 7 Works, 8 Orissa Legislative Assembly, 10 School & Mass Education, 20 Water Resources, 22 Forest & Environment, 6003 Internal Debt of the State Government, 6004 Loans & Advances from Central Government | 2474.48 | 2474.48 |
| 2001-2002 | 4 | 15 Sports & Youth services, 20 Water resources, 28 Rural Development & 6004 Loans & Advances from Central Government | 393.58 | 393.58 |
| 2002-2003 | 5 | 8-Orissa Legislative Assembly, 15-Sports & Youth services, 20-Water Resources, 6003-Internal Debt of State Government & 6004-Loans & Advances from Central Government | 2068.93 | 2068.93 |
| Total | | | 8819.14 | 8819.14 |

2.3.3 (ii) *Excess over provisions relating to 2004-05*

Further, the excess expenditure of Rs.993.95 lakh in three Grants/Appropriations(Works, Co-Operation, and Higher Education) during the year also required regularisation under Article 205 of the Constitution of India (Appendix-X).

2.3.4 *Supplementary provision*

Supplementary provision of Rs. 2127.22 crore made during the year constituted 11 per cent of the original provision as against 67 per cent in the previous year.

2.3.5 *Unnecessary/Excessive/Inadequate Supplementary Provision*

(i) *Unnecessary supplementary provision*

Supplementary provision of Rs.238.29 crore in 40 cases under 27 grants was wholly unnecessary as the expenditure in each case was even less than the original provision, the saving being more than Rs.50 lakh in each case (Appendix-XI).

(ii) *Excessive supplementary provision*

Against the additional requirement of Rs.493.20 crore in 8 cases under 8 grants/ Appropriations, supplementary provision of Rs.1878.28 crore was obtained resulting in savings of Rs.25 lakh or more in each case and Rs.1385.08 crore in aggregate out of which in one appropriation

(Appropriation No.6003 Internal Debt) the saving was Rs.1206.85 crore which was 87 per cent of the savings of Rs.1385.08 crore during the year. (Appendix-XII).

2.3.6 Significant cases of savings in plan expenditure

Significant savings exceeding Rs.1 crore in each case aggregating to Rs.203.94 crore (24 per cent) against the provision of Rs.848.11 crore either due to non-implementation or slow implementation of Plan schemes were noticed in 52 cases in 18 grants. In 11 cases (Sl.No.1, 22, 23, 24, 28, 39, 40, 42, 44, 46 & 50 of Appendix-XIII), the entire provision of Rs.65.77 crore remained unutilised.

2.3.7 Significant cases of excess expenditure

Significant excess expenditure amounting to Rs.607.85 crore exceeding Rs.1 crore in each case was noticed in 62 cases involving 21 Grants/Appropriations (Appendix-XIV).

2.3.8(i) Delayed surrender of saving

According to rules, all anticipated savings in a grant/appropriation should be surrendered as soon as the possibility of savings is foreseen from the trend of expenditure without waiting till the end of the year when it cannot be purposefully utilised. During 2004-05, although actual savings of Rs.4488.30 crore were available, only Rs.3055.73 crore was surrendered in March 2005.

(ii) Injudicious surrender

In 16 Grants/Appropriations amounts surrendered were less than the savings available. The amount not surrendered were more than Rs.2 crore in each case. In respect of the Appropriation No.6003 Internal Debt of the State Government, the Finance Department did not surrender any amount against total savings of Rs.1206.85 crore (Appendix-XV).

(iii) Excessive surrender

In eight cases, the amount surrendered were in excess of actual savings indicating inadequate budgetary control. Against the actual savings of Rs.861.15 crore, amount surrendered was Rs.983.91 crore resulting in excess surrender of Rs.122.76 crore (Appendix-XVI).

(iv) Surrender of entire provision

In 99 cases relating to 19 Grants, the entire provision of Rs.805.47 crore (exceeding Rs.10 lakh in each case) was re-appropriated/surrendered (Appendix-XVII).

(v) Anticipated savings not surrendered

In 19 cases relating to 11 Grants/Appropriations the entire available provision of Rs.573.78 crore remained unutilised and was not surrendered (Appendix-XVIII).

2.3.9 Unutilised provision

In 26 cases involving 19 Grants/Appropriations, the expenditure fell short of provision by more than Rs.1 crore and more than 20 *per cent* of the provision in each case (Appendix-XIX). All this indicated absolute lack of budgetary and expenditure control.

2.3.10 Expenditure on New Service

Under Article 205 of the Constitution, when need arises during a financial year for expenditure upon some new service not contemplated in the Budget for that year, funds have to be got authorised by the Legislature before incurring that expenditure from the Consolidated Fund. In case of urgency, expenditure on new service can be met by obtaining advances from the Contingency Fund pending authorisation of the expenditure by the Legislature.

During 2004-2005, expenditure of Rs.281.34 crore was incurred in 19 cases involving 8 Grants/Appropriations as detailed in Appendix-XX without following the prescribed procedure for New Service/New Instrument of Service.

2.3.11 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. Cases where the re-appropriation of funds proved injudicious in view of final savings/excess over grant by over rupees one crore are detailed in Appendix XXI and XXII respectively.

2.4 Inadequate Budgetary Control

Scrutiny of budget proposals and actual expenditure in respect of two Departments viz. (i) Forest and Environment Department and (ii) Home Department revealed the following:

2.4.1 Provision for vacant posts

Rule 61(b) of Orissa Budget Manual (OBM) provides that provisions should be made in the budget for men on duty (excluding vacant posts). But the provision of Rs.1.88 crore was made by Home Department for vacant posts and the entire amount was ultimately surrendered.

2.4.2 Belated surrenders

Orissa Budget Manual (OBM) provides that all anticipated savings should be surrendered immediately after these are foreseen and latest by 10th of March of the financial year. It was noticed that the above two departments surrendered Rs.93.77 crore (Forest and Environment Department: Rs.43.24 crore and Home Department : Rs.50.53 crore) on the last working day of the financial year (31 March 2005).

2.4.3 Persistent savings under Grant No.22 Forest and Environment

In Forest and Environment Department there were persistent savings under Revenue Heads (Voted) during the last 10 years with the percentage of savings rising drastically during the last three years as shown in the table below:

| Year | Provision | Expenditure | Savings | Percentage of Savings |
|-----------------------------|-----------|-------------|----------|-----------------------|
| (R u p e e s i n l a k h) | | | | |
| 1995-96. | 10,264.64 | 7,166.63 | 3,098.01 | 30 |
| 1996-97 | 9,966.43 | 7,329.34 | 2,637.09 | 26 |
| 1997-98 | 9,833.46 | 7,514.99 | 2,318.47 | 24 |
| 1998-99 | 13,435.27 | 10,011.00 | 3,424.27 | 25 |
| 1999-2000 | 9,661.15 | 9,258.41 | 402.74 | 4 |
| 2000-2001 | 12,980.44 | 11,001.31 | 1,979.13 | 15 |
| 2001-2002 | 12,112.19 | 10,132.84 | 1,979.35 | 16 |
| 2002-2003 | 18,097.34 | 10,784.21 | 7,313.13 | 40 |
| 2003-2004 | 18,504.98 | 8,992.22 | 9,512.76 | 51 |
| 2004-2005 | 12,929.23 | 8,811.26 | 4,117.97 | 32 |

2.4.4 Surrender of entire provision

In the following cases the Departments have surrendered the entire provision on last day of year i.e. on 31.3.2005 depriving needy areas for utilisation.

(Rupees in lakh)

| Sl. No. | Name of the Department | Head of Account | Amount of provision | Amount surrendered |
|---------------|------------------------|---|---------------------|--------------------|
| 1. | Forest and Environment | 3435-Ecology and Environment (Central Plan) 03-102-Environmental Planning and Co-ordination-conservation and management of mangroves | 85.00 | 85.00 |
| 2. | -do- | 3435-Ecology and Environment (NP) State Prevention and Control of Pollution Board-Grant-in-Aid | 7.00 | 7.00 |
| 3. | Home Department | 4059-Capital Out Lay, State Plan, District Sector-60-Other Buildings-051 Construction-Upgradation. Construction of subordinate construction buildings | 235.50 | 235.50 |
| 4. | -do- | 2056-Jails, State Plan, District Sector, 102 Jail Manufacture, District Special Jail, (Undr modernisation of prisons) | 8.00 | 8.00 |
| Total: | | | 335.50 | 335.50 |

2.4.5 Non-release of Funds by Home Department

Modernisation of prisons was taken up in the state with central assistance since 2002-03. The sharing of expenditure between centre and the state was 75:25 basis. An amount of Rs.25,58,000 was not released to the executing agencies though the entire amount of Rs.21,47,00,000 (C.A. Rs.16,10,25,000, State share Rs.5,36,75,000) was available for the year 2003-04. State share of Rs.2,29,98,000 was not released for the year 2004-05 though Central share was available from the beginning of the financial year. Amounts of Rs.1,90,000, Rs.3,62,92,000 and Rs.13,87,000 for the three years respectively were not spent by the executing agencies till 30 June 2005.

2.5 Advances from the Contingency Fund

The corpus of the State Contingency Fund was enhanced (January 2000) from Rs.60 crore to Rs.150 crore to enable the Government to meet unforeseen and emergency expenditure not provided for in the budget and which could not be postponed till the vote of Legislature was taken. The advance from the fund is to be recouped by obtaining Supplementary Grant at the first session of the Assembly immediately after the advance was sanctioned.

During the year 2004-2005, Rs.73.94 crore drawn from the Contingency Fund remained un-recouped at the end of the year. Besides, advances amounting to Rs.47.45 crore remained un-recouped relating to earlier years.

(Rupees in crore)

| Period | 20 years and above | Less than 20 years and more than 15 years | Less than 15 years and more than 10 years | Less than 10 years and more than 5 years | Less than 5 years and more than 3 years | Less than 3 years and more than 1 year | Below 1 year | Total |
|-----------------------------|--------------------|---|---|--|---|--|--------------|--------|
| Arrears remained unrecouped | 2.19 | 0.91 | 7.37 | 17.23 | 12.70 | 6.88 | 73.94 | 121.22 |

2.6 Rush of expenditure towards the end of the financial year

Controlling Officers are responsible for ensuring effective control over expenditure and guard against rush of expenditure in the month of March as envisaged under rule 147 of OBM. Test check in audit revealed that during 2004-2005 under as many as 32 Major Heads of Accounts Heads, more than 30 *per cent* of the total expenditure was incurred in March 2005 (Appendix-XXIII).

2.7 Unnecessary parking of funds in Civil Deposits

Balance under 8443-Civil Deposit-800-Other Deposits at the end of March 2005 was Rs.639.98 crore. The position during 2000-2001 to 2004-2005 is given in Appendix-XXIV. During the five years period the deposit increased marginally from Rs.616.72 crore in 2000-2001 to Rs.639.98 crore in 2004-05. Such accumulation of funds showed that Government left the funds, meant for many schemes, parked in the Civil Deposit without actual expenditure and overstating the expenditure at the same time.

CHAPTER-III PERFORMANCE REVIEWS

FOOD SUPPLY AND CONSUMER WELFARE DEPARTMENT/HEALTH AND FAMILY WELFARE DEPARTMENT

3.1 Implementation of Acts and Rules relating to the consumer protection

Highlights

A review of the implementation of the various Acts and Rules relating to consumer protection viz. the Consumer Protection (CP) Act 1986, the Prevention of Food Adulteration (PFA) Act, 1954 and the Standards of Weights and Measures (Enforcement) (SWM) Act 1985 during the period 2000-04 in Orissa revealed serious deficiencies in administration of the Acts, the awareness and promotional efforts of the State Government in educating the consumers about these Acts and also in timely dispensation of justice to the consumers. The State Government had largely failed to ensure simple, speedy and inexpensive redressal to the consumers as envisaged in the CP Act. Besides, the enforcement of two Acts viz. Prevention of Food Adulteration Act 1954 (PFA) and Standards of Weights and Measures (Enforcement) Act, 1985 (SWM), which protects consumers against adulterated foods and exploitation through incorrect weighment and measurement was grossly inadequate due to shortage of Inspectors and deficient monitoring at the Government level. There was no dedicated monitoring mechanism at the State level to review and evaluate the extent of successful implementation of these Acts in the State. The execution of the orders of the Consumer Courts was also very tardy.

- ♦ There was delay of 14 months in establishment of the Consumer Disputes Redressal Commission (State Commission) and 17 to 32 months in case of the Consumer Disputes Redressal Forums (District Forums) in the State due to Government inaction.

(Paragraph 3.1.7)

- ♦ There were delays (three to six years) in completion of construction of buildings for the State Commission and nine District Forums. Despite availability of Central assistance, 22 District Forums still did not have their own buildings; they operated in rented accommodation.

(Paragraph 3.1.10)

- ♦ The Government did not initiate timely action for filling up vacancies arising out of retirement / resignation etc. in the posts of President and Members of the District Forums and State Commission leading to accumulation of large pendency of dispute cases and delay in delivering judgement. The pendency as of December 2004 was a

* The abbreviations used in the review have been listed in the glossary in Appendix-XXXVI at page 225.

staggering 12215 cases. The survey conducted by ORG-MARG put the average time of disposal of a case at 255 days.

(Paragraph 3.1.17)

- ◆ In the test checked District Forums only 26 *per cent* of the consumer dispute cases averaging less than one case per day were disposed off within the prescribed 90/150 days during 2000-04. The performance of the State Commission in disposal of cases was far worse at three *per cent*, which was less than three cases per day during the period though the Government of India had prescribed minimum disposal of 10 cases per day.

(Paragraph 3.1.17)

- ◆ The percentage of the pendency of cases ranged from 51 to 72 in the District Forums and 85 to 92 in the State Commission during 2000-04. Even the execution of the orders of the consumer courts was extremely tardy. On an average, it took 3.2 months for a consumer to get compensation after the decree as revealed in survey conducted by ORG-MARG.

(Paragraph 3.1.17 and 3.1.20)

- ◆ Government had not taken any serious initiatives to create awareness about the consumer rights and the dispute redressal system. The survey revealed that 82 *per cent* of the population were unaware of the Consumer Protection Act and only 10 *per cent* were aware of consumer redressal agencies. Only 23 *per cent* of the rural population had heard about the Act.

(Paragraph 3.1.23)

- ◆ Adequate monitoring mechanism was not in place either at the State Commission or in the Civil Supplies Department to ensure speedy disposal of grievances. No evaluation was also conducted to assess the efficiency of the adjudication mechanism in the State.

(Paragraph 3.1.24)

3.1.1 Introduction

Various Acts have been enacted by the Parliament for providing protection to consumers against unfair trade practices, adulterated food items, sub-standard and spurious drugs, other products and articles and also against poor quality of service. The Consumer Protection (CP) Act 1986 (enforced from 1 July 1987) was aimed at providing simple, speedy and inexpensive redressal for consumers in respect of both goods purchased as well as paid services availed. It envisaged payment of compensation by traders and manufacturers and service providers etc. The Prevention of Food Adulteration (PFA) Act and the Standard, of Weights and Measures (Enforcement) (SWM) Act were enacted with a view to ensuring availability of unadulterated food and articles other than drugs to consumers and protecting them against unfair trade practices of manufacturers and against exploitation through incorrect weightment and measurement. The SWM and PFA Acts did not provide for awarding monetary compensation to consumers, they contained mostly preventive and punitive measures against defaulters. All the three Acts were Central Acts.

3.1.2 Implementation Arrangement

The CP Act stipulated establishment of separate three-tier quasi-judicial consumer dispute redressal machinery (otherwise called Consumer Courts) at the National, State and District levels. Under the Act, the State Government was responsible for creating suitable adjudication mechanism and administrative framework for efficient and effective implementation and enforcement of the provisions of the Act. The State Government also shared responsibility with the Central Government for creating adequate awareness about the provisions of the Act amongst the consumers in the State and also, ensuring adequate monitoring of the implementation of the Act. At the Government level, the Food Supplies and Consumer Welfare (FSCW) Department headed by the Commissioner-cum-Secretary administered, enforced and monitored the CP Act. He was assisted by a Director, Consumer Affairs (DCA) for the day-to-day administration, enforcement and the monitoring of the Act. Besides, the State Commission at State level and Presidents in the Districts level were responsible for implementation of the provisions of the Act.

Similarly, for the SWM Act, the Commissioner-cum-Secretary, FSCW Department was in overall charge of the Department. He was assisted by the Controller, Legal Metrology (CLM) at the State level and his deputies at the district level.

In respect of the PFA Act, the Principal Secretary, Health and Family Welfare (HFW) Department was in overall charge of the Department at the Government level, assisted by a Director, Health Services (DHS) as Head of Department and his subordinates.

3.1.3 Audit objectives

The objectives of audit examination were to assess and verify how far:

- The Government had created suitable and adequate adjudication mechanism for the three Acts;
- The Acts and Rules were adequate to provide simple, speedy and inexpensive redressal to consumer grievances (as envisaged under the CP Act);
- The administrative frame-work was adequate for efficient and effective functioning of the redressal mechanism;
- The awareness and empowerment of consumers was adequate to take advantage of the provisions of the Acts;
- The monitoring mechanism was in place;
- The impact of the adjudication mechanism was evaluated for improvement in the system;
- The enforcement mechanism was adequate for implementation of the provisions of the SWM and PFA Acts; and

- The execution (of orders and decrees) mechanism was efficient and effective in securing the rights of the consumers.

The broad performance indicators for evaluating efficient and effective implementation and enforcement of these Acts were discussed in the entry conferences with the Commissioner-cum-Secretary, FSCW Department and Principal Secretary, HFW Department in May 2005 and April 2005 respectively. All the relevant issues along with these indicators were also discussed in a context-specific special Focus Group of renowned NGOs working in this field, departmental officials and other experts on 30 May 2005 for arriving at a broad consensus on the issues involved and the standards of performance against which audit would measure performance. The performance indicators were finally agreed with the concerned departments.

3.1.4 Scope of Audit

The audit was conducted during February to July 2005 by test check of records of the administrative Departments (FSCW Department and HFW Department) and their sub-ordinate offices¹, State Commission and District Forums of seven (Boudh, Jajpur, Kandhamal, Khurda, Mayurbhanj, Puri and Sonepur) selected districts of the State. Records for the calendar years 2000-04 were scrutinised during audit.

The Comptroller and Auditor General of India also engaged ORG Centre for Social Research (a division of AC Nielsen, ORG-MARG Private Limited) to conduct a primary survey for the CP Act to capture the actual perception of the consumers about the usefulness of the Act and problems faced by them. The State Government was also informed (June 2005) of the same. The ORG-MARG conducted survey in seven² districts of the State during the second week of July to the fourth week of August 2005 covering a total of 2003 consumers spread across urban and rural areas. Besides, 450 complainants, 10 manufactures/service providers, two NGOs and one laboratory were interviewed. The summary of the findings of the survey is given at the end of this performance audit as Annexure -I.

3.1.5 Audit Methodology

The audit methodology adopted was examination of reports and returns³ of the administrative Departments (FSCW Department and HFW Department) and their subordinate offices⁴, the State Commission and the selected District

¹ (1) **FSCW Department:** (i) Director, Consumer Affairs, (ii) State Commission and (iii) President in the Districts. (2) **Legal Metrology:** (i) Controller, Legal Metrology, Bhubaneswar (ii) Assistant Controller, Weights and Measures and (iii) Inspectors of the Districts. (3) **Health and Family Welfare Department:** (i) Director of Health Services (DHS) (ii) Deputy Director-cum-Public Analyst, (iii) Chief District Medical Officers (CDMOs) and (iv) Food Inspectors in the Districts.

² Bargarh, Kalahandi, Khurda, Mayurbhanja, Nayagarh, Puri and Sonepur.

³ Quarterly Progress Report, Monthly Reports and Annual Reports, CD institution register, execution cases register, stock and store register, building register, file on awareness programme, food licence register, prosecution register, register of users.

⁴ (1) **FSCW Department:** (i) Director, Consumer Affairs (ii) State Commission and (iii) President in the Districts. (2) **Legal Metrology:** (i) Controller, Legal Metrology, Bhubaneswar, (ii) Assistant Controller, Weights and Measures and (iii) Inspectors of the Districts. (3) **Health and Family Welfare Department:** (i) Director of Health Services (DHS), (ii) Deputy Director-cum-Public Analyst, (iii) Chief District Medical Officers (CDMOs) and (iv) Food Inspectors in the Districts.

Forums as also relevant files in the offices of Controller, Legal Metrology and Inspectors (for SWM Act) and DHS, Chief District Medical Officers (CDMOs), Public Analyst and Food Inspectors (FIs) for PFA Act.

The Districts / District Forums selected for detailed audit scrutiny in respect of all the three Acts were selected through a two-stage statistical sampling process involving simple random sampling without replacement (for ORG-MARG selected districts) and probability proportional to size with replacement (for non-ORG-MARG selected districts). Also case files of 25 *per cent* of consumer dispute cases filed and case files of 10 *per cent* of the appeal cases disposed off in the State Commission were test checked.

The thrust areas covered during audit ranged from creation of suitable and adequate adjudication mechanism as prescribed in the Acts to evaluating the adequacy and efficiency of the administrative framework, the efficacy and effectiveness of the monitoring mechanism and consumer awareness and empowerment issues.

3.1.6 Budget and Expenditure

The State Government provided fund to the State Commission and District Forum, for implementation of the Act based on budget estimates of the department.

The Budget vis-à-vis expenditure during 1999-2004 was as follows.

| (Rupees in lakh) | | | |
|------------------|---------------|---------------|-----------------------|
| Year | Final Grants | Expenditure | Saving (-)/Excess (+) |
| 1999-2000 | 129.66 | 143.08 | (+)13.42 |
| 2000-2001 | 136.49 | 139.61 | (+) 3.12 |
| 2001-2002 | 150.66 | 149.45 | (-) 1.21 |
| 2002-2003 | 235.53 | 233.75 | (-) 1.78 |
| 2003-2004 | 200.01 | 204.23 | (+) 4.22 |
| Total | 852.35 | 870.12 | (+) 17.77 |

Scrutiny of year-wise actual expenditure vis-à-vis allotment revealed that there was saving for two years and excess expenditure for three. The excess expenditure ranged from two *per cent* (Rs.4.22 lakh) to 10 *per cent* (Rs.13.42 lakh) over that allotted for the years. The department could not exercise effective control over expenditure for these years.

3.1.7 Delays in creation of suitable adjudication mechanism

Under the CP Act, the State Government was to establish separate two-tier quasi-judicial consumer dispute redressal machinery (otherwise called Consumer Courts) at the State and District levels. However there were inexplicable delays on this account.

Delay in establishment of Consumer Courts

The State Government set up the State Consumer Disputes Redressal Commission (known as State Commission) at Cuttack on 26 September 1988; but it started functioning from 24 January 1989. The District Forums in 12 districts (except Puri) were established at the district headquarters during 1988-90 and with the formation of 17 more new districts, further 19 such Forums were established during 1993-95. Thus, while there was 14 month's delay in formation of the State Commission, the delay in case of the 12 Districts' Forums ranged between 17 and 32 months from the date the Act came into force due to failure on the part of the State Government to take timely action.

Non-setting up of Circuit Benches of the State Commission

According to Section 17 (B) of the Act, Circuit Benches of the State Commission could be set up by the State Government in different geographic locations of the State so as to make fresh complaint (of the appropriate monetary value as per limit prescribed in the Act) and appeal (against orders of lower Consumer Courts) procedures/mechanism more accessible, speedy and inexpensive for the consumer. But the State Government failed to constitute these benches as of June 2005. The DCA also stated (September 2005) that no decision had been taken by the Government for setting up of circuit benches of the State Commission.

Formulation of Rules

The CP Act came into force from 1 July 1987. The State Government framed the Orissa Consumer Protection Rules in 1987 and adopted the same from March 1988. Though there was a delay in adoption of the Rules by nine months, the Rules secured uniformity in the procedures of functioning the State Commission and the District Forums.

3.1.8 Deficient and Inadequate administrative framework

Though there existed an adjudication mechanism to enforce and implement the Acts, there were serious deficiencies and inadequacies in the administrative framework including physical and logistic support and staffing of the post of adjudicators in the consumer courts to make the adjudication mechanism truly functional so that the desired level of service could be delivered to the consumers in distress.

Consumer Protection Act 1986*3.1.9 Accessibility of the consumer courts*

Though the State Commission and the selected District Forums were conveniently located from the bus stand and Railway stations and therefore, easily accessible, the results of survey revealed that around 20 per cent who

were aware of any redressal agency did not, however, know of the location of the District Forum in their respective districts. This was due to deficient publicity efforts by the Government as well as the Courts/Forums.

3.1.10 Delay in construction of buildings for State Commission/District Forum

Despite receipt of one time central assistance of Rs.1.80 crore in 1995-97 towards infrastructure development (State Commission: Rs.50 lakh and Rs.10 lakh for District Forum in each of the 13 undivided districts), buildings for the State Commission and only nine (out of 13 undivided) District Forums (Cuttack, Bolangir, Ganjam, Koraput, Kandhamal, Kalahandi, Sambalpur, Keonjhar and Khurda) had been completed between March 2000 and September 2003. The delay ranging from three to six years was mainly due to delay in selection of executants and the site, delay in handing over sites to the executants, slow execution of works and delayed release of funds. There was no money left for construction of buildings for the rest of the four (13-9) District Forums. The State Government then sanctioned (2003-04) Rs.50 lakh for construction of buildings for five District Forums at Angul, Mayurbhanj, Puri, Balasore and Denkanal; the constructions were still incomplete as of June 2005. These Forums were operating from hired accommodations since their constitution.

Five⁵ out of the seven District Forums test checked were functioning in hired buildings as of July 2005. The FSCW department did not furnish the status of the construction of the buildings in respect of the remaining 17 District Forums till July 2005.

3.1.11 Non-availability of basic amenities to consumers in the Consumer Courts

Basic amenities like waiting lounge with furniture (for seating), drinking water, electricity etc. were not available in all the test checked District Forums except Sonepur. The approved building plans of the above District Forums also revealed that there was no provision of earmarked waiting room for consumers in these places. This acted as a deterrent to the aggrieved consumers for going to these consumer courts.

3.1.12 Office Infrastructure

All the District Forums were to be equipped with proper supporting official infrastructure such as library facility, computer hardware / software, xerox, fax machine, space for record room etc. Test check of records of the selected District Forums revealed that there was no provision for any of the above facilities in these District Forums (except xerox machine in three⁶ districts and record room in two⁷ districts). The xerox machine at the District Forums at Kandhamal was in-operational since January 1998 due to defects.

⁵ Mayurbhanj, Jajpur, Puri, Sonepur and Boudh.

⁶ Kandhamal, Mayurbhanj and Khurda.

⁷ Kandhamal and Khurda.

3.1.13 Support staff cadre

Scrutiny of records of the FSCW department revealed that the Consumer Courts were by and large functioning with adequate supporting staff as per their staffing pattern barring a few vacancies. But whether the sanctioned staffing pattern, itself was sufficient or not was a matter requiring urgent re-assessment by the FSCW Department as the District Forums test checked as well as the State Commission attributed (July 2005) the reasons for large pendency of consumer dispute cases for shortage of staff as discussed at paragraph below.

3.1.14 Non-uniform staffing pattern

The FSCW Department prescribed two sets of staffing pattern for the District Forums of the State. While four posts (one post each of Junior Clerk, Steno, Peon and Watchman) had been sanctioned for 14 District Forums⁸, seven posts (Senior Bench Clerk-2, Junior Clerk-1, Steno-1, Peon-2, Watchman-1) had been sanctioned for the remaining 17 District Forums. This dichotomy was sought to be explained (June 2005) away by the Department by citing different work load in different District Forums. But this assessment was found to be incorrect since districts like Kalahandi and Kandhamal though having very low receipt of complaints (around 50 per year) had been sanctioned seven posts, whereas districts like Kendrapara, Bhadrak and Bargarh were sanctioned four posts though having around 150 consumer complaint cases, on an average (during 2000-04) every year.

3.1.15 Delay in filling up of the posts of President / Members of the District Forums

According to Section 14(2) read with Section 18 of the Act, every consumer dispute proceeding was to be conducted by the President of the District Forum/State Commission and at least one member sitting together. Each Forum/State Commission was to have three adjudicators including the President. Thus, adjudication proceedings could be carried out in a District Forum only when two out of the above three adjudicators including the President (any two, not necessarily including the President, from March 2003) were present.

It was noticed that the posts of at least two adjudicators remained vacant at a time in 24 out of 31 District Forums for periods ranging from 43 to 979 days during 2000-05 due to non-filling up of vacancies arising out of retirement and/or resignation etc. This contributed to 5784 consumer dispute cases remaining pending in these Courts as of December 2004. In Kalahandi District Forum, the situation was far more alarming since posts of two members were vacant from February 2002 to March 2005 (979 days) and all the three posts remained vacant from 8 August, 2002 to 13 August, 2004 (707 days). This could have been avoided had the Government maintained panels for filling up of the posts of Presidents and members, as the case may be, and operated the

⁸ Angul, Bargarh, Bhadrak, Boudh, Deogarh, Gajapati, Jajpur, Jagatsinghpur, Jharsuguda, Malkangiri, Nuapada, Nabarangpur, Nayagarh and Sonepur

same as soon as vacancies arose due to retirement/resignation etc. The DCA stated (June 2005) that alternate arrangement was made from time to time for smooth functioning of the District Forums. The reply was not tenable since deployment of the adjudicators of other District Forums on short term basis in these Courts, as was done by the Department, had only affected the court activities of those Courts themselves.

Similarly, the posts of President, Member (male), Member (woman) remained vacant for 218 days, 81 days and 24 days respectively during 2004-05 in the State Commission. It could not discharge its adjudication activities in two spells for 78 days during 2004-05 due to two out of three posts of adjudicators lying vacant. This resulted in accumulation of pending dispute/appeal cases in the State Commission. The DCA attributed (June 2005) the delay in selection of President/Members of the district forums to non-availability of the Chairman of the Selection Committee. The reply was not acceptable since the President, State Commission, who happened to be Chairman of the Selection Committee, was available for the entire period during 2000-04 except from 22 April 2004 to 30 November 2004. Thus, the State Government was not serious in making the adjudication mechanism functional.

3.1.16 Inadequate fund allotment for day to day operation

Test check of records of the selected District Forums and State Commission revealed that there was short provision of funds in the budget under office contingencies/ service postage stamps, stationery, telephone charges, electricity charges etc. compared to the requirement projected by them. Constraint of funds to purchase service postage stamps compelled the Courts to pass on the burden of issue of notice etc. to the complainants which was improper and made the cost of litigation more expensive for the complainant while the Act aimed at providing an inexpensive grievance redressal mechanism. Survey also indicated that on an average 8.4 days were spent for registering a case and another 24.5 days for serving the notice. After this, the first hearing was held after 11.6 days only.

Deficient redressal mechanism

3.1.17 Functioning of Consumer Courts

The Act provides for speedy and inexpensive redressal to consumer disputes within the time frame prescribed. Rule 4(9) of Orissa Consumer Protection Rules 1987 (effective from 24 March 1988) stipulated that endeavour was to be made to decide the complaint within a period of three months (90) days from the date of receipt of notice by opposite party, where the complaint does not require analysis or testing of commodities and five months (150 days) if it required analysis or testing of the commodities.

The position of consumer dispute cases filed and disposed of during the year 2000 to 2004 in respect of the State Commission and District Forums was as

below:

(In number)

| Calendar year | State Commission | | | | | District forums | | | | |
|---------------|---|-----------------------------|-------|---------------------------------------|--|--|-----------------------------|-------|---------------------------------------|--|
| | Cases pending prior to the year (opening balance) | Cases filed during the year | Total | Disposal during the year (percentage) | Cases pending to the end of the year (closing balance) | Cases pertaining prior to the year (Opening balance) | Cases filed during the year | Total | Disposal during the year (Percentage) | Cases pending to the end of the year (closing balance) |
| 2000 | 3788 | 776 | 4564 | 457(10) | 4107 | 2588 | 5473 | 8061 | 3953(49) | 4108 |
| 2001 | 4107 | 942 | 5049 | 533(11) | 4516 | 4108 | 4446 | 8554 | 4586(53) | 3968 |
| 2002 | 4516 | 1122 | 5638 | 856(15) | 4782 | 3968 | 4139 | 8107 | 4718(58) | 3389 |
| 2003 | 4782 | 1772 | 6554 | 742(11) | 5812 | 3389 | 5108 | 8497 | 4805(57) | 3692 |
| 2004 | 5812 | 1157 | 6969 | 538(8) | 6431 | 3692 | 4317 | 8009 | 2225(28) | 5784 |
| Total | 3788 | 5769 | | 3126 | 6431 | | 23482 | | 20287 | 5784 |

It can be seen from the table above that during the period 2000-04, disposal of cases by the State Commission ranged between eight *per cent* (2004) and 15 *per cent* (2002) with less than three cases per day during the period taking into account 240 working days in a year. The percentage of disposal in the District Forums ranged between 28 (2004) and 58 (2002). It was also noticed that the percentage of disposal of complaint cases (of the cases filed) during the period by the district forums within the prescribed 90/150 days ranged from four to 40 during 2000-04 while the performance of the State Commission during the same period ranged from one to five *per cent* only with less than three cases per day. The disposal was far below the prescribed (by the GOI in March 1996) 10 consumer cases per day. Thus due to low disposal of cases, the number of pending cases in the State Commission increased from 4107 in 2000 to 6431 in 2004 while the increase in the District Forums was from 4108 in 2000 to 5784 in 2004.

The year wise break up of pending cases in the State Commission was as detailed below:

| Type of cases | Less than six months old | Six months to one year old | Two years old | Three years old | Five years old | Seven years old | Ten years old | More than 10 years old | Total |
|---------------|--------------------------|----------------------------|---------------|-----------------|----------------|-----------------|---------------|------------------------|-------|
| CD cases | 48 | 51 | 236 | 126 | 166 | 98 | 46 | 7 | 778 |
| Appeal cases | 498 | 504 | 1012 | 742 | 1201 | 1121 | 551 | 24 | 5653 |
| Total | 546 | 555 | 1248 | 868 | 1367 | 1219 | 597 | 31 | 6431 |

Thus, about 50 *per cent* of the cases were five or more years old and about 10 *per cent* were pending for ten or more years. The survey also indicated that the pendency of cases ranged from six to 67 months (more than five and half years).

The Secretary, State Commission attributed (July 2005) the reasons for delay in timely disposal of the cases were due to the number of adjournments allowed to filing of large number of cases each day, lack of infrastructure like non-filling up of vacancies, non-posting of quality staff and non-constitution of additional Benches by the Government though the National Commission had suggested for setting up of four Benches.

However, in the test checked districts the disposal of cases ranged between 24

per cent (2004) and 47 per cent (2000) as may be seen from the table below.

| Calendar year | Cases pertaining prior to the year (Opening balance) | Cases filed during the year | Total | Disposal during the year (Percentage) | Cases pertaining to the end of the year |
|---------------|--|-----------------------------|-------|---------------------------------------|---|
| 2000 | 754 | 996 | 1750 | 831(47) | 919 |
| 2001 | 919 | 875 | 1794 | 686 (38) | 1108 |
| 2002 | 1108 | 921 | 2029 | 912(45) | 1117 |
| 2003 | 1117 | 1319 | 2436 | 951(39) | 1485 |
| 2004 | 1485 | 1158 | 2643 | 641(24) | 2002 |

It was also noticed that the percentage of disposal of complaint cases (of the cases filed) during 2000-04 within the prescribed 90/150 days in the test checked district forums ranged from 20 to 34 per cent at an average of less than one case per day.

The survey revealed that about 77 per cent of complainants resided in urban areas and 98 per cent were the educated lot and earned a monthly household income of Rs.11248. This implied that facilities provided by redressal agencies were availed mostly by residents of urban areas and that too by the middle/upper middle strata of the community.

3.1.18 Non-disposal of cases within the prescribed time limit

Audit analysis of 25 percentage of cases selected at random

As stated earlier the Section 13 (3A) of the CP Act 1986 as amended in 2002 (effective from 15 March 2003) read with Rule 4(9) of Orissa Consumer Protection Rules 1987 (effective from 24 March 1988) stipulated that endeavour was to be made to decide the complaint within a period of three months (90 days) from the date of receipt of notice by opposite party where the complaint does not require analysis or testing of commodities and within five months (150 days) if it required analysis or testing of the commodities. It was further provided that no adjournment (maximum of one adjournment as per rule) should be ordinarily granted by the District Forum. In the event of non-disposal of complaint within the time so specified, the District Forum was to record in writing the reasons for delay at the time of final disposal. Similar provision existed (Section 19 -A and Rule 8 *ibid*) for disposal of appeal cases within 90 days by the State Commission.

In order to probe the reasons for delay in disposal and large pendency of complaint cases, 1230 complaint cases from the selected district forums and 199 cases of the State Commission were selected at random for detailed scrutiny.

It was seen that out of 1230 cases, 695 cases (49 per cent) (District Forums: 650⁹ and State Commission: 45) were decided beyond the stipulated time period of 90/150 days. Further, out of 920 cases decided by the District Forums, 597 cases (65 per cent) were dismissed (withdrawn / dropped) during 2000-2004 beyond the prescribed time limit of 90/150 days. There were 310 cases pending for disposal.

⁹ (i) Up to six months: 300 cases, (ii) Up to one year: 198 cases, (iii) Up to three years: 144 cases and (iv) Up to five years: eight cases.

Similarly, in the State Commission, out of 199 cases, only 58 cases were disposed off. Of these, the delivery of judgement was delayed in 45 cases beyond the stipulated time. Scrutiny revealed that neither the District Forums nor the State Commission had recorded the reasons for delay in disposal of cases beyond the specified time in the case file, though the same was required under Section 13 (3-A) of the Act.

Test check of case records further revealed that the cases were adjourned one to 57 times due to non-appearance of complainants/opposite parties on the summon dates, non-submission of versions of the case by the defendants within the time allowed, time petition filed by the complainants /opposite parties etc. as against one adjournment allowable under Rule 4(a) of the Orissa Consumer Rules, 1987 and no adjournment permitted under Section 13 (3A) of the Act. Similarly, test check of 106 appeal case records in the State Commission revealed that only 16 of these (15 per cent) were disposed off in time; the remaining 90 disposed off beyond the stipulated period. The delay ranging up to four years from the due date of disposal, was once again mainly due to several adjournments (two to 23 times) being granted. The results of survey also indicated that on an average, three hearings were required to resolve a case.

President, Kandhamal District Forum contended (June 2005) that in order to ensure proper dispensation of justice, a number of adjournments were allowed under unavoidable circumstances. Presidents of Jajpur, Sonapur and Boudh District Forums pointed out (June 2005) that the adjournments were made due to filing of number of time petitions by both the parties, and due to giving opportunity to the parties to file their counters for ends of justice and amicable settlement of disputes.

Secretary, State Commission was of the view (July 2005) that due to non increase of staff, non constitution of additional bench, non availability of infrastructure and shortage of staff, the appeals could not be disposed off in time and pendency considerably increased. However, scrutiny revealed that there was no overall vacancy in the support staff cadre other than the adjudicators during the last five years (2000-04) in the State Commission. Instead, had it been possible for the State Commission to dispose off 10 Consumer Dispute Cases per day ($240 \times 10 = 2400$ cases per year) as per the prescription (March 1996) of Government of India, there would not have any pendency since the average annual receipt of cases (complaints, appeals, miscellaneous) was around 1200 from the inception to date (June 2005) with exception of the year 2003 in which 1772 cases were received in the State Commission.

3.1.19 Deficiencies in the Court order issued

Under Section 14 (2) and 14 (2A) of the Act, every order made by the District Forum was to be signed by its President and member or members who conducted the proceeding. However, the Presidents of District Forums,

Mayurbhanj and Jajpur decided 17¹⁰ Consumer Dispute cases passing the order only under their seal and signature without obtaining the signature of the other attending Member(s).

3.1.20 Execution of Orders decreed by the Consumer Courts

Delay in enforcement

Under Section 25 of the Act, the District Forum or the State Commission, as the case may be, could order attachment of the property of the person not complying with any interim order made under the Act and award such damages as it thinks fit to the complainant out of sale proceeds of such attached property.

Test check of records of seven selected districts revealed that at the beginning of 2000-01, there were 298 cases pending for execution. Further, during 2000-2005 verdicts/decrees were awarded in favour of 1606 complainants out of which 592 decree-holders filed petition in the same District Forum for execution of its orders, thus aggregating 890 cases in all requiring execution during this period. Of the above, 158 execution cases had been disposed off leaving 732 petitions still pending for execution as of June 2005.

Similarly, in the case of State Commission, the Court awarded decrees in favour of 78 complainants during 2000-2004 out of which 40 decree-holders filed petition in the same court for execution as the opposite parties did not comply with orders of the Court. Only 14 out of these 40 cases had been disposed off leaving 26 cases still pending for execution as of June 2005.

Year wise analysis of pendency of execution cases is as follows.

| Name of the courts | Less than one year old | More than one year old | More than two years old | More than three years old | More than four years old | More than five years old | Total |
|--------------------|------------------------|------------------------|-------------------------|---------------------------|--------------------------|--------------------------|-------|
| District Forums | 63 | 86 | 96 | 91 | 98 | 298 | 732 |
| State Commission | Nil | 4 | 5 | 9 | 8 | Nil | 26 |

Of the 732 cases pending with the District Forums, 420 cases were pending in the State Commission due to grant of stay as of May 2005; 312 cases were pending with the District Forums themselves. Pendency of large number of cases in the District Forums was due to inaction of police, grant of time to opposite party, non-discharge of postal expenses by the complainants etc. The Consumer Courts had no inherent powers to carry out the attachment of property under themselves as they did not have dedicated power or other executing force/authorities with them.

As can be seen from the above, as large as 41 per cent of execution cases were still pending for more than five years in the District Forums for execution of their orders/decrees meaning thereby that the complainants were still to get

¹⁰ Mayurbhanj C.D. Cases No.: 1/2001, 58/01, 113/01, 74/01, Jajpur District Forum. CD Cases No. 47/2000, 14/2000, 144/2000, 155/2000, 81/2000, 104/2000, 126/2000, 171/2000, 199/2000, 196/2000, 186/2000, 92/2000, 21/2002.

any compensation. Thus, the ends of justice had been completely subverted and the ultimate objective of enacting the Act to bring simple and speedy justice to the consumers was completely frustrated. The results of the survey also revealed that on an average, the compensation was done for 15 months. Even those who received compensation, the same was received within an average period of 3.2 months.

Irregular retention of award money of Rs. 42.05 lakh payable to the decree-holders

Scrutiny of records of the State Commission revealed that in 92 cases (consumer dispute: 12 and appeal: 80), the judgement debtors complied with the interim stay orders of the State Commission by remitting Rs.42.05 lakh (as awarded in the lower Courts in favour of the complainants) to the State Commission in shape of bank drafts, cheques, pay orders, fixed deposit receipts etc. for payment to the decree-holders. Above payments related to the complaints / appeals filed during 1992 to 2001 and the instruments related to the period from 1994-2004. It was seen that although 60 out of the 92 cases had since been disposed off by the State Commission, payment / refund to the appellants / respondents were not effected. Test check of 19 such disposed cases revealed that although these were disposed off by the Commission between January 1994 and July 2005, the amount of Rs.9.94 lakh deposited by the appellants were still lying with the Commission as of July 2005. They had not been sent to the respective District Forums where the related execution cases were pending directly or to the decree-holders due to shortage of staff as stated (July 2005) by State Commission. As a result, execution cases filed before the lower courts, the District Forums, also remained pending in so far as the complainant was concerned.

The survey also came across 33 cases out of 130 cases where even though the decree was passed, compensation was yet to be received for periods ranging from one to 60 months.

**Other Acts relating to protection of consumers interest-
The Prevention of Food Adulteration (PFA) Act 1954 and the
Standards of Weights and Measures (Enforcement) (SWM) Act
1985**

The enforcement mechanism in other concerned departments for implementation of the other allied Acts (PFA and SWM Acts) was also deficient to safeguard the interest of consumers as discussed below:

3.1.21 Prevention of Food Adulteration (PFA) 1954 Act

Non/short collection of samples for analysis

Rule 9 (a) of the PFA Rules 1955 envisaged that the Food Inspector (FI) was to inspect as frequently as may be prescribed by the Food (Health) Authority (DHS) or local authority (CDMOs), all establishments licensed for the

manufacture, storage or sale of an article of food within the area assigned to him. Besides, the Inspector was to procure and send suspected samples to the Public Analyst who was to analyse the sample and send the same to the concerned local health authorities as per Rule 7 *ibid*.

Non-empowerment of FIs in new Districts

DHS in August 1986 prescribed targets for collection of samples for analysis for 33 FIs working in the undivided 13 districts and municipal bodies. But consequent upon reorganisation and splitting up (1992-94) of the undivided districts from 13 to 30, the Government had not yet (more than 10 years by now) notified (by publication in the official gazette as mandated) designated FIs to be functioning as FIs (duly authorised and empowered to act in terms of provisions of the PFA Act) in these new districts ("geographic areas") despite repeated correspondence from the DHS. The DHS was, therefore, not able to re-allocate the targets amongst the FIs for the new districts. As a result, there was confusion as regards the power of FIs to collect samples and take appropriate action in case the samples were found sub-standard/spurious etc. in these new districts (17 in number). In the selected districts, while FI in charge of Jajpur district had not taken any samples for the last ten years on this plea, FI in charge of Sonepur had taken 30 samples during 2001 to 2004-05 though both Jajpur and Sonepur were new districts. As regards the other selected districts, FIs of Mayurbhanj, Puri and Khurda (Municipal Corporation, Bhubaneswar) collected 504 samples against the target of 888 samples during 2000-05. FI, Kandhamal collected only 50 samples during 2000-02 against the target of 90. The CDMOs of Kandhamal and Boudh could not furnish information on the matter as of June 2005.

Vacancy in the posts of Food Inspectors and Public Analyst

Scrutiny of records of the DHS and State Public Laboratory revealed that nine out of 33 sanctioned posts of Food Inspectors were vacant for over 11 years as of February 2005 due to complete ban on filling up any posts in Government imposed by the Finance Department. Though a suggestion for re-deployment of suitable candidates from out of the existing staff having requisite qualification was mooted by the DHS in October 2004, the HFW Department had not responded to the same as of June 2005. Similarly, the post of Public Analyst was vacant for 518 days¹¹ out of 1461 days during July 2001 to June 2005. When asked (February 2005), the Department failed to furnish any reply as of June 2005. Surprisingly, even the DHS issued (November 2004) orders to the CDMOs/Health Officers of the municipal bodies not to collect food samples due to vacancy caused in the post of Public Analyst with effect from 1 December 2004.

Thus, failure to fill the above key posts implied with failure to notify and empower at least the existing FIs for drawing samples in the new districts led to short collection of samples and inability on the part of the Laboratory to conduct analysis, leading to the possibility of adulterated food articles sold in

¹¹ July 2001 to September 2001, 1 October 2002 to 27 February 2003, 27 February 2004 to 31 May 2004, December 2004 to June 2005.

the market remaining undetected. All this together with a depleted State Public Health Laboratory resulted in 41 food samples still awaiting analysis since June 2001.

3.1.22 Standards of Weights and Measures (Enforcement) Act

Non fixation of target for Inspector, Legal Metrology and vacancies

Rule 15 (7) of the Orissa Standards of Weights and Measures (Enforcement) (SWM) Rules 1993 stipulated that an Inspector shall visit as frequently as possible every premises within the local limits of his jurisdiction to inspect and test weights and measures which were under use in any transaction or for industrial production or for protection. However, it was noticed that the Government had not fixed any target for inspection for the Inspectors. Only 10 mobile Courts could be held by the FSCW Department in the whole of the State during five years (2000-2005). Besides, the Government did not also sanction the posts of Inspectors for the enforcement squad at the Headquarters and for the different Zones. However, the Department had set up stalls at various market places of Cuttack and Bhubaneswar cities for 55 days during the year 2004-05 under the consumer awareness programme though it left the other places of the State unattended.

Vacancy in the posts of Inspector/Senior Inspector, Legal Metrology

Test check of records of Controller, Legal Metrology, Bhubaneswar revealed that vacancy in the cadres of Inspectors/Senior Inspectors increased from three in 2002-03 to 17 in 2004-05 against the sanctioned strength of 105 posts resulting in grossly deficient enforcement/raid activities.

Inadequate strengthening of the only Laboratory

The FSCW Department had not set up any laboratory for analysis of samples of goods sent by consumers in a disputed case though it is an essential requirement for implementation and administration of the CP Act. However, the two laboratories functioning under the Health and Family Welfare Department viz., the State Public Health Laboratory and the State Drug Testing and Research Laboratory had been enlisted for testing of the drugs, food items and beverages. For other consumer items, the State Government had intimated the State Commission and the District Forums to refer samples to laboratories recommended by the Bureau of Indian Standards and the Department of Consumer Affairs, GOI.

But when the Health and Family Welfare (H&FW) Department, received assistance of Rs.39 lakh¹² from the GOI during 1991-2002 for purchase of 20 items of laboratory equipment for strengthening the State Public Health Laboratory it has kept parked Rs.31.64 lakh in the Civil Deposit head as of March 2005 after spending Rs.7.36 lakh during 1993-99 as purchase formalities for the remaining items could not be finalised by the departmental purchase committee. This was commented in Comptroller and Auditor

¹² 1991-92: Rs.9 lakh, 1997-98: Rs.16 lakh, 2000-01: Rs.9 lakh and 2001-02: Rs.5 lakh.

General's Report (Civil) for the years ending March 1997 and March 2000. Thus, even if samples of any item were collected, the result of analysis could be questioned besides entailing delay in intimating the results of sample analysis to the proper enforcement/redressal authorities.

Awareness and empowerment of consumers

One of the key elements of Government intention in the consumer movement was promoting the concept of consumer rights and empowering the consumer through well thought of awareness and campaign programmes to take full advantage of the redressal mechanism provided under the CP Act. But both the Central and the State Governments were found severely wanting on this aspect which was also confirmed in the ORG-MARG survey. That the spread of awareness was grossly inadequate is also revealed in succeeding paragraph and in table one under paragraph 3.1.17 above where it is clear that the number of dispute cases getting filed every year in the State as a whole and in the selected districts either remained more or less constant through out 2000-04 or only marginally increased. Amongst other fall-outs this also resulted in a large number of CD cases getting disallowed/rejected/dismissed/withdrawn by the consumer courts at the admission stage itself as already revealed in paragraph 3.1.18 above.

3.1.23 Non-existent mechanism for spreading consumer awareness

Non-constitution of State/District Consumer Protection Councils

According to Section 7 of the CP Act, the State Government was to establish a Consumer Protection Council at the State level to "promote and protect" the rights of the consumers. Similarly, Section 8A of the Act (effective from 15 March 2003) provided for constitution of District Consumer Protection Councils for similar purpose at the district level.

Scrutiny of the records of the FSCW department revealed that the State Council was last reconstituted in September 1998 and functioned up to March 2001 after which it had not been constituted as of June 2005. Similarly, no steps had been taken to constitute the Councils at the district level as of June 2005. It was only during the period of audit that the Government amended (March 2005) the Orissa Consumer Protection Rules, 1988 to include the details of the procedure under which these Councils were to be constituted. Further, the DCA stated (March 2005) that the matter of constitution of the Councils was under the active consideration of the Government.

Non-implementation of "Jagrit Sivr Yojana" scheme

The State Government failed to utilise Rs.3 lakh received (March 2003) from the GOI for organisation of awareness programme in the six districts of Mayurbhanj, Sambalpur, Khurda, Nayagarh, Angul and Ganjam due to non-constitution of the Monitoring Committee at the district level as of June 2005.

This indicated that the awareness programme was not carried out to the desired extent even at the district level.

The Government observed 24 December as National Consumer Day and 15 March as World Consumer Rights Day every year at the State Capital as well as at the District Headquarters through the respective District Forums for which Rs.1800 per year per District Forum, on an average, was sanctioned to them. The entire consumer awareness effort of the Government was limited to organising meetings on these two days only in a year. As meager funds were made available to the District Forums, the awareness programme had negligible impact on the consumers. The District Forums at Mayurbhanj and Khurda failed to even spend the entire amount of Rs.5000 each received by them from Government during 2004-05. The galling gap in spreading awareness about the Act to consumers resulting in their total lack of knowledge or incomplete information about the Act was also revealed in the survey conducted by ORG-MARG, as described below.

- Overall 89 *per cent* of the consumers at large gave importance to knowing the Consumer Protection Act (CPA) but 37 *per cent* were not aware of consumer rights and still 82 *per cent* were even unaware of the Consumer Protection Act. Only 23 *per cent* of the rural population had heard about the Act. This was also extent from the extremely low number of cases filed in the districts of Boudh, Jajpur, Mayurbhanj, Sonepur and Kandhamal districts test checked in audit compared to Puri and Cuttack districts.
- Nearly 36 *per cent* of the aware consumers at large had come to know about the Act only in the last four years though the Act has been there for the last 19 years.
- Overall, only 10 *per cent* reported to be aware of the existence of any redressal agency. Awareness on this amongst those who were aware of consumer rights and the CP Act was obviously higher.
- Around 20 *per cent* of consumers who were aware of any redressal agency did not know the location of the district forum in their respective districts. However, among the respondents who were aware of the redressal agencies, only 18 *per cent* were aware of the financial limits of the redressal agencies.
- In response to the question as to whether the Government was making any effort in safeguarding the consumer rights, only 17 *per cent* replied positively. The remaining were either not aware of any efforts made by the Government or could not comment on the issue.
- Majority of complainants came to know about the redressal agencies through electronic media (37 *per cent*), print media (34 *per cent*) and others i.e. friends/relatives (76 *per cent*). NGOs were not a popular source of awareness (6.3 *per cent*). It was revealed in Audit that the State Government had not involved NGOs aggressively in the awareness campaign so far (September 2005).

The results of the survey also indicated that the consumers were not aware of

many of the procedures in filing cases as indicated below:

- Nearly 48 *per cent* of the complainants used stamped papers to file the case and in majority of cases (88 *per cent*), the lawyers / agents advised them to do so.
- Around 18 *per cent* of complainants who registered their complaints prior to March 2003 reported to have deposited court fee notwithstanding the fact that court fee was introduced only in March 2003.
- On an average, the complainant had to spend Rs.1600 to resolve a case, of which a large proportion (average amount of Rs.1366) computed the advocates fees. Under the Act, however, engagement of an advocate for filing a case was not mandatory as a part of providing the consumer with an inexpensive redressal mechanism.

Non utilisation of funds by District Consumer Information Centres (DCIC)

District Consumer Information Centres set up by non-government organisations (NGOs) had been functioning in six¹³ out of 30 districts. The GOI sanctioned (2000-02) grant of Rs.7.5 lakh during 2000-04 in respect of three NGOs for establishment of DCICs as against 16 NGOs recommended by the State Government. The State Government had no information regarding utilisation of these grants by the NGOs as of June 2005.

Thus, with the Consumer Protection Councils having not been constituted for long both at the State and district level and the Government itself not taking up any publicity and propaganda activity at its own level, the activities relating to awareness and promotion of the consumer rights were grossly inadequate. Also, such apathy at the Government level did not augur well for the consumer movement in the State which this Act was expected to usher in.

Monitoring mechanism

The State Government did not have any separate cell for monitoring consumer related activities in the State. The proposed computer net-work interlinking all the three tiers of the consumer courts for better analysis of various data relating to receipt and disposal of consumer cases in these courts and their monitoring and their effective and transparent functioning in the interest of the consumers was yet to be put in place. Providing meetings for monitoring consumer-related activities in the State in the functioning of the courts either at the Government level or at the level of the State Commission was not evident on record. As a result, even after passing decree, the complainants had to wait from one to 60 months to receive compensation in some cases and large number of cases still remained un-disposed for over five years.

¹³ Cuttack, Puri, Angul, Balasore, Dhenkanal and Kalahandi

Impact evaluation of the adjudication mechanism for improvement of the system

Neither the Government nor the State Commission had entrusted any independent agency to evaluate the efficiency and effectiveness of the adjudication mechanism for streamlining the prevailing system through remedial action as of June 2005. Government's intention to actively take the consumer movement forward was, therefore, not too evident.

3.1.24 Conclusion

The State Government had not spread the message of consumer rights by making the consumer aware through well-thought of awareness programmes and campaigns.

Though the adjudication mechanism was put in place, they were not equipped with basic infrastructure like Xerox, Fax Machine, Computer etc. and the posts of adjudicators remained unfulfilled through out the year in various District Forums and the State Commission in different spells. The result was delay in dispensation of justice the avoidance of which was the main reason for enacting the Act. Majority complaints (73 *per cent*) (3878 out of 5269) were not decided within the prescribed time limit of 90/150 days. Even after decision were given by the Courts, their orders were not executed for long periods (one to more than 60 months) with the result that the consumer was finally left high and dry. In almost all the cases, consumers spent a lot of money on engaging advocates though the Act did not mandate this. In nut shell, the Government failed to provide a speedy and in-expensive redressal mechanism to the consumers though that was the basic object of the Act.

As regards the PFA and the SWM Acts, the enforcement machinery was grossly deficient with large staff vacancies and inadequate monitoring at the Government level.

Recommendations

- Government should re-constitute the Consumer Protection Councils at the State and district level expeditiously with representation given to consumer activists and consumer voluntary organisations as well as people's representatives at the grass -root level particularly from rural pockets.
- Besides these Councils, the Government itself should take initiatives to create awareness through regular publicity and propaganda from its own budget. Unique features of the CP Act in not insisting upon either engagement of advocates or use of stamp paper to file complaints, should be featured prominently in this propaganda exercise.
- Government should either file dispute cases or encourage NGOs to do the same when a large number of consumers are affected, so as to cut down the cost of litigation for the consumers.

- It should be ensured that the each District Forum disposes at least 10 consumer dispute cases in a day as recommended by the Government of India (GOI) to avoid long pendency of the cases. The National and the State Commission should monitor this aspect more closely and ensure strict adherence. The number of adjournments given in a case should be kept to the minimum for speedier dispensation of justice as envisaged under the Act.
- Proper and adequate mechanism needs to be put in place to ensure that the complainants actually receive the compensation ordered by the adjudicating machinery as quickly as possible. Execution mechanism needs to be strengthened by devolving such powers to the Consumer Courts themselves.
- Targets for inspections/raids/mobile courts and collection of food samples may be fixed for each Inspector/Assistant Controller under the PFA and SWM Acts and regularly monitored.
- The laboratory should be strengthened and the post of Public Analyst not allowed to remain vacant, though it may mean outsourcing the activity.

During discussion (November 2005), the Commissioner-cum-Secretary while appreciating the audit observations stated that there were certain constraints due to which vacancies in various posts could not be filled up in time and there were more enforcement activities under the Legal Metrology. However, he assured to take corrective measures wherever necessary.

Annexure - I

EXECUTIVE SUMMARY OF THE ORG-MARG SURVEY

In order to gain an understanding of the functional status of the Consumer Protection Act Consumer at large complainants, manufactures/service providers, NGOs and appropriate laboratories were covered under the survey. In state of Orissa a total of 2003 consumers spread across urban and rural areas were contacted. Besides 450 complainants, 10 manufactures/service providers, two NGOs and one laboratory were interviewed. The survey was conducted during 2nd week of July to 4th week of August 2005.

FINDING OF THE SURVEY

- Overall 89 *per cent* of the consumers at large gave importance to knowing the Consumer Protection Act (CPA) but 37 *per cent* not aware of consumer rights and 82 *per cent* still unaware of Consumer Protection Act.
- The act is envisaged to benefit all the consumers in urban and rural areas but only 23 *per cent* of the rural population has heard about it.
- In response to, whether the government is making any effort in safe guarding the consumer rights, only 17 *per cent* replied positively and the remaining either carrying negative or have no idea of the same.
- Formal source of awareness- electronic and print media stand at 79 and 48 *per cent* respectively and only 0.8 *per cent* learnt about CPA from the NGOs.
- Nearly 36 *per cent* of the aware Consumers at large have come to know about the act only in the last four years whereas the act has been in existence for past 19 years.
- Overall, only 10 *per cent* reported to be aware of the existence of any redressal agency. Awareness on this among those aware of rights and CP Act was higher.
- Around 20 *per cent* aware any redressal agency did not know the location of the district forum in their respective districts.
- About 77 *per cent* of complainants resided in urban areas and 98 *per cent* were the educated lot and earned a monthly household income of 11248. This implied that facilities provided by redressal agencies were availed mostly by residents of urban areas and that too by the middle/upper middle strata of the community.
- Nearly 60 *per cent* of the complaints were against products such as consumer durable (31 *per cent*), apparels (27 *per cent*) and Foods and Beverages (10 *per cent*).
- Majority of complainants came to know about the redressal agencies through electronic media (37 *per cent*), print media (34 *per cent*) and others i.e. friends/relatives (76 *per cent*). NGOs were not a popular source of awareness (6.3 *per cent*).

- Nearly 48 *per cent* of the complaints used stamped papers to file the case and in majority of cases (88 *per cent*) the lawyers/agents advised them to do so.
- Around 18 *per cent* of complainants who registered their complaints prior to March 2003 reported to have deposited court fee notwithstanding the fact that the court fee was introduced only in March 2003.
- An analysis of time taken at various stages of the cases show that on an average 8.4 days were spent for registering a case and 24.5 days were taken for serving the notice, first hearing was held after 11.6 days.
- On an average 3 hearings were required to resolve the case. Around 51 *per cent* of cases were still unresolved even after 2.5 hearings and most of these cases were against insurance services (19 *per cent*).
- To resolve a case on an average 8.5 months were spent. In case of unresolved cases the same were pending for past 36 average months.
- There were 33 cases where the decree was passed and compensation was yet to be received. On an average the compensation was due for 15 months. For those received compensation the same was received within an average period of 3.2 months.
- On an average the complainant had to spent Rs.1600 to resolve the case of which a large proportion (average amount of Rs.1366) comprised of the advocates fee.
- The manufacturers and service providers were well aware of CPA on the contrary not many consumers at large were aware of Act or the redressal system.
- The NGOs are involved in spate of activities such as consumer education, advocacy, organising seminars/camps etc. They are also facilitating the consumers in filing cases and act as agents.
- Overall all the stakeholders and the complainants perceive the redressal as simple but not very speedy and economical.

HEALTH AND FAMILY WELFARE DEPARTMENT

3.2 Orissa Health Systems Development Project

Highlights

To overcome the constraints existing in the health care system in the State, the State Government launched (September 1998), the Orissa Health Systems Development Project with financial assistance from the International Development Association (IDA) with a long term goal to ensure improvement in performance of health care system. The project scheduled to be completed by March 2004 was behind schedule due to slow spending, delayed construction of buildings, under utilisation of equipment and instruments and shortage of medical and paramedical staff.

- ♦ The project scheduled for completion by March 2004 at a cost of Rs.415.58 crore could spend only Rs.234.30 crore (56 per cent) as of March 2005.

(Paragraph 3.2.5)

- ♦ Due to slow implementation, the Government of India (GOI) curtailed the project cost by Rs.110 crore which ultimately resulted in loss of IDA assistance in the form of grants of Rs.28 crore to the project.

(Paragraph 3.2.6)

- ♦ Out of 156 hospital buildings taken up for extension and renovation, 137 were completed with delays ranging from six to 30 months. The remaining 19 works on which Rs.16.72 crore were spent were in various stages of completion. The engagement of consultants to overcome the bottlenecks experienced in execution of works through line departments remained unfruitful.

(Paragraph 3.2.7)

- ♦ The construction management consultants were paid undue professional fee of Rs.3.02 crore for supervision work, which they did not perform.

(Paragraph 3.2.8)

- ♦ Equipment costing Rs.5.33 crore were lying idle in the test checked hospitals due to non installation and want of skilled man power.

(Paragraph 3.2.13)

- ♦ There was shortage of medical and paramedical staff in the project hospitals as 344 out of 807 sanctioned posts of medical officers and 151 out of 637 sanctioned posts of paramedical staff were lying vacant affecting the delivery of health care system.

(Paragraph 3.2.17)

* The abbreviations used in the review have been listed in the glossary in Appendix-XXXVI at page 225.

- ◆ Even in the concluding year of the project (2005-06), the bio-medical waste management being a serious environmental hazard was still in its take off stage despite incurring expenditure of Rs.1.28 crore on procurement of equipment.

(Paragraph 3.2.18)

3.2.1 Introduction

The Orissa Health Systems Development Project (OHSDP) was formally launched on 18 September 1998. The project implementation plan (PIP) aimed at improving the standards of health care systems in the State by developing infrastructure and providing Equipment, Instrument and Furniture (EIF) and drugs in the identified hospitals. The project included construction and renovation of 156 hospital buildings and improvement and upgradation of water supply, drainage and electricity for functional efficiency besides recruitment of staff and training to the medical and paramedical person. The project which was scheduled for completion by 31 March 2004 was extended up to March 2006.

3.2.2 Organisational setup

The project was implemented by the Health and Family Welfare Department (HFW) through the Project Management Cell (PMC) consisting of four units i.e, Health, Engineering, Finance and Accounts and Administration headed by the Project Director (PD). Government constituted the Project Steering Committee and the Project Board headed by the Principal Secretary of the Department for smooth and timely implementation of the project. At the district level, the Zilla Swasthya Samiti (ZSS) headed by the District Collector was to implement the health care system through the Chief District Medical Officers (CDMO). At the State level the implementation of the project was to be monitored by the Project Review Committee headed by the Chief Secretary.

3.2.3 Audit objectives

The objectives of audit was to assess whether:

- selection of units under the project was justified and according to the PIP norm;
- provision of funds was adequate and its utilisation was effective;
- civil works planned had been executed timely and efficiently;
- procurement of equipment, instrument and furniture and their utilisation was effective;
- clinical systems were strengthened;
- medical and paramedical staff were imparted required training to enhance their skill;
- system for management of biomedical waste had been formulated and was working effectively; and

- health services to the indigenous group and the disadvantaged people had been provided in an effective manner.

3.2.4. Audit Methodology and Scope of audit

Records maintained in the office of the Project Director, OHSDP, Deputy Director Medical Store at Bhubaneswar, 12 District Headquarters Hospitals¹ (DHHs), seven Sub-divisional Hospitals², 18 Community Health Centres³ (CHCs) and seven⁴ Area Hospitals were test checked during February to July 2005. The coverage of audit was for the period from the inception of the project 1998-99 to 2004-05. The audit findings are discussed in succeeding paragraphs.

Funding Arrangement

The project cost of the OHSDP was Rs.415.58 crore of which the International Development Association (IDA) assistance was of Rs.348.75 crore (84 *per cent*) and the State Government share was of Rs.66.83 crore (16 *per cent*). As per the Project Appraisal Document, out of the IDA assistance of Rs.348.75 crore, 30 *per cent* was grant and 70 *per cent* was loan carrying annual interest of 11.5 *per cent* repayable over a period of 25 years. The assistance was to be reimbursed to the State Government through the Government of India (GOI) on submission of claims received in support of expenditure incurred periodically. For implementation of the project, the State Government made provision of funds in its annual budgets 1998-2005 and provided funds to PD for operation through a Personal Ledger (PL) Account.

3.2.5 Financial performance

The budget provision and expenditure incurred on the project during 1998-2005 was as under:

The State Government released only 57 *per cent* of the budgeted provision to the project during 1998-2005

| (Rupees in crore) | | | | |
|-------------------|----------------------------------|------------------|---|--|
| Year | Projected expenditure as per PIP | Budget provision | Funds released by the Government to the project | Actual expenditure incurred under the project / (percentage of expenditure to funds released to the project) |
| 1998-2001 | 201.83 | 142.82 | 64.38 | 44.69 (69) |
| 2001-02 | 105.88 | 75.60 | 55.80 | 27.03 (48) |
| 2002-03 | 84.46 | 55.00 | 52.61 | 25.60 (49) |
| 2003-04 | 23.41 | 105.00 | 74.41 | 57.61 (77) |
| 2004-05 | -- | 144.70 | 52.04 | 79.37 (153) |
| Total | 415.58 | 523.12 | 299.24 | 234.30 (78) |

It would be seen that the funds released by the State Government were much lower than the budgeted provisions and the shortfall in utilisation of funds ranged between 23 and 52 *per cent* during 1998-2004. Consequently, as provided in the credit agreement with IDA, the State Government was liable to

¹ District Headquarters Hospitals at Angul, Balasore, Bhadrak, Cuttack, Deogarh, Jagatsinghpur, Jajpur, Kendrapara, Khurda, Mayurbhanj, Phulbani, Sambalpur.

² Athagarh, Karanjia, Nilgiri, Pallahara, Rairangpur, Talcher, Udala.

³ (i) CHC I: Chandabali, G Udaygiri, Khamar, Maniabandha, Phiringia, Pattamundai, Rairakhol, Soro, Tikabali, Tihidi, (ii) CHC II: Aul, Charnal, Chhatabar, Indupur, Kanpur, Kuntra, Sukruli, Tato.

⁴ Baramba, Bolgargh, Jajpur Road, Khantapara, Narshingpur, Paradip, Saranga Garh.

pay commitment charges of Rs.4.94 crore to the IDA (at one half *per cent*) on the principal amount of credit not drawn from time to time. Out of the expenditure of Rs.234.30 crore, the PD submitted reimbursement claim for Rs.169.20 crore and the GOI reimbursed Rs.155.52 crore (March 2005). The expenditure included advances of Rs.3.36 crore⁵ paid to different executing agencies between May 2003 and March 2005 but were shown irregularly as final expenditure in the cash book. The PD attributed the low financial achievement to the damages caused by the super cyclone, flood and heat wave, non-release of funds by the Government in time and periodical restrictions on withdrawal of funds from PL Account, delay in handing over of sites to the contractors.

Only 62 *per cent* of the funds released was spent during the project period 1998-2004 leading to extension of the project up to 2005-06

The progress of expenditure against major components of the project were as below:

(Rupees in crore)

| Project cost and expenditure | Major components of the project | | | | | | Total |
|------------------------------|---------------------------------|-------------------------------------|-----------------------|----------|----------|--------|--------|
| | Civil works | Equipment, Instrument and Furniture | Equipment maintenance | Salaries | Medicine | Others | |
| Provision | 168.50 | 75.73 | 20.39 | 55.36 | 29.50 | 66.10 | 415.58 |
| Expenditure | 135.19 | 39.30 | 0.10 | 17.22 | 14.30 | 28.19 | 234.30 |

3.2.6 Curtailment of PIP provision of Rs.110 crore by the GOI

Inefficient spending led to curtailment of the project cost by Rs.110 crore including loss of grants of Rs.27.72 crore

The GOI curtailed (February 2005) the provision of Rs.110 crore from PIP, based on the project's performance, which was not in a position to absorb the entire provision in the PIP and also due to parking of huge balances in PL Account without incurring expenditure. Subsequent request (April 2005) of the State Government for reallocation of the above amount was not acceded (May 2005) to by the GOI. Thus, due to inefficient spending, the funds in the Project Implementation Plan got reduced to Rs.305.58 crore from the original provision of Rs.415.58 crore. As a result the project suffered loss of IDA assistance in the form of grants amounting to Rs.27.72 crore. This had restricted the improvement of the health care facilities originally envisaged under the project by curtailing components of EIF procurement (22 *per cent*) and maintenance on it (98 *per cent*), medicines (21 *per cent*) and salary (41 *per cent*).

Civil Works Construction Programme

The civil work construction programme of the project envisaged extension and utilisation of the existing infrastructure by one-time repair and renovation of 156 project hospitals at a cost of Rs.168.50 crore out of which expenditure incurred was Rs.135.19 crore as March 2005. Scrutiny of records of the PD and other test checked project hospitals revealed time over run, substandard

⁵ (i) EE, PH Divisions: Rs.3.02 crore and (ii) CESCO and NESCO: Rs.34 lakh.

execution of work by contractors, idle expenditure etc. as discussed in the succeeding paragraphs.

3.2.7 Delays in completion of civil works in hospitals

The project engaged nine design consultants (March 1999-June 2000) for preparation of drawings and designs and six construction management consultants (October 2000-July 2001) for supervision of civil works and paid Rs.8.43 crore towards professional fees. Nevertheless, the completion of civil works lagged behind schedule. Out of 156 hospitals taken up for extension and renovation, 137 were completed (March 2005) though the project originally contemplated completion of all civil works by March 2004. However, there were delay in completion of these works ranging from 6 to 30 months. The civil works of the remaining 19 project hospitals which were to be completed between May 2002 and August 2004 were in different stages of execution with expenditure of Rs.16.72 crore as of March 2005.

3.2.8 Excess payment of professional fee of Rs.3.02 crore

Full payment of professional fee of Rs.4.12 crore despite works remaining incomplete led to excess payment of Rs.3.02 crore to the construction management consultants

The monitoring and supervision works of “new construction, one time repair and renovation” of 135 project hospitals estimated to cost Rs.133.43 crore were entrusted to five management consultants. Separate agreement was drawn with each of them between October 2000 and July 2001 for completion of works between May 2002 and January 2003 for which they were to be paid professional fee of Rs.4.19 crore. The works were however, not completed within the stipulated date.

Scrutiny of records of the PD revealed that the agreements neither provided milestones for performance by the consultants during the period nor contained any deterrent clause to make them responsible for completion of the works by the agreement period. However, the consultants were paid professional fee of Rs.4.12 crore between October 2000 and January 2003 on expiry of consultancy agreement period although the value of work supervised by them was Rs.35 crore and was only 26 per cent of the value of the 135 project hospitals. The consultants were therefore entitled to proportionate payment of Rs.1.10 crore for the work supervised by them. However, for completion of these works, supplementary agreements amounting to Rs.5.30 crore were drawn with the same consultants fixing milestones for completion of work on payment of fee.

The PD while admitting the facts stated that there was delay in issue of letter of acceptance of bids of the contractors, delay in receipt of designs and drawings from the design consultants and shifting electric, water supply and telephone lines etc. from the project sites etc.

Thus, due to lack of coordination among different wings of the project, there were delays in completion of projects and payment of fees to the consultants was unfruitful.

3.2.9 Idle expenditure of Rs.43.44 lakh on Kanpur CHC

The building constructed for Kanpur CHC at a cost of Rs.43.44 lakh remained unutilised due to poor ground water source

The construction, one time repair and renovation of Kanpur CHC-II (Cuttack district) was completed at a cost of Rs.43.44 lakh without water and power supply connections due to poor ground water source and want of service connection of electricity and the building was handed over (October 2004), to the medical officer in charge of the CHC. As a result, the building was lying unutilised as of August 2005. The PD stated (August 2005) that steps had been taken to provide water supply connection by digging a tube well at half a kilometer away from the CHC.

3.2.10 Deviation in construction of building

Instead of constructing the CHC building at Aul, the same was taken up at Derabish at a cost of Rs. 62.75 lakh while equipment worth Rs.9.23 lakh was supplied to Aul

In the Project Implementation Plan (PIP) the Community Health Centre at Aul was selected for upgradation at a cost of Rs.45 lakh. Instead, the civil works of the Community Health Centre at Derabish in the same district was taken up at a cost of Rs.62.75 lakh by the PD without approval of Government. However, after upgradation, no requisite manpower was deployed at Derabish and new equipment, instrument and furniture (EIF) worth Rs.9.23 lakh provided to the CHC at Aul were lying in packed condition as the existing building did not have the facilities to accommodate the EIF.

Thus, due to the above deviation, the expenditure of Rs.62.75 lakh incurred on civil works at Derabish and Rs.9.23 lakh on EIF supplied to Aul became unfruitful and the patients of both the hospitals were deprived of the improved health care facilities.

The PD stated that due to "unforeseen circumstances and pressure" and communication gap among the PD, the Director of Health Services and the concerned medical officer in charge, such a deviation took place.

3.2.11 Substandard construction

15 project hospitals constructed at a cost of Rs. 12.34 crore developed cracks in the walls due to substandard work

Joint verification by audit with the concerned medical officers in charge of the DHH, CHCs, and Area Hospitals etc. revealed that walls and roofs of the newly constructed buildings of 15 project hospitals had developed vertical and horizontal cracks due to poor quality of work detailed in Appendix-XXV. In the Narasinghpur Area Hospital (Cuttack district) the glazed ceramic tiles fixed on the walls of the operation theatre and the specialist's chamber got detached, joints of new and existing buildings in most of the hospitals developed cracks. Of the 15 buildings, 10 (cost: Rs.12.34 crore) were handed over between December 2002 and November 2004 to the medical officers of the hospitals. The PD stated that the contractors would be asked to rectify the defects. The medical officers in charge of the concerned hospitals expressed their difficulties that they were facing due to non-repair of defects developed after taking over the charge of the buildings. Thus, the concerned CMCs failed to ensure the quality of works executed by the contractors while certifying the same for making payment.



Cracks in the building of Narasinghpur Area Hosnital

Equipment – procurement and utilisation

The equipment, instruments and furniture (EIF) management under the project was an essential component to improve quality, efficiency and performance of health care system. This included procurement, supply to hospitals for installation, commissioning and utilisation. As against the original provision of Rs.75.73 crore for this purpose, purchase orders were placed in four phases for Rs.59.10 crore (1999-2000: Rs.10.78 crore, 2002-03: Rs.6.14 crore, 2003-04: Rs.18.88 crore and 2004-05: Rs.23.30 crore) and payments of Rs.39.30 crore were made as of March 2005. It was noticed that there were blockage of funds, uneconomical procurement, deviations from original procurement plan, purchase of obsolete equipment and excess expenditure as discussed below.

3.2.12 Excess procurement in deviations from original procurement plan

Excess procurement of EIF worth Rs.12.53 crore in deviation from original procurement plan

A High Level Working Committee prescribed norms for equipment, instruments and furniture to be provided in each type of upgraded hospital based on bed strength. Accordingly, the consultants prepared the procurement plan after assessing the requirement of each hospital. Scrutiny of records, however, revealed that, while EIF worth of Rs.10.05 crore were procured in excess of the projected requirement as detailed in the Appendix-XXVI; furniture costing Rs.2.48 crore⁶ were procured, which were not specified in the original plan. Thus, there was excess procurement of EIF worth Rs.12.53 crore (July 2005).

3.2.13 Blocking of funds in uncommissioned/idle equipment

New equipment, instruments and furniture worth Rs.5.33 crore were lying unused in the test checked project hospitals due to non-installation and non-availability of suitable manpower



Equipment lying unpacked in Talcher CHC

not synchronized with the creation of related infrastructure. Scrutiny of records of the PD revealed that EIF worth Rs.9.25 crore was procured during 1999-2000 although not a single construction of building was completed before 2002-03 due to lack



Equipment lying idle in Deogarh DHH

of co-ordination between the Engineering and Health units. As a result, these EIF could not be installed leading to blocking of funds of Rs.9.25 crore for over three years. In the 40 test checked project hospitals in 12 districts it was revealed that the EIF worth Rs.5.33 crore procured in four phases and supplied to these units were lying in uninstalled/packed condition (805 items in 21 project units: Rs.3.02 crore) and idle after installation (546 items in 26 units: Rs.2.31 crore) due to lack of space and or absence of skilled manpower as of July 2005. Non-commissioning of EIF resulted in blockage of Rs.5.33 crore (Appendix-XXVII) besides depriving the patients of the benefits of upgraded system. The possibility of these EIF getting damaged due to prolonged storage

⁶ (i) Plastic moulded chairs (11275 numbers): Rs.55.81 lakh, (ii) Conference table (1413 numbers): Rs.45.42 lakh, (iii) Steel Almirah (679 numbers): Rs.38.19 lakh and (iv) FMG chairs (3313 numbers): Rs.1.09 crore.

and also expiry of warranty periods could not be ruled out. Since the project was implemented with financial assistance bearing interest of 11.50 per cent, the advance procurement had also affected the finances of the Government.

3.2.14 Procurement of out-dated equipment

The project procured 156 Air Ether Machines to be used for anesthetization of patients at a cost of Rs.31.51 lakh and supplied the same to all the project hospitals. It was seen that many of the project hospitals test checked did not put the machines to use for want of skilled manpower. However, two CDMOs, Cuttack and Sambalpur were not using the machines, as improved machines such as boyles apparatus were available in the market which were also supplied to some of the DHHs. The PD stated that these equipment could be handled by any general doctor without any anesthesia background in minor operation theatres. The contention of the PD was not correct as many of the project hospitals had not put the machines to use for want of skilled manpower. In view of above, the decision to go for procurement of these equipment was injudicious.

Government discouraged use of hypodermic needles for clinical services as these act as a medium for contamination and transmission of diseases such as AIDS due to their repeated use. The project however, supplied 22704 units of hypodermic needles to various hospitals during 2004-05 though the said item was not even enlisted in original procurement plan. In one of the test checked District Hospital, it was seen during audit that the entire lot of hypodermic needles supplied to the hospital by the project authority was lying unused and as such the expenditure of Rs.22.21 lakh incurred for procurement of these needles proved to be wasteful.

3.2.15 Health Management Information system

The Health Management Information System developed by TCS at a cost of Rs.40.36 lakh became inaccessible to the end users due to faults in the software

For better monitoring of the implementation of the project, the PIP contemplated development of a Health Management Information System (HMIS) for maintenance of an integrated electronic database on civil works, equipment, drugs, communicable diseases, hospital activities etc. collecting the information from the districts in respect of all the project hospitals. The Tata Consultancy Services (TCS) was entrusted (August 2000) with the development of the software for installation in all the district hospitals and the project management cell at Bhubaneswar. The TCS completed the job (November 2002) at a cost of Rs.40.36 lakh. However, the system developed faults particularly at the district level end-users and access to the software could not be made by them. As the contract did not provide for post contract maintenance of the system by the firm, the fault in the system remained unrectified. As a result, the HMIS remained inoperative (August 2005) rendering the expenditure of Rs.40.36 lakh unfruitful. The PD stated (August 2005) that steps were being taken to make the HMIS operational by re-tendering the work on Government approval. Thus, failure to put the HMIS in place affected the monitoring of the implementation of the health care programmes under the project.

Manpower Management

The project provided substantial increase in deployment of manpower commensurate with the creation of additional infrastructure facilities. Besides, the PIP provided imparting various training programmes to different categories of staff at various levels in the health institutions to maintain and raise the performance standards. The deficiencies noticed in these aspects were as below:

3.2.16 Inadequate training to medical and paramedical staff

Though the PIP provided Rs.10.76 crore for training of personnel, the Project was sanctioned for Rs.4.07 crore of which Rs.3.50 crore only were spent for the purpose during the project period. As against 3016 slots targeted for in-service training in 12 different courses meant for medical and paramedical personnel in the State Institute of Health and Family Welfare (SHIFW), the Project could be able to conduct training for only 1064 slots (35 per cent). The shortfall under clinical updation skill of specialists course was as high as 90 per cent and skill updation course for Assistant Surgeons was 84 per cent.

The PD attributed (August 2005) the shortfall to lack of nominations by district administration, inability of training institution to conduct the programme, delay in financial transactions, delay in Government's approval, non-availability of reserved tickets at short notice for performing journeys etc.

Thus, the poor utilisation of training slots despite availability of funds indicated lack of coordinated planning and management affecting the skill upgradation of the health care system.

3.2.17 Vacancy in medical and paramedical posts

344 posts of medical officers and 151 posts of key paramedical staff were vacant as of March 2005

Keeping in view the specialised services to be provided in the project hospitals basing on the new infrastructure created, the PIP provided upgradation and creation of additional posts of medical officers and paramedical staff. However, scrutiny of records of the PD revealed that the project had 1444 sanctioned posts of staff, of which 949 were in position as of March 2005 with vacancy in 495 posts as detailed below:

| Sl. No. | Category of Post | | Number of posts sanctioned | Men in position | Number of posts lying vacant |
|------------------|---------------------------------|---------------------------------|----------------------------|-----------------|------------------------------|
| Medical officers | | | | | |
| 1. | DHH level | | | | |
| | i) | CDMO and Additional CDMO | 142 | 124 | 18 |
| | ii) | Specialists (Class-I) | 210 | 153 | 57 |
| 2. | Sub Divisional Hospital level | | | | |
| | i) | Sub-Divisional Medical Officers | 20 | 18 | 2 |
| | ii) | Specialists (Class-I) | 68 | 66 | 2 |
| 3. | CHC-I and II and Area Hospitals | | | | |
| | i) | Medical Officers in-charge | 67 | 49 | 18 |
| | ii) | Specialists (Class-II) | 158 | 32 | 126 |

| Sl. No. | Category of Post | Number of posts sanctioned | Men in position | Number of posts lying vacant |
|--|-------------------------------|----------------------------|-----------------|------------------------------|
| 4. | For all category of hospitals | | | |
| i) | Assistant Surgeons | 124 | 13 | 111 |
| ii) | Dental Surgeons | 18 | 8 | 10 |
| Para medical staff (all project hospitals) | | | | |
| i) | Radiographer | 62 | 6 | 56 |
| ii) | Laboratory Technician | 40 | 7 | 33 |
| iii) | Staff Nurse | 535 | 473 | 62 |
| Total | | 1444 | 949 | 495 |

Thus, there was acute shortage of medical and paramedical staff in the project hospitals as 344 out of 807 sanctioned posts of medical officers and 151 out of 637 sanctioned posts of paramedical staff were lying vacant affecting the delivery of health care system.

Consequently, the equipment procured taking into account the upgradation of hospitals were lying idle due to vacancies in the posts of Radiographers, Anesthesia specialists and Dental surgeons and accordingly, at least 40 X-ray machines (Rs.74.40 lakh), 42 Boyles apparatus (Rs.39.31 lakh) and 12 Dental units (Rs.38.74 lakh) remained inoperative.

The PD stated (August 2005) that the vacancies were due to low remuneration offered by the project on contract basis which was not attractive to the qualified/skilled persons for filling up the posts and added that the matter would be apprised to the Government for remedial action.

3.2.18 Ineffective waste management

As per the provisions of the Biomedical (Waste Management and Handling) Rules, 1998 an occupier of a premises generating bio-medical waste, was required to set up requisite facilities for treatment of such waste to be authorised by the State Pollution Control Boards. The PIP, treating the management of hospital waste a critical area of environmental hazard, provided segregation of different waste at source and transportation of these to a specified containment area with pits for dumping. The PD spent Rs.25.73 lakh towards purchase of waste bins etc. on hospital waste management and paid Rs.1.19 crore to 32 CDMOs of DHH for spending on sanitation and cleanliness of hospitals. Further, Rs.1.28 crore were spent towards purchase of 25 each of autoclaves and shredders and supplied the same to the DHH which were lying idle in the premises of the DHHs as the required infrastructure such as separate rooms of specific size for installation were not available (July 2005). It was further noticed that there was no provision in initial design, drawing and estimate of the buildings construction plan for Waste Management Systems.



Autoclave lying idle in Sambalpur DHH

Only 14 out of the 156 project hospitals were given the authorisation by the State Pollution Control Board to operate the biomedical waste management facility

Scrutiny of the records of the State Pollution Control Board revealed that only 14 out of 156 project hospitals were given the authorisation by the Board to operate the biomedical waste management facility. Of the remaining 142 hospitals, 97 hospitals were not considered for authorisation as their waste management systems were not conforming to the criteria for the mandatory certification and 45 institutions did not apply for authorisation.

In Bolgarh CHC, the waste dumped in containment area contaminated a well which was abandoned. In DHH at Sambalpur, medical waste had been dumped outside the containment area in open space exposing the environment to bio-waste hazard. The PD stated (August 2005) that the waste management in the hospitals was in initial stages of operation and four teams were deputed to different districts to ensure the proper use of waste management equipment.



Hospital waste lying scattered outside the containment area in Sambalpur DHH

3.2.19 Inadequate health services to disadvantaged groups Health Camp

The PIP provided conducting of 6000 health camps at the Gram Panchayat level in 118 tribal blocks of 12 districts⁷ to increase awareness about the health among the deprived sections of the population, provide necessary curative treatment at spot, promote early detection of diseases, motivate people to seek presumptive treatment, encourage optimum utilisation of available facilities etc. The PD advanced Rs.1.20 crore to the CDMOs of the districts between December 1999 and July 2002 for the purpose. As against the above, although 5000 camps were stated to have been organised at a cost of Rs.1.16 crore, the PD received the reports on conducting of such camps for only 2155 health camps (March 2005). The PD stated (August 2005) that the CDMOs had been requested to furnish the status on holding the camps.

Mobile Health Clinics (MHCs)

The PIP also proposed to provide nine Mobile Health Clinics (MHCs) in disaster prone and inaccessible areas of five districts⁸ to render all the basic medical services to the people involving village health guides, Anganwadi workers and non-Government organisations (NGOs) under the coordination of medical officers of CHCs. The PD advanced Rs.81.46 lakh to the concerned CDMOs for conducting the MHCs during 2001-05 without involving the NGOs. However, the PD did not have records relating to activities undertaken in respect of the MHCs in the districts.

3.2.20 Monitoring and evaluation

The implementation of the project was to be monitored by the project management cell (PMC) by evolving information system on various

⁷ Balasore (1), Gajapati (5), Kalahandi (2), Keonjhar (10), Kandhamal (12), Koraput (14), Malkangiri (7), Mayurbhanj (26), Nawarangpur (10), Rayagada (11), Sambalpur (3) and Sundargarh (17).

⁸ Gajapati (One), Keonjhar (One), Sundargarh (Two), Kandhamal (Two) and Mayurbhanj (Three).

Monitoring of the project implementation was affected due to transfers of PD and other responsible officers of the Project Management Cell

components of the project. Overall monitoring at the State level was done by the Project Steering Committee and at the district level by the Zilla Swasthya Samitis through the CDMOs. The following deficiencies in monitoring of the project were noticed.

- The PMC was required to monitor the implementation of the project. The Project Director who was heading the PMC had been shifted during the project period and other responsible officers were also subjected to frequent transfers which affected the monitoring of the project.
- The software on HMIS was defunct and no worthwhile action was taken to revamp it. This hindered timely receipt of data on achievements under various components of the project from field units for analysis and evaluation.

3.2.21 Impact Analysis

The PIP set the performance indicators under different key activities for achievement by March 2004. However, the performance level was below the targets as of March 2005. The number of admission to the project hospitals due to pregnancy related complications were to be increased from 20 *per cent* at base line (1997-98) to 35 *per cent*. The achievement was 31.9 *per cent* only. The institutional deliveries were to be increased from 16 *per cent* at base line (1997-98) to 31 *per cent* by 2003-04. But it was low at 26.5 *per cent*. All 156 project hospitals and state headquarters were to be inter-linked with a Computerised Health Management Information System (HMIS). The HMIS data were being prepared manually. Percentage of inpatients and outpatients in institutions receiving diagnostic tests were to be increased from 10 *per cent* at base line (1997-98) to 30 *per cent* by 2003-04 against which, the achievement was only by 12 *per cent* (inpatients) and 14 *per cent* (out patients). The Waste Management Systems of 80 *per cent* of the project hospitals were targeted for authorisation by the State Pollution Control Board by 2003-04 out of which only nine *per cent* was authorised.

Thus, even with a time overrun of one year, the performance level of the project was behind the schedule affecting the fulfillment of its social commitments.

3.2.22 Conclusion

The targets in the performance indicators in the Project Implementation Plan could not be achieved. Out of 156 newly constructed buildings, only 137 were completed and handed over to the management of the hospitals. Procurement of equipment, instruments and furniture (EIF) before completion of the construction of hospital buildings resulted in their non-utilisation.

The Health Management Information System could not be put to use, as faults developed during post operation were not addressed. Large scale vacancies in the posts of Medical Officers, Specialists, Assistant Surgeons and paramedical staff affected the delivery of health care services; sophisticated equipment and instruments remained idle due to want of technical manpower to handle them.

Increase in the number of patients receiving diagnostic tests was marginal due to idling of the equipment supplied to the project hospitals. Equipment based training to the staff were not conducted. The hospital bio-medical waste management system was yet to come up. Due to slow progress in implementation of the project the GOI curtailed Rs.110 crore out of the PIP cost of Rs.415.58 crore forcing premature completion of the project.

Recommendations

- The equipment, instrument lying idle/un-commissioned should be 'put' to use for the benefit of the patients.
- Optimum utilisation of various training slots should be ensured for strengthening the clinical system.
- The HMIS need to be revamped early to process and analyse data for better monitoring of the delivery of health care system.
- The biomedical waste management system should be put to use in every project hospital after due authorisation from the State Pollution Control Board.

The Principal Secretary during discussion (November 2005) stated that factual position would be confirmed from the field offices and appropriate remedial measures would be taken wherever necessary.

RURAL DEVELOPMENT DEPARTMENT

3.3 Construction of Rural Roads

Highlights

Rural Development Department (RDD) was entrusted with the construction, improvement and maintenance of 27,759 km of rural roads. The objective of establishing all-weather village road communications remained unfulfilled due to lack of a consolidated plan and implementation of the schemes in an un-coordinated manner. Several roads and bridge projects remained incomplete due to lack of quality control and monitoring during execution, frequent change in design and failure to prioritise the works. Poor management of contracts resulted in losses, excess payments and avoidable burden on the State exchequer. As of March 2005, 55 per cent of the total road length still remained in metal and earthen track that too with many missing links.

- ♦ Though the department made budget provisions for Rs.243.03 crore during 2002-03 and 2003-04, but the funds released by the Finance Department was only Rs.137.68 crore. Critical Intervention Fund (CIF) provided in 2000-01 remained parked in civil deposits as of March 2005. Rs.68.38 crore meant for construction and improvement works were diverted to road repairs.

(Paragraph 3.3.6)

- ♦ During 2000-01 to 2004-05, Rs.625.66 crore were spent on construction/maintenance of rural roads, yet 55 per cent of the total road length was still metal or earthen tracks and that too with missing links.

(Paragraph 3.3.9)

- ♦ Twenty seven bridge projects remained incomplete with cost overrun by Rs.14.35 crore and eleven bridges completed at a cost of Rs.13.44 crore remained inoperative for want of approach roads.

(Paragraphs 3.3.9 and 3.3.10)

- ♦ Wrong computation of item rates of Cement concrete works, evasion of ST and other unwarranted favours led to undue benefit of Rs.20.88 crore to contractors.

(Paragraphs 3.3.11 to 3.3.17)

- ♦ Non-commencement of work and lapses in processing of tenders led to extra cost of Rs.3.22 crore.

(Paragraphs 3.3.18 and 3.3.19)

- ♦ Unproductive and ineffective expenditure of Rs.2.07 crore on cyclone damaged roads abandoned midway.

(Paragraphs 3.3.20 and 3.3.21)

* The abbreviations used in the review have been listed in the glossary in Appendix-XXXVI at page 225.

3.3.1 Introduction

The total road length in the State was 2.37 lakh km. Of the above, Rural Development Department was entrusted with the construction, improvement and maintenance of 27,759 km rural roads with 531 bridges and 35,648 cross drainages. These roads receive traffic from several rural link roads or a long chain of rural habitations and lead it to marketing centres/district headquarters either directly or through the higher category roads. Since the roads were not at the tail end and were directly not connecting a habitation or a group of habitations, these were not eligible for inclusion under the Pradhan Mantri Gram Sadak Yojana (PMGSY). They were constructed and maintained from State Budget, loans from NABARD, Central Assistances.

3.3.2 Organisational set-up

The Commissioner-cum-Secretary to Government was over all in charge of the Department assisted by two Chief Engineers (CE). At the field level, there were 30 Executive Engineers (EE) under supervision of five Superintending Engineers (SE).

3.3.3 Scope of Audit

The audit was conducted (February-August 2005) by the test check of records of Administrative Department, CE Rural Works (RW) and 10 EEs out of 30 EEs for the period 2000-01 to 2004-05 covering implementation of various schemes/programmes (other than PMGSY) for the construction/ improvement and maintenance of rural roads.

3.3.4 Audit objective

Audit objective was to assess

- Efficiency in management of programmes/schemes vis-à-vis achievements.
- Effectiveness of the programmes/schemes in delivery of the desired output in establishing sustainable all weather roads in rural areas.
- Quality control issues, planning and monitoring of the execution of works.

3.3.5 Audit Methodology

Programme/scheme norms, tender documents, agreements, quality control reports, inspection reports of higher authorities, budget documents and expenditure statements were reviewed and discussions were held with the EE and CE, RW in arriving at the conclusions and assessing the impact of the programmes/schemes. Audit also physically inspected some of the sites and held discussions with the local beneficiaries.

Financial Management

3.3.6 Financial outlay

The budget provisions vis-à-vis expenditure on rural roads were as follows:

(Rupees in crore)

| Year | Budget Provision | | | Expenditure | | | Excess (+) Savings (-) (Percentage) | |
|--------------|------------------|---------------|---------------|---------------|---------------|---------------|--|-----------------------|
| | Capital | Revenue | Total | Capital | Revenue | Total | Capital | Revenue |
| 2000-01 | 71.06 | 60.35 | 131.41 | 71.06 | 63.00 | 134.06 | -- | (+) 2.65 (4) |
| 2001-02 | 57.91 | 64.15 | 122.06 | 57.91 | 52.68 | 110.59 | -- | (-) 11.47 (18) |
| 2002-03 | 106.90 | 55.39 | 162.29 | 71.21 | 52.15 | 123.36 | (-) 35.69 (33) | (-) 3.24 (6) |
| 2003-04 | 136.13 | 55.78 | 191.91 | 66.47 | 44.40 | 110.87 | (-) 65.11 (48) | (-) 11.38 (20) |
| 2004-05 | 117.29 | 61.23 | 178.52 | 104.75 | 42.03 | 146.78 | (-) 12.54 (11) | (-) 19.20 (31) |
| Total | 489.29 | 296.90 | 786.19 | 371.40 | 254.26 | 625.66 | (-) 117.89 (24) | (-) 42.64 (14) |

Though the department made budget provisions for Rs.243.03 crore during 2002-03 and 2003-04 under capital sector, but funds for Rs.137.68 crore was only released

The provisions under Capital Sector were for creation of assets by way of construction of rural roads and bridges and improvement of rural roads. The provisions under Revenue Sector were for operation and maintenance of the rural roads.

The budget provisions under capital sector was increased from the year 2002-03 by more than 100 per cent of the provisions for the year 2001-02 without identifying the source of funding. The total allocation under capital sector during 2002-03 and 2003-04 was Rs.243.03 crore. Though the department made budget provisions for Rs.243.03 crore, but the funds released by the Finance Department was only Rs.137.68 crore. The expenditure under capital sector included loans from Rural Infrastructure Development Fund (RIDF-NABARD): Rs.128.88 crore, Revised Long Term Action Plan-Central Assistances (RLTAP): Rs.43.61 crore, World Bank loan Cyclone Damage Repairs (CDR): Rs.51.04 crore and State Plan inclusive of Constituency-wise Allotment (CWA): Rs.147.87 crore.

The expenditure of Rs.254.26 crore under Revenue Sector during 2000-05 comprised expenditure on regular establishment: Rs.84.30 crore (33 per cent), wages of NMR/DLR staff : Rs.51.13 crore (20 per cent) and on maintenance of roads including deployment of casual labours : Rs.118.83 crore (47 per cent). The following points were also noticed during test check.

3.3.7 Diversion of LoC

LoC of Rs.18.04 crore was diverted

Government of Orissa (GoO) introduced the system of Letter of Credit (LoC) to ensure expenditure with reference to financial authorisation. LoC was granted during 2002-05 for the gross value of the works instead of for the net amounts without deducting the income tax (2 per cent) to be statutorily deducted from contractors' bills. This resulted in excess LoC of Rs.14.77 crore to the EEs.

Similarly, the Sales Tax (ST) of Rs.1.50 crore on work component and royalty of Rs.1.77 crore on construction materials recovered from the contractors' bills were not paid to the concerned authorities and retained in the deposit account. The LoC received for these payments was diverted. The total diversion was thus Rs.18.04 crore.

3.3.8 Non-utilisation of funds

CIF funds for Rs.5 crore parked in civil deposits and SCA for Rs.1.05 crore remained unutilised

Out of Rs.6 crore provided (2000-01) from Critical Intervention Fund for improvement of rural roads, Rs.5 crore were drawn by the EE, RW Division, Bhubaneswar and parked under 8443-Civil Deposits. The amount remained locked up as of March 2005.

Government of India (GoI) provided Special Central Assistance (SCA) of Rs.2.71 crore during 2002-03 for 15 road/bridge projects in Rayagada district. The EE completed 4 projects during 2002-03 with Rs.1.66 crore and Rs.1.05 crore remained unutilised due to the failure to get the works executed. The SCA of Rs.1.05 crore was surrendered in March 2003 by the EE.

Planning and policy formulation

3.3.9 Lack of planning

Lack of integration among schemes and failure to prioritise roads on common development plan led to 55 per cent of roads remaining in metal and earthen track

GoI/GoO had emphasised in the tenth plan period for the establishment of all weather communication of rural roads and provided funds under different programmes/schemes viz: RIDF-NABARD loan, CWA, RLTA, loans from World Bank for CDR, and repair grants. The department, however, did not work out any consolidated plan for these schemes. The schemes were implemented in a fragmented manner and there was no integration among the schemes/programmes.

The department had prepared a core network during 2002-03 indicating the status of all roads in each block/district for facilitating prioritisation and selection of roads for coverage under PMGSY. Even these core net works were not used for prioritisation and selection of projects for coverage under the above schemes to achieve maximum connectivity in a systematic and cost effective manner.

The surface status of the rural roads during 2000-05 was as follows.

(In kilometre)

| Year | Total | | Surface status | | |
|---------|-----------------|--------------------|----------------|-------|-----------------|
| | Number of roads | Kms. | Black top | Metal | Moorum/ Earthen |
| 2000-01 | 3465 | 29222 | 8960 | 12999 | 7263 |
| 2001-02 | 3465 | 29221 | 9648 | 12533 | 7040 |
| 2002-03 | 3584 | 28350 | 10618 | 11001 | 6731 |
| 2003-04 | 3584 | 28350 | 11186 | 11228 | 5936 |
| 2004-05 | 3584 | 27759 ¹ | 12573 | 10146 | 5040 |

¹ The length was reduced due to transfer of roads to the control of Works Department.

The objective of providing all weather communication in rural roads remained unfulfilled and out of 27,759 km of rural roads under the department, 15,186 km (55 *per cent*) still remained in metal and earthen track due to unco-ordinated implementation of the schemes. Further, Audit noticed that 960 km in 101 roads were also not in all weather condition due to incomplete bridges in 27 roads, lack of approach roads to 12 completed bridges in 12 roads and 38 km of missing links ranging between 100 metres and 10 km in 62 roads. Thus, the effective use of roads in all weather condition was only 11,613 km (42 *per cent*).

The department also did not set any target for CWA and repair grants. The provisions for repair grants were made on lump sum basis. Due to absence of approved plan, the EEs spent the funds of Rs.68.38 crore under CWA-capital sector provided for original works on road repairs and no assets were created. Besides, Rs.169.96 crore provided for repairs (excluding staff cost of Rs.84.30 crore) were also spent by the EEs on repair of the roads selecting roads at their level.

The targets vis-à-vis achievements against other schemes viz: RIDF, RLTA and CDR were as follows:

(Rupees in crore)

| Scheme | Targets (2000-05) | | Achievements (2000-05) | | Shortfall | | Percentage of shortfall in financial terms |
|------------------|-----------------------|---------------|---------------------------|---------------|-----------------------|---------------|---|
| | Number of Projects | Cost | Number of Projects | Cost | Number of Projects | Cost | |
| RIDF (NABARD) | 205 | 249.25 | 126 | 128.88 | 79 | 120.37 | 48 |
| RLTAP | 329 | 68.08 | 271 | 43.61 | 58 | 24.43 | 36 |
| CDR | 60 | 65.10 | 48 | 51.04 | 12 | 14.06 | 21 |
| Total | 594 | 382.43 | 445 | 217.60 | 149 | 164.83 | 43 |

The shortfall in achievements against the targets in these schemes ranged between 21 and 48 *per cent* mainly due to non-acquisition of land and change in designs during execution attributed to inadequate survey and investigation and default in execution by the contractors.

Of the incomplete projects under RIDF, the cost of 27 bridges amounting to Rs.63.18 crore was revised to Rs. 77.53 crore on account of change in designs and rise in the prices of labour, materials and POL resulting in cost overrun by Rs.14.35 crore due to time over run. Besides, during 2000-05, Rs.3.02 crore were spent on the maintenance and improvement in patches on the roads leading to these bridges but due to the bridges remaining incomplete, connectivity was not achieved.

Substantial cost over
run of Rs.14.35 crore

Audit checks also disclosed the following:

3.3.10 Lack of synchronisation in construction activities

Bridges constructed at a cost of Rs.13.44 crore could not be opened to traffic due to non-completion of their approach roads

The construction of a bridge and its approach road were to be synchronized to ensure establishment of all weather connectivity on completion of the bridge. However, 11 bridges constructed at a cost of Rs.13.44 crore during 2000-05 could not be opened to traffic due to non-completion of their approach roads attributed to failure in synchronizing the construction of the approaches with the progress of completion of the bridges and delay in acquisition of land. Besides, during 2000-05, the EEs incurred expenditure of Rs.2.00 crore for improvement/maintenance of the roads leading to these bridges but all weather surface on these roads was not established due to non-completion of approach roads to bridges.

Non-establishment of connectivity due to missing links

Missing links in 62 roads (472 km) were not planned for completion on priority with available resources and instead Rs.9.31 crore was spent on these roads during 2000-05 on improvement and maintenance in patches but continuous all weather surface was still not established.

Management of contracts

Audit check disclosed poor management of contracts resulting in avoidable extra expenditure and undue benefits to contractors for Rs.20.88 crore as mentioned below.

3.3.11 Inadmissible and unauthorised payment to contractors

Unauthorised payment of Rs.5.39 crore at post tender stage and inadmissible payment of Rs.48.35 lakh due to wrong calculation of escalation charges

Construction of a high level bridge over river Luna on Gop-Kalapada –Akhua road was awarded (January 2000) to a contractor at a cost of Rs.9.19 crore for completion by January 2003. The contractor completed the work in November 2002 and was paid Rs.14.58 crore till March 2003 due to increase/decrease in quantities of work attributed to change in design. As per codal provisions, any increase/decrease over/below the contract value during execution were to be carefully investigated and required approval obtained prior to payment. Despite that, the EE, RW Division, Kendrapara had paid Rs.5.39 crore to the contractor excess over the contracted value of Rs.9.19 crore at post tender stage without approval of competent authority and without investigating the claims resulting in unauthorised payments. The proposal submitted by him in December 2002 was not sanctioned by Government (March 2005).

Besides, though as per the terms of contract, escalation on material component was payable on 20 per cent of value of work executed, such charges were computed on 65 per cent of the value of the work resulting in inadmissible benefit of Rs.48.35 lakh. The total unauthorised payment and inadmissible benefit was Rs.5.87 crore.

Unwarranted benefit of Rs.3.71 crore due to excess provision of cement in cement concrete items

3.3.12 Undue benefit towards excess provision of cement

Construction works of 63 high level / submersible bridges were awarded (May 1998-July 2004) to 60 contractors at a total cost of Rs.63.47 crore for completion between July 2000 and September 2006. The contracts, inter-alia, provided for execution of Cement Concrete (CC) items of strength M-150 (40,109 cum), M-200 (40,816 cum), M-250 (6,974 cum) and M-300 (8,023 cum) using minimum quantity of cement as prescribed in Indian Road Congress (IRC) Code. The works were under execution (March 2005).

According to the IRC Code, 250 kg, 310 kg, 360 kg and 380 kg of cement per cum were required for execution of CC items of strength of M-150, M-200, M-250 and M-300 respectively. However, the item rates of the contractors were inbuilt with 323 kg, 411 kg, 571 kg and 645 kg per cum respectively based on the State Analysis of Rates provided for execution of CC on volumetric mix violating the terms of contract which provided for specified strength of CC. The item rates were not scaled down during the course of execution of the works. This led to unwarranted benefit of Rs.3.71 crore to the contractors.

3.3.13 Undue benefit to contractors

Undue benefit of Rs.1.37 crore to contractors on inadmissible items like sump filling, soil exploration, removal of silt and rectification of defects

Construction works of 10 high level bridges² were awarded (November 1994/January 2003) to eight contractors at a cost of Rs.71.62 crore for completion between May 1997 and January 2006 stipulating that any sump below the cutting edge level was to be filled up with cement concrete of M-250 at the cost and risk of the contractors. Similarly, sub soil exploration, geo-technical evaluation of the foundation rock strata, removal of silt from working area and rectification of tilt & shift of wells during execution constituted the cost and risk of the contractors. However, in seven of the 10 bridges, the sump portions below the cutting edge level were filled up with 1906 cum of cement concrete and the EEs paid Rs.1.02 crore to the contractors for the purpose resulting in undue benefit to them.

Further, in four bridges the EEs had carried out the soil exploration works through other contractors between March 2000 and March 2005 and incurred expenditure of Rs.23.16 lakh and removed the silt from working area and rectified the tilt/shifts of wells by incurring expenditure of Rs.55.17 lakh. The total undue favour to contractors was thus Rs.1.80 crore. At the instance of Audit, claim for Rs.42.81 lakh for sump filling was disallowed in respect of the contract for bridge over river Mahanadi on sump filling, but recoveries for Rs.1.37 crore in nine other bridges were not effected as of March 2005.

² H.L. Bridge over river Luna on Gop-Kalapoda-Akhua road, river Gobari at 10th km on Angulai -Orata road, river Chitrotpola at Lachipada, river Baitarani at 3rd km on Champua Fogu road, over Rusikulya on Chhanagadipadar-AP border road, river Gobari at 3rd km on Boro and Angulai road, over Chitrotpola at Patkura, river Kani on Aul-Bhuinpur road, over Mahanadi on Gadama-Kishannagar road and over Loharkhandi on DS road.

3.3.14 Extra payment to contractor

Extra payment of Rs.47.90 lakh to contractor due to delayed acceptance of tender

Rules provided that tenders should be finalised within 90 days from the date of their receipt. Tender for construction of high level bridge over river Kani at 6th km on Aul-Bhuinpur road in Kendrapara district was received on 15 April 1999 and the CE recommended (1 June 1999) the negotiated lowest tender of a contractor for Rs.5.99 crore. The Tender Committee (TC) considered (10 June 1999) it on the higher side and directed the CE for further negotiation to bring down to the level of local market rate (Rs.5.53 crore) worked out by the department. The contractor did not (9 July 1999) agree to reduce the rates but extended the validity of his tender to 31 July 1999. However, no decision on the tender was taken even after expiry of extended validity period whereby the contractor claimed (17 August 1999) 10 *per cent* extra rate in each item on the ground of construction of island and Foot Bridge for transportation of construction materials. The TC recommended (September 1999) that in case the contractor did not agree to execute the work at the tender amount of Rs.5.99 crore the tender should be cancelled. The contractor did not accept the recommended amount and claimed (December 1999) 10 *per cent* over and above the recommended amount.

Subsequently, the TC decided (January 2000) that the CE should visit the site and furnish his views. Although the contract provision allowed for escalation to compensate the hike in cost of labour, material and POL from the date of opening of the tender, the CE recommended (June 2000) 10 *per cent* extra over the negotiated tender amount on the ground that the rates of the materials and labour had increased in the area. The TC recommended (July 2000) 8 *per cent* increase over the negotiated tender amount which was approved (May 2001) by the Government. The work was awarded (May 2001) to the contractor at a cost of Rs.5.79 crore plus 8 *per cent* extra which worked out to Rs.47.90 lakh for completion by May 2004.

The failure of Government to accept the negotiated tender even within the extended validity period (July 1999) facilitated the contractor to claim extra rates and despite the existing contract provision for payment of escalation to compensate hike in cost of labour, materials and POL from the date of opening (April 1999) of the tender, Government approved 8 *per cent* extra over the negotiated tender resulting in extra benefit of Rs.47.90 lakh to the contractor.

3.3.15 Non-recovery of Government dues from contractors

Non-recovery of Government dues of Rs.6.15 crore levied towards default in execution, cost of materials and rectification of defects

Construction works of 5 bridges³ were awarded to 5 Contractors between October 1991 and October 2000 at a cost of Rs.6.16 crore for completion between October 1993 and September 2002. The contracts stipulated that the works should be completed within the target dates and for delay, liquidated compensation upto 10 *per cent* of contract value was to be realised. In case of failure to complete the works or on abandonment, the left over works would

³ Over river Baitarani on Champua-Fagu road, over Bajore nullah on R.Udayagiri-Sambalpur road, over Nilamguda on Suludi-Nilamguda road, over Baghua at 2nd km on Balaramchandarpur-Kanchei road and over Kudianallah-Chandabali-Aredi road.

be completed through other agencies at the cost and risk of the defaulting contractors.

The contractors failed to complete the above bridges and abandoned the site after executing work worth Rs.2.88 crore. Government terminated their contracts with levy of penalty and the left over works for Rs.3.28 crore were awarded (January 2002 - July 2005) to other contractors at a cost of Rs.5.58 crore on re-tender for completion between January 2003 and July 2006. The works were under execution (March 2005). The award of the works on retender involved extra cost of Rs.2.30 crore. No action was initiated for realisation of extra cost from the defaulting contractors (March 2005). Besides, the defaulting contractors retained materials costing Rs.1.04 crore which had also not been recovered.

Thirty one other bridge/road projects stipulated for completion between May 1997 and October 2004 at a cost of Rs.28.08 crore were not completed by the contractors within the stipulated dates. Extension of time was also not sanctioned in their favour. Liquidated compensation of Rs.2.81 crore was, however, not realized as of March 2005.

**Non-recovery of
Rs.84.69 lakh from
defaulting
contractors**

Repair and reconstruction of cyclone damaged Aunri-Garia, Palodhubandha-Aunri, Narkrala-Marchipur roads under Jagatsinghpur district were awarded (November/December 2000) to three contractors at a cost of Rs.2.53 crore for completion by June/July 2001. As per the conditions of the tenders, extra items requiring execution were not to vitiate the contracts and the same were to be executed at negotiable rates. Before commencement of execution of the works, the CE visited the site in November 2000 and apprehending CBR value of the soil not more than 2, directed the EE to provide coarse sand 0.30m thick below the sub base. Without conducting the soil test and ascertaining the actual CBR value, the EE executed (September 2001) supplementary agreements for providing sand filling below the sub-base. The contractors after executing work valuing Rs.61.92 lakh left the works in March/April 2002 and two of the contracts were terminated (July 2002) with levy of penalty but the third contract was terminated in July 2002 without levy of penalty.

The remaining works were completed through other agencies at an extra expenditure of Rs.84.69 lakh which has not yet been recovered from defaulting contractors. Against the above recoverable dues, Bank Guarantees of Rs.10.50 lakh though was available with the department for possible adjustment against Aunri-Garia and Palodhubandha-Aunri roads, their validity was not extended beyond July 2002.

3.3.16 Undue benefit to contractors

**Undue benefit of
Rs.2.06 crore due to
irregular issue of
subsidised rice after
completion of works**

GoI launched the Food for Work Programme during 2002 with a view to augmenting food security through wage employment. The scheme provided for supply of 5 kg of rice per day at subsidized rate of Rs.5.65 per kg and payment of balance wages in cash. To ensure that the benefit of subsidy reached the labourer and as a safe guard against the sale of rice at higher rate in the market, the scheme stipulated that rice should be supplied to the labourers at the work site along with cash component on muster rolls in presence of the local representatives.

However, 8 EEs issued 4057 tonnes of rice to contractors after completion of works executed through 1092 agreements between 2001-02 and 2004-05. The delays ranged between 7 days and 18 months. Since distribution of rice to daily wage workers after completion of the works was not practicable, the subsidy of Rs.2.06 crore provided by GoI was not passed on to the labourers and instead led to undue benefit to the contractors.

3.3.17 Non-recovery of Sales tax

Loss of Rs.38.99 lakh due to non-recovery of ST on tender paper.

As per ST Act, 12 per cent ST was leviable on the cost of tender papers. 11 EEs did not recover ST on the cost of tender papers for Rs.3.25 crore sold to contractors during 2002-05 resulting in loss of ST of Rs.38.99 lakh.

Wasteful expenditure due to avoidable delays

Lack of efficiency in management of project and lapses in processing tender resulted in extra and avoidable cost of Rs.3.22 crore as discussed below:

3.3.18 Cost and time over run on construction of a bridge

Cost over run by Rs.2.61 crore due to frequent revision of designs and non-finalisation of tender

A bridge over Satiguda Nullah at 7th km on Jeypore-Balia-Boipariguda road constructed in 1984 collapsed in August 1991 due to scouring of the open foundation. The hanging foot bridge constructed by the Irrigation Department was used by pedestrians and two wheelers. Government approved (September 1993) construction of a high level bridge with a middle span of 30 metres and two shore spans of 14.50 metres each at a cost of Rs.98.20 lakh and provided Rs.49.10 lakh during 1994-95 for the purpose. The lowest tender received (October 1994) for Rs.47.38 lakh for construction of the bridge was cancelled on the ground of inadequate publicity to the notice and also expiry of validity of the offer on the date of consideration of the tender. No action was taken thereafter to invite fresh tender.

The designs for the bridge was thereafter modified (August 1999/March 2002) twice in rearranging the span number and length and finally shifting the alignment 250 metres upstream. The first lowest offer of OCC for Rs.3.07 crore received as per revised designs, too, was not approved although administrative approval was accorded in September 1993. The validity of the tender expired in April 2004.

Thus, construction of a high level bridge contemplated to replace the collapsed one for re-establishing connectivity on a rural road though approved in 1994-95 did not commence even after lapse of 10 years due to non finalisation of tender and revision of designs despite administrative approval, denying the benefit of connectivity of rural population. Besides, the cost has already over run by Rs.2.61 crore and is likely to further go up as balance work commences.

Extra cost of Rs.61 lakh due to lapses in processing tenders

3.3.19 Extra cost due to lapses in processing tenders

As per codal provisions, the tender should be processed and accepted within 90 days from its receipt failing which the tender would be invalid unless its validity suitably extended by the bidder. In response to the tender notice of January 2003 for repair and reconstruction of Ibrisingh-Alnaran-Laxminagar Gudu Road from RD 00 to 17 km, two bids were received in April 2003. The bids were not finalised even within the extended validity period of December 2003 and after expiry of 273 days from the date of receipt, the second lowest bid for Rs.2.92 crore was accepted (January 2004) obtaining further extension to the validity of his bid and rejecting the valid lowest bid of Rs.2.31 crore on the ground of expiry of its validity. This led to extra liability of Rs.61 lakh.

Unfruitful outlay on abandoned projects

Some of the projects were abandoned mid way resulting in non-accrual of intended benefits rendering expenditure of Rs.2.07 crore spent on the projects unfruitful as discussed below:

3.3.20 Repair and reconstruction of cyclone damaged Erasama-Chatua road in Jagatsinghpur district was awarded (January 2001) to a contractor at a cost of Rs.80.43 lakh with stipulation for completion by August 2001 without testing CBR value of soil. The CE visited the site in November 2000 and apprehending that the CBR value of the soil being less than 2 advised for provision of sand core of 0.30 metre below hard crust. The EE conducted soil test in August 2001 which disclosed the CBR value at three locations between 2.4 and 2.6 and at two locations 1.7 and the EE proposed the sand core. The highway engineer of World Bank however, expressed his concern that the sand core was not to be treated as part of pavement thickness since it was not a recognized structural pavement. The estimate was thereafter, revised (August 2002) increasing thickness of GSB and providing of sand drain at Rs.300 per cum.

Due to delay in finalisation of designs/rates for extra items, the contractor demanded (August 2002) higher rates. This, too, was not finalised quickly and the Adjudicator appointed for the purpose revised the rates of the extra items as late as in June 2003. The contractor still demanded (May 2004) further extra rates and finally abandoned the work in June 2004 after executing work worth Rs.1.04 crore. His contract was terminated in August 2004 but the remaining works were not taken up (March 2005).

Thus, award of work without soil testing led to post tender complication and resulted in non-establishment of all weather communication on the road even after six years of damage, rendering an expenditure of Rs.1.04 crore unfruitful.

Wasteful expenditure and non-recovery of Rs.2.07 crore on abandonment of cyclone damaged road midway

3.3.21 Repair and reconstruction of cyclone damaged Dhunkapada-Nachunibadi road from RD.00 to 16.30 km in Ganjam District was awarded (December 2002) to a contractor at a cost of Rs.2.17 crore for completion by March 2004. The contractor after executing earth work for 8.12 km with metalling in haphazard condition for Rs.79.13 lakh abandoned it in March 2004.

The quality monitoring consultant observed in August 2004 that the road was damaged rendering it unfit for movement of vehicular traffic due to execution of haphazard work and leaving the road without maintenance. The EE, RW Division No-I, Ganjam, estimated Rs.2.26 crore for completion of the left over work including Rs.65.88 lakh required for finishing the damages to the road due to leaving the work incomplete. No action was taken for completion of the work rendering expenditure of Rs.79.13 lakh already incurred on the road wasteful.

Liquidated compensation for Rs.23.68 lakh was also not levied on the defaulting contractor. The road severely damaged in the super cyclone of 1999 was not made trafficable as of March 2005.

3.3.22 *Quality control measures*

Poor quality control measures

Although ensuring of quality and specification during execution were the basic requirements for sustainable road construction, the department had neither any specialized quality control wing nor streamlined quality control measures to ensure specified quality of materials and the workmanship. The quality control testing in respect of World Bank Assisted projects was done through private consultants. Routine checks for cement concrete items in bridge works were carried out through private consultants and other departmental laboratory as and when necessary. Specific mix design for cement concrete works and testing of concrete cubes to confirm execution of controlled cement concrete items as per specifications were not made mandatory.

3.3.23 *Inventory control*

Poor inventory management led to retention of surplus stores for Rs.1.84 crore besides shortages for Rs.67.29 lakh

Government ordered (January 1996) discontinuance of procurement of stores from April 1996 and directed that the works be executed by contractors on finished item rate contract providing stores at their own cost and risk. Government also ordered for immediate stocktaking of the existing materials and exploring the possibility of their *utilisation/disposal*. Despite lapse of nine years, such stock taking was yet to be completed (March 2005). Test check in Audit in nine districts revealed that the department retained surplus stores of 537 tonnes steel and 66 tonnes bitumen worth Rs.1.84 crore. No action was taken to utilize/dispose of the same (March 2005).

3.3.24 *Shortage of stock materials*

Departmental rules provided verification of ground balance of stock materials by the EE at least once in a year and by the Sub-Divisional Officer (SDO) at least twice a year. Further, in case of transfer of charge, the EE should scrutinise the charge report and any discrepancy in the accounts of store should be set right within one month of receipt of charge report. In RW Division, Sambalpur, ground balance of stock materials was neither verified by the EE nor by the SDO since April 1993 despite repeated audit comments.

A Junior Engineer (JE) who held charge of RW store section (Central store) between August 1990 and August 1994 was relieved in August 1994 but he handed over charge only in October 1994. JE's charge report mentioned

shortage of stock materials, but the EE did not scrutinize the charge report until audit pointed out the shortage through the inspection reports between 1994-95 and 1998-99. Verification (September 2001) of stock materials by EE disclosed shortage of materials valuing Rs.67.29 lakh. The JE was asked (September 2001) to reconcile the shortage but shortages were not reconciled nor any action was taken to realise the cost of materials from JE even as of March 2005. With the retirement of the JE in November 2001, the possibility of recovery of Government money was remote leading to loss of Rs.67.29 lakh.

3.3.25 Monitoring

Monitoring and evaluation of projects were poor resulting in massive cost and time over run

Despite implementation of several programmes/schemes for improvement of rural roads, monitoring of the works/programmes were not regularly done. No reports on monitoring and evaluation of programmes/projects were ever submitted by the CE. The Progress Reports though were submitted by the EEs to the CE under CWA, Special repairs and deposit works but these progress reports were not comprehensive and there was no periodicity or format prescribed for such progress reports. The poor monitoring reflected in cost and time overrun in completion of the projects.

3.3.26 Conclusions

Despite emphasis in the plan periods for establishing all weather village road communication and in spite of providing resources by GoI and GoO from different sources, the objective remained unfulfilled due to lack of a consolidated plan integrating the supports available from different sources for governance of different schemes. The department did not utilise the core net works prepared since 2002-03 for each block/district for prioritisation and selection of roads to achieve maximum connectivity in a systematic and cost effective manner. Several roads and bridge projects remained incomplete due to lack of monitoring during execution and frequent change in designs. The poor management of contracts resulted in losses, excess payments and avoidable burden on the State exchequer. As of March 2005, 55 *per cent* of the total road length still remained in metal and earthen track, that too, with many missing links. There was no organized set up for quality assurance.

Recommendations

- The database (core networks) should be used for preparation of a consolidated plan for prioritisation and selection of projects for execution.
- Care should be taken to complete missing links, incomplete/abandoned bridges etc. on priority basis.
- Contract management and monitoring of projects should be strengthened to ensure strict adherence to clauses of works agreements.
- Systematic quality control measures should be put in place.

The matter was referred to Government in August 2005; their reply had not been received.

HEALTH AND FAMILY WELFARE DEPARTMENT

3.4 Indian Systems of Medicine and Homoeopathy

3.4.1 Introduction

Programmes of the Government under the health sector envisaged provision of quality health care services through the Indian Systems of Medicine and Homoeopathy (ISMH) in addition to the Allopathy system.

Audit of the working of the ISMH system in the State in the offices of the Director of Indian Medicine and Homoeopathy (DIMH), Bhubaneswar, four medical colleges¹ and three Circles each of Ayurveda and Homoeopathy (Balasore, Berhampur and Sambalpur) entrusted with the supervision of dispensaries under their jurisdiction revealed several shortcomings in the form of negligible provision of funds for medicine, diet and equipment and poor infrastructure of hospitals and dispensaries.

Vacancies in the posts of teaching staff in the medical colleges affected the quality of education imparted to the students. The provisions of the Drugs and Cosmetics Acts, 1940 for ensuring quality of ISMH drugs were not adhered to.

3.4.2 Inadequate funding of ISMH

The Health and Family Welfare (HFW) Department provided Rs.157 crore including Government of India grant of Rs.2.14 crore for ISMH during the years 2000-05. Out of the total expenditure of Rs.151.70 crore under ISMH the expenditure on establishment was Rs.146.42 crore (97 *per cent*) and the expenditure on health care facilities like medicine, equipment etc. was Rs.5.28 crore (three *per cent*) during the five- year period.

3.4.3 Limited number of ISMH hospitals

The hospital services provided in the State were limited only to five Ayurveda and four Homoeopathy Hospitals functioning in seven out of the 30 districts as of May 2005. Thus, 23 districts with 67 *per cent* of State's population (2001 census) did not have the benefit of hospital treatment under ISMH. As of May 2005, the Government had no plans for opening of more such hospitals.

* The abbreviations used in this review have been listed in the glossary in Appendix-XXXVI at page 225.

¹ (i) **Ayurveda:** Government Ayurvedic College, Bolangir and Gopabandhu Ayurveda Mahavidyalaya, Puri;

(ii) **Homoeopathy:** Dr. A.C.Homoeopathic Medical College, Bhubaneswar and Biju Patnaik Homoeopathic College, Berhampur.

In the hospital at Bolangir, eight beds were operated under an asbestos roof

3.4.4 Deficiencies in health care services in hospitals

Test check of two Ayurvedic hospitals (Puri and Bolangir) out of five in the State and one Homoeopathic hospital (Bhubaneswar) out of four in the State revealed that the Puri hospital operated 72 out of sanctioned 80 beds during 2000-05 and the Bolangir hospital operated 18 out of sanctioned 30 beds for want of accommodation. In the hospital at Bolangir, eight beds were operated under an asbestos roof and the hospital did not have basic amenities like toilet, labour room, sewerage and drainage system and regular water supply. Thus, the availability of infrastructure was not commensurate with the number of beds sanctioned.

The supply of medicine to an indoor patient per day in ayurvedic and homoeopathic system was Rs.2.50 and Re.0.50 respectively as per the Government's norm fixed in October 1979. The rates were too low to supply essential medicines to the patients. The diet costing Rs. 10 per day/patient fixed by the Government in April 2001 was similarly inadequate. The X-ray machine (Rs.5.05 lakh) of Homoeopathic Medical College Hospital at Bhubaneswar remained idle since January 1998 for want of a sanctioned post of technician. The OT of the Ayurvedic Medical College Hospital at Puri was also not provided with essential equipment (Dental chair, Boyle's apparatus, orthopedic bed with traction etc.) and medicines.

Thus, non-revision of norms for medicine and diet and non-availability of essential equipment and amenities deprived the patients of quality health care services.

3.4.5 Functioning of Dispensaries

According to the norms prescribed by the Government of India there should be at least a dispensary under any one of the systems of medicines for 30000 population in plain area and 20000 population in the tribal and hilly areas which the State Government also decided (August 1990) to adopt in the State.

Following the above norms the State Government under the Tenth Plan targeted opening of 200 new dispensaries (100 each under Ayurveda and Homoeopathy) by 2003-04. Since the Government were unable to provide infrastructure for all the dispensaries, the Inspectors of the concerned circles were instructed from time to time to arrange the accommodation which were to be provided free of cost by the local people.

However, as against the above target, only 85 ayurvedic and 77 homoeopathic dispensaries could be opened by March 2005 raising the total number of dispensaries in existence to 1150 (Ayurveda: 604, Unani: 9 and Homoeopathy: 537) as of May 2005. The remaining 15 Ayurvedic dispensaries in three circles² and 23 Homoeopathic dispensaries in six circles³ were not opened, as the concerned Inspectors failed to arrange accommodations.

² Bhubaneswar: 3, Berhampur: 1 and Rayagada: 11.

³ Bhubaneswar: 1, Berhampur: 1, Sambalpur: 1, Bhawanipatna: 2, Baripada: 1 and Koraput: 17.

3.4.6 Inadequate infrastructure and facilities

132 out of 390 test checked dispensaries functioned in one-roomed buildings instead of the prescribed three rooms

As per the specifications of the DIMH, a dispensary should have three rooms (minor operation room, Medical Officer's room and waiting space including toilet) over an area of 786 sq. ft. Test check of records of three ayurvedic and three homoeopathic Inspectorates revealed that 132 out of 390 dispensaries under their jurisdiction had been functioning in one-room only. Besides, basic facilities like electricity and water supply were not available in 335 and 383 dispensaries respectively. The DIMH stated (August 2005) that the Government was constructing the buildings phase-wise as per availability of funds to accommodate the dispensaries functioning in one room. The fact however remained that 55 out of these 132 dispensaries had been functioning in one room for over 20 years since their establishment.

3.4.7 Shortage of Manpower in dispensaries

Eighteen dispensaries in four homoeopathy circles did not have doctors for periods ranging from 24 to 45 months as of May 2005

As per the staffing pattern of the Government, each ISMH dispensary should have posts of one Medical Officer (MO) and one Ayurvedic Distributor (AD) or Homoeopathic Assistant (HA) as the case may be. Scrutiny revealed that for the 1150 (Ayurveda and Unani: 613 and Homoeopathy: 537) dispensaries in existence, 591 ADs/HAs were in position. As a result, Medical Officers of 559 dispensaries, were to manage the dispensaries without the assistance of AD or HA. Eighteen⁴ out of 219 dispensaries in four homoeopathy circles did not have MOs for periods ranging from 24 months to 45 months as of May 2005.

3.4.8 Posting of Ayurvedic Medical officer in Unani Dispensary

One Ayurvedic Medical Officer posted in a Unani Dispensary was prescribing Unani medicines

One Ayurvedic Medical Officer was posted (June 1999) against the post of Unani Medical Officer at the Unani Dispensary, Balasore and used to prescribe Unani medicines to the patients. The DIMH stated (August 2005) that due to non-availability of a Unani Medical Officer, such an arrangement had been made.

3.4.9 Dispensaries without essential clinical instruments

Seventy one test checked dispensaries did not have the full set of required clinical instruments

The DIMH identified 25 essential clinical instruments for a dispensary under ISMH. All the 71 dispensaries test checked (Ayurvedic: 39 and Homoeopathic: 32) out of 390 functioning under the six circles, did not have the full set of identified instruments with them; the shortfall ranged from one to sixteen instruments and related to ENT diagnostic set, ear syringe, ear speculum, dental elevator, D&C set, BP instrument etc. The DIMH stated (May 2005) that instruments were provided as per the funds available.

3.4.10 Inadequate supply of medicine to dispensaries

As per orders of the DIMH, ayurvedic medicines required for dispensaries were being manufactured in Government Ayurvedic pharmacies and supplied

⁴ (i) Koraput Circle: 7 (from 2003-04), (ii) Berhampur circle: 1 (from September 2001), (iii) Sambalpur circle: 6 (Bisipara, Jaloi, Kumbhoo, Sundergarh town, Kushakella and Kuibahal) (from June 2003) and (iv) Bhawanipatna circle: 4 (from 2003-04).

to the Inspectors of the circles for distribution to the dispensaries under their jurisdiction. However, the quantity and varieties of the medicines supplied were not based on actual requirement of the dispensaries as equal quantities were supplied to all the dispensaries without considering dispensary-wise turnout of patients. The Ayurvedic Medical Officers of the test checked dispensaries stated (April/May 2005) that the supply of medicines even for some common ailments such as malaria, acidity, common cold and cough, fever, arthritis and gynecological disorders was inadequate.

3.4.11 Vacancies in ISMH Medical Colleges

In Homoeopathic and Ayurvedic medical colleges, 19 posts and 26 posts of teaching staff respectively were lying vacant for periods ranging from one to eight years

The State Government maintained a four-tier⁵ staffing pattern for the teaching faculty in ISMH colleges with intake capacity of 30 (Ayurvedic) and 25 (Homoeopathic) students. However, it was noticed that out of the sanctioned posts of 78 in all the three Ayurvedic medical colleges and 98 in four Homoeopathic medical colleges of the State, 19⁶ and 26⁷ posts of teaching staff respectively were vacant for periods ranging from one to eight years (April 2005). In the Berhampur Ayurvedic College, 12 faculty members were in position in 14 departments under operation. Further, there was huge disparity between sanctioned strength of Bolangir college (30) and that of Berhampur (13) college even though the student intake capacity was 30 per year for both the above colleges. Thus, by keeping the posts of teaching staff vacant for years together, the students of the concerned colleges were deprived of quality medical education. The DIMH stated (May 2005) that while steps were being taken to fill up the vacancies for Ayurvedic posts, there was some difficulty for filling the Homoeopathic posts due to pending legal suit in High Court since the year 2000.

3.4.12 Homoeopathic Medical College without attached hospital

The Homoeopathic medical college at Berhampur did not have an attached hospital affecting the clinical exposure of the students

The Biju Patnaik Homoeopathic Medical College and Hospital, Berhampur imparting degree course⁸ with annual admission capacity of 25 students every year was functioning without an attached hospital. Clinical exposure and practical training of the students of the college were confined only to treatment of patients in the Out Patient Department (OPD). During the internship period of one year, the students attended a nearby allopathic hospital for five and half months to have practical training. However according to the norms prescribed by the Central Council of Homoeopathy, internship training was to be undertaken at the hospital attached to the college or in any other homoeopathic hospitals run by Government or local bodies. Thus, the students passed out of

⁵ (i) Ayurvedic Medical College: Demonstrator (base level post), Lecturer, Reader, Professor and (ii) Homoeopathic Medical College: Demonstrator (base level), Lecturer, Associate Professor, Professor.

⁶ (i) Puri College: 8 (one professor from December 2001, two Lecturers from December 2003 and April 2004, five Demonstrators from October 2002), (ii) Bolangir College: 10 (one Reader from February 2003, one lecturer from 1998 and eight Demonstrators posts from April 2002) and (iii) Berhampur College: one Demonstrator post from February 2003.

⁷ (i) Bhubaneswar College: 17 (one Professor from April 2004, four Associate Professors from January 2004, two Lecturers from March 2004 and 10 Demonstrators from 1997), (ii) Berhampur College: 3 (one Professor from July 2004, one Associate Professor from January 2004 and one Demonstrator from March 2003), (iii) Rourkela College: 3 (one Associate Professor from January 2004 and two Demonstrators from February 2002) and (iv) Sambalpur College: 3 (two Lecturers from February 2004 and one Demonstrator from January 2004).

⁸ Bachelor of Homoeopathic Medicine and Surgery.

this college did not have the required exposure to practical homoeopathic treatment.

3.4.13 Non-adherence to the provisions of Drugs and Cosmetics Act, 1940

As per the Drugs and Cosmetics Act, 1940 and rules made thereunder, Good Manufacturing Practice (GMP) was made mandatory for the manufacturers of Ayurveda, Siddha and Unani (ASU) drugs with effect from 7 March 2003 to ensure use of good quality and authentic raw material, evolve proper manufacturing processes and quality control of finished drugs. The DIMH being the Licensing Authority (LA) was to issue GMP certificates to licensees engaged in manufacture of ASU drugs.

162 out of 179
pharmacies in the
State were not issued
with Good
Manufacturing
Practice certificates

Test check of the records of DIMH revealed that out of 179 pharmacies (Government: 3 and Private: 176) manufacturing ASU drugs in the State, 162 were not issued with the GMP certificates (June 2005). The DIMH stated (June 2005) that the units were advised to comply with the GMP norms and apply for the certificates early. However, even after the GMP was made mandatory, 18 pharmacies were issued licenses without GMP certificates.

3.4.14 Functioning of the Government Ayurvedic pharmacy at Bolangir

The Government Ayurvedic Pharmacy (GAP) at Bolangir has been manufacturing ayurvedic medicines for supply to all Government hospitals and dispensaries of the State. Under the Centrally Sponsored Scheme "Strengthening of pharmacies", the GAP received (May 2001) Government of India grants of Rs.58.08 lakh for construction of building (Rs.18.63 lakh) and purchase of machinery (Rs.39.45 lakh). Although construction of the building was completed in December 2004, machinery worth Rs.20.76 lakh purchased in August 2004 were not commissioned as the electrical installation of the building was yet to be completed (April 2005). Besides, a laboratory was attached to the GAP for testing the quality of raw herbs and manufactured medicines. However, no tests of raw herbs and finished products were conducted since the inception of the pharmacy and the drugs were being supplied to the Government hospitals and dispensaries for use by patients.

Thus, due to supply of drugs without conducting laboratory tests, the quality control of the same was not ensured. The GAP did not follow the GMP norms and the manufacturing license of the GAP valid up to December 2003 was not renewed (May 2005).

The Superintendent of the GAP stated (May 2005) that the testing was conducted by a committee in traditional method through human senses by touching, tasting, smelling and viewing the colours and that the DIMH had been moved to issue the GMP certificate.

140 out of 179
pharmacies did not
have internal
facilities for testing of
drugs manufactured

Similarly, 140 out of 179 pharmacies engaged in manufacturing ASU drugs in the State as of April 2005 did not have internal testing facilities for testing raw materials and finished drugs. Thus, adherence to the GMP norms by the licensees could not be ensured for manufacture of quality drugs.

3.4.15 Non-availability of facilities for testing of ISMH drugs samples

Despite receipt of Central assistance, the Ayurvedic Drug Testing Laboratory could not be made operational for over four years

The GOI sanctioned (March 2001) and paid Rs.70 lakh (May 2001: Rs.54 lakh and October 2004: Rs.16 lakh) for strengthening a Drug Testing Laboratory (DTL) located in Government Ayurvedic Hospital campus, Bhubaneswar within two years, setting a target of testing 500 drug samples per year. Mention was made in paragraph 3.2.8 of the Report of the Comptroller and Auditor General of India (Civil), Government of Orissa, for the year ended March 2003 regarding non-completion of the construction of the building of the DTL. Further scrutiny revealed that equipment worth Rs.51.67 lakh purchased in September 2004 were not installed and the remaining amount of Rs.18.33 lakh was kept unutilised (May 2005). Besides, Government had not posted any staff except designating the existing post of Scientific Officer as Analyst in respect of ASU drugs.

The Scientific Officer, DTL stated (June 2005) that delay in provision of funds for procurement of equipment and deployment of manpower led to delay in making the DTL operational. Thus, despite availability of funds, the DTL could not be made operational for over four years and the quality of the drugs under circulation could not be ensured.

There was no separate DTL in the State for testing of homoeopathic medicine and the medicines were being tested in Homoeopathic Pharmacopoeial Laboratory (HPL), Ghaziabad (UP). The Deputy Drug Controller stated (January 2005) that Government had been moved for introduction of testing facilities of Homoeopathic medicine under the Department For International Development (DFID) scheme. Thus, due to non-availability of facilities for testing of ISMH drugs, circulation of quality medicines could not be ensured.

3.4.16 Raising and cultivation of medicinal herbs and plants

While the value of herbs collected from the herbal garden at Harisankar was only Rs.1.34 lakh, the expenditure incurred on establishment was Rs.30.94 lakh

One herbal garden at Harisankar was maintained over an area of 10.25 acres of land to provide medicinal plant based raw materials to Government Ayurvedic Pharmacy, Bolangir. One Ayurvedic Medical Officer, one Agriculture Overseer, five Malis and two Attendants were engaged for the upkeep of the garden. Scrutiny revealed that no additional plantation had been made during 2000-05 and the herbal produce was collected from the existing 2781 plants. The value of herbs collected from the garden was a mere Rs.1.34 lakh against the expenditure of Rs.30.94 lakh incurred on pay and allowances of the garden staff during 2000-05.

7540 herbal plants got destroyed in the herbal garden at Sirsa during 1999-2005 for want of maintenance

Another herbal garden covering an area of 20 acres was set up at Sirsa (Mayurbhanj district) in 1990 for raising medicinal plants and collection of herbs. One Medical Officer, one Mali and one watchman were posted to look after the garden. Central assistance of Rs.7.15 lakh received in March 1995 was spent during 1995-99 for erection of compound wall (Rs.3 lakh), irrigation system (Rs.3 lakh) and procurement of equipment (Rs.1.15 lakh). Subsequently for want of maintenance, the garden became an open grazing ground for cattle due to the broken boundary wall and the irrigation system also failed. As a result, 10268 plants existing in 1998 got reduced to 2728 as of March 2005 and 49 out of 92 species planted by December 1998 got

destroyed during 1999-2005. No herbs had been collected from the garden, thus defeating the purpose of setting up the herbal garden; payment of Rs.14.92 lakh made to the staff towards their salary during 1999-2005 proved unfruitful.

3.4.17 Conclusion

The poor infrastructure in hospitals and dispensaries, non revision of norms of medicine and diet, shortage of staff in dispensaries, inadequate supply of medicines and equipment to dispensaries stood in the way of providing quality health care services through ISMH. Vacancy in the teaching staff of the medical colleges affected the standard of education imparted under the systems. In the absence of DTL in the State for testing of homoeopathy and ayurvedic medicines, the quality and standard of ISMH drugs in circulation in the State could not be ensured. Maintenance of herbal gardens was not effective and thus uneconomical.

Recommendations

- Norm of expenditure on medicine and diet fixed during 1979 and 2001 respectively for indoor patients of the hospitals is inadequate and should be revised.
- Vacancy in the posts of teaching staff of the ISMH medical colleges are to be addressed to improve the quality of medical education in the State.
- Adequate provision of funds for infrastructure development should be made in hospitals, dispensaries and colleges for their efficient functioning.
- Adherence to GMP norms by the licensees and facilities for testing of drugs should be ensured for manufacture and circulation of quality drugs.

The Principal Secretary during discussion (October 2005) assured that the facts would be confirmed from the field offices and appropriate corrective measures, wherever necessary would be taken.

PLANNING AND CO-ORDINATION DEPARTMENT

3.5 Functioning of the Western Orissa Development Council

The Western Orissa Development Council (WODC) was established in November 1998 under the WODC Act, 1998. This Act was repealed by the WODC Act, 2000 and the WODC (Amendment) Act 2001 which came into force from February 2001. The area of WODC covers ten Districts¹ and the Athmalik sub-division of Angul district.

The Council consists of a Chairman, two Members of Parliament (Lok Sabha), 11 Members of the State Legislative Assembly and ten expert members from the fields of public administration, social service, education, finance etc. nominated by the Government. Besides, the Revenue Divisional Commissioner (Northern Division) is also a member and the Chief Executive Officer (CEO) of the Council, appointed by the Government is the Member Secretary.

The objective of the Council was to prepare and implement short term and long term plans and programmes to upgrade the level of development of the Council area in order to remove regional imbalances both within the area and *vis-a-vis* the state. The Council was also to suggest long term measures for removal of imbalances and assess the impact of various development programmes undertaken within the Council area having regard to the levels of development of the State as a whole.

Test check (February - May 2005) of the records of the CEO, WODC and nine² agencies entrusted with the implementation of the programme of the Council for the period 1999-2005 under Section 14(1) of the C&AG's (DPC) Act, 1971 revealed several deficiencies in budgetary and expenditure control, programme management and monitoring as discussed below.

Financial management

3.5.1 Inadequate Budgetary and Expenditure Control

The Act provided that the council should prepare in each financial year a budget of its estimated receipts including grants-in-aid to be received and disbursements for the following financial year and submit the same to the Government three months before the presentation of the State Budget for obtaining the approval of the State Legislature. Scrutiny revealed that the

Budget estimates of the WODC contained only sector-wise lump sum estimates without supporting details of projects to be undertaken in each sector

¹ The abbreviations used in this review have been listed in the glossary in Appendix-XXXVI at page 225.

² Districts: Bargarh, Bolangir, Boudh, Deogarh, Jharsuguda, Kalahandi, Nuapada, Sambalpur, Sonepur and Sundargarh.

³ Collectors: 2 (Sambalpur and Sundargarh), EE, R&B Divisions: 2 (Sambalpur and Phulbani), EE, MI Division: 1 (Sambalpur), EE, Rural Works Divisions: 2 (Sundargarh and Bolangir), EE, RWSS Division: 1 (Bolangir), Bijayananda Cooperative Sugar Mills, Deogaon, Bolangir district.

Council did not submit the budgets for the years 1999-2002. However, the budget estimates were submitted³ to the Government from 2002-03 onwards incorporating lump sum estimates in various sectors without supporting details of projects to be undertaken. However, the State Government paid grants-in-aid to the council by making provision in the State budget during 1999-2005. The sector wise expenditure according to the utilisation certificates furnished (August 2005) by the executing agencies were (i) Roads: Rs.54.52 crore, (ii) Irrigation: Rs.33.47 crore, (iii) Health: Rs.3.15 crore, (iv) Education: Rs.5.05 crore, (v) Rural Electrification: Rs.2.44 crore, (vi) Natural calamity: Rs.2.41 crore, (vii) Rural Water Supply and Sanitation: Rs.3.97 crore, (viii) Urban Local Bodies: Rs.4.15 crore and other projects: Rs.2.38 crore.

The Chief Executive Officer, WODC stated (May 2005) that the Council had no experience in preparation of the budget as per the Budget Manual and the Council was to see the overall development of the area and adherence to procedure was of secondary importance. The reply was not tenable as non-preparation of annual / long term action plans contributed to lump sum budget provisions which was also contrary to the provisions of the Orissa Budget Manual resulting in inadequate budgetary and expenditure control.

3.5.2 Advances treated as final expenditure

The position of receipt and expenditure of the Council during 1999-2005 was as under:

(Rupees in Crore)

| Year | Receipt during the year | | | Total expenditure | | | UCs submitted by the executing agencies up to August 2005 (for grants only) |
|--------------|-------------------------|-------------|---------------|-------------------|-------------------------------|---------------|---|
| | Grants | Others | Total | Establishment | Release to Executing Agencies | Total | |
| 1999-2000 | 3.05 | 0.01 | 3.06 | 0.30 | 0.48 | 0.78 | 0.28 |
| 2000-01 | 30.00 | 0.05 | 30.05 | 0.18 | 1.73 | 1.91 | 1.51 |
| 2001-02 | 50.00 | 0.01 | 50.01 | 0.26 | 22.90 | 23.16 | 17.06 |
| 2002-03 | 50.00 | 0.06 | 50.06 | 0.40 | 39.99 | 40.39 | 38.69 |
| 2003-04 | 50.00 | 0.13 | 50.13 | 0.49 | 73.86 | 74.35 | 37.92 |
| 2004-05 | 50.00 | 0.15 | 50.15 | 0.54 | 61.96 | 62.50 | 16.08 |
| Total | 233.05 | 0.41 | 233.46 | 2.17 | 200.92 | 203.09 | 111.54 |

Advances of Rs.200.92 crore paid to executing agencies for developmental programmes were treated as final expenditure

During 1999-2005, the Council received grants-in-aid of Rs.233.46 crore (State Government: Rs.233.05 crore and others: Rs.0.41 crore) out of which Rs.200.92 crore⁴ advanced to various executing agencies was shown as final expenditure and Rs.2.17 crore were spent on establishment. The remaining Rs.30.37 crore was kept in the Bank Account (Rs.1.05 crore) and Personal Ledger (PL) Account of the Council (Rs.29.32 crore).

³ 2002-03: 20 December 2001, 2003-04: 17 January 2003 and 2004-05: 15 November 2003.

⁴ (i) Collectors: Rs.72.87 crore and (ii) Other executing agencies: Rs.128.05 crore (1999-2000: Rs.0.48 crore, 2000-01: Rs.1.73 crore, 2001-02: Rs.22.90 crore, 2002-03: Rs.39.99 crore, 2003-04: Rs.73.86 crore and 2004-05: Rs.61.96 crore).

The unspent balances of Rs.119.75 crore with the Council and the executing agencies constituted 51 per cent of the grants received during 1999-2005

As against Rs.200.92 crore advanced, the Council received utilisation certificates only for Rs.111.54 crore⁵ from the executing agencies and submitted the same to the Government as of August 2005. The unspent balance of Rs.89.38 crore (Collectors: Rs.36.69 crore and Others: Rs.52.69 crore) lying with the executing agencies which included of Rs.43.08 crore advanced during 2001-04, indicated the slow pace of execution of the development works.

In three test checked public works divisions, unspent balances of Rs.7.14 crore⁶ were lying in Public Works Deposits for want of letter of credit (LoC). The Chief Executive Officer (CEO) admitted the fact and stated (August 2005) that while the Collectors were requested to speed up the pace of execution of works, the procedure of LoC system had delayed the execution in case of Public Works divisions. The fact, however, remained that lack of effective monitoring mechanism after advancing funds to the executing agencies contributed to slow pace of execution of works.

3.5.3 Misutilisation of Council funds

Council funds of Rs.8.50 crore was misutilised by way of investment in cooperative institutions

As per the Act, the funds were required to be spent on developmental programmes as provided in its Budget. Scrutiny of the records revealed that the Council had invested Rs.5 crore (June 2003 and March 2004) in equity shares with M/s Bijayananda Co-operative Sugar Mills Ltd., Deogaon, Bolangir and Rs.3.50 crore (October 2003 and March 2004) with Sambalpur Bastralaya Handloom Cooperative Society Ltd., Baragarh without any provision in its budget. This resulted in blockage of Council fund in equity affecting the developmental work in the Council area.

The Chief Executive Officer (CEO) stated (May 2005) that though there was no budget provision, the amount was invested by the Chief Executive Officer which was subsequently approved by the Council and there was no prohibitory clause in WODC Act and Rules for investment. The reply was not acceptable as the investment did not receive the approval of legislature through the budget mechanism and according to the Act, the Council fund was meant only for creation of assets for public use and the investment with the co-operative societies was contrary to the objectives of the Act.

3.5.4 Blocking of Council funds in a bank

Council funds irregularly invested in a bank resulted in blocking of Rs. 84.28 lakh as the bank did not refund the same due to its financial crisis

The Act provided that the funds were to be deposited in Personal Ledger (PL) Account of the Council to facilitate expenditure therefrom on sectoral developmental programmes through the budgetary mechanism. On a request from Orissa State Co-operative Agriculture and Rural Development Bank Ltd (OSCARD), the Council with the permission of Finance Department diverted (18 July 2002) Rs.1.37 crore from the PL Account for investment (31 July 2002) in short term deposits with the Bank till 26 June 2003. On maturity of the deposit, the Bank refunded only Rs.57 lakh along with interest of Rs.3.36

⁵ (i) Collectors: Rs.36.18 crore and (ii) Other executing agencies: Rs.75.36 crore.

⁶ (i) EE, RW Division, Bolangir: Rs.2.98 crore, (ii) EE, R&B Division, Phulbani: Rs.3.29 crore and (iii) EE, RW Division, Sundargarh: Rs.0.87 crore.

lakh between March and October 2003 and requested the Council to re-invest Rs.80 lakh with the Bank as it was passing through difficult financial situation. Although the Council did not accede to the above request, the Bank had not refunded the remaining Rs.84.28 lakh (Principal: Rs.80 lakh and Interest: Rs.4.28 lakh) as of May 2005. Thus, non-recovery of the amount affected the execution of programmes of the Council to the extent the Council funds remained un-recovered from the Bank.

The CEO stated (June 2004) that the short-term deposit was made to facilitate the bank's disbursement of agricultural loans to the farmers of Western Orissa. He added that legal action would be taken if the Bank failed to pay back the amount.

Programme Management

The Council did not formulate long term action plans as the developmental imbalances in the districts / sectors were not assessed

As per the provisions of the Act, the Council was to upgrade the levels of development for removal of regional imbalances in different sectors keeping in view the potentialities of each district within the Council area *vis-a-vis* the levels of development of the State as a whole and accordingly prepare short and long term plans and programmes for implementation. The Council was also to formulate plans and programmes for equitable arrangements in providing adequate facilities for technical, educational and vocational training for creating sufficient opportunity for employment.

3.5.5 Lack of focus in implementation of schemes

Scrutiny revealed that appropriate indicators to gauge the extent of developmental imbalances in the different districts of the region were not identified for prioritisation through long and short term action plans although relevant statistical data were available with the Planning and Coordination Department. Besides, no long term Action Plan had been prepared. So there were no clear strategy for achieving the target of removing the regional imbalance in the area.

Out of the 3712 projects (Rs.223.56 crore) administratively approved, 2308 projects estimated at Rs.181.19 crore (81 per cent) were for repair and maintenance of existing assets

Check of records of the Council revealed that the Council funds were directed more towards repair and maintenance of the existing assets rather than creating new assets. During 2001-04 the Council administratively approved 3712 projects estimated to cost Rs.223.56 crore for which Rs.200.92 crore were paid to 80 executing agencies. Of the above projects, 2308 projects estimated at a cost of Rs.181.19 crore (81 per cent) related to repair and maintenance of existing assets like roads and irrigation projects. The Council did not maintain the asset register indicating the number of projects completed and the amount of expenditure actually incurred thereon.

The CEO stated (May 2005) that the projects were selected as per the felt needs of the people.

Soutenjore Diversion Weir project taken up without acquisition of private land remained incomplete resulting in blockage of Rs.1.77 crore

3.5.6 Non-observance of codal provision led to delay in execution of work

The Orissa Public Works Department Code and the WODC Rules provided that the construction work should be carried out on the public land and no work should be executed before acquisition of private land for public purpose.

Scrutiny of the records revealed that Soutenjore Diversion Weir Project was administratively approved (November 2001) by the WODC at a cost of Rs.2.73 crore to provide irrigation in Kharif season to 650 hectares covering five villages in the Bolangir district. As per the Project Report of the Executive Engineer, Minor Irrigation Division, Bolangir (EE), the work was to be undertaken on 23.20 hectares of land (Government: five hectares and Private: 18.20 hectares) both for head-works and distribution channel. The approved estimate provided Rs.9.10 lakh for acquisition of private land which was meant for submergence (eight hectares) and distribution system (10.20 hectares). The work was entrusted (December 2001) to the EE for completion within three years and Rs.1.77 crore was paid to him between February 2002 and January 2005. It was seen that the execution of the work was stopped (January 2005) after completion of the head-works at a cost of Rs.94.40 lakh, due to non-acquisition of the private land for which Rs.27.60 lakh had been paid to the Collector, Bolangir. This led to blockage of funds of Rs.1.77 crore (May 2005) and the targeted beneficiaries were deprived of the benefit of irrigation facility.

3.5.7 Non-refund of interest money by the executing agencies to the Council

The executing agencies did not remit the interest money of Rs.25.69 lakh earned on deposit of Council funds in banks

As per the instructions (September 2003) of the Council, interest earned on deposit of Council funds in saving bank account in banks by the District Collectors and the executing agencies working for them shall be remitted to the Council and expenditure if any, incurred therefrom were to be recovered from them. Test check of three offices revealed that those offices earned interest of Rs.25.69 lakh⁷ on deposit of the Council funds in Banks during 2001-05 and retained the same with them instead of remitting to the Council (May 2005). It was further noticed that the Collector, Bolangir spent Rs.3.24 lakh out of the interest money for furnishing the Circuit House (Rs.1.42 lakh) and Conference Hall (Rs.1.82 lakh) of the Collectorate. Thus, unauthorised retention of the amount by the executing agencies led to understatement of revenue of the Council.

3.5.8 Blocking of Council Funds in Public Works Deposits

Council funds of Rs.1.75 crore remained blocked in PW deposits for over 18 months after the decision to stop the execution of a work

The Council paid (May 2003) Rs 1.75 crore to the Executive Engineer, R&B Division, Phulbani for undertaking repair work of the road from Khurda to Nuapada in two reaches. The work was not taken up as the Government of India declared (February 2004) the road as National Highway. However, the amount of Rs.1.75 crore kept in the Public works deposit by the Division had not been refunded to the Council as of May 2005.

⁷ (i) Collector, Sambalpur: Rs.9.65 lakh, (ii) District Planning Officer, Sundargarh: Rs.12.69 lakh and (iii) District Planning Officer, Bolangir: Rs.3.29 lakh.

3.5.9 Unfruitful expenditure on construction of the administrative building of a Medical College

Expenditure of Rs.29.97 lakh incurred on the partly constructed administrative building of a medical college became unfruitful due to shortage of funds to complete the work

The Council in its first meeting held on 19 August 1999 resolved to establish one Medical College and Hospital at Bolangir at a cost of Rs.153.36 crore, with intake capacity of 250 students and 1350 beds. Based on the project report submitted by the WODC, the Health and Family Welfare Department issued (November 1999) essentiality certificates required for establishment of the medical college. Advance possession for Government land measuring 40.265 acres was sanctioned (November 1999) by the Revenue Department in favour of the Council.

Scrutiny of records revealed that the Council advanced (February and August 2000) Rs.27 lakh to Orissa Bridge Construction Corporation (OBCC) for construction of the Administrative building estimated (November 1999) to cost Rs.1.15 crore. The OBCC constructed a part of the building and submitted (December 2001) a bill for Rs.29.97 lakh for the work done. However, the Council failed to arrange more funds for the Project. Efforts to raise funds of Rs.50 crore from the NRIs also did not materialise due to failure to identify them. The Council thereafter signed (January 2004) a memorandum of understanding with a private sponsor from Andhra Pradesh which was abrogated (December 2004) as no suitable permanent approach to the work site was provided by the Council. As a result, the partly constructed administrative building remained unutilised and expenditure of Rs.29.97 lakh spent on its construction became unfruitful.

3.5.10 Monitoring and Supervision

Monitoring and supervision mechanism as required under the Act was not in place resulting in low utilisation of Council funds for developmental works

As per the Act, the Council was to review, supervise, coordinate and monitor different projects of the Government in the council area including various developmental projects undertaken by itself through different agencies. For better supervision and monitoring, the Act provided for location of the Headquarters of the Council in the Council area. However, the Headquarters of the Council which was established at Bhubaneswar during the initial stages of formulation of the Council had not been shifted to the council area (May 2005). The monitoring and supervision of various works executed by different executing agencies in the council area was very poor as only 36 per cent of the total grant was utilised during the period. The Government have not yet nominated 11 MLAs and 2 MPs to the council as required under the provisions of the Act since dissolution of the State Assembly and Lok Sabha (February 2004).

The Act further envisaged formation of four Expert Committees such as Finance, Administrative, Works and the Education Committees from amongst the members of the Council for effectively discharging various powers and functions devolved upon them under the Act. But such committees had not been formed (May 2005). Besides, the Planning and Coordination Department did not supervise and evaluate the works of the Council as envisaged under the Act (May 2005).

3.5.11 Conclusion

Failure to formulate long term action plan, slow pace of execution of works despite availability of resources and the lack of monitoring and supervision of executing agencies indicated deficient governance in the Council's activities during the five years under review and non-achievement of the Council's objectives.

Recommendations

- Developmental imbalances in different districts of the council area under various sectors should be assessed and a long term action plan formulated to remove such imbalances.
- Project-wise Budget should be prepared and the approval of the State Legislature should be obtained through Government as per the provision of the Act before execution of any work.
- Council fund should be utilised only for the approved objectives set out in the Act and emphasis should be given for creation of new assets.
- The Government should carry out impact studies/evaluation of projects completed from time to time.

During discussion (November 2005), the Development Commissioner-cum-Additional Chief Secretary of the Department stated that necessary remedial measures had already been initiated.

FINANCE DEPARTMENT

3.6 Teachers' Provident Fund Accounting System

Highlights

The Controller of Accounts responsible for maintaining the General Provident Fund Accounts of employees of aided educational institutions and primary school teachers developed an application software through the National Informatics Centre which had weak general IT controls. While no IT security policy was formulated, various necessary validation controls were not incorporated in the software. Besides, huge amounts were lying in challan suspense due to lack of any system of speedy clearance depriving the subscribers of their deserved benefits.

- ♦ In the absence of formal IT policy, Controller of Accounts procured IT hardware and software for second phase computerisation worth Rs. 21.28 lakh which was kept idle for more than seven months for want of completion of the IT infrastructure facility.

(Paragraph 3.6.6)

- ♦ No policy regarding IT Security including password policy exists.

(Paragraph 3.6.6)

- ♦ Analysis revealed an inconsistent database resulting in incomplete and unreliable data. Several validation controls were not incorporated in the software.

(Paragraphs 3.6.7)

- ♦ The database showed unposted GPF credits of Rs.41.82 crore under challan suspense and withdrawals of Rs.3.10 crore under voucher suspense.

(Paragraph 3.6.8)

3.6.1 Introduction

The Controller of Accounts (CA) under the Finance Department of Government of Orissa is responsible for maintaining the General Provident Fund (GPF) Accounts of the 2.20 lakh employees of Aided Educational Institutions and Primary school teachers of the State. The Controller of

* The abbreviations used in this review have been listed in the glossary in Appendix-XXXVI at page 225.

Accounts has adopted the computerisation system from 2002 for maintaining GPF accounts of college employees for the year 1999-2000 onwards and the GPF accounts of other categories of employees for the year 2001-02 onwards. The Information Technology (IT) system was developed by National Informatics Center (NIC), Bhubaneswar who also provided technical support and guidance for its better development. As on the date of audit, the NIC not only gave guidance but also managed the entire facility under their direct supervision. Most of the responsibilities of the CA in this regard were carried out by the NIC.

3.6.2 Objective

The objective of computerisation was to ensure accuracy and speedy accounting of GPF Accounts.

3.6.3 Organisational set up

The Controller of Accounts is the head of the organisation constituted under Finance Department of the Government of Orissa and entrusted with the responsibility of maintenance of GPF accounts of employees of aided educational institutions and primary school teachers and finalising the pensionary benefits to the retired employees. He is assisted by one Deputy Controller of Accounts, three Assistant Controllers and other subordinate staff in the discharge of his duties.

3.6.4 Application Software in use

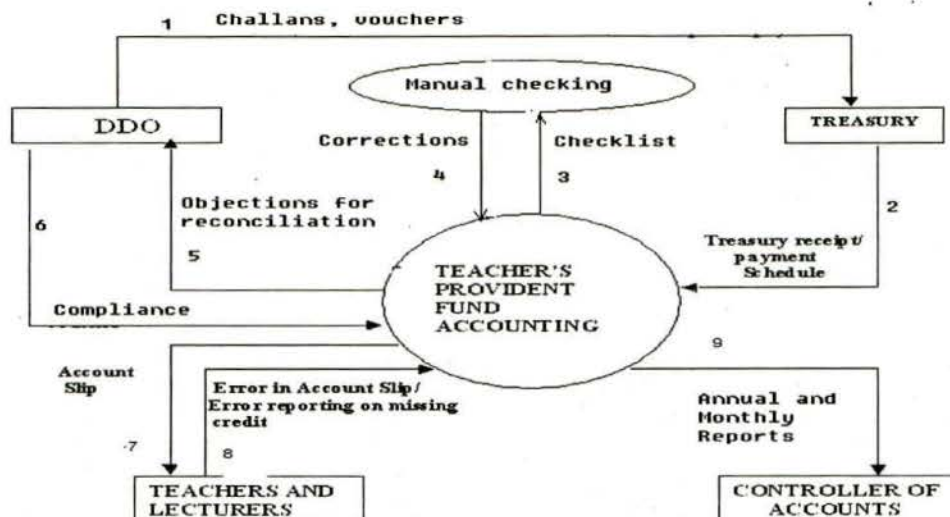
The following application systems developed through NIC are in operation in Controller of Accounts, Bhubaneswar.

Teachers' Provident Fund Accounting System (TPFAS)

The Teachers' Provident Fund Accounting System application software is used for processing the accounts and issue of statement of accounts to the subscribers of GPF.

Information on GPF subscriptions, other deposits (arrear of dearness allowances and pay) and recoveries of temporary withdrawals as furnished by the aided educational institutions, through the Treasuries in the form of debit vouchers for withdrawals and treasury challans for subscriptions of GPF are captured into the system. The system finally generates the Annual GPF Account Slip of the subscribers for transmission to the concerned institutions through their Drawing and Disbursing Officers (DDOs).

System flow diagram of Teachers Provident Fund Accounting System



3.6.5 Scope and methodology of audit

The Audit covered the evaluation of general IT controls that established a framework for controlling the design, security and use of computer programmes in the organisation.

The scope of audit also included analysis of IT application controls specific to Teachers Provident Fund Accounting System (TPFAS) and data analysis using Interactive Data Extraction and Analysis (IDEA) package.

Assessment of Controls

3.6.6 Audit findings on the General IT Controls

Lack of formulated and documented IT policy

Though the Controller of Accounts had developed critical IT application, it was yet to formulate and document a formal IT policy incorporating the time frame, key performance indicators and cost benefit analysis for developing various systems. No planning/steering committee with clear roles and responsibilities existed to manage their IT systems in a systematic manner.

Lack of such policy was obvious in the manner in which the Controller of Accounts procured IT hardware and software worth Rs.21.28 lakh for second

phase of computerisation which was kept idle for more than seven months for want of completion of the requisite IT infrastructure facility. Audit scrutiny revealed that while the hardware and software was procured in July 2004, efforts to set up the infrastructure were made only in August 2004. The same was installed after seven months in April 2005.

Lack of system documentation

It was seen that no System design documentation / System Manual was made available by the developer in respect of the IT Applications making the organisation totally dependent upon the software provider for all changes/modifications to be made in the system.

Inadequate Access Control mechanism

Scrutiny revealed that there was no well-defined and documented password policy. Password control procedures like restriction on unsuccessful login attempts by the users or automatic lapse of password after a predefined period and periodical change of passwords after certain period were non-existent.

The Controller of Accounts accepted the audit observations for future guidance.

Lack of adequate Disaster Recovery and Business Continuity Plan

There was no well documented 'Disaster Recovery and Business Continuity Plan' outlining the action to be undertaken immediately after a disaster and to effectively ensure that information processing capability can be resumed at the earliest.

Moreover, the entire data entry work is being done by a private contractor and in event of sudden stoppage of work by the contractor; the entire system would be brought to a standstill as the management did not have adequately trained manpower to handle such crisis.

The Controller of Accounts while admitting the fact noted the audit observations for future guidance.

3.6.7 Audit observations on Application Controls

Processing errors

Analysis of database of TPFAS revealed that in 18 cases, the amount credited to the accounts of concerned subscribers was less by Rs.28480 and in 34 cases the same was in excess of Rs.34957 due to totalling mistakes.

Lack of processing controls to ensure correctness of totalling in the database led to such errors.

The management stated that the GPF deduction Schedule contained subscription, recovery, other deposits and the total amount (i.e. the total of these items). In very few cases the sum of subscription, recovery and other

deposits did not agree with the figures indicated in the total column. Since the total of the figures indicated in the total column agreed with the amount credited as per the Treasury challan, the figures in the total column had been accounted for.

The reply was not tenable since the totalling mistakes did exist in the database and was also accepted by the CA indicating lack of processing controls.

Non-validation of data leading to inconsistencies

Analysis of the Master database revealed that due to non-validation of data, several inconsistencies crept into the systems which are discussed in the succeeding paragraphs.

Duplicate vouchers through same treasury amounting Rs.5.08 lakh

An analysis of the database revealed that in the case of eight vouchers, four were assigned duplicate voucher numbers with different amounts and different dates by the treasuries and were posted to the subscribers' accounts. Due to absence of data validation for non-acceptance of duplicate voucher number at the time of data entry, a treasury voucher having same number was being posted twice and remained undetected by the system.

The management stated that more than one voucher number in question had been assigned at the Treasury level. The reply was not acceptable since vouchers were to be numbered consecutively in a separate monthly series as per Rule 34 of the Orissa Treasury Code, Volume-I and the acceptance of duplicate voucher numbers by the system was due to lack of validation control.

Underage persons joining the service

As per Rule 52 A of Orissa Service Code, the minimum age limit for entry into government service shall not be below twenty-one years in the case of gazetted government servants in class-I, class-II or class-III service. Database revealed that 25361 employees joined service before attaining the age of 21 years. Absence of validation control on date of joining and date of birth fields led to inconsistent database.

The CA stated that the master database was prepared on the basis of information furnished by the DDOs. The reply was not tenable since wrong/ abnormal data were also available in the database with reference to the data furnished by the concerned DDOs.

Inconsistent Database

Test check of 105 final withdrawal cases with Master database revealed that names of 16 subscribers were not matching with the names in Master database and the details of 10 subscribers were not available in Master database. Thus the data maintained in the Master table was incomplete and unreliable which

might result in incorrect processing of transactions. The management replied that action was being taken to rectify the mistakes.

Incomplete Data

Analysis of database revealed that 76074 out of 210427 records maintained were not assigned the required treasury and DDO codes for location of the subscriber. The system does not have any validation controls for these requirements.

The CA stated that a general index of the subscribers was being maintained with permanent / non-changeable information such as account number, name of subscribers, date of birth and data variable information such as district and DDO codes were of no use. The reply was not tenable as maintenance of this information facilitates the location and identification of the subscriber along with the treasury/DDO and in respect of missing credits/debits the information was crucial.

3.6.8 Analytical Review of Database

Incorrect Status of Accounts due to challan suspense and voucher suspense

GPF subscriptions/credits received through treasury challans which remained unposted for want of details such as Account Number, name of subscriber etc. were kept under 'suspense' account called "challan suspense". Analysis of TPFAS database for the period 1999-2002 revealed that GPF subscriptions/credits amounting to Rs.41.82 crore (17601 challans) pertaining to 68285 subscribers as detailed below were lying under challan suspense although the GPF accounts were finalised up to 2001-02.

| Year | Number of treasury challans | Number of Subscribers involved | Total amount kept under suspense (Rupees in crore) | Total Subscribers (as per master database) | Total amount of subscription (Rupees in crore) |
|--------------|-----------------------------|--------------------------------|--|--|--|
| 1999-2000 | 513 | 741 | 0.80 | 14316 | 38.52 |
| 2000-01 | 784 | 895 | 1.35 | 14316 | 42.42 |
| 2001-02 | 16304 | 66649 | 39.67 | 210427 | 817.12 |
| Total | 17601 | 68285 | 41.82 | | |

Similarly, all the treasury vouchers on account of withdrawals from the GPF which could not be posted in the individual subscriber's accounts for want of detailed information or mismatch between the name of the subscriber and the account number were being kept under the suspense account "voucher suspense". Analysis of TPFAS database for the year 2001-02 revealed that withdrawals of Rs.3.10 crore from GPF Accounts relating to 812 vouchers (823 subscribers) were kept under voucher suspense. Keeping the vouchers unposted without debiting the subscribers' accounts had inflated the closing balance of the concerned subscribers.

The CA replied that un-posted credits/withdrawals were due to receipt of erroneous or incomplete challans/vouchers from the DDOs or the treasuries.

The reply was not tenable as 44 cases of voucher suspense (Rs.16,52,492) were due to difference in the names between that in the database and the vouchers even though the names were identical both in the vouchers and the ledgers. This indicated that the master data had data entry errors.

Irregular keeping of final payment vouchers under suspense of Rs.17.29 lakh

The CA had been authorising the final payment of GPF to the retired/dependents of deceased subscribers after finalisation of the amount due from their accounts through the concerned DDOs. On receipt of the vouchers relating to such final payment from the treasuries, the CA had to account for the amount of final payment and close the accounts after verifying the amount authorised.

Test check of original vouchers of final payment cases for the year 2001-02 also revealed that 46 final payment vouchers amounting to Rs.17.29 lakh were kept under voucher suspense without debiting the same from the subscribers' accounts. Keeping these accounts live for long was fraught with the risk of making inadvertent authorisations again besides the risk of payments made to unauthorised persons remaining undetected.

The CA stated that the correct position of suspense figures would be arrived at after deducting the amounts drawn as final payment of GPF.

Thus, inadequate monitoring and follow up leading to increase in challan/voucher suspense is not only depriving the subscribers of getting correct account slips but was also fraught with the risk of excess withdrawals by the subscribers.

The CA stated that the challan suspense would be cleared by making a special drive and that withdrawals would be duly accounted for in course of regular maintenance of GPF accounts.

3.6.9 Conclusion

The Teachers Provident Fund Accounting System (TPFAS) has weak general IT controls. Various necessary validation controls are not incorporated in the application resulting in data inconsistency.

An IT policy including IT security policy should have been formulated and documented to ensure proper functioning and maintenance of the system. The outsourcing agency also did not furnish vital documents such as source codes and documentation of the IT System.

Huge amounts lying under Challan suspense due to lack of any system of speedy clearance of the same has deprived subscribers of their deserved benefits of timely issue of accurate account slips.

Finally, the aim and objective of computerisation since April 2002 was to ensure accuracy and speedy completion of the GPF Accounts and issuance of accounts slips to the subscribers. But the same has not yet been achieved since the management had issued the account slips to the subscribers only for 2001-02. The accounts for 2002-03 were still under progress.

CHAPTER-IV

AUDIT OF TRANSACTIONS

Audit of transactions of the Departments of Government, their field formations as well as that of the autonomous bodies brought out several instances of lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy. These have been presented in the succeeding paragraphs under broad objective heads.

4.1 Fraudulent drawal/misappropriation/embezzlement/losses

SCHOOL AND MASS EDUCATION DEPARTMENT

4.1.1 Loss due to obsolescence of Nationalised Text (NT) books printed in excess of requirement

Excess printing of 12.65 lakh NT books by the Director, TBPM without due assessment caused loss of Rs.73.55 lakh.

The Director, Text Book Production and Marketing (TBPM), Orissa, Bhubaneswar was responsible for printing and supply of Nationalised Text (NT) Books for the school students of Class I to VII of the State. The requirement of books was to be worked out based on indents received from the Orissa Primary Education Authority (OPEPA), Director of Elementary Education, Scheduled Tribes and Scheduled Castes Department and Inspector of Schools at Block level.

At the end of the academic session 2002-03, 12.65 lakh NT books of 18 titles meant for different classes with sale value of Rs.78.10 lakh were lying in the book store (10.34 lakh) and in 75 Blocks (2.31 lakh). There could be other such books lying in the remaining 239 Blocks for which information was not available with the TBPM (April 2005). With the decision (November 2002) of the Government to introduce revised text books from the 2003-04 academic session, all the 12.65 lakh books became obsolete. Out of these, 10.11 lakh books worth Rs.59.17 lakh were sold as waste paper for Rs.4.55 lakh resulting in loss of Rs.54.62 lakh.

Scrutiny of records (November 2003 and February 2005) of the Director, TBPM revealed that though the work of printing and supply of books were to be completed by April 2002, orders were also placed with private firms for printing of 9.54 lakh books in September 2002, who continued to supply the same till January 2003. Of these 3.23 lakh books worth Rs.27.05 lakh had become obsolete. Similarly, 3.41 lakh books worth Rs.14.55 lakh, after their printing in the private firms during 1999-2001 were found to be obsolete. The TBPM did not observe any schedule for receipt of indents for assessing the actual requirement and for arranging printing and supply. As a result, the

printing of books for the 2002-03 academic session continued up to January 2003 although the decision for revision of textbooks for the following academic session was taken in November 2002.

Thus, indiscriminate printing of NT Books led to loss of Rs.73.55 lakh to the State exchequer. The Director, TBPM stated (April 2005) that discrepancy in data from SC/ST Department and delayed receipt of indent from others led to excess printing of books. Nevertheless, the Director, TBPM could have curtailed the printing as soon as the Government decision regarding revision of books was available.

The Commissioner-cum-Secretary, during discussion (October 2005), admitted the fact and assured that correct assessment of the actual requirement and timely printing of NT books would be ensured in future.

4.2 Infertuous/wasteful expenditure and overpayment

AGRICULTURE DEPARTMENT

4.2.1 Wasteful expenditure due to abandonment of watershed projects

The ASCO, Dharmagarh abandoned four watershed projects partially developed by him under NWDPR scheme in rain-fed areas during 1997-2002 as the areas were found to be overlapping with the ayacut area of Upper Indravati Irrigation Project leading to wasteful expenditure of Rs.35.55 lakh.

The National Watershed Development Project in Rain-fed Areas (NWDPR), a Centrally Sponsored Plan Scheme has been under implementation in the State since 1990-91. Conservation of soil and moisture, enhancement of agricultural productivity and reduction of disparity between irrigated and rain-fed areas etc also formed part of the targetted objective of NWDPR. The watershed projects were to be taken up in the rain-fed areas where less than 30 per cent arable areas are under assured means of irrigation in a block as a whole. The people's participation was to be ensured in the post-project management of the assets created under the scheme. While the Central assistance was one hundred per cent (Grant: 75 and loan: 25) up to 2000-01, it was 90 per cent (Grant: 72 and loan: 18) thereafter and the remaining 10 per cent was to be borne by the State Government.

Scrutiny of the records (October 2004) of the Assistant Soil Conservation Officer, Dharmagarh (ASCO) and information collected (March 2005) from the Chief Engineer, Upper Indravati Irrigation Project (UIIP), Khatiguda revealed that during 1997-2002 the ASCO had taken up six watershed projects¹ one each in six Blocks of Kalahandi district covering 3298.97 hectare

1 (i) Upper Moter Nalla (Rs.17.84 lakh) in Koksara Block, (ii) Lower Udanti Nalla (Rs.26.91 lakh) in Golamunda Block, (iii) Badkajore Nalla (Rs.19.96 lakh) in Dharmagarh Block, (iv) Kidingjore Nalla (Rs.16.20 lakh) in Junagarh Block, Kulijore Nalla (Rs.18.83 lakh) in Kalampur Block, Chhatijore Nalla (Rs.15.72 lakh) in Jaipatna Block.

at the estimated cost of Rs.1.15 crore. The ASCO abandoned (2002-03) four² out of the six projects estimated to cost Rs.70.71 lakh after incurring expenditure of Rs.35.55 lakh during 1997-2002 covering 637 out of 2034 hectares of treatable land. These were abandoned on the ground that the assured means of irrigation through the UIIP was more than 30 per cent in each of the blocks.

The canal system of the UIIP which was under execution by the Water Resources Department since May 1978 on the approval of the Planning Commission had also included coverage of irrigation in the above four Blocks. After completion of the work of the canal system, the Superintending Engineer, UIIP commenced (June 1999) irrigation to the ayacut areas covering the four blocks which indicated that the work relating to the canal system of UIIP started much before June 1999. These aspects were not taken into consideration by the ASCO before undertaking the watershed projects. It was noticed that people's participation in the post-management of the partially developed assets were not ensured due to which all the assets created so far except the dugout sunken structures costing Rs.3.60 lakh had become defunct (August 2005). Thus, the abandonment of the projects led to the expenditure of Rs.35.55 lakh largely wasteful which could have been fruitfully spent on needy projects in other rain-fed areas.

The ASCO stated (October 2004) that the projects were undertaken in consultation with the Soil Conservation Officer, Kalahandi who was the nodal officer and Director of Soil Conservation, Orissa and added (August 2005) that these could not be handed over to any committee as these were abandoned before completion and could not be maintained due to non-availability of funds. The fact however, remained that the projects were taken up without comprehensive planning and inter-departmental coordination regarding coverage of the ongoing major multi-purpose UIIP which led to abandonment of the same after partial execution.

The Principal Secretary, while admitting the fact during discussion (October 2005), assured to review the issue afresh and explore the possibilities of making the abandoned projects functional.

INFORMATION AND PUBLIC RELATIONS DEPARTMENT

4.2.2 Infertuous expenditure on defunct Television Units

Television units created at Berhampur and Bhawanipatna remained non-functional and the staff had been irregularly deployed at the State headquarters and drew their pay and allowances against the defunct television units.

With a view to covering news items relating to developmental programmes and achievement of the State Government in southern and western Orissa for telecasting in National, Regional programmes of the different television

2 (i) Badkajore Nalla (Rs.10.76 lakh) in Dharmagarh Block, (ii) Kidingjore Nalla (Rs.9.10 lakh) in Junagarh Block, (iii) Kulijore Nalla (Rs.8.28 lakh) in Kalampur Block and (iv) Chhatijore Nalla (Rs.7.41 lakh) in Jaipatna Block.

channels, Government decided (January 1994) for creation of two additional Television (TV) units under Television Extension Programme to be stationed at Berhampur and Bhawanipatna. These two units equipped with camera, videocassette recorder and vehicle etc. were to function under the administrative control of the Deputy Director, Information and Public Relation (DDIPR), Southern Division, Berhampur. Ten new posts³ sanctioned (September 1994) for these units were filled up through recruitment between April 1995 and October 1998. Accordingly nine items of equipment worth Rs.45 lakh including two vehicles were procured (1994-95) by the State headquarters for both the units.

Scrutiny of records (April 2001) of the DDIPR, Southern Division, Berhampur and information collected in December 2003 and May 2005 from him as well as from the Information and Public Relation Department and the District Public Relation Officer, Bhawanipatna revealed that the TV unit at Berhampur did not function since its inception in April 1995 as the equipment like camera, video cassette recorders etc. and the services of the staff meant for the unit were utilised in the State headquarters. The TV unit at Bhawanipatna though came into effect from December 1996 started functioning from November 1998 when the vehicle with a driver and equipment were supplied to it.

The unit became defunct in September 2000 due to damage caused to the vehicle along with the equipment including a video camera costing Rs.9.01 lakh in a road accident. The staff of the this unit thereafter were also deployed at the state headquarters except the Sound Recordist who continues to be in position at Bhawanipatna (September 2005). However, as per the instruction of the Government from time to time the pay and allowances of these staff were drawn by the DDIPR, Berhampur against the respective units although those units were not functional. No steps were taken to repair the damaged vehicle and the camera of the Bhawanipatna unit to make the unit functional.

Thus, creation of the Berhampur unit without providing the required equipment and irregular deployment of staff of the newly created units at the headquarters office without taking steps to make the units functional affected the objective of telecasting the developmental activities in southern and western part of the State. Besides, the Department had incurred expenditure of Rs. 54.89 lakh towards the salary of the diverted staff between April 1995 and April 2005, which was continuing (September 2005).

The Commissioner-cum-Secretary, during discussion (October 2005) stated that the staff of the units were temporarily deployed at the State headquarters and assured to take appropriate measures to remedy the present position.

³ Assistant Programme Coordinator: 2, Senior Cameraman: 2, Sound Recordist: 2, Driver: 2 and Lightman: 2.

4.3 Violation of contractual obligations/undue favour to contractors

WATER RESOURCES DEPARTMENT

4.3.1 Extra expenditure and non-recovery of liquidated damage from contractor due to departmental lapses

Failure of the CE to reject the inadmissible claim of the contractor initially resulted in extra expenditure of Rs.0.71 crore on price escalation and non-imposition of liquidated damages on the contractor for Rs.1.21 crore.

The Executive Engineer, OECF Division No.1 Badajhara (EE) awarded (December 1997) construction of Left Bank Canal from RD 35.50 to 38.50 km. of Rengali Irrigation Project to a contractor for Rs.12.13 crore stipulating completion by December 1999. The contract provided, inter alia, for excavation of 6.98 lakh cum in medium hard rock at Rs.85.10 per cum which included the cost of dewatering with running charges of pumps and accessories, providing coffer dam and diverting the water away from the structure. In course of execution, the contractor claimed (February 1999) extra rate for excavation on the ground of involvement of extensive dewatering. Though the excavation rate was inclusive of the cost of dewatering, the Chief Engineer (CE) recommended (March 1999) a much higher rate of Rs.250 per cum for 3.07 lakh cum of excavation.

After a lapse of 19 months, the Tender Committee, rejected (October 2000) the claim of the contractor for higher rate in view of the contract conditions. Meanwhile, the contractor stopped work since December 1999 after executing work valuing Rs.8.36 crore. On communicating (January 2001) the decision of the Tender Committee, the contractor agreed to execute the item of work at his agreement rate. The CE granted (April 2000 and September 2001) extension of time up to December 2001 without prejudice to Government's right to levy compensation and without benefit of price escalation. Government, however, granted (February 2003) further extension of time up to July 2003 with benefit of price escalation on the ground that delay in taking a decision on the contractor's claim was not attributable to the contractor.

The EE paid Rs.11.89 crore (February 2004) to the contractor (value of work Rs.10.97 crore + escalation Rs.0.92 crore) which included Rs.0.71 crore towards escalation for the work executed during the extended period. Against contract value of Rs.12.66 crore including approved quantity of variation for Rs.0.53 crore, work valuing Rs.1.69 crore remained unexecuted and extension of time applied for by the contractor up to June 2005 was not sanctioned as of April 2005.

Further, liquidated damages of Rs.1.21 crore for delay in execution of the work could not be levied on the contractor as per contract conditions, due to failure of the CE/Government to reject the inadmissible claim of the contractor in time.

Thus, the CE's failure to reject, *ab initio*, the contractor's claim for higher rate for excavation and the decision of the Government in allowing the benefit of escalation by absolving contractor of the fault of an untenable claim and stopping of work midway resulted in extra expenditure of Rs.0.71 crore besides non imposition of liquidated compensation of Rs.1.21 crore for the delay. This resulted in extra expenditure of Rs.0.71 crore and non-imposition of liquidated damages of Rs.1.21 crore on the contractor besides delay in the execution of the work.

The matter was reported to the Government in May 2005; their reply was awaited.

WORKS DEPARTMENT

4.3.2 Undue favour to a Corporation

Drawal of fresh agreement involving extra expenditure of Rs.1.41 crore without invoking contract conditions for rectification of damaged work led to extension of undue favour to OBCC.

Government allotted (April 2001) the balance of work abandoned by a contractor of casting of three spans, sinking of 2.955 metres of right abutment well and rectification of tilt of a High Level Bridge over river Chitrotpala at Narendrapur to Orissa Bridge and Construction Corporation Ltd. (OBCC) for Rs.1.03 crore (including 15 per cent over head charges).

Check of records of the Executive Engineer, Kendrapara R & B Division (EE) revealed (December 2004) that the OBCC had subcontracted the work in violation of the rules regulating allotment of works. While removing silt from the incomplete right abutment well by the sub-contractor, the "grab" of the crane slipped (June 2001) into the well which was not removed. Damage was caused due to non-removal of the grab from the incomplete well for over 20 months by the sub-contractor. This led to abandonment of the well and revision of the bridge drawing providing one additional pier with one more span connecting the newly located abutment. Though this was due to failure of OBCC to monitor the same, the department did not initiate any action against the Corporation and on the other hand M/s. OBCC had already been paid Rs.0.45 crore. The balance of work valuing Rs.0.58 crore, as per allotment to OBCC, was re-estimated to cost Rs.1.74 crore after taking into account the additions and alterations necessitated due to the damage suffered and was entrusted (February 2004) to OBCC on a fresh agreement at Rs.1.99 crore (including over-head charges). OBCC completed the work and received Rs.1.33 crore as of March 2005. Since the contract condition stipulated that the OBCC was required to rectify the defects/damages caused to the work during execution at their cost and risk, drawal of fresh agreement by the EE involving an extra expenditure of Rs.1.41 crore without invoking the clauses of the agreement led to undue favour to OBCC.

The matter was referred to the Government in May 2005; their reply was awaited.

4.3.3 Non-recovery of dues

EE failed to recover the extra cost and other dues amounting to Rs. 71.71 lakh from a contractor on abandonment of NH work and there was unnecessary expenditure of Rs.11.19 lakh.

The Executive Engineer (EE), National Highway Division, Sambalpur awarded (December 2001) the work of 'Strengthening two lane pavement from 548/2 to 558/0 km of NH 6 (excluding 551/0 to 552/0 km)' to a contractor for Rs.2.54 crore for completion by June 2003. The contractor executed work worth Rs.1.05 crore during the contractual period and applied (May 2003) for extension of time up to March 2004 on grounds of self-illness and rainy season, which was rejected by the Superintending Engineer NH Circle, Sambalpur. But the EE, on the instruction of Chief Engineer provisionally allowed the contractor to execute the work beyond the stipulated date. The contractor, however, left (December 2003) the work after executing work valuing Rs.1.21 crore. Ex-parte final measurement was recorded (April 2004) and the contract was closed (November 2004) by the Government at the cost and risk of the contractor along with forfeiture of securities. The balance of work, on re-tender, was entrusted to another contractor for Rs.2.17 crore for completion by June 2005 with involvement of extra cost of Rs.77.57 lakh recoverable from the defaulting contractor. The work was in progress as of April 2005.

Check of records of the EE further revealed (February 2005) that as per the contract conditions, the contractor was required to maintain, repair and rectify the damaged portions of the road during currency of the contract to ensure uninterrupted passage of traffic. Since the contractor did not respond, the department got the works executed with an expenditure of Rs.11.78 lakh between March 2002 and November 2004, which was also recoverable from the first contractor.

Thus, a sum of Rs.89.35 lakh was recoverable from the first contractor.

Against the recoverable dues of Rs.89.35 lakh from the contractor, an amount of Rs.6.54 lakh towards dues of the contractor and Rs.11.10 lakh towards security deposit was available with the department for adjustment. No action was taken as of April 2005 to recover the dues from the contractor.

Further, as per tender conditions, a layer of primer coat was to be applied over the entire finished surface of water bound macadam (WBM) followed by bituminous course comprising built up spray grout, premixed carpet and seal coating in successive layers for achieving finished section of the road work. Without obtaining approval of Ministry of Road Transport and Highways (MORTH) and in absence of specific provision in the sanctioned estimate, the EE spent Rs.11.19 lakh (upto December 2003) for an extra layer of first coat surface dressing over the WBM surface (in addition to primer coat) for 34972.57 Sqm. on grounds of strengthening the newly laid WBM surface for allowing traffic on it, which resulted in unnecessary expenditure of Rs.11.19 lakh.

The EE accepted the factual position and agreed to recover the outstanding dues from the defaulting contractor.

The matter was reported to Government in June 2005; their reply was not received.

4.4 Avoidable/excess/unfruitful expenditure

WORKS DEPARTMENT

4.4.1 Avoidable extra cost due to non-finalisation of tenders within the validity period

Failure to finalise tenders of two bridges within the extended validity period resulted in avoidable extra cost of Rs. 1.75 crore.

The Executive Engineer (EE), Rayagada (R&B) Division invited (October 1999) tenders for construction of two high level (HL) bridges over (i) Japakhal Nallah at 100/6-8 Km and (ii) Sankesh Nallah-II at 99/4-6 Km of Koraput-Laxmipur-Rayagada Road at an estimated cost of Rs.1.61 crore (scope reduced to Rs.1.54 crore). In response, eight tenders for Sl. No. (i) and three tenders for Sl. No. (ii) were received (December 1999). The lowest offer of a contractor for both the works for Rs.1.54 crore was recommended in July 2000 to Government for approval. Government, however, cancelled (May 2002) the tenders on the ground of unworkability of rates due to enhancement of cost of labour, material and POL⁴ and allotted (December 2002) the works at Rs.3.29 crore to M/s Orissa Bridge and Construction Corporation (OBCC) for completion by May 2004. M/s OBCC had executed work worth Rs.2.5 crore as of October 2004.

Check of records of the E.E, Rayagada (R&B) Division revealed (June 2004) that the EE, SE⁵, CE and the Contract Committee took 28, 67, 123 and 687 days respectively for scrutiny and disposal of the tenders at their levels as against the codal provision of time limits of 20, 15, 20 and 20 days. Though the original validity of the tenders had expired in March 2000, the contractor extended it upto February 2001. Government, however, did not finalise the tenders even within the extended validity period. Due to time over run, the lowest tendered rates became unworkable and ultimately, Government cancelled the tender after a lapse of two and half years.

Thus, the non-finalisation of tenders within the extended validity period and allotment of the works by Government to M/s OBCC at higher rates resulted in an avoidable extra cost of Rs.1.75 crore, which was even more than the initial lowest offer for the work as a whole.

⁴ POL: Petrol, Oil and lubricants.

⁵ SE : Superintending Engineer.

The matter was brought to the notice of Government in July 2005; their reply was not received.

4.4.2 Extra cost due to non-finalisation of tender within validity period

Failure of Government to accept reasonable offer of a contractor within validity period resulted in avoidable extra cost of Rs.4.23 crore.

The Chief Engineer (Roads) (CE) invited (March 2001) tenders for the balance of work of construction of a high level bridge over river Luna with 30 metres approach on either side and recommended (August 2001) to Government, the negotiated lowest offer of the contractor 'A' for Rs.3.20 crore for acceptance.

Though, as per codal provisions, the tenders were to be finalised within 90 days from the date of receipt of tenders, Government/CE failed to decide the tenders within the validity period without any specific reason on record. The contractor refused (June 2002) to extend the validity period of his offer which led to cancellation of the tenders.

Despite inviting fresh tenders (June 2002), due to non-participation of tenderers the work was allotted to the Orissa Bridge Construction Corporation (OBCC). Since the OBCC did not resume the work, the contract was rescinded (July 2004) and the balance of work (re-estimated at Rs.6.86 crore) was awarded (November 2004) to Contractor 'B' for Rs.7.43 crore stipulating completion by May 2006. This involved an extra cost of Rs.4.23 crore when computed at the rates of Contractor 'A'.

Thus, failure of the CE and Government to accept the reasonable offer of contractor 'A' within the validity period resulted in avoidable extra cost of Rs.4.23 crore. Moreover, construction of the bridge remained incomplete for over 13 years with expenditure of Rs.2.70 crore so far incurred on the work remaining unfruitful.

The matter was reported to the Government in May 2005; their reply was not received.

WATER RESOURCES DEPARTMENT

4.4.3 Unfruitful expenditure on incomplete work

Commencement of work without acquiring the required land resulted in an unfruitful expenditure of Rs.3.94 crore.

According to codal provision, no work should be commenced or liability incurred in connection with it unless land for the purpose is available. With a view to providing irrigation to an ayacut of 19452 Ha of Culturable Command Area (CCA) in between Chitrotpala-Mahanadi and Mahanadi-Paika doabs, Executive Engineer (EE), Mahanadi Chitrotpala Island Irrigation (MC II) Division-II, Cuttack awarded (November 1998) the work of excavation of

Chitrotapala Right Branch Canal including structures, minors and subminors from RD 00 to 32.24 Km {under World Bank aided Water Resources Consolidated Projects (WRCP) package No.13} to a contractor for Rs.7.04 crore stipulating completion by May 2001, subsequently extended upto September 2003. The contractor executed work valuing Rs 3.82 crore between RD 00 and 17.5 Km and after receiving Rs.3.94 crore for the works executed including escalation of Rs.0.23 crore, he left the work in September 2003.

Audit scrutiny of the records of the EE, MC II Division-II revealed (June 2004) that the contractor could not complete the work even within the extended period due to non-acquisition of land and hindrances created by the local people in removal of existing structures. The land required for the project (85.42 acre) was not acquired in full as of February 2005. After inspecting the work in January 2004, the Secretary to Government of Orissa, Water Resources Department instructed the contractor to complete the Branch Canal upto 15 Km without minors and sub-minors since land acquisition had been completed for that reach. The contractor, however, refused to execute the work further on the grounds of unworkability of the rates in 2004 and non-handing over of the balance of land. The Government closed the contract in August 2004 and did not initiate further steps as of February 2005 for completion of the work.

Thus, due to award of the work without acquisition of the required land and failure of the department to provide trouble free site to the contractor, expenditure of Rs.3.94 crore incurred on the work was rendered unfruitful.

Government stated (July 2005) in reply that the work was commenced in 1980 on the partly available land to avail of the assistance under WRCP scheme as the acquisition of the remaining land would consume a long time. It was further, admitted that there was abnormal delay in progress of work due to unforeseen hindrances and the contractor was not willing to execute the work under the existing contract beyond September 2003. The reply was not tenable since the work was held up due to failure of the department to provide trouble free land during the period of contract.

4.4.4 Unfruitful expenditure on a minor irrigation project

Non-settlement of local problem resulted in non-completion of Minor Irrigation Project rendering the expenditure of Rs. 1.97 crore unfruitful,

With a view to providing irrigation to 1600 Ha. of a drought prone area in Kasinagar Block of Gajapati district, the Executive Engineer (EE), Minor Irrigation (MI) Division No. I, Ganjam awarded (January 1999) the work of construction of earth dam with head regulator and spillway of Baijhalnallah M.I. Project to a contractor for Rs.3.99 crore for completion by December 2000. The Contractor after executing work worth Rs.1.20 crore stopped (April 2001) further execution of work on the ground of obstructions created by the local adivasis who had encroached the Government land. In the face of vehement opposition from the locals, the Chief Engineer, MI observed (November 2001) that the possibility of resumption of work was bleak and

requested the Government to close the contract. The contract was, however, not closed and the work remained incomplete as of June 2004 with expenditure of Rs.1.97 crore on the project.

Scrutiny in audit of the records of MI Division-I, Berhampur revealed (June 2004) that the project was to be constructed on Government land which was partly under unauthorised occupation of local adivasis. However, the work was commenced without sorting out the problem of unauthorised occupation. The uncertainty of resumption of work prevailed as of March 2005 as the unauthorised occupation persisted.

Thus, due to commencement of work without ensuring the clearance of land under unauthorised occupation, the MI Project could not be completed and the objective of providing irrigation to the drought prone area remained unachieved. The expenditure of Rs.1.97 crore so far incurred on the project was rendered unfruitful.

The EE stated (March 2005) that the work would be resumed only after distribution of alternative land to the unauthorised occupants, but no definite time schedule for such settlement could be stated.

The matter was referred to Government in April 2005; their reply has not been received.

4.4.5 Avoidable extra cost of Rs.1.21 crore due to cancellation of tender

Cancellation of tenders due to departmental lapses and allotment of work to M/s OCC Ltd. at higher rate led to avoidable extra cost of Rs.1.21 crore.

As per codal provisions, pre-qualification of bidders should be resorted to for bids valuing more than Rupees three crore. The Executive Engineer (EE), Bolangir Irrigation Division invited (February 2000) tenders for construction of earth dam of Titilagarh Irrigation Project estimated to cost Rs.7.17 crore without calling for pre-qualification bids.

Scrutiny of records of the EE revealed (July 2004) that the lowest valid offer of contractor-A for Rs.6.07 crore was recommended (April 2000) by the Chief Engineer and Basin Manager, (CE) Upper Mahanadi Basin, Burla to the Government for acceptance. Government, rejected (July 2000) the tender proposals on the ground that the pre-qualification bids were not obtained. After inviting pre-qualification bids, the CE recommended (August 2000) approval of nine qualified bidders including Contractor-A to participate in the price bid. Government again rejected (September 2000) the tenders for not inviting composite tenders comprising pre-qualification and financial bids simultaneously. Composite tenders were then invited (October 2000) in which contractor-A had again qualified. Government, however, cancelled (May 2001) the tenders without assigning any reason and allotted (December 2001) the work to M/s Orissa Construction Corporation Ltd. (OCC) for Rs.7.28 crore stipulating completion by December 2003. Extension of time applied for by

the OCC on grounds of local hindrance up to June 2004 was also sanctioned. The OCC executed the work valuing Rs.5.72 crore as of December 2004.

Thus, due to departmental lapses the work which could have been awarded for Rs.6.07 crore was allotted to M/s OCC at Rs.7.28 crore resulting in avoidable extra cost of Rs.1.21 crore besides delaying commencement of the work by over 15 months.

The matter was reported to the Government in April 2005; their reply was not received (October 2005).

4.4.6 Avoidable extra cost towards inadmissible overheads

| |
|--|
| Avoidable extra cost of Rs.6.78 crore due to inclusion of inadmissible overheads in the rates allowed to a corporation. |
|--|

Government of Orissa in Water Resources Department formulated (June 2002) a procedure for execution of allotted works through M/s Orissa Construction Corporation Ltd. (OCC), which stipulated that the fair assessment of workable rate should not include any overhead in shape of percentage. Accordingly, the offered rate scrutinised by a Project Level Technical Committee (PLTC) was to be at par with the market rate. The overhead charges usually embodied in the Schedule of Rate (SoR) was to be eliminated and in its place OCC was entitled to overhead charges of 15 *per cent* on the value of work directly executed by them. Besides, interest free works advance was to be provided to them upto 10 *per cent* of value of agreement. Second and subsequent instalments of such advances were to be released on execution of works to the extent of 75 *per cent* of previous works advance.

Check of records of Executive Engineer (EE), Telengiri Head Works Division Ambaguda revealed (July 2004) that the work of construction of Spillway of Telengiri Irrigation Project, was awarded (February 2004) to OCC stipulating completion by February 2006 at a cost of Rs.55.26 crore plus 15 *per cent* overhead charges. As soon as the agreement was executed, interest free work advance of Rs.7.12 crore was paid (March 2004) to them. OCC executed work worth Rs.46 lakh as of January 2005 against the target of Rs.25.65 crore, (1.8 *per cent* achievement) as per work programme submitted by them. No action was, however, taken against OCC for delayed execution (May 2005).

Further, it was noticed that the departmental estimate of Rs.55.76 crore had included both overhead charges (15 *per cent*) and hidden labour cost (10 *per cent*). On the suggestion of the Tender Committee the overhead charges on labour component were excluded from the estimate, but, such overhead charges on other material components and 10 *per cent* hidden labour cost inbuilt in the estimated cost had not been excluded before approval of rates by Government in February 2004. This led to avoidable extra cost of Rs.6.78 crore on the work. The EE stated that the work was awarded to OCC after detailed discussion at various levels and 10 *per cent* hidden cost of labour was provided in the item rates as per SoR of Water Resources Department. The reply was not acceptable since 15 *per cent* overhead charges was admissible to OCC on the value of work executed as per the prescribed accounting

procedure and such value was to be arrived at after excluding overhead charges and hidden labour cost in built in the rates.

The matter was reported to Government in June 2005; their reply was not received (October 2005).

HEALTH AND FAMILY WELFARE DEPARTMENT

4.4.7 Avoidable expenditure towards delayed payment surcharge

Two Medical Colleges and one ADMO of Cuttack and Sambalpur had incurred an avoidable expenditure of Rs.26.09 lakh towards delayed payment of surcharge on consumption of electricity due to non-provision of funds in the respective annual budgets and failure to allot funds in time by the DMET.

In pursuance of order issued (November 1998) by Orissa Electricity Regulatory Commission, Grid Corporation of Orissa Limited (GRIDCO) prescribed (November 1998) different tariff rates for supply of electricity to different categories of consumers which was subsequently adopted by all the Electricity Distribution Companies in the State. In case of Public Institutions, if the payment were not made within 15 days from the date of bill, delayed payment surcharge (DPS) at the rate of two *per cent* per month was to be paid on prorata basis for the amount remaining unpaid (excluding arrears on account of DPS). The Finance Department (FD) had instructed (September 2002 followed by reminder in October 2003) that all the Departments of the Government should furnish proposals for additional requirement of funds for payment of electricity dues latest by 1 December 2002 and 15 November 2003 respectively.

Test check of records (between August and September 2005) of three Medical Institutions⁶ revealed that between December 2002 and April 2005, a sum of Rs.26.09 lakh (Appendix-XXVIII) was paid to the Distribution Companies towards DPS as against the total payment of electricity charges of Rs.93.81 lakh made during the above period as detailed below.

The Superintendent, VSS Medical College Hospital, Burla, had paid (during March 2003 to May 2005) Rs.50.29⁷ lakh towards electricity charges to Western Electricity Supply Company for the period between February 2003 and April 2005 out of which DPS was Rs.24.69 lakh (arrear DPS:Rs.24.21 lakh and current DPS:Rs.0.48 lakh). Despite instructions of the FD in September 2002 and October 2003, the Superintendent had to pay the DPS as the requirement of funds was not provided in the respective annual budgets and non-receipt of allotments as and when the electricity dues were to be paid. The Accounts Officer, VSS Medical College stated (September 2005) that due

⁶ (i) The Superintendent, V.S.S Medical College Hospital, Burla, (ii) Assistant District Medical Officer (Medical/TB), Sambalpur and (iii) The Principal, SCB Medical College, Cuttack.

⁷ 2002-03: total payment-Rs.9.34 lakh out of which total DPS was Rs.3.54 lakh, 2003-04: total payment-Rs.32.88 lakh out of which total DPS was Rs.15.73 lakh and April 2005: total payment-Rs.8.06 lakh out of which total DPS was Rs.5.43 lakh

to late receipt of allotment from the Director of Medical Education and Training (DMET), the arrears were to be paid. Similarly, Assistant District Medical Officer (Medical/T.B), Sambalpur had paid Rs.0.18 lakh towards DPS out of total payment of Rs.0.73 lakh for December 2002 attributing (September 2005) the payment to late receipt of allotment.

The Principal, SCB Medical College, Cuttack had incurred Rs.1.21 lakh towards DPS between January and February 2003 out of total payment of Rs.42.80 lakh after submitting (August 2002 and November 2002) proposals to DMET for additional allotment followed by reminders in December 2002 and January 2003. However, due to late receipt (22 February 2003) of allotment, the College had to pay the DPS. The Accounts Officer of the Medical College stated (September 2005) that due to late receipt of allotment, the surcharges were paid.

Thus, due to non-provision of funds in the respective annual budgets of the Department and failure to allot funds by the DMET as and when required led to avoidable payment of DPS of Rs.26.09 lakh.

During discussion (December 2005), the Principal Secretary assured that appropriate remedial measures would be taken.

4.5 Idle investment/idle establishment/blockage of funds

HOME DEPARTMENT

4.5.1 Blocking of funds due to delay in construction of Orissa Complex in Mumbai

Payment of advance to IDCO without watching its utilisation led to blockage of rupees three crore for two years.

The State Government acquired (November 1997) a piece of land measuring 2761 m² on 90 years lease in New Mumbai from the City and Industrial Development Corporation (CIDCO), Maharashtra at a cost of Rs.1.10 crore for construction of a guest house (Orissa Complex) to provide accommodation to the visiting Government officials of the State. Opening of an emporium for display and sale of handicrafts and handloom products of the State, an information and cultural centre and house the offices of the State Government undertakings were the other considerations for undertaking the project. As stipulated in the lease deed, the construction of the complex was to be completed within five years from the date of execution of the deed i.e. by November 2002. Government entrusted (March 1998) the construction of the complex comprising five floors to the Orissa Industrial Infrastructure Development Corporation (IDCO), Bhubaneswar to commence the work with immediate effect.

Scrutiny of records of the Department (August 2003) and IDCO (February 2005) revealed that the Government accorded (February 1999)

administrative approval for construction of the complex building estimated to cost Rs.6.94 crore and sanctioned (March 1999) Rupees two crore and kept the same in civil deposit for payment to the IDCO after finalisation of accounting procedure and execution of an agreement. Based on the above approval, the IDCO incurred expenditure of Rs.67 lakh out of its own funds for piling work and property taxes etc. as of November 1999 and stopped the work thereafter for want of funds from the Government. Due to general constraint on resources, the estimate with some changes to earlier design was revised (December 2000) to Rs.5.06 crore⁸ to which administrative approval was accorded in November 2003. The Government finalised (July 2003) the accounting procedure which prescribed that on execution of agreement, IDCO was to be paid advances in suitable instalments in such a way that the second and subsequent instalment(s) would be paid after utilisation of previous advance(s) and receipt of expenditure statement(s) thereto. However, contrary to the above provision, the Government paid Rs.4 crore⁹ including the amount kept in Civil Deposit to the IDCO in three instalments between March 2001 and March 2003 although the required agreement was yet to be signed (July 2005). Thereafter, on the request of the Government (October 2003), the CIDCO extended permission for the second time to complete the construction by November 2005 (the first extension given in February 2003 was up to November 2003) failing which the Government has to pay penalty to CIDCO for the extended period. Despite availability of funds, it was only in July 2004 that the IDCO could finalise the tender for Rs.5.53 crore and as per the IDCO's latest estimate (July 2004) the work after execution by the lowest bidder would be Rs. 7.05 crore including IDCO's overhead charges of Rs.92 lakh. However, the IDCO had incurred expenditure of only Rs.1 crore¹⁰ as of February 2005 against its own projected (July 2004) expenditure of Rs.3.75 crore by January 2005. This had led to blockage of Government funds of Rs.3 crore with IDCO for two years during March 2003 to February 2005 and the Government had to pay avoidable interest of Rs.46.80 lakh at the rate of 7.8 per cent per annum on its borrowings during the period.

The Government stated (July 2005) that the agreement with IDCO as per the accounting procedure was yet to be executed and that the conditions relating to release of funds to IDCO would be followed scrupulously henceforth. Payment of advances to the IDCO was however, contrary to the accounting procedure and resulted in locking up of Government's funds.

⁸ (i) Building works including civil, internal, external (electrical and PH) installations, site development, fire fighting, lift, and false ceiling etc.: Rs.3.87 crore, (ii) Expenditure already incurred by November 1999: Rs.0.49 crore, (iii) contingency Rs.0.04 crore, (iv) IDCO overhead charges (15 per cent) : Rs.0.66 crore.

⁹ (i) March 2001: Rs. 67 lakh, (ii) October 2002: Rs.1.33 crore and (iii) April 2003 Rs.2 crore.

¹⁰ (i) Up to November 1999: Rs.67 lakh and (ii) February 2005: Rs.33 lakh the payment of which still to be made (February 2005).

WATER RESOURCES DEPARTMENT

4.5.2 Infructuous expenditure on idle establishment

The Pre-Irrigation Ayacut Survey unit functioning under the Deputy Director of Agriculture, Water Management did not conduct the required agro-economic survey of the irrigation projects since 1996-97 despite Rs.1.61 crore spent on their salary.

Pre-Irrigation Ayacut Survey (PIAS), a State level survey unit has been functioning under the Deputy Director of Agriculture, Water Management (DDA), Bhubaneswar and overall control of the Director, Command Area Development, Orissa for conducting agro-economic survey of Irrigation Projects to determine the suitability of the cropping pattern to be adopted for optimum use of water in the ayacut area. The surveys are to be conducted under the Pre-Irrigation Ayacut Development Scheme on receiving indents from the Executive Engineers (EEs) of Irrigation Projects along with basic documents and information like index maps, soil survey reports, list of Gram Panchayats/villages covered under the ayacut area and required funds of Rs.5000 and Rs.8000 per medium and large irrigation project respectively to meet contingent expenditure for the purpose.

Scrutiny of records of DDA (July 2002 and August 2004) and information collected subsequently (February 2005) revealed that the agro-economic surveys were conducted up to 1995-96 and no such survey was conducted by the staff thereafter due to non-receipt of the required information / records and funds for contingent expenditure from the concerned EEs despite periodical requests of the DDA during 1996-98 in respect of irrigation projects pending for the required survey at that time. As stated by the Chief Engineer, Project Planning and Formulation (CE), 46 irrigation projects¹¹ covering 3.43 lakh hectares were taken up after 1996-97 but the required agro-economic survey in respect of the above projects were not conducted. Even the intervention of the Director by taking (September 1996/December 1997) up with the CE for expediting the matter did not yield any progress. However, against the 31 sanctioned posts, 11 number of staff were in position on the establishment rolls of the unit as of February 2005 although no agro-economic survey was conducted since 1996-97. The expenditure on the salary of these staff amounting to Rs.1.61 crore during 1996-97 to November 2004 was therefore infructuous.

The Commissioner-cum-Secretary to Government stated (August 2005) that the staff were engaged in water management work like farmer's training, warabandi, crop demonstration programme, field visits etc. under Command Area Development Programme. The reply was not convincing because separate staff were available with the DDA for the above works and diversion of the services of the staff meant for pre-irrigation ayacut survey for the same work lacked justification and affected the agro-economic survey of the irrigation projects.

¹¹ Major Irrigation Projects: 13 (Completed: 4 and ongoing: 9) covering 2.62 lakh hectares and Medium Irrigation Projects: 33 (Completed: 15 and ongoing: 18) covering 0.82 hectares.

AGRICULTURE DEPARTMENT

4.5.3 Blocking of subsidy of Rs.78 lakh meant for the benefit of farmers and agro-entrepreneurs with a Corporation

Blockage of subsidy of Rs.77.69 lakh meant for the training, tours for feasibility study of projects and felicitation of identified successful farmers with APICOL for over six years besides affecting Government finances in the form of interest costs of Rs.58.27 lakh.

The State Agriculture Policy 1996, while extending agriculture the status of an industry, focussed on providing technical advice to the farmers and the agro-entrepreneurs on cultivation of commercial crops, utilisation of modern technology and improved machinery. The Agriculture Promotion and Investment Corporation Limited (APICOL) was required to formulate projects and identify entrepreneurs through the Krishi Sahayak Kendras (KSKs) set up in each district to guide and train them on the above pursuits and arrange their tour to other states to study the feasibility and success of their agro-based industries, besides felicitating and rewarding the successful entrepreneurs on their achievement.

Scrutiny of records (December 2004) of the Director of Agriculture and Food Production (DAFP) and information collected (May/June 2005) from the APICOL revealed that the Government had paid Rs.80 lakh (April 1998: Rs.30 lakh and March 1999: Rs.50 lakh) as subsidy to the APICOL. The APICOL, in turn was required to spend the subsidy for, feasibility study of the projects (Rs.39.40 lakh), training (Rs.24.60 lakh) and felicitation (Rs.16 lakh) of the identified farmers and entrepreneurs of all the KSKs in the State. It was however, noticed that of the above, the APICOL utilised (March-May 1999) only Rs.2.31 lakh towards training of the departmental officials and did not organise the intended programmes for the beneficiaries and retained the remaining Rs.77.69 lakh with it. Despite repeated reminders from the DAFP for refunding the unspent amount to Government, the APICOL continued to retain and invest the same in short term deposits with banks as of June 2005. Thus, the subsidy meant for benefit of the farmers and entrepreneurs was used by the APICOL for investments for over six years and the gain out of such investments ultimately accrued to the corporation. Besides, this affected the ways and means position of the Government in the form of cost of interest of Rs.58.27 lakh calculated at the Government's borrowing rate of 12.5 per cent¹² per annum during 1999-2005.

The Managing Director, APICOL stated (June 2005) that the amount was kept as a reserve fund of the Government for use when needed without going through the cumbersome process of Government's budgetary provision and sanction of funds etc. The Principal Secretary admitted the fact during discussion (October 2005) and assured that the Government would take appropriate measures for refund of the amount, if the amount could not be utilised by the APICOL for the intended purpose.

¹² Market loan bearing interest: 12.50 per cent Government of Orissa Loan, 2008 raised in 1998-99.

The fact however, remained that neither the Government nor the APICOL worked out any programme for over six years and deprived the farmers of the intended benefits under the Agriculture policy.

HIGHER EDUCATION DEPARTMENT

4.5.4 Blocking of funds due to delay in construction of college buildings

Lack of effective monitoring by the Public Works Department resulted in works involving Rs.83.19 lakh remaining incomplete for a period of five years.

During scrutiny of the records of the Educational Institutions of the State, blockage of Government money on incomplete construction of buildings noticed in the following cases.

Construction of first floor of Rajdhani College, Bhubaneswar

Government allotted Rs.92.49 lakh during 1997-2004 for construction of the first floor of Rajdhani College, Bhubaneswar and placed the funds in favour of the Chief Engineer (Building) who entrusted the work to the Executive Engineer, R&B Division, Bhubaneswar (EE) for execution. The contractor after executing a portion of work worth Rs.53.04 lakh stopped the work (March 2002) on the plea of non-payment of his bills and escalation charges. In the meanwhile, due to tardy progress of work, the Chief Engineer surrendered Rs.39.45 lakh to the Department and the work remained incomplete as of October 2005. Thus, the failure of the EE to get the work executed in time and lack of monitoring the work by the Administrative Department resulted in blockage of funds of Rs.53.04 lakh.

Construction of the building of the Institute of Management and Information technology (IMIT), Cuttack

Government sanctioned Rs.20 lakh (December 1999) and Rs.18.08 lakh (2000-01) for cyclone damage repair work and change of asbestos roof of Barrack No.8 to RCC roof respectively of IMIT, Cuttack. Accordingly, the CE (Buildings) placed Rs.15 lakh and Rs.13 lakh respectively with the EE (R&B), Cuttack to execute the above works. The EE incurred expenditure of Rs.4.35 lakh on repair of cyclone damaged buildings. Subsequently, the Principal, IMIT requested (January 2000) both Government and EE to construct a new building out of the remaining funds instead of repairing the barrack. The EE without obtaining administrative approval and technical sanction awarded the construction of new building to a contractor at the agreement value of Rs.14.19 lakh stipulating completion by January 2002. After incurring expenditure of Rs.10.65 lakh, the work remained incomplete as of February 2005. The Principal brought (October 2002 and December 2003) the fact to the notice of the Government. However, records relating to action taken thereon by the Government were not available with the Principal. Thus, inaction of the Government and lack of co-ordination with the college and Public Works authorities resulted in blocking of Government money of

Rs.23.65 lakh (Rs.15 lakh + Rs.13 lakh - Rs.4.35 lakh) besides depriving the students of infrastructure facilities for over three years.

Construction of compound wall of the Government Autonomous College, Rourkela

Government allotted Rs.12.55 lakh during 2000-01 for construction of the compound wall around the Government College, Rourkela for ensuring security of the borders of hostels and staff quarters inside the college premises. The EE, R&B Division, Rourkela took up the work in June 1999 for completion by March 2000. After incurring expenditure of Rs.6.50 lakh, the work remained incomplete due to non-alienation of college land by Revenue Department and partial encroachment of the land by the local people. The Principal stated (January 2005) that the Revenue Department had been requested (November 2002) to complete the demarcation process of the land as the same was not done prior to undertaking the construction. Thus, non-completion of the work for over five years (August 2005) left the students and staff to continue to live in a state of insecurity.

Thus, lack of effective monitoring by Government and co-ordination with college authorities coupled with persistent delays by Public Works Department for time-bound completion of construction works resulted in blocking of Government money of Rs.83.19 lakh for over a period of five years. This in turn, deprived the educational institutions of the intended benefits.

During discussion (October 2005), the Additional Secretary assured to check up the status of the works and expedite completion of the same.

4.6 Regularity issues and other points

FINANCE DEPARTMENT

4.6.1 Excess payment of pension, family pension through treasuries and public sector banks

The disbursement of Pension/Family Pension to State Government Pensioners is made through Treasuries and Public Sector Banks on the basis of authorities issued by the Accountant General (A&E). The Treasuries and Sub-treasuries in Orissa are under the administrative control of the Director of Treasuries and Inspection, Orissa.

Test check of pension records of the treasuries/sub-treasuries in 2004-05 revealed excess payment of Pension/Family Pension/Gratuity by the Treasuries/Sub-treasuries in the State relating to 2004-05 in 542 cases involving Rs.21.69 lakh. The excess payments mainly occurred due to incorrect consolidation of service pension/Family pension: 17 cases (Rs.2.95 lakh), family pension at enhanced rate paid beyond the stipulated date: 80 cases (Rs.3.54 lakh), arithmetical inaccuracy: 35 cases (Rs.1.14 lakh),

allowing inadmissible/excess Interim Relief : 30 cases (Rs.0.95 lakh), allowing inadmissible temporary increase: 73 cases (1.96 lakh), non-adjustment of provisional gratuity/pension already paid: 26 cases (Rs.3.38 lakh), delayed commencement of reduced pension on account of payment of Commuted Value of Pension (CVP): 191 cases (Rs.2.34 lakh), excess payment of military pension : 61 cases (Rs.3.84 lakh), excess payment of LTA Pension: 11 cases (Rs.0.13 lakh) and irregular drawal of fixed medical allowance to Central pensioners: 18 cases (Rs.1.46 lakh).

Scrutiny of records of Public Sector banks for the period 2000-05 revealed that in 103 cases the banks disbursed excess pension/family pension of Rs. 12.04 lakh. The excess payment mainly occurred due to payment of Service pension/family pension even after the death of pensioner: 58 cases (Rs.4.00 lakh), inadmissible medical allowance to Railway pensioners: 12 cases (Rs.0.59 lakh), wrong calculation of family pension: 12 cases (Rs.2.25 lakh), payment of family pension at enhanced rate beyond the stipulated date: 16 cases (Rs.4.37 lakh) non-deduction of amount commuted on the stipulated PPOs: five cases (Rs.0.83 lakh). These excess payments occurred in the treasuries and Banks due to erroneous application/non-application of Rules and Government orders governing payment of pension.

The other irregularities in treasuries/banks noticed in audit regarding irregular retention of PPOs of undrawn pension, misclassification of other Government pension as state pension, non-obtaining of periodical employment certificate of pensioners, non-adherence to treasury rules etc. were discussed in the succeeding paragraphs.

Irregular retention of PPOs of undrawn pension

If a pensioner fails to take his/her pension for more than three months, the Treasury Officer (TO)/Sub-treasury Officer (STO) shall make inquiry through the District Police to ascertain the reasons of non-appearance of the pensioners. Further, the pension remaining undrawn for more than a year shall cease to be payable by the treasury and the Pension Payment Order (PPO) shall be closed and surrendered to Accountant General (A&E). The TO/STO was to conduct half-yearly review of such undrawn pension and the review remarks sent to the Accountant General (A&E) and Director of Treasuries and Inspection, Orissa.

Scrutiny (2004-05) revealed that in 351 cases, 22 TOs/STOs did not make any such review and retained the PPOs of undrawn pension at their level for periods ranging from four to 30 years without surrendering the same to the Accountant General (A&E). The irregularity was continuing (August 2005). Retention of the closed PPOs by Treasury may leave a scope for misuse/fraudulent use of such pension papers.

Misclassification of other Government Pension as State pension

Under accounting rules, the pensionary benefits of other Governments pensioners were to be classified in inter-State Suspense Accounts for eventual adjustment. The TOs/STOs disbursed pension of Rs.50.50 lakh (53 cases) to

the retired pensioners of other Governments by incorporating the same in the State Accounts during 2004-05 (West Bengal-49 cases: Rs.46.40 lakh), Central Government: three cases (Rs.3.84 lakh) and Defence: one case (Rs.0.26 lakh) treating the same as the State Government Pension. Failure of the STOs/TOs to classify the pension correctly resulted in excess expenditure of Rs.50.50 lakh to the Government. The details are given in Appendix-XXIX.

Non-recovery of government dues

On the basis of information furnished by Pension Sanctioning Authority, the Government dues outstanding against the pensioners were indicated in the authorisation letter issued by AG (A&E) for recovery of the same by the STOs/TOs from the pensionary benefits of the pensioner. Three treasuries in six¹³ cases did not recover Rs.1.52 lakh from the pensioners.

Non-obtaining of periodical employment certificate

Under Treasury Rules, every pensioner is required to furnish a declaration in respect of his/her employment/non-employment periodically every year in the month of November so that payment of temporary increase (TI) on Pension would be regulated accordingly. Ten¹⁴ TOs/STOs in 79 cases did not follow the above codal provision and continued to pay TI to the pensioners without fulfilling the requirement.

Non-adherence to Treasury Rules etc.

Personal marks of identification, date of commutation, date of commencement of reduced pension and the date of restoration of pension should be recorded in the Part III of the both halves of the PPO and PO register maintained for each pensioner in the Treasuries. Non-compliance with the above provisions of Treasury Rules were noticed in 29 cases in five¹⁵ TOs/STOs during 2004-05.

Marriage Certificate not obtained from the family pensioner

Every family pensioner is required to furnish a declaration in respect of her/his marriage/remarriage at least once in a year preferably with the pension bill of December duly countersigned by a responsible officer or well-known person. But such declaration was not obtained by 10¹⁶ TOs/STOs in 70 cases during the years 2001 to 2005 and continued to disburse the pension.

¹³ Berhampur Special Treasury : {IR No.92/2004-05 of AG(A&E)}: Rs.0.07 lakh, Baripada Treasury {IR No.139/2004-05 of AG(A&E)}: Rs.0.34 lakh and Burla Sub-treasury {IR No.80/2004-05 of AG(A&E)} : Rs.1.11 lakh.

¹⁴ TO: Sundargarh, Special Treasury, Bhubaneswar, STO : Balimela, Machkund, Purushottampur, Jharsuguda, Rajkanika, Satyabadi, Rajgangpur, Dhamnagar.

¹⁵ Titilagarh, Gajapati, Purusottampur, Dhamnagar and Pallahara.

¹⁶ Sundargarh, Special Treasury, Bhubaneswar, Balimela, Purushottampur, Jharsuguda, Rajkanika, Satyabadi, Rajnagar, Dhamnagar and Machkund.

Irregularities in Public Sector Banks

Public Sector Banks were required to obtain life certificate from pensioners in the month of November each year. However, three¹⁷ banks irregularly paid Rs.5.52 lakh (18 cases) without obtaining life certificates from the pensioners.

The Special Secretary of the Department, during discussion (October 2005) stated that recovery of excess payment was in progress and assured to take remedial action in respect of other audit observations.

INFORMATION TECHNOLOGY DEPARTMENT

4.6.2 Functioning of Orissa Computer Application Centre

The Orissa Computer Application Centre (OCAC), a registered State Autonomous Body was established in the year 1985. The main objective of the agency is to formulate and recommend a computer policy for the Government and the State public sector undertakings (PSUs), create computer awareness and impart training to Government and PSU employees in computer skills.

Test check of the records (February 2005 - May 2005) of the Chief Executive, OCAC (CE) at Bhubaneswar and facility centres at Berhampur, Rourkela and Sambalpur for the period 2000-05 revealed the following.

- ***Implementation of computer training for school children***

The Eleventh Finance Commission provided Rs.12.90 crore for implementation of the scheme "Computer Training for School Children" in the State during the period 2000-04 with a view to creating need based infrastructure through Computer Technology by imparting training to 850 teachers and installation of 1574 computers in 425 Government High Schools. Accordingly, as per the decision of the Government, the OCAC purchased 1574 computers between June and December 2004 at a cost of Rs.10.28 crore with uninterrupted power supply system and 383 printers along with peripherals for installation in the schools. But, 367 computers costing Rs.1.80 crore, out of 1574 computers purchased, could not be installed in 94 Schools (22 per cent) due to non-availability of the infrastructural facilities like building, electricity etc. Further, 569 teachers were only trained as against the 850 teachers targeted for the computer training. As the OCAC failed to ensure providing infrastructural facilities, the implementation of the scheme could not be done in 94 Schools. However, It was further noticed that despite shortfall in implementation, the OCAC had furnished (January 2005) completion certificate to the Government. Besides, 10 out of 1207 computers installed could not function due to technical defects since the date of installation.

¹⁷ (i) Bank of India, Kantabanji (2001-02): Rs.2.34 lakh (5 cases)
(ii) SBI, Rayagada (2002-03) :Rs.0.52 lakh (1 case)
(iii) UCO Bank, Bhubaneswar (2003-04)Rs.2.66 lakh (12 cases).

• **Poor achievement of Information KIOSK Scheme**

The State Government had entrusted the OCAC implementation of the scheme "Information KIOSK" (IK) by opening 1700 IKs during the period from 2003-2007 at a cost of Rs.4.68 crore with the objective of providing self-employment to the unemployed youth in the State along with development of e-governance. The educated unemployed youth, who could afford to arrange self or bank finance upto Rs.2.50 lakh, were to be provided 25 per cent of the project cost as subsidy subject to a maximum of Rs.0.25 lakh. According to the arrangement, the OCAC was to forward the applications to the District Industries Centres (DICs) for releasing subsidy and impart training to the applicants. As against the 2716 willing entrepreneurs whose applications were forwarded to the DICs during the period 2003-05, the OCAC imparted training only to 226 applicants incurring expenditure of Rs.4.52 lakh. Only 18 IKs as against the targeted 700 IKs were opened during 2003-05 with the release of subsidy Rs.0.25 lakh in respect of only one case. Thus, there was a complete failure of the scheme with a shortfall of 97 per cent in the implementation of the scheme.

The CE stated that software was not developed in the State due to non-implementation of e-governance. The fact, however, was that the implementation of the scheme remained in a take off stage as the OCAC failed to attract entrepreneurs.

• **Avoidable expenditure**

The Government released (February 2001) Rs.30 lakh for opening up three facility centres one each at Berhampur, Sambalpur and Rourkela during 2000-02 to create computer awareness, provide computer training and generate income which could help for opening up of more such centres in the State. Accordingly, all the three centres¹⁸ were opened during 2000-02 and against an income of Rs.10.88 lakh the total expenditure incurred was Rs.71.13 lakh on infrastructure (Rs.30 lakh) and establishment (Rs.41.13 lakh) during 2000-04, leading to extra expenditure of Rs.60.25 lakh to the OCAC.

Check of records revealed that no physical and financial targets were fixed for the centers. The CE stated that no target was fixed as the centers provided training to the Government and PSU employees as per their requirement and the response of private students was poor as the cost of training by the centers was high compared to the cost offered by the local private institutions. This indicated that facility centers were opened without conducting feasibility reports, resulting in loss to the OCAC.

The Joint Secretary of the Department, during discussion (December 2005) stated that necessary remedial measures had already been initiated on the audit observations.

¹⁸ Berhampur: November 2000, Sambalpur: March 2001 and Rourkela: January 2002.

PANCHAYATI RAJ DEPARTMENT

4.6.3 Misutilisation of funds under EAS/SGRY

The approval of inadmissible repair and maintenance of irrigation works and blacktopping of a road by Project Director of DRDA, Baripada was contrary to the provisions of EAS/SGRY scheme guidelines and involve Rs.36.67 lakh.

The Employment Assurance Scheme (EAS) during the period 1993-2002 and the Sampoorna Gramin Rojgar Yojana (SGRY) scheme thereafter came into operation with the objectives of providing employment to rural poor on payment of wages by undertaking labour intensive works and creating durable community assets for sustained employment. Under the schemes (from 1 April 1999), 15 per cent of the funds can be spent on repair and maintenance of the public assets created out of the funds of wage employment programmes sponsored by the Ministry of Rural Development, Government of India (GOI). However, black topping of existing roads with the funds of both the above schemes was prohibited.

Test check of records (December 2004) of the Project Director (PD) District Rural Development Agency (DRDA), Baripada revealed that in disregard of the provisions of the scheme, the DRDA approved the repair and maintenance of irrigation works/black topping of the existing roads included in the action plan of the executing agencies and allowed them to incur the expenditure of Rs.36.67 lakh as detailed below:

| Sl. No. | Executing agencies/ DRDA | Amount spent (Rupees in lakh) | Purpose for which scheme funds were spent with Remarks |
|--------------|---|--------------------------------|---|
| (i) | Executive Engineer (EE), Irrigation Division, Mayurbhanj, Baripada/(under DRDA, Baripada) | 8.00 (April 2002) | For black topping of the existing canal road of the Khorkhei Irrigation Project from Suleipat to Bhalubaga - RD 10.95 km to RD 15.20 km in five estimated reaches out of EAS funds contrary to the provisions of the scheme. |
| (ii) | -do- | 5.25 (April 2002 to July 2004) | Improvement by repair and providing concrete lining of the existing Jayavilla distributary and Baliguda canal of Bahidiha Irrigation Project; assets not created earlier out of GOI funds. The repair works were approved by the DRDA, Baripada (January 2002) and constituted one hundred per cent of the amount received by the EE under the SGRY scheme. |
| (iii) | EE, Minor Irrigation Division, Baripada / (Under DRDA, Baripada) | 23.42 (1999-2004) | As approved by the DRDA (November 1999), EAS funds of Rs.23.42 lakh were spent for repair of nine old minor irrigation projects, which were born on the records of the Water Resources Department and not created earlier out of GOI funds. |
| Total | | 36.67 | |

The EEs of Irrigation and Minor Irrigation Divisions, Baripada stated (December 2004) that while the black topping of the road facilitated communication of sixty-one villages, the improvement to irrigation projects was taken up for distribution of water to the tail end of the canal systems of the projects.

The replies were not acceptable as the scheme funds were meant for creation of new community infrastructure and assets and spending the same on black topping of roads, repair/improvement etc. to the existing assets were out side the scope of EAS/SGRY schemes. Thus, irregular approval of the DRDA to execute inadmissible works led to misutilisation of scheme funds.

The matter was demi-officially referred to the Government (August 2005) for reply within six weeks; reply had not been received (October 2005).

4.7 GENERAL

4.7.1 Lack of response to audit

Accountant General (Civil Audit) and Accountant General (Commercial, Works and Receipt Audit), Orissa arrange to conduct periodical inspection of Government departments to test check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed by Inspection Reports (IRs) sent to the heads of offices and the next higher authorities. The defects and omissions are expected to be attended to promptly and compliance reported to the Accountants General (Audit). A half-yearly Report of pending IRs is sent to the Secretary of each department to facilitate monitoring of the audit observations and their compliance by the departments.

A review of the IRs issued up to March 2005 pertaining to 4743 offices of 34 departments showed that 58260 paragraphs relating to 16765 IRs were outstanding at the end of June 2005. Of these, 5136 IRs containing 12500 paragraphs had not been settled for more than 10 years (Appendix-XXX). Year-wise position of the outstanding IRs and paragraphs are detailed in Appendix-XXXI. Even the initial replies which were required to be received from the Heads of Offices within six weeks were not received in respect of 1562 IRs (Appendix-XXX) issued between 1964-65 and 2004-05 (March 2005). As a result, many serious irregularities commented upon in these IRs had not been settled as of June 2005 (Appendix-XXXII). Failure to comply with the issues raised by Audit facilitated the continuance of serious financial irregularities and loss to the Government.

It is recommended that Government should look into this matter and ensure that procedure exists for (a) action against the officials who fail to send replies to IRs/Paras as per the prescribed time schedule, (b) revamping the system of proper response to the audit observations in the Departments and (c) action to

recover loss/outstanding advances/overpayments pointed out in audit in a time bound manner.

The matter was referred (October 2005) demi-officially to Government; no reply had been received (October 2005).

4.7.2 Follow up action on earlier Audit Reports

Serious irregularities noticed in audit are included in the Reports of the Comptroller & Auditor General (Audit Reports) that are presented to the State Legislature. According to the instructions issued by the Finance Department, Government of Orissa in December 1993, the Administrative Departments are required to furnish explanatory notes on the paragraphs/reviews included in the Audit Reports and Action Taken Notes (ATNs) on the recommendations of Public Accounts Committee (PAC) Reports within three months and six months respectively of their presentation to the Legislature.

It was noticed that in respect of Audit Reports from the years 1991-92 to 2003-04 as indicated below, 29 out of 37 departments which were commented upon, did not submit explanatory notes on 181 paras/reviews as of September 2005

| Year of Report | Total paras/reviews in Audit Reports. | No. of individual paras/reviews for which explanatory notes were not submitted. |
|----------------|---------------------------------------|---|
| 1991-92 | 99 | 6 |
| 1993-94 | 87 | 8 |
| 1994-95 | 85 | 5 |
| 1995-96 | 89 | 4 |
| 1996-97 | 103 | 10 |
| 1997-98 | 97 | 16 |
| 1998-99 | 92 | 9 |
| 1999-2000 | 83 | 21 |
| 2000-2001 | 83 | 23 |
| 2001-2002 | 61 | 13 |
| 2002-2003 | 59 | 29 |
| 2003-2004 | 60 | 37 |
| Total | 998 | 181 |

The department-wise analysis is given in the Appendix-XXXIII which shows that the Departments largely responsible for non-submission of explanatory notes were Revenue, Agriculture, Scheduled Tribes and Schedule Castes Development, Water Resources, Works, School & Mass Education and Finance. Comments on topics such as Super Cyclone and Integrated Audit of Primary Education had also failed to elicit any response from the Government.

Response of the departments to the recommendations of the Public Accounts Committee

The Orissa Legislative Assembly (OLA) Secretariat issued (May 1966) instructions to all departments of the State Government to submit Action Taken Notes (ATN) on various suggestions, observations and recommendations made by Public Accounts Committee (PAC) for their consideration within six months after presentation of the PAC Reports to the Legislature. The above instructions were reiterated by Government in Finance Department in December 1993 and by OLA Secretariat in January 1998. The PAC Reports/recommendations are the principal medium by which the Legislature enforces financial accountability of the Executive to the legislature and it is appropriate that they elicit timely response from the departments in the form of Action Taken Notes (ATNs).

However, it was noticed that 2098 recommendations of PAC, relating to 1st Report of 9th Assembly (1985-86) to 6th Report of 13th Assembly (2004-05) were pending settlement as of September 2005. Department-wise details are indicated in Appendix-XXXIV, which indicate that Departments largely responsible for non-submission of ATNs are Water Resources, Works, Housing and Urban Development, Industries, Agriculture and School and Mass Education.

Monitoring

The following Committees have been formed at the Government level to monitor the follow up action on Audit Reports and PAC recommendations.

Departmental Monitoring Committee

Departmental Monitoring Committees (DMCs) have been formed (between May 2000 and February 2002) by all departments of the Government except Information and Technology Department (against which no audit para is pending) under the chairmanship of the Departmental Secretary to monitor the follow up action on Audit Reports and PAC recommendations. However, as of September 2005 only eight Departments of Government i.e. Commerce (one meeting), Transport (one meeting), Energy (one meeting), Panchayati Raj (one meeting), Labour and Employment (two meetings), Forest and Environment (one meeting), Finance (one meeting) and Revenue (one meeting) held DMC meetings.

Apex Committee

An Apex Committee has been formed (December 2000) at the State level under the Chairmanship of the Chief Secretary to review the action taken by the DMCs till September 2005, Apex Committee met only once in February 2002.

Review Committee

A Review Committee has been formed (December 1992) comprising Principal Secretary, Finance Department, Principal Accountant General (Civil Audit)/ Accountant General (Commercial, Works and Receipt Audit) and Secretary to Government of the concerned Department to review the progress as well as adequacy of action taken on the Audit Reports and PAC recommendations in order to facilitate the examination of such Reports/recommendations by the Public Accounts Committee.

The Review Committee met on six occasions between June 2003 and December 2003. No meeting was held thereafter.

The matter was referred (October 2005) to the Government: their reply had not been received (October 2005).

CHAPTER-V

Internal Control System in Government Departments

FINANCE DEPARTMENT

5.1 Internal Control Mechanism in Finance Department

Highlights

Internal Control Mechanism (ICM) in an organisation is meant to ensure that its operations are carried out according to the applicable laws, rules and regulations in an economical, efficient and effective manner. The Government has an internal control system where the overall financial control (budgetary controls, expenditure controls, internal audit etc.) is exercised by the Finance Department whereas, administrative and operational controls over specific functional activities are exercised by the respective departments themselves. Audit review of the functioning of the ICM during 2001-05 in Finance Department (FD) revealed deficient budgetary and expenditure control, lapses in cash management, inadequate controls in stores management, purchases made without observing the prescribed purchase procedure, and poor operational and supervisory controls in the department.

- ◆ Unnecessary supplementary provisions of Rs.1.01 crore, Rs.0.56 crore and Rs.1.17 crore under Revenue Section during the years 2000-01 to 2002-03 were obtained by Finance Department when there were overall savings of Rs.606.13 crore, Rs.397.15 crore and Rs.468.27 crore at the end of the years indicating deficient budgetary controls by the department.

(Paragraph 5.1.5)

- ◆ In violation of the Orissa Budget Manual (OBM), the FD failed to surrender anticipated savings in time.

(Paragraph 5.1.6)

- ◆ Unnecessary provisions of Rs.0.51 crore, Rs.0.63 crore, Rs.0.14 crore and Rs.0.03 crore were made by the department for vacant posts during 2000-04 in violation of provision of OBM.

(Paragraph 5.1.8)

- ◆ Lump sum provisions of Rs.427.40 crore, Rs.390.85 crore, Rs.11.63 crore, Rs.7.22 crore and Rs.6.50 crore were made by the FD during the years 2000-05 in violation of the OBM.

(Paragraph 5.1.9)

* The abbreviations used in this review have been listed in the glossary in Appendix XXXVI at page 225

- ♦ Letter of credit system introduced to improve expenditure control in Engineering/high spending departments remained ineffective as the expenditure continued to exceed the provisions under several units of appropriation.

(Paragraph 5.1.19)

- ♦ The FD did not submit DC bills against AC bills for Rs.22.26 lakh drawn between July 2000 and December 2003. Similarly the DTI did not submit DC bills against AC bills for Rs.1.04 crore drawn between March 2000 and March 2003. DC bills for Rs.72 lakh drawn in AC bills between March 98 and March 99 were submitted by the DTI in November 2004 and January 2005. Thus, the FD and DTI failed to adhere to the codal provisions.

(Paragraph 5.1.11)

- ♦ Financial disciplines in cash management were not observed by the DDOs of Directorate of Treasuries and Inspection, Controller of Accounts and Finance Department.

(Paragraph 5.1.13)

- ♦ Purchases made in deviation of prescribed procedure (Rs.21.28 lakh by DTI during March 2004, Rs.8.96 lakh by FD during 2000-05).

(Paragraph 5.1.16)

- ♦ Supervisory controls by carrying out periodic inspection of the treasuries by the DTI were inadequate which affected the sense of accountability.

(Paragraph 5.1.21)

5.1.1 Introduction

Internal Control Mechanism (ICM) in an organisation is meant to ensure that its operations are carried out according to the applicable laws, rules and regulations in an economical, efficient and effective manner. The Government has an internal control system where the overall financial control (budgetary controls, expenditure controls, internal audit etc.) is exercised by the Finance Department (FD) whereas, administrative and operational controls over specific functional activities are exercised by the respective departments. But the FD itself also functions within this overall internal control frame work of the Government and is therefore, subject to the same internal, financial, administrative and operational controls to manage its own functions as is applicable to any other department of the Government. But the FD's task is much more onerous since it has also to ensure implementation of the financial controls in all other departments of the Government.

A scheme of delegation of powers exists to enable the functionaries at different levels to carry out their assigned tasks and responsibilities while simultaneously ensuring strict adherence to the prescribed internal controls. While internal control is an integral part of an organisation's operation and business, it is the principal focus of the Internal Audit. Expectedly, the Government also had an Internal Audit set-up functioning under the overall control of the FD.

5.1.2 Organisational structure

The Principal Secretary to Government of Orissa was in overall charge of FD. He was assisted by two special Secretaries and one Additional Secretary. The Director of Treasuries and Inspection, the Controller of Accounts, the Commissioner of Commercial Taxes were functioning as independent Heads of Departments (HODs) under the control of FD. The Director of Treasuries and Inspection was responsible for monitoring the functioning of Treasuries and Sub-Treasuries through periodic inspections and review of prescribed reports/returns relating to submission of monthly accounts and other returns to AG (A&E), timely reconciliation of figures with DDOs, pension payment etc. The Controller of Accounts was entrusted with the responsibility of maintaining General Provident Fund Accounts of about 2.5 lakh teachers of Primary Schools and other aided educational institutions authorizing their pension payments. The Commissioner of Commercial Taxes collects revenues for the State from various taxes such as Sales Tax (now VAT) etc. The Department administers the cadre of Orissa Finance Service (OFS). Besides officers who were mostly posted to different positions under the three Heads of Department/Directorate.

The Department comprises of Budget wing, Cash branch, Treasury branch, Resources branch, Group Insurance wing, Audit and Accounts, Local Fund Audit, Efficiency Audit Organisation, Ways and Means branch and Credit and Investment wing.

5.1.3 Audit Coverage

The functioning of ICM of the FD covering a period of five years (2000-05) was test checked in the offices of the Principal Secretary, FD at the Secretariat level, Controller of Accounts, Orissa (COA.), Bhubaneswar and Director of Treasuries and Inspection (DTI), Bhubaneswar. The scope of audit was limited to the functioning of the Budget, Cash, Group Insurance, Audit and Accounts branches along with the efficiency of the Local Fund Audit and Efficiency Audit Organisations.

5.1.4 Audit Objective

The audit objective was to ascertain the adequacy of various Internal Controls in the FD and evaluate if they were in place and being implemented to ensure functioning of the department in economic, effective and efficient manner for achieving the broad goals of the department. The various Internal Controls were grouped under the following sub-headings.

- Financial Controls comprising Budgetary and Expenditure Controls;
- Supervisory and Monitoring Controls;
- Operational Controls; and
- Internal Audit.

Financial Controls

Non-adherence to the provisions of Orissa Budget Manual (OBM) and instructions issued by FD itself led to unnecessary supplementary provisions, persistent savings, irregular provisions for vacant posts, expenditure without budget provisions etc. There were instances of irregularities in regard to transactions under Civil Deposits, adjustment of AC Bills, maintenance of GPF accounts by the Controller of Accounts etc. as discussed in succeeding paragraphs.

5.1.5 Provisions of Budget Manual ignored

The Orissa Budget Manual (OBM) envisaged effective adherence to budgetary controls which among other things required the administrative departments to prepare budget estimates based on inputs from lower formations, spend within the budgeted amounts, avoid rush of expenditure towards the close of the year and surrender the anticipated savings in time. Supplementary provision for funds was to be asked only in case the original allotment would prove insufficient. This required regular monitoring of monthly expenditure incurred by the Drawing and Disbursing Officers (DDOs) of subordinate offices by the administrative departments through the prescribed instrument of monthly statements of expenditure. The FD also issued explicit orders imposing restrictions on filling up vacant posts and that budget provisions for such vacant posts were not to be made. In so far as FD was concerned, it had not only to ensure the proper implementation of the above controls itself but also to oversee the implementation of the same in other Departments. The actual expenditure vis-à-vis budget provisions of the FD during 2000-05 were as follows.

| Sl. No | Particulars | (Rupees in crore) | | | | | | | | | |
|--------|-------------------------------------|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | 2000-01 | | 2001-02 | | 2002-03 | | 2003-04 | | 2004-05 | |
| | | Revenue | Capital | Revenue | Capital | Revenue | Capital | Revenue | Capital | Revenue | Capital |
| 1. | Original grant/ Appropriation | 1538.57 | 552.38 | 1455.54 | 276.58 | 1574.89 | 281.18 | 1788.59 | 174.23 | 2127.41 | 223.99 |
| 2. | Supplementary grants/ Appropriation | 1.01 | 0.50 | 0.56 | 1.00 | 1.17 | 25.46 | - | 225.00 | -- | -- |
| 3. | Total | 1539.58 | 552.88 | 1456.10 | 277.58 | 1576.06 | 306.64 | 1788.59 | 399.23 | 2127.41 | 223.99 |
| 4. | Actual expenditure | 933.45 | 352.42 | 1058.95 | 233.08 | 1107.79 | 125.98 | 1259.07 | 66.97 | 1474.27 | 120.45 |
| 5. | Savings (-) | 606.13 | 200.46 | 397.15 | 44.50 | 468.27 | 180.66 | 529.52 | 332.26 | 653.14 | 103.54 |
| 6. | Percentage of savings | 39 | 36 | 27 | 16 | 30 | 59 | 30 | 83 | 31 | 46 |

(Source: Appropriation Accounts)

From the table, it was apparent that the expenditure was less than 50 per cent of the provision including supplementary under the capital section during the years 2002-03 and 2003-04. Thus the supplementary provisions of Rs.25.46 crore and Rs.225 crore under capital section during the above years was unnecessary. Similarly, under Revenue Head, the original grants were not fully utilised during all the years under review thereby making supplementary provision by the Department becoming a faulty decision. This state of affairs in the FD itself was likely to set a bad precedence for other Departments. Thus, provision contained in the OBM were totally ignored by the Joint

Secretary, Budget Wing while asking for the supplementary grants which ultimately led to surrender of the entire supplementary grants.

5.1.6 Timely surrender of anticipated savings

The OBM provided for surrender of all anticipated savings to the Government latest by 10th March of the financial year. For the purpose, the FD also issued circulars every year and circular for 2004-05 was issued on 11 March 2005 to all the departments. However, the Joint Secretary, Budget Wing of the FD surrendered their savings on the last day of the financial year and thus, the financial discipline sought to be imposed through the OBM was ignored by the Controlling Officers of the department. This adversely affected the reallocation of the funds that could have been utilised elsewhere, where there was a pressing demand. Thus there occurred belated surrender of savings after 10th of March in disregard of the provision of OBM.

5.1.7 Persistent Savings

Savings ranging from 27 to 39 *per cent* of Revised Estimates in respect of FD under Revenue section persisted in all the years during 2000-05. This indicated that the Joint Secretary, Budget Wing did not prepare the budgets realistically which might have hampered the actual requirement elsewhere and obviously the department failed to scrutinise the actuals of previous years and actual need for the current year as required under provisions of OBM.

5.1.8 Budget provisions for vacant posts

The OBM provided that provision should not be made in the budget for vacant posts. However in disregard of the same, the Joint Secretary, Budget Wing of the FD being the final authority for preparation of the budget for the entire State while requiring other departments from time to time to ensure strict control measures also irregularly made provisions for vacant posts and finally surrendered Rs.50.99 lakh, Rs.62.77 lakh, Rs.14.02 lakh and Rs.2.61 lakh under the head "2052-Secretariat General Services" during the years 2000-04.

5.1.9 Lump sum provisions

The OBM prescribe that lump sum provisions shall not, as a rule, be made in the budget unless a scheme has been elaborated and sanctioned in the previous year or sufficient details are available. Contrary to the above provisions, the FD made lump sum provisions of Rs.427.40 crore, Rs.390.85 crore, Rs.11.63 crore, Rs.7.22 crore and Rs.6.50 crore under the Head "2052-Secretariat General Services" for dearness allowance during the years 2000-01 to 2004-05 respectively. As a result, the FD had to surrender Rs.307.90 crore, Rs.342.08 crore, Rs.8.81 crore, Rs.2.05 crore and Rs.0.51 crore during the above years.

5.1.10 Avoidance of lapse of funds

The Orissa Treasury Code and the OBM restricted the drawals of moneys from the Treasury unless it was required for immediate disbursement. It was noticed that, the Controller of Accounts drew Rs.29.49 lakh (March 2001)

towards computerisation of accounts and transfer credited the same to "8443-Civil Deposits-800-other deposits" to avoid lapse of the provision. Out of the above, Rs.25.19 lakh were withdrawn during 2001-05 and the remaining Rs.4.30 lakh continued to be parked under the Civil Deposit (March 2005). Similarly the DTI drew Rs.65.99 lakh from the service Head "2054-Treasury and Accounts Administration-Computerisation of Accounts" and transfer credited the same to "8443-Civil Deposits" during the years 1999-02 out of which, Rs.44.33 lakh was still lying unspent under Civil Deposits (March 2005).

Further, as per information furnished by the FD, the balance under 8443-Civil Deposits-800-Other Deposits as of 31 March 2005 was Rs.639.98 crore. During the years 2000-05, while Rs.1086.96 crore were transfer credited to the above head, the withdrawals amounted only to Rs.894.99 crore during the years by different departments. All the above deposits and withdrawals from the Civil Deposits in subsequent years had the approval of the controlling officers of the grants and FD. This irregular practice resulted in erosion of legislative control over expenditure as the drawals from Civil Deposits in the subsequent years neither required further legislative approval nor was the expenditures incurred subjected to legislative scrutiny through the appropriation mechanism. The Under Secretary, FD stated (May 2005) that all the Departments had been instructed (April 2005) not to transfer the budgeted funds to the Civil Deposit.

5.1.11 Submission of DC Bills against AC Bills

According to the financial rules of the Government, amounts drawn under Abstract Contingent (AC) bills were required to be adjusted by submission of Detailed Contingent (DC) bills within 30 days from the date of drawal to the Controlling Officers for counter-signature and onward transmission to the Accountant General (A&E). However, the FD, in 13 cases, did not submit DC Bills against AC Bills for Rs.22.26 lakh¹ drawn between July 2000 and December 2003 to the Accountant General (A&E) as of March 2005. Similarly, in respect of three AC bills for Rs.72 lakh² drawn between March 1998 and March 1999, the DTI submitted DC bills in November 2004 and January 2005 with delays ranging from 56 to 82 months. Further, DC bills against five AC bills of Rs.1.04 crore³ drawn between March 2000 and March 2003 for computerisation of treasuries were still pending submission by the DTI (March 2005). Thus, DDOs of the FD and the DTI failed to adhere to the codal provisions besides bringing about distortion in accounts.

¹ AC Bill Nos: 27 FD(OC) 24 July 2000 for Rs.5.40 lakh, 67 FD(OC) 10 January 2001 for Rs.0.43 lakh, 80 FD(OC) 2 March 2001 for Rs.5 lakh, 90 FD (OC) 24 March 2001 for Rs. 5.28 lakh, 35 FD(OC) 8 August 2001 for Rs.0.31 lakh, 63 FD(OC) 19 November 2001 for Rs.0.04 lakh, 118 FD(OC) 22 March 2002 for Rs.4.15 lakh, 119 FD(OC) 28 March 2002 for Rs.0.12 lakh, 33 FD(OC) 19 August 2002 for Rs.0.14 lakh, 81 FD(OC) 31 January 2003 for Rs.0.20 lakh, 39 FD(OC) 27 August 2003 for Rs.0.25 lakh, 67 FD(OC) 26 December 2003 for Rs.0.90 lakh and 68 FD(OC) 30 December 2003 for Rs.0.04 lakh.

² AC Bill Numbers: (i) 1/31 March 1998 for Rs.33 lakh (DC Bill: 2/11 January 2005), (ii) 2/27 March 1999 for Rs.34 lakh (DC Bill: 3/11 January 2005) and (iii) 1/27 March 1999 for Rs.5 lakh (DC Bill: 1/8 November 2004).

³ AC Bill Numbers: (i) 1/30 March 2000: Rs.3.85 lakh, (ii) 1 and 2/30 March 2002: Rs.62.07 lakh and (iii) 1 and 2/31 March 2003: Rs.37.79 lakh.

5.1.12 Expenditure on repairs and maintenance of Government vehicles

The Rules regulating control and use of Government vehicles issued (July 1979) by FD as amended (February 2003) laid down monetary ceilings on repair and maintenance of Government vehicles. It was seen that the FD expended Rs.10.51 lakh during 2000-05 on repair and maintenance of 15 Government vehicles being used by the officers of the department as against the admissible expenditure of Rs.3.32 lakh. Thus, failure to follow the rules resulted in excess expenditure of Rs.7.19 lakh. The FD stated (May 2005) that steps would be taken to reduce the expenditure as far as possible.

5.1.13 Cash Management

The Orissa Treasury Code (OTC) and the Orissa General Financial Rules (OGFR) provided several internal control measures in cash management like maintenance of cash book in the prescribed form, attestation of entries by the DDO, check of totalings by an officer other than the writer of the cash book, monthly physical verification of cash balances by DDO etc. Audit scrutiny revealed that those were not scrupulously followed by the test checked DDOs of COA, DTI and FD.

Though the Rules prohibited incurring expenditure from available cash without allotment, the FD itself incurred such expenditure of Rs.0.60 lakh of miscellaneous nature and depicted the same in the closing balance of the Cash Book as 'paid vouchers' (March 2005).

Despite the instructions of FD from time to time, the latest being in June 2001 that Government money should not be kept in the form of Bank Drafts, Deposit at Call Receipts or in Bank Accounts as it affected the ways and means position of the Government, the DDO, FD in disregard of their own instructions kept Rs.7.79 lakh in the form of bank drafts as of March 2005.

5.1.14 Non-adherence to rules governing Medical Advances

According to the FD's instructions (January 1987/April and December 1993), medical advances paid to Government servants were required to be adjusted soon after the treatment was over or within six months from the date of drawal, whichever was earlier, failing which interest at the prescribed rate was to be recovered along with the principal. It was, however, seen that medical advances of Rs.1.86 lakh paid during 2000-04 were outstanding against two employees⁴ of FD without adjustment (February/May 2005). Thus the DDOs failed to follow the relevant instruction in regard to prompt adjustment of medical advances.

5.1.15 Failure to observe timely disposal of Group Insurance Scheme cases

Under the Group Insurance Scheme (GIS) of the State Government, all the employees of the Government / aided institution are required to make one time refundable deposit of a prescribed amount with the Government (FD)

⁴ (i) Sadasiba Mohapatra, SO (Sanctioned-9 January 2004: Rs.0.55 lakh) and (ii) Sri U.C.Kabisatpathy, Ex-Audit Superintendent (Sanctioned- 16 March 2001: Rs.1.31 lakh).

depending on the pay at the entry level for which pass books would be issued to them. On relinquishing service, the deposit was to be refunded within seven days to the employee on production of the pass book and in case of death of the employee while in service, the assured sum was to be paid to the nominee within one month. It was noticed that of the 5.79 lakh pass books issued, 900 claims many of which related to death cases, were pending with the FD for finalisation since 1994-95 onwards. Thus, the departmental authorities failed to review and monitor the position as regards receipt of compliance from the concerned authorities and action taken thereon for final disposal of the cases pending since December 1994.

5.1.16 Purchases made in deviation from the prescribed procedure

The Orissa General Financial Rules (OGFR) provided that purchases of stores for use in the public services should be made in most economical manner following the procedures laid down under the rules such as calling for sealed quotations/tenders indicating the specifications, preparation of comparative statement etc. while making purchases from firms not under the rate contract of the Director General of Supplies and Disposals (DGSD) or the Director of Export Promotion and Marketing, Orissa (DEPM). However, the DTI purchased furniture worth Rs.4.42 lakh during 2003-05 from Bhubaneswar based private firms not being on rate contract, without observing the above purchase procedures to ensure economy.

The COA advanced (March 2004) Rs.21.28 lakh to National Informatic Service Centre Incorporated, New Delhi for supply of hardware and software for 15 computers within six weeks. The advance was treated as final expenditure in the cash book without receipt of invoice in support of delivery of materials. Although the materials were stated to have been received, the same had not been taken to stock after required inspection (April 2005). Besides, the purchase order did not contain penal clause against time overrun for installation. As a result, the computers had not been installed leading to blockage of Government funds for over one year.

5.1.17 Non-adherence to prescribed controls in stores management

Physical verification of stock and stores required to be conducted at least once in a year was not conducted by any of the test checked offices in respect of stores held by them for different periods covered under audit. Due to such non-verification, actual existence of Government stores could not be ensured.

Operational controls

Failure to scrutinise the budget proposals of other departments in accordance with the OBM leading to persistent excesses and savings and continued excess expenditure over the provisions in Engineering/high spending departments despite operation of Letter of Credit (LoC) system were noticed as detailed

below.

5.1.18 Preparation of budget of the State

While the FD failed to control its own budget as per the provisions of OBM; it also failed to effectively enforce those provisions while scrutinizing and approving the budget proposals of other Departments. During 2000-05, there were excesses or savings under several Demands for Grants at the end of the year as reflected below.

| Year | Number of Grants in which there was | | | |
|--|-------------------------------------|-----------------------------|------------------------------------|-----------------------------|
| | Excess | | Savings | |
| | Number of Grants/ Appropriations | Amount (Rupees in crore) | Number of Grants/ Appropriation | Amount (Rupees in crore) |
| 2000-01 | 8 | 2474.48 | 38 | 3770.57 |
| 2001-02 | 4 | 393.58 | 37 | 4597.38 |
| 2002-03 | 5 | 2068.93 | 38 | 3704.54 |
| 2003-04 | 2 | Negligible | 40 | 5452.26 |
| 2004-05 | 3 | 9.93 | 40 | 4488.29 |
| (Total number of Grants during this period was 42) | | | | |

Source: Appropriation Accounts of the respective years.

This reflected the lack of effective monitoring by the FD to control such excesses or savings through monthly reports and/or review meetings. Audit scrutiny further revealed that though the individual Departments had been asked to send the monthly reports and expenditure under both plan and non-plan heads to the FD, the FD seldom made use of such reports. These reports generally reached late in the FD. To this extent the exercise of pre-budget scrutiny carried out by the FD for other Departments was unproductive and the budget continued to be unrealistic. However, the position relating to excesses under various grant heads had considerably improved in 2003-04 and 2004-05 as seen in the table above.

Persistent savings in respect of the entire State became a regular feature in the budget every year as detailed below.

| Year | Number of Grants/ Appropriations | Total Budget Provision | (Rupees in crore) | |
|---------|-------------------------------------|------------------------|---|----------|
| | | | Number of Grants in respect of which savings occurred | Savings |
| 2000-01 | 42 | 16,567 | 38 | 3,770.57 |
| 2001-02 | 42 | 23,262 | 37 | 4,597.38 |
| 2002-03 | 42 | 22,913 | 38 | 3,704.54 |
| 2003-04 | 42 | 28,848 | 40 | 5,452.26 |
| 2004-05 | 42 | 22,227 | 40 | 4,488.29 |

Source: Appropriation Accounts of the respective years.

It indicated lack of effective monitoring of Review of Expenditure statements every month by both the concerned administrative Departments and the FD. Besides, the FD had also failed to effectively review the expenditure statements and give timely advice for surrender.

There was lack of control over making a realistic budget and this also affected the expenditure control mechanism adversely.

5.1.19 Expenditure control through LoC system

To regulate flow of expenditure for works and to guard against excess expenditure over budget allotment as well as avoid creation of unnecessary liabilities, Government introduced the system of expenditure control through LoC system in April 1968 in Engineering and a few other high spending Departments. The LoC system was to be administered by the Finance Department. After passage of the Budget, the Finance Department would release funds in favour of each Chief Engineer (CE) on the basis of month-wise requisitions placed by him through a LoC and endorse copies of such LoC allotment order to the Secretary of the administrative departments so as to enable the latter to monitor the progress of expenditure against the budget provisions and the LoC released. Under no circumstance was the LoC allotted amount to be exceeded.

Mention was made regarding rampant misuse of the LoC System including the release of LoC in excess of allotment/without allotment, release of LoC for unapproved works, unauthorised diversion of LoC by Chief Engineer/Engineer-in-Chief, fictitious adjustment of allotment etc. during the period 1996-1999 in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2000 (Civil) Government of Orissa.

A review of expenditure of Works Department, Water Resources Department, Rural Development Department and Housing and Urban Development Department during the period 2001-02 to 2004-05 revealed that the expenditure continued to exceed the provisions under several detailed heads of accounts despite the LoC system being in operation, as shown in Appendix-XXXV. It was also seen that the expenditure under Revenue Section exceeded the provision by Rs.120 crore, while there was savings under Capital Section by more than Rs.200 crore during 2001-02 under Grant-28 relating to the Rural Development Department. Similarly, there were excesses under Grant-20 relating to the Water Resources Department during 2001-03.

This indicated that despite existence of the LoC system, there was no effective control over expenditure by the Finance Department. The Finance Department was addressed twice in July and August 2004 for production of relevant records in connection with the control exercised by them on LoCs vis-à-vis budget provision and actual expenditure incurred. No records were, however, made available to Audit.

Special Secretary to Government, Finance Department in his reply stated (September 2005) that the authority administering a Grant was ultimately responsible for keeping the expenditure within the Grant and that Finance Department was keeping track of amounts drawn through PW cheques comparing against the total Letter of Credit authorised. In view of non-production of records by the Finance Department, the contention of the Special Secretary was not verifiable in Audit. However, the reply of the Finance Department indicated total abdication of the responsibility in enforcing expenditure control through proper monitoring of the LoC system at their level.

5.1.20 Irregular diversion of LoC of Rs.5.38 crore

Chief Engineer (CE), RWSS received LoC of Rs.9.80 crore during the year 2003-04 towards salary of staff (Regular/NMR/DLR) against which Rs.1518.24 lakh was disbursed towards salary by diverting Rs.538.56 lakh out of LoC of Rs.725.00 lakh received for non-plan works during the same year. On being pointed out (July 2004), the CE in his reply (August 2004) stated that the Finance Department did not release the LoC in spite of their regular requisition under the head/component salary. This was a clear case of lack of effective monitoring of the LoC system by the Finance Department over and above the Rural Development Department which is the Administrative Department for CE, RWSS.

| |
|-----------------------------|
| Supervisory Controls |
|-----------------------------|

Lack of supervisory controls led to non-submission of important returns by the treasuries to the DTI/Accountant General (A&E), heavy accumulation of unposted GPF subscriptions under suspense account, delayed settlement of Provident funds cases by the Controller of Accounts etc. as discussed below:

5.1.21 Failure to carry out periodic inspections of Treasuries

According to the Treasury rules, the DTI or a gazetted officer nominated by him was to conduct inspection of treasuries/sub-treasuries at least once in a year. However, out of the 161 Treasuries/Sub Treasuries functioning under his control, there were shortfall in inspections conducted by the DTI ranging from 114 to 154 treasuries/sub-treasuries during 2000-05. Further, according to a standing order (August 1992) of the DTI, all the treasuries were to send as many as 39 periodical reports/returns to the DTI and the Accountant General (A&E) such as the cash balance reports, stamp paper verification reports for ascertaining their performance. It was however, noticed that although many of the treasuries defaulted in sending such returns to DTI, no action was taken at the DTI level for ensuring the receipt of the same. As a result, the required performance of the treasuries could not be ascertained in audit. The DTI stated (April 2005) that due to shortage of Gazetted officers and audit staff the regular inspection of the treasuries was not possible and the defaulted treasuries were being requested to send the required reports/returns. The fact however was that, the treasury administration being one of the important financial functions of the Government, the shortfall in inspection by the DTI affected the quality and timeliness of initial accounts rendered by the treasuries to the Accountant General (A&E) and adequacy of checking of entitlement claims etc. The lack of inspection also affected the sense of accountability at the Treasury level.

5.1.22 Non-submission of Plus and Minus Memoranda

Plus and Minus Memoranda in respect of deposit heads and Personal Ledger (PL) accounts were required to be furnished by the TO to the Accountant General (A&E), Orissa each month in accordance with the provisions of OTC Vol-1.

But the Treasuries did not furnish the plus and minus memoranda either for the entire financial year or part thereof during the years 2001-04. Consequently, the correctness of the Deposit accounts and PL accounts maintained by the Accountant General (A&E), Orissa could not be verified by the Accounts office. Further the Treasury-wise reconciliation of the balances under the head "8443-Civil Deposits" and "8448-Deposits of Local fund" with the DDO pass book was not done. Consequently, the annual balance certificates were not furnished to Accounts office as required under provisions of treasury rules. Thus, both the DTI and the FD failed to ensure the submission of plus and minus memoranda by the Treasuries to the Accountant General (A&E), Orissa.

5.1.23 Heavy accumulation of arrears in GPF final payment cases/ authorisation of pensionary benefits

The COA was created in December 1991 with a view to maintaining General Provident Fund (GPF) accounts and authorisation of pensionary benefits of 2.15 lakh employees of aided Educational Institutions including primary school teachers. As against the sanctioned posts of 187 for the organisation of which the men in position were 118 including Assistant Controller of Accounts (3), Section Officer (2) and Accountants (63) as of March 2005. It was however, noticed that the accumulation of arrears of cases in authorisation of pensionary benefits and final payment of GPF registered an increasing trend from 2582 to 3693 cases (pension) and from 5050 to 12077 cases (GPF) at the close of the financial years during 2002-05. Further, despite computerisation of the GPF Accounts with engagement of separate technical workers for the purpose since April 2002, accounts slips for the years from 2002-03 onwards had not been issued to subscribers, as the accounts were not finalised (April 2005). Although the GPF accounts were finalised up to 2001-02, subscriptions worth Rs.41.82 crore (17601 cases) relating to 1999-2002 were lying under the Challan-Suspense without clearance due to receipt of erroneous challans from the DDOs/Treasury Officers. Action to clear the amount lying under suspense had not been taken as of April 2005. The COA stated (April 2005) that the accumulation of arrears was due to shortage of staff. However, the fact remained that review of the arrears by the COA was not carried out and modalities fixed for early settlement of the cases.

Internal Audit

5.1.24 Internal Audit in Finance Department

Internal Audit, as an independent entity within or outside the department was to examine and evaluate the level of compliance to the departmental rules and procedures so as to provide independent assurance to senior management on the adequacy of the risk management and internal control framework in the department. The FD did not have an Internal Audit wing to conduct audit of its own functioning due to which, the senior management failed to ensure the compliance to ICM in the FD.

However, the organisations of Local Fund (LF) Audit and Efficiency Audit (EA) were functioning under the control of the FD. Mention was made in the Comptroller and Auditor General's Report (Civil) for the year ended 31 March 2003 (Paragraph 5.1) regarding the functioning of these organisations. While the deficiencies pointed out in the Report were still persisting, further deficiencies were noticed as below.

5.1.25 Local Fund (LF) Audit Organisation

The LF Audit Organisation functions under the authority of the Orissa Local Fund Audit Act, 1948. It conducts Statutory Audit of Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs) and Non-statutory Audit of Aided Educational Institutions, Universities, Board of Secondary Education, Council of Higher Secondary Education, Religious Endowments and some miscellaneous institutions receiving Government Grants, on 100 per cent basis.

The following deficiencies were noticed in the functioning of LFA.

- The LFA did not have an audit manual for its auditors.
- No watch register was maintained to watch the receipt of compliance from the auditee units.
- No review meetings were held with the local bodies/authorities by the higher management for ensuring early compliance to audit reports.
- No consolidated reports on outstanding audit reports and paragraphs was prepared at the department level.

The position of targets and achievements relating to annual audit plan for the years 2003-05 was as follows:

The LFA planned audit of 1287 accounts (1218 offices) of which audit of 1127 accounts (1075 offices) could be completed. This indicated the deficiency in implementation of the audit plans during the above two years which the LFA organisation attributed to shortage of staff. The fact however remained that the audit plans should have been worked out taking into account the staff constraints.

5.1.26 Shortfall of recovery in Surcharge Cases

Under the provisions of the Orissa Local Fund Audit Act, 1948, in case the observations regarding recovery of dues on account of losses due to negligence, misappropriations etc. pointed out by the Auditors of the LFA at the district level were not complied with and remained unsettled, the Examiner of Local Account (ELA) was to initiate surcharge proceeding by issuing notice to the person responsible for such loss, misappropriation etc. to show-cause within one month. After considering the explanation received from the person concerned, the ELA may drop the case or surcharge the person to make good the loss or deficiency. If the amount surcharged was not paid within one month, the ELA thereafter was to initiate certificate cases for recovery as arrears of land revenue through the Collector concerned. However, the aggrieved person can prefer an appeal before the appellate authority within

fourteen days in which case the surcharge/certificate proceeding was deemed to have been stayed till such proceeding was decided.

Scrutiny of the records of ELA revealed that out of the 21770 surcharge cases involving Rs.62.14 crore initiated during 2000-05, only 2577 cases for Rs.1.02 crore were settled. Of the remaining 19193 cases, certificate cases for only 2731 cases for Rs.3.96 crore were initiated and records relating to action taken in respect of 16462 cases were not available at the ELA Headquarters.

5.1.27 Efficiency Audit (EA) Organisation

The EA Organisation conducts evaluations, studies and internal audit and also undertakes special audit on requisition from different organisation, instructions from higher authorities and at times, on its own initiative.

As the system of audit was totally based on requisition, no annual planning was done.

As against requisition/directives received for 306 units, the EA could complete audit of 113 units (37 *per cent*) during the period 2000-05 of which, compliance to 75 audit reports from the concerned offices had been received (May 2005). No register was maintained to watch the compliances. Besides, the organisation did not have its own audit manual.

Thus, due to shortage of manpower, poor audit coverage and non-existence of follow-up action on audit reports the LFA and EA organisations were rendered ineffective and could not provide independent assurance to the management about the compliance of ICM by various departments of Government.

5.1.28 Lack of response to audit

The Accountant General (Civil Audit), Orissa arranges to conduct periodic inspection of Government transactions. The audit findings are communicated through Inspection Reports to the head of the Offices/Departments to comply with the audit observations and rectify the defects and promptly report the compliance to the Accountant General. A half yearly report on the pending Inspection Reports is sent to each department to facilitate monitoring and compliance of audit observations.

As of June 2005, 363 paragraphs relating to 192 Inspection Reports (IRs) of FD (including its subordinate offices) issued up to March 2005 were still pending for settlement. Of these, 190 paragraphs relating to 95 IRs were more than 10 years old. Several serious irregularities commented upon in these IRs had not been settled. Failure to comply with the issues raised by Audit facilitated the continuance of serious financial irregularities and loss to Government.

5.1.29 Conclusion

Budgetary controls, expenditure controls, cash management and monitoring mechanism were deficient in the department. The basic checks such as proper maintenance of cash books, submission of reports and returns were not followed properly. Supervisory control by carrying out periodic inspection of Treasuries by Director of Treasuries and Inspection were inadequate. Internal

Audit System expected to bring failures in ICM to the notice of the management was non-existent in the department. The follow up of audit objections raised by the Local Fund Auditors was not being done.

Recommendations

- Strict adherence to the provisions of the financial rules and procedures should be ensured to avoid unnecessary budget provisions and delayed surrenders.
- Internal Audit System should be set-up in the department to ensure the adequacy of the risk management and internal control framework in the department.
- An effective system audit planning needs to be evolved for Local Fund Audit and Efficiency Audit to ensure audit of all units in a time bound manner.
- Periodic inspection of Treasuries by the Director of Treasuries and Inspection should be streamlined.

The Special Secretaries of the Department during discussion (October 2005) stated that the audit observations were noted for guidance and corrective actions wherever necessary had already been initiated.



BHUBANESWAR (SANAT KUMAR MISHRA)
THE PRINCIPAL ACCOUNTANT GENERAL (CIVIL AUDIT)
ORISSA

31 JAN 2006

COUNTERSIGNED



NEW DELHI (VIJAYENDRA N. KAUL)
THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

7 FEB 2006

APPENDICES

APPENDIX -I**(Refer paragraph 1.4 at page 4)****Part A. Government Accounts**

I. Structure: The accounts of the State Government are kept in three parts:-
(i) Consolidated Fund (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund

All receipts of the State Government from revenues, loans and recoveries of loans go into the Consolidated Fund of the State, constituted under Article 266(1) of the Constitution of India. All expenditure of the Government is incurred from this Fund from which no amount can be withdrawn without authorisation from the State Legislature. This part consists of two main divisions, namely, Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Capital Receipts, Capital Expenditure, Public Debt and Loans, etc.).

Part II: Contingency Fund

The Contingency Fund created under Article 267(2) of the Constitution of India is in the nature of an imprest placed at the disposal of the Governor of the State to meet urgent unforeseen expenditure pending authorisation from the State Legislature. Approval of the State Legislature is subsequently obtained for such expenditure and for transfer of equivalent amount from the Consolidated Fund to Contingency Fund. The corpus of this Fund authorised by the Legislature during the year was Rs.150 crore.

Part III: Public Account

Receipts and disbursements in respect of small savings, provident funds, deposits, reserve funds, suspense, remittances, etc., which do not form part of the Consolidated Fund, are accounted for in Public Account and are not subject to vote by the State Legislature.

II. Form of Annual Accounts

The accounts of the State Government are prepared in two volumes viz., the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all transactions pertaining to both receipts and expenditure under appropriate classification in the Government accounts. The Appropriation Accounts, present the details of expenditure by the State Government vis-a-vis the amounts authorised by the State Legislature in the budget grants. Any expenditure in excess of the grants requires regularisation by the Legislature.

Part B. List of Indices/Ratios and basis for their calculation

(Refer paragraph 1.4 at page 4)

| Indices/Ratios | | Basis for calculation |
|--|------------------------|---|
| Sustainability | | |
| Balance from the current revenue | BCR | Revenue receipts minus all Plan grants (under Major Head 1601- 02, 03, 04) and Non-Plan revenue expenditure |
| Primary Deficit | | |
| Interest Ratio | | |
| Capital Outlay Vs. Capital Receipts | Capital Outlay | Capital expenditure as per Statement No.13 of the Finance Accounts |
| | Capital Receipts | Internal Loans (net of ways and means advances) + Loans and advances from Government of India + Net receipts from small savings, PF etc. + Miscellaneous Capital Receipts |
| Total tax receipts Vs. GSDP | | |
| State tax receipts Vs. GSDP | | |
| Flexibility | | As above |
| -Balance from current revenue | Capital Repayments | Disbursements under Major head 6003 and 6004 minus repayments on account of Ways and Means Advances/Overdraft under both the major heads |
| -Capital repayments Vs. Capital Borrowings | Capital Borrowings | Addition under Major Heads 6003 & 6004 minus addition on account of Ways & Means Advances/Overdraft under both the major heads |
| | State Tax Receipts | A-Tax Revenue of Statement 11 of Finance Accounts.-State's share of net proceeds of Taxes & Duties. |
| | Total Tax Receipts | State Tax receipts plus State's share of Union Taxes |
| Incomplete Projects | | |
| -Total Tax Receipts Vs. GSDP | | |
| -Debt Vs. GSDP | | |
| Vulnerability | | |
| -Revenue Deficit | | Paragraph No. 1.11.1 of the Audit Report |
| -Fiscal Deficit | | Paragraph No. 1.11.1 of the Audit Report |
| -Primary Deficit Vs. Fiscal Deficit | Primary Deficit | Fiscal Deficit minus interest payments |
| Total outstanding guarantees including letters of comfort Vs. Total revenue receipts of the Government | Outstanding guarantees | Appendix-V |
| | Revenue Receipts | Appendix-III |
| Assets Vs. Liabilities | Assets and Liabilities | Appendix-II |
| | Debt | Borrowings and other obligations at the end of the year (Statement No. 4 of the Finance Accounts) |
| Buoyancy of a parameter | | $\frac{\text{Rate of growth of the parameter}}{\text{GSDP Growth}}$ |
| Buoyancy of a parameter(X) with respect to another parameter (Y) | | $\frac{\text{Rate of Growth of the parameter(X)}}{\text{Rate of Growth of the Parameter(Y)}}$ |
| Rate of Growth (ROG) | | $\frac{[(\text{Current year Amount}/\text{Previous year amount})-1]*100}{1}$ |
| Trend/Average | | Trend of growth over a period of 5 years (LOGEST(Amount of 1996-97:Amount of 2001-02)-1)*100 |
| Development Expenditure | | Social Services+Economic Services |
| Weighted Interest Rate (Average interest paid by the State) | | $\frac{\text{Interest Payment}/[(\text{Amount of previous year's Fiscal Liabilities}+\text{Current Year's Fiscal Liabilities})/2]*100}{1}$ |

APPENDIX-II
(Refer paragraph 1.4 at page 4)
SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF ORISSA

(Rupees in crore)

| As on 31.03.2004 | Liabilities | | As on 31.03.2005 |
|------------------|--|------------|------------------|
| 14465.01 | Internal Debt - | | 16346.13 |
| 8681.14 | Market Loans bearing interest | 9580.89 | |
| 16.40 | Market Loans not bearing interest | 16.11 | |
| 31.24 | Loans from LIC | 28.05 | |
| 5736.23 | Loans from other Institutions | 6721.08 | |
| Nil | Ways and Means Advances | NIL | |
| Nil | Overdrafts from Reserve Bank of India | NIL | |
| 9348.60 | Loans and Advances from Central Government | | 9326.61 |
| 299.93 | Pre 1984-85 Loans | 217.89 | |
| 1018.30 | Non-Plan Loans | 855.49 | |
| 7711.05 | Loans for State Plan Schemes | 8039.08 | |
| 41.03 | Loans for Central Plan Schemes | 37.56 | |
| 78.29 | Loans for Centrally Sponsored Plan Schemes | 77.56 | |
| 200.00 | Ways and Means Advance | 99.03 | |
| 48.27 | Contingency Fund | | 28.77 |
| 7821.62 | Small Savings, Provident Funds, etc. | | 8380.80 |
| 2206.09 | Deposits | | 1972.01 |
| 412.78 | Reserve Funds Advances | | 1262.63 |
| | Suspense and Miscellaneous | | |
| 698.12 | Miscellaneous Capital Receipts | | 698.12 |
| 35000.49 | | | 38015.07 |
| As on 31.03.2004 | Assets | | As on 31.03.2005 |
| 14227.11 | Gross Capital Outlay on Fixed Assets | | 15282.66 |
| 1556.63 | Investments in shares of Companies, Corporations etc. | 1610.41 | |
| 12670.48 | Other Capital Outlay | 13672.25 | |
| 3831.38 | Loans and Advances | | 3619.53 |
| 2500.17 | Loans for Power Projects | 2357.29 | |
| 527.29 | Other Development Loans | 521.64 | |
| 803.92 | Loans to Government servants and Miscellaneous loans | 740.60 | |
| 8.40 | Advances | | 8.47 |
| 181.72 | Suspense and Miscellaneous Balances | | 190.31 |
| 37.31 | Remittance Balances | | 37.27 |
| 41.86 | Cash | | 1681.82 |
| 8.74 | Cash in Treasuries and Local Remittances | 3.68 | |
| (-) 345.41 | Deposits with Reserve Bank | (-) 216.55 | |
| 19.61 | Departmental Cash Balance including Permanent Advances | 23.61 | |
| 0.50 | Security Deposits | 0.50 | |
| 240.00 | Investment of earmarked funds | 1195.00 | |
| 118.42 | Cash Balance Investment | 675.58 | |
| 16672.71 | Deficit on Government Accounts | | 17195.01 |
| | Appropriation to Contingency Fund | Nil | |
| 1420.92 | Revenue Deficit of the Current Year | 522.30 | |
| 15251.79 | Accumulated deficit brought forward | 16672.71 | |
| 35000.49 | | | 38015.07 |

APPENDIX-III

(Refer paragraph 1.4 at page 4)

ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2004-2005

(Rupees in crore)

| 2003-2004 | Receipts | | 2004-05 | 2003-2004 | Disbursements | Non-Plan | Plan | | 2004-05 |
|-----------|--|---------|----------|-----------|---|----------|---------|---------|----------|
| | Section-A: Revenue | | | | | | | | |
| 9440.24 | I. Revenue Receipts | | 11850.19 | 10861.16 | I. Revenue Expenditure | 10416.45 | 1956.04 | | 12372.49 |
| 3301.73 | -Tax Revenue | 4176.60 | | 5158.67 | General Services | 6476.29 | 4.20 | 6480.49 | |
| 1094.55 | -Non-tax revenue | 1345.52 | | 3709.61 | Social Services | 2817.04 | 1163.36 | 3980.40 | |
| 2789.73 | -State's share of Union Taxes & Duties | 3248.86 | | 1881.83 | -Education, Sports, Art and Culture | 1769.14 | 226.25 | 1995.39 | |
| 537.95 | -State's share of net proceeds of Taxes on income other than Corporate Tax | 728.80 | | 458.82 | -Health and Family Welfare | 357.25 | 270.20 | 627.45 | |
| 265.61 | -Non-Plan grants | 398.75 | | 300.02 | -Water Supply & Sanitation, Housing and Urban Development | 198.94 | 122.90 | 321.84 | |
| 1048.65 | -Grants for State Plan Scheme | 1391.99 | | 11.07 | -Information and Broadcasting | 8.44 | 3.20 | 11.64 | |
| 61.64 | -Central Plan Schemes | 38.35 | | 227.72 | -Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes | 108.81 | 132.40 | 241.21 | |
| 340.38 | -Centrally Sponsored Plan Schemes | 521.32 | | 22.18 | -Labour and Labour Welfare | 22.74 | 0.28 | 23.02 | |
| 1420.92 | II. Revenue deficit carried over to Section B | | 522.30 | | | | | | |
| | | | | 782.35 | -Social Welfare and Nutrition | 331.03 | 407.10 | 738.13 | |
| | | | | 25.62 | -Others | 20.69 | 1.03 | 21.72 | |
| | | | | 1771.35 | Economic Services | 964.64 | 788.48 | 1753.12 | |
| | | | | 638.37 | Agriculture & Allied activities | 389.73 | 144.26 | 533.99 | |
| | | | | 458.68 | Rural Development | 216.26 | 251.45 | 467.71 | |
| | | | | | -Special Areas Programmes | | | | |
| | | | | 178.08 | -Irrigation and Flood Control | 136.77 | 70.94 | 207.71 | |
| | | | | 27.42 | -Energy | 5.68 | 38.23 | 43.91 | |
| | | | | 53.10 | -Industry and Minerals | 25.38 | 24.53 | 49.91 | |
| | | | | 131.30 | -Transport and Communications | 143.49 | 0.02 | 143.51 | |
| | | | | 11.48 | -Science, Technology and Environment | 3.54 | 4.54 | 8.08 | |
| | | | | 272.92 | -General Economic Services | 43.79 | 254.51 | 298.30 | |
| | | | | 221.53 | -Grants-in-aid and Contributions | 158.48 | Nil | 158.48 | |

| 2003-2004 | Receipts | | 2004-05 | 2003-2004 | Disbursements | Non-Plan | Plan | | 2004-05 |
|-------------|--|---------|---------|-----------|---|----------|---------|----------|---------|
| | Section-B | | | | | | | | |
| (-) 104.25. | III. Opening Cash balance including Permanent Advances and Cash Balance Investment | | 41.86 | 209.67 | III. Opening Overdraft from RBI | | | | Nil |
| Nil | IV. Miscellaneous Capital Receipts | | Nil | 852.95 | IV. Capital Outlay | 54.04 | 1001.51 | | 1055.55 |
| | | | | 38.47 | General Services | 20.23 | 8.84 | 29.07 | |
| | | | | 126.60 | Social Services | 14.06 | 62.01 | 76.07 | |
| | | | | 17.69 | -Education, Sports, Art and Culture | 0.10 | 1.91 | 2.01 | |
| | | | | 41.14 | -Health and Family Welfare | Nil | 3.45 | 3.45 | |
| | | | | 64.63 | -Water Supply, Sanitation, Housing and Urban Development | 13.95 | 55.18 | 69.13 | |
| | | | | 3.14 | -Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes | 0.01 | 1.47 | 1.48 | |
| | | | | | -Social Welfare and Nutrition | -- | -- | -- | |
| | | | | 687.88 | Economic Services | 19.75 | 930.66 | 950.41 | |
| | | | | 60.96 | -Agriculture and Allied Activities | 21.21 | 34.83 | 56.04 | |
| | | | | -- | -Rural Development | -- | -- | -- | |
| | | | | -- | -Special Areas Programmes | -- | -- | -- | |
| | | | | 401.28 | -Irrigation and Flood Control | -- | 486.43 | 486.43 | |
| | | | | 20.64 | -Energy | -- | 36.44 | 36.44 | |
| | | | | (-) 3.12 | -Industry and Minerals | (-) 3.70 | 0.09 | (-) 3.61 | |
| | | | | 201.00 | -Transport and Communications | 2.01 | 358.91 | 360.92 | |
| | | | | 7.12 | -General Economic Services | 0.23 | 13.96 | 14.19 | |
| 273.07 | V Recoveries of Loans and Advances | | 416.95 | 1572.01 | V. Loans and Advances disbursed | 155.89 | 49.20 | | 205.09 |
| 9.93 | -From Power Projects | 200.00 | | 1465.38 | -For Power Projects | 19.00 | 38.12 | 57.12 | |
| 195.19 | -From Government Servants | 173.89 | | 42.37 | -To Government Servants | 24.28 | Nil | 24.28 | |
| 67.95 | -From others | 43.06 | | 64.26 | -To Others | 112.61 | 11.08 | 123.69 | |
| | VI Revenue surplus brought down | | | 1420.92 | VI. Revenue deficit brought down | | | | 522.30 |
| 5879.14 | VII Public Debt Receipts (Other than Ways and Means Advances | | 4111.80 | 2517.60 | VII. Repayment of Public Debt | | | | 2252.67 |
| 4338.20 | -Internal debt other than Ways and Means Advances and Overdraft | 2689.22 | | 533.82 | -Internal debt other than Ways and Means Advances and Overdraft | | | 808.10 | |

| 2003-2004 | Receipts | 2004-05 | 2003-2004 | Disbursements | Non-Plan | Plan | 2004-05 |
|-----------|---|------------|-----------|---|----------|------|-------------|
| -- | -Net transaction under Ways and Means Advances | Nil | * 238.73 | -Net transaction under Ways and Means Advances | | | |
| 1540.94 | -Loans and Advances from Central Government | 1422.58 | 1745.05 | -Repayment of Loans and Advances to Central Government | | | Nil |
| - | VIII Appropriation to Contingency Fund | -- | | VIII. Appropriation to Contingency Fund | | | 1444.57 Nil |
| 0.27 | IX Amount transferred to Contingency Fund | 54.44 | 7.33 | IX. Expenditure from Contingency Fund | | | 73.94 |
| 7656.70 | X Public Account receipts | 7372.89 | 7082.59 | X. Public Account disbursements | | | 6206.57 |
| 1674.71 | -Small Savings and Provident Funds | 1937.72 | 1441.99 | -Small Savings and Provident funds | | | 1378.55 |
| 530.43 | -Reserve Funds | 1123.06 | 318.31 | -Reserve funds | | | 273.21 |
| 131.22 | -Suspense and Miscellaneous | (-) 428.74 | (-) 95.47 | -Suspense and Miscellaneous | | | (-) 420.16 |
| 1587.45 | -Remittance | 1991.41 | 1605.25 | -Remittance | | | 1991.37 |
| 3732.89 | -Deposits and Advances | 2749.44 | 3812.51 | -Deposits and Advances | | | 2983.60 |
| Nil | XI Closing Overdraft from Reserve Bank of India | Nil | 41.86 | XI Cash Balance at end | | | 1681.82 |
| | | | 8.74 | -Cash in Treasuries and Local Remittances | | | 3.68 |
| | | | (-)345.41 | Deposits with Reserve Bank | | | (-) 216.55 |
| | | | 19.61 | -Departmental Cash Balance including permanent advances | | | 23.61 |
| | | | 358.92 | -Cash Balance Investment | | | 1871.08 |
| 13704.93 | | 11997.94 | 13704.93 | | | | 11997.94 |

(*) Represents receipts Rs.3204.04 and disbursements Rs.3442.77

APPENDIX – IV
(Refer paragraph 1.4 at page 4)
SOURCES AND APPLICATION OF FUNDS

(Rupees in crore)

| 2003-2004 | | Sources | 2004-2005 |
|------------------|-----------------|---|-----------------|
| | 9440.24 | 1. a) Revenue receipts | 11850.19 |
| | -- | b) Miscellaneous Capital receipts(Non-debt) | Nil |
| | 273.07 | 2. Recoveries of Loans and Advances | 416.95 |
| | 3361.54 | 3. Increase in Public debt other than overdraft | 1859.13 |
| | 574.11 | 4. Net receipts from Public Account | 1166.32 |
| 232.72 | | Increase in Small Savings | 559.17 |
| (-) 79.62 | | Increase in Deposits and Advances | (-) 234.16 |
| 212.12 | | Increase in Reserve funds | 849.85 |
| 226.69 | | Net effect of suspense and Miscellaneous transactions | (-) 8.58 |
| (-) 17.80 | | Net effect of Remittance transactions | 0.04 |
| | | 5. Increase in Overdraft | |
| | | 6. Decrease in closing cash balance | |
| | | 7. Net effect of Contingency Fund transaction | |
| | 13648.96 | Total | 15292.59 |
| | | Application | |
| 2003-2004 | | | |
| | 10861.16 | 1. Revenue expenditure | 12372.49 |
| | 1572.01 | 2. Lending for development and other purposes | 205.09 |
| | 852.95 | 3. Capital expenditure | 1055.55 |
| | 7.06 | 4. Net effect of Contingency Fund transactions | 19.50 |
| | 209.67 | 5. Decrease in Overdraft | Nil |
| | 146.11 | 6. Increase in closing Cash Balance | 1639.96 |
| | -- | 7. Appropriation to Contingency Fund | Nil |
| | 13648.96 | Total | 15292.59 |

Explanatory Notes for Statement I, II and III:

1. The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts.
2. Government accounts being mainly on cash basis, the deficit on Government account as shown in Statement-I indicates the position on cash basis as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc. do not figure in the accounts.
3. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlement, etc.
4. There was a difference of Rs.0.02 crore (net credit) between the figures reflected in the accounts (Rs.216.55 crore) and that intimated by the RBI (Rs.216.53 crore) under "Deposit with Reserve Bank". After reconciliation and adjustment, the difference to the extent of Rs.2.80 lakh (Net credit) remains to be reconciled (June 2005).

APPENDIX – V
(Refer paragraph 1.4 at page 4)
TIME SERIES DATA ON STATE GOVERNMENT FINANCE

| | 2000-2001 | 2001-02 | 2002-03 | 2003-2004 | 2004-05 |
|--|-------------------|-----------------|------------------|------------------|-------------------|
| | (Rupees in crore) | | | | |
| 1. Revenue Receipts | 6902 | 7048 | 8439 | 9440 | 11850 |
| (i) Tax Revenue | 2184(31) | 2467(35) | 2872(34) | 3302 (35) | 4177 (35) |
| Taxes on Agricultural Income | Nil | Nil | NIL | Nil | Nil |
| Taxes on Sales, Trade, etc. | 1342(62) | 1402(57) | 1605(56) | 1864 (56) | 2471 (59) |
| State Excise | 135(6) | 197(8) | 246(8) | 256 (8) | 307 (8) |
| Taxes on vehicles | 178(8) | 216(9) | 258(9) | 280 (9) | 338 (8) |
| Stamps and Registration fees | 109(5) | 110(4) | 136(5) | 153 (5) | 198 (5) |
| Land Revenue | 53(2) | 84(3) | 82(3) | 103 (3) | 132 (3) |
| Taxes and Duties on Electricity | 147(7) | 137(6) | 172(6) | 200 (6) | 262 (6) |
| Other Taxes | 220(10) | 321(13) | 373(13) | 446 (13) | 469 (11) |
| State's share of net proceeds of Taxes and duties | 2604(38) | 2647(37) | 2806(33) | 3328 (35) | 3978 (34) |
| (ii) Non-Tax Revenue | 685(10) | 692(10) | 961(12) | 1094 (12) | 1345 (11) |
| (iii) Grants-in-aid from GOI | 1429(21) | 1240(18) | 1800(21) | 1716 (18) | 2350 (20) |
| 2. Miscellaneous Capital Receipts | Nil | Nil | NIL | Nil | Nil |
| 3. Total Revenue and Non-debt Capital Receipts (1+2) | 6902 | 7048 | 8439 | 9440 | 11850 |
| 4. Recoveries of Loans and Advances | 77 | 132 | 177 | 273 | 417 |
| 5. Public Debt Receipts | 3589 | 3273 | 4819 | 5879 | 4112 |
| Internal Debt (excluding Ways and Means Advances and Overdrafts) | 1044 | 1687 | 2296 | 4338 | 2689 |
| Net transaction under Ways and Means Advances and Overdrafts (WMA-2002-03) | 806 | 231 | 59 | --- | -- |
| Loans and advances from Government of India* | 1739 | 1355 | 2464 | 1541 | 1423 |
| 6. Total Receipts in the Consolidated Fund (3+4+5) | 10568 | 10453 | 13435 | 15592 | 16379 |
| 7. Contingency Fund Receipts | 1 | Nil | NIL | -- | 54 |
| 8. Public Account Receipt | 6175 | 6813 | 7150 | 7657 | 7373 |
| 9. Total Receipts of the State (6+7+8) | 16744 | 17266 | 20585 | 23249 | 23806 |
| 10. Revenue Expenditure | 8834(86) | 9882(88) | 10015(88) | 10861(82) | 12372 (91) |
| Plan | 1824(21) | 1816(18) | 1571(16) | 1643 (15) | 1956 (16) |
| Non-Plan | 7010(79) | 8066(82) | 8444(84) | 9218 (85) | 10416 (84) |
| General Services including interest payment | 4031(46) | 4933(50) | 4805(48) | 5159 (48) | 6481 (53) |
| Social Services | 3116(35) | 3260(33) | 3460(35) | 3710 (34) | 3980 (32) |
| Economic Services | 1538(17) | 1539(16) | 1603(16) | 1771 (16) | 1753 (14) |
| Grants-in-aid and contributions | 149(2) | 150(1) | 147(1) | 221 (2) | 158 (1) |
| 11. Capital Expenditure | 834(8) | 887(9) | 1074 (9) | 853 (6) | 1056 (8) |
| Plan | 802(96) | 813(92) | 993(92) | 805 (94) | 1002 (95) |
| Non-Plan | 32(4) | 74(8) | 81(8) | 48 (6) | 54 (5) |
| General Services | 31(4) | 75(8) | 20(2) | 38 (4) | 29 (3) |
| Social Services | 123(15) | 147(17) | 161(15) | 127 (15) | 76 (7) |
| Economic Services | 680(81) | 665(75) | 893(83) | 688 (81) | 951 (90) |
| 12. Disbursement of loans and advances | 636(6) | 379(3) | 343 (3) | 1572 (12) | 205 (1) |
| 13. Total Expenditure (10+11+12) | 10304 | 11148 | 11432 | 13286 | 13633 |

* Includes Ways and Means Advances from GOI

| | 2000-2001 | 2001-02 | 2002-03 | 2003-2004 | 2004-05 |
|--|--|--|--|--|--------------------------|
| | (Rupees in crore) | | | | |
| 14. Repayments of Public Debt | 744 | 921 | 2688 | 2518 | 2253 |
| Internal Debt (excluding Ways and Means Advances and Overdrafts) | 113 | 84 | 208 | 534 | 808 |
| Net transactions under Ways and Means Advances and Overdraft (Over draft 2002-03) | - | - | | 239 | Nil |
| Loans and Advances from Government of India* | 631 | 837 | 1626 | 1745 | 1445 |
| 15. Appropriation to Contingency Fund | Nil | Nil | NIL | -- | Nil |
| 16. Total disbursement out of Consolidated Fund (13+14+15) | 11048 | 12069 | 14120 | 15804 | 15886 |
| 17. Contingency Fund disbursements | Nil | 67 | NIL | 7 | 74 |
| 18. Public Account disbursement | 5331 | 5329 | 6638 | 7083 | 6207 |
| 19. Total disbursement by the State (16+17+18) | 16379 | 17465 | 20758 | 22894 | 22167 |
| 20. Revenue Deficit (-)/ Surplus (+)(1-10) | (-) 1932 | (-) 2834 | (-) 1576 | (-) 1421 | (-) 522 |
| 21. Fiscal Deficit (3+4-13) | (-) 3325 | (-) 3968 | (-) 2816 | (-) 3573 | (-) 1366 |
| 22. Primary Deficit (21-24) | (-)1038 | (-) 1133 | (+) 70 | (-) 713 | (+) 1966 |
| 23. Own Tax buoyancy | 109.91 | 1.49 | 3.04 | 0.70 | 3.75 |
| 24. Interest Payments (Percentage of Revenue Expenditure) | 2287(26) | 2835(29) | 2886(29) | 2860 (26) | 3332 (27) |
| 25. Arrears of Revenue (per cent of Tax and Non-Tax Revenue Receipt) (Under principal heads of revenue as reported by the Department) | 1064(19) | 1195(21) | 1410(21) | 1928 (25) | 2259(24) |
| 26. Financial Assistance to local bodies etc | 1230 | 994 | 1022 | 965 | |
| 27. Ways and Means Advances/ Overdrafts availed (days) | 2137 (142 days) 3828 (203 days) | 1355 (112 days) 5393 (252 days) | 2000 (169 days) 4723 (188 days) | 3204 (150 days) 3809 (171 days) | 1450 (99 days) Nil |
| 28. Interest on WMA/Over-draft | 11.71/4.13 | 11.59/8.32 | 10.88/8.75 | 12.19/8.42 | 1.85/Nil |
| 29. Gross State Domestic Product (GSDP) | 38728 | 42095 | 44372 (P) | 53830 (Q) | 57638 (A) |
| 30. Outstanding Public Debt (year end) | 16178 | 18531 | 20662 | 23814 | 25673 |
| 31. Outstanding guarantees (year end) (Principal + Interest) | 3448 +* | 5251 +* | 5231 +* | 5094 +* | 3823 +* |
| 32. Maximum amount guaranteed (year end) | 6748 | 8423 | 8487 | 9343 | 9297 |
| 33. Number of incomplete projects | 29 | 31 | 31 | 31 | 31 |
| 34. Capital blocked in incomplete projects | 3673 | 4031 | 4446 | 4742 | 5108 |
| 35. Outstanding Debt (year end) | 23911 | 27853 | 30735 | 34014 | 36093 |

Note: Figures in brackets represent percentages (rounded) to total of each sub heading
P : Provisional Estimates, Q: Quick Estimates, A :Advance Estimates
*Figures not furnished by Government

APPENDIX – VI A
(Refer paragraph 1.8.1 at page13)

STATEMENT SHOWING THE YEAR-WISE POSITION OF WANTING UTILISATION CERTIFICATES

(Rupees in Crore)

| Name of the Bodies audited during 2004-05 period up to which audited and No. of such bodies audited. | Up to 1994-95 | 1995-96 | 1996-97 | 1997-9 | 1998-99 | 1999-2000 | 2000-2001 | 2001-2002 | 2002-2003 | 2003-2004 | No. of Bodies where year wise details not available with amount | Total |
|--|---------------|-------------|-------------|-------------|--------------|-------------|--------------|--------------|--------------|--------------|---|---------------|
| Panchayat Samiti | | | | | | | | | | | | |
| 2002-2003 (14) | 4.58 | 0.23 | 0.43 | 0.74 | 0.61 | 0.15 | 0.56 | 1.15 | 1.96 | - | 39.47 (9) | 49.88 |
| 2003-2004 (98) | 54.08 | 8.70 | 7.39 | 7.08 | 10.96 | 9.33 | 18.90 | 24.94 | 45.99 | 55.59 | 78.42 (55) | 321.38 |
| DRDA (11) | - | - | - | - | - | - | - | - | - | - | 242.28 (11) | 242.28 |
| ITDAs (7) | - | - | - | - | - | - | - | - | - | - | 21.13 (7) | 21.13 |
| ZSSs (9) | - | - | - | - | - | - | - | - | - | - | 1.26 (9) | 1.26 |
| Municipality (4) | - | - | - | - | - | - | - | - | - | - | 1.70 (4) | 1.70 |
| OREDA(UNDP) (1) | - | - | - | - | - | - | - | - | - | - | - (1) | - |
| OREDA (1) | - | - | - | - | - | - | - | - | - | - | - (1) | - |
| IDCO (1) | - | - | - | - | - | - | - | - | - | - | - (1) | - |
| OMFED (1) | - | - | - | - | - | - | - | - | - | - | - (1) | - |
| ORMAS (1) | - | - | - | - | - | - | - | - | - | - | - (1) | - |
| Rourkela Development Authority (1) | - | - | - | - | - | - | - | - | - | - | 0.38 (1) | 0.38 |
| State Commission for Women, Orissa (1) | - | - | - | - | - | - | - | - | - | - | 0.35 (1) | 0.35 |
| TDCC (1) | - | - | - | - | - | - | - | - | - | - | 1.56 (1) | 1.56 |
| WODC (1) | - | - | - | - | - | - | - | - | - | - | 25.65 (1) | 25.65 |
| SC & ST Development Finance Corporation Ltd. (1) | - | - | - | - | - | - | - | - | - | - | - (1) | - |
| Total: (153) | 58.66 | 8.93 | 7.82 | 7.82 | 11.57 | 9.48 | 19.46 | 26.09 | 47.95 | 55.59 | 412.20 (105) | 665.57 |

Appendix-VI B
(Refer paragraph 1.8.3 at page 13)
Statement showing the details of unspent balances

| Sl. No. | Name of the Body | No. of the Body | Year up to which audited | Unspent balance as on 31 st March of the year covered in audit (Rs. in Crore) |
|--------------|--|-----------------|--------------------------|---|
| 1. | Panchayat Samities | 14 | 2002-2003 | 29.73 |
| | | 98 | 2003-2004 | 192.21 |
| 2. | DRDAs | 4 | 2002-2003 | 28.88 |
| | | 7 | 2003-2004 | 37.40 |
| 3. | ITDAs | 7 | 2003-2004 | 34.98 |
| 4. | Other Bodies | | | |
| | i) ZSS | 9 | 2003-2004 | 1.48 |
| | ii) Municipality | 4 | 2002-2003 | 2.54 |
| | iii) OREDA (UNDP) | 1 | 2003-2004 | - |
| | iv) OREDA | 1 | 2003-2004 | 0.03 |
| | v) IDCO | 1 | 2003-2004 | 153.67 |
| | vi) OMFED | 1 | 2003-2004 | 2.70 |
| | vii) ORMAS | 1 | 2003-2004 | - |
| | viii) Rourkela Development Authority. | 1 | 2002-2003 | - |
| | ix) State Commission for Women, Orissa. | 1 | 2001-2002 | 0.35 |
| | x) TDCC | 1 | 2002-2003 | - |
| | xi) Western Orissa Development Council. | 1 | 2002-2003 | 65.57 |
| | xii) Orissa SC & ST Development Finance Corporation. | 1 | 2001-2002 | 14.72 |
| Total | | 153 | | 564.26 |

APPENDIX-VII

(Refer paragraph 1.9 at page 14)

Statement showing Misappropriation, losses etc. reported up to 31 March 2005 pending finalisation at the end of June 2005

(Rupees in lakh)

| Sl. No. | Name of the Department | Awaiting Departmental/ Criminal investigation | | Departmental action started, but not finalised | | Criminal proceedings finalised but execution of certificate cases for recovery of the amount pending | | Awaiting orders for recovery or write off | | Pending in the court of law | | Total | |
|---------|---|--|--------|---|--------|--|--------|--|--------|-----------------------------|--------|--------------------|--------|
| | | A | | B | | C | | D | | E | | F | |
| | | Number of Items | Amount | Number of Items | Amount | Number of Items | Amount | Number of Items | Amount | Number of Items | Amount | Number of Items | Amount |
| 1 | Finance | 2 | 0.09 | 1 | 0.17 | 0 | 0.00 | 12 | 5.88 | 8 | 8.51 | 23 | 14.65 |
| 2 | Revenue | 6 | 1.99 | 16 | 4.73 | 25 | 4.91 | 79 | 11.41 | 10 | 128.07 | 136 | 151.11 |
| 3 | Excise | 0 | 0.00 | 1 | 0.21 | 0 | 0.00 | 1 | 0.10 | 0 | 0.00 | 2 | 0.31 |
| 4 | Law | 3 | 3.15 | 4 | 2.82 | 1 | 0.15 | 11 | 1.47 | 7 | 4.09 | 26 | 11.68 |
| 5 | Water Resources | 137 | 160.83 | 240 | 78.10 | 4 | 0.27 | 20 | 12.27 | 15 | 1.52 | 416 | 252.99 |
| 6 | Rural Development | 49 | 22.29 | 41 | 18.93 | 1 | 0.03 | 1 | 0.04 | 2 | 0.03 | 94 | 41.32 |
| 7 | Energy | 2 | 16.03 | 6 | 226.57 | 1 | 1.17 | 0 | 0.00 | 1 | 0.34 | 10 | 244.11 |
| 8 | Industries | 2 | 4.73 | 4 | 2.43 | 0 | 0.00 | 15 | 3.44 | 3 | 2.65 | 24 | 13.25 |
| 9 | Textiles and Handloom | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1 | 0.15 | 0 | 0.00 | 1 | 0.15 |
| 10 | Harijan & Tribal Welfare (SC & ST Development) | 4 | 2.28 | 14 | 3.93 | 0 | 0.00 | 19 | 4.70 | 5 | 0.42 | 42 | 11.33 |
| 11 | Health & Family Welfare | 5 | 15.72 | 6 | 7.15 | 0 | 0.00 | 31 | 14.98 | 9 | 24.13 | 51 | 61.98 |
| 12 | General Administration | 1 | 1.23 | 1 | 0.95 | 0 | 0.00 | 0 | 0.00 | 2 | 0.71 | 4 | 2.89 |
| 13 | Works | 45 | 37.31 | 138 | 165.43 | 1 | 0.41 | 2 | 0.34 | 5 | 3.33 | 191 | 206.82 |
| 14 | Commerce & Transport | 5 | 6.54 | 3 | 1.06 | 0 | 0.00 | 3 | 1.04 | 2 | 1.66 | 13 | 10.30 |

| Sl. No. | Name of the Department | Awaiting Departmental/ Criminal investigation | | Departmental action started, but not finalised | | Criminal proceedings finalised but execution of certificate cases for recovery of the amount pending | | Awaiting orders for recovery or write off | | Pending in the court of law | | Total | |
|---------|-------------------------------------|--|--------|---|--------|--|--------|--|--------|-----------------------------|--------|--------------------|--------|
| | | A | | B | | C | | D | | E | | F | |
| | | Number of Items | Amount | Number of Items | Amount | Number of Items | Amount | Number of Items | Amount | Number of Items | Amount | Number of Items | Amount |
| 15(A) | Education | 22 | 26.37 | 22 | 21.94 | 0 | 0.00 | 2 | 0.50 | 4 | 6.88 | 50 | 55.69 |
| 15(B) | Text Book | 0 | 0.00 | 1 | 0.31 | 0 | 0.00 | 7 | 3.27 | 4 | 4.58 | 12 | 8.16 |
| 16 | Fisheries and ARD | 5 | 1.21 | 15 | 54.32 | 0 | 0.00 | 39 | 10.29 | 8 | 16.73 | 67 | 82.55 |
| 17 | Agriculture | 25 | 10.04 | 51 | 34.01 | 0 | 0.00 | 91 | 10.11 | 26 | 14.82 | 193 | 68.98 |
| 18 | Co-operation | 0 | 0.00 | 1 | 0.94 | 0 | 0.00 | 0 | 0.00 | 2 | 3.25 | 3 | 4.19 |
| 19 | Panchayati Raj | 27 | 23.17 | 15 | 12.47 | 2 | 0.34 | 13 | 4.12 | 8 | 1.27 | 65 | 41.37 |
| 20 | Home | 0 | 0.00 | 0 | 0.00 | 1 | 12.70 | 1 | 0.17 | 5 | 4.25 | 7 | 17.12 |
| 21 | Food Supplies & Consumer Welfare | 0 | 0.00 | 2 | 2.94 | 0 | 0.00 | 1 | 0.05 | 0 | 0.00 | 3 | 2.99 |
| 22 | Housing and Urban Development | 26 | 17.90 | 43 | 27.84 | 0 | 0.00 | 2 | 0.19 | 3 | 3.29 | 74 | 49.22 |
| 23 | Labour and Employment | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2 | 1.99 | 2 | 1.99 |
| 24 | Information and Public Relation | 107 | 9.71 | 8 | 0.60 | 0 | 0.00 | 34 | 2.41 | 0 | 0.00 | 149 | 12.72 |
| 25 | Forest and Environment | 73 | 79.05 | 195 | 88.89 | 5 | 2.38 | 153 | 52.75 | 9 | 1.79 | 435 | 224.86 |
| 26 | Women & Child Development | 0 | 0.00 | 5 | 3.31 | 0 | 0.00 | 1 | 0.03 | 0 | 0.00 | 6 | 3.34 |
| Total | | 546 | 439.64 | 833 | 760.05 | 41 | 22.36 | 539 | 139.71 | 140 | 234.31 | 2099 | 159 |

Appendix-VIII

(Refer paragraph 1.10.5 at page 16)

Statement showing the department-wise positions of arrears in preparation of proforma accounts and investments

| Department | No. of Undertakings / Schemes under the Departments | Name of the Undertakings/ Schemes | Years from which accounts are due | Investments as per last accounts (Rupees in lakh) | Remarks |
|---|---|---|-----------------------------------|---|--|
| Forest and Environment | 1 | Nationalisation of Kendu Leaves (operated by Chief Conservator of Forest (Kendu Leaves), Orissa | 2000-01 | 70.09 | Arrear for five Years |
| 2. Agriculture and Co-operation | 7 | (i) Cold Storage Plant, Kumarmunda | 1972 | 11.97 | Arrear for 33 years |
| | | (ii) Cold Storage Plant, Similiguda | 1977 | 16.15 | Arrear for 28 years |
| | | (iii) Cold Storage Plant, Paralakhemundi | 1984 | 6.36 | Arrear for 21 years |
| | | (iv) Cold Storage Plant, Bolangir | 1994 | 7.92 | Arrear for 11 years |
| | | (v) Cold Storage Plant, Bhubaneswar | 1975 | 17.89 | Transferred (March 1979) to Orissa State Seeds Corporation Limited. Arrear for five years |
| | | (vi) Cold Storage Plant, Sambalpur | 1971 | (Not Available) NA | Transferred (March 1979) to Orissa State Seeds Corporation Limited. Arrear for nine years. |
| | | (vii) Purchase and distribution of quality seeds to cultivators | | | Proforma accounts not prescribed by Government |
| 3. Food supply and Consumer Welfare | 1 | Grain purchase scheme | 1977-78 | NA | Transferred (September 1980) to Orissa State Seeds Corporation Limited. Arrear for four years. |
| 4. Commerce and Transport | 1 | State Transport service | 1972-73 | NA | Transferred (May 1974) to Orissa State Road Transport Corporation. Arrear for three years. |
| 5. Fisheries and Animal Resources Development | 1 | Poultry Development | -- | NA | Proforma accounts not prescribed by Government |

Contd.

APPENDIX-IX-A

(Refer paragraph 2.3.2 at page 26)

Statement showing savings of more than 10 per cent during 2004-2005

| Sl. No. | Grant No. | Name of the Grant | Amount of Grant | Savings | Percentage of savings |
|------------------------|-----------|--|-----------------|---------|-----------------------|
| (Rupees in crore) | | | | | |
| REVENUE SECTION | | | | | |
| 1. | 2 | General Administration (Charged) | 2.95 | 0.70 | 24 |
| 2. | 3 | Revenue (Voted) | 952.49 | 166.08 | 17 |
| 3. | 3 | Revenue (Charged) | 0.07 | 0.07 | 100 |
| 4. | 4 | Law (Voted) | 48.34 | 5.31 | 11 |
| 5. | 5 | Finance (Voted) | 1727.40 | 403.14 | 23 |
| 6. | 5 | Finance (Charged) | 400.01 | 250.00 | 62 |
| 7. | 6 | Commerce (Voted) | 25.57 | 4.43 | 17 |
| 8. | 6 | Commerce (Charged) | 0.003 | 0.001 | 33 |
| 9. | 7 | Works (Voted) | 234.56 | 55.12 | 23 |
| 10. | 10 | School and Mass Education (Charged) | 0.025 | 0.025 | 100 |
| 11. | 11 | Scheduled Tribe and Scheduled Castes Development and Minorities and Other Backward Classes Development (Voted) | 339.20 | 95.23 | 28 |
| 12. | 12 | Health and Family Welfare (Charged) | 0.12 | 0.08 | 67 |
| 13. | 13 | Housing and Urban Development (Voted) | 329.73 | 47.12 | 14 |
| 14. | 13 | Housing and Urban Development (Charged) | 0.48 | 0.15 | 31 |
| 15. | 16 | Planning and Co-ordination (Voted) | 373.42 | 98.06 | 26 |
| 16. | 19 | Industries (Voted) | 71.61 | 25.27 | 35 |
| 17. | 20 | Water Resources (Voted) | 282.90 | 68.10 | 24 |
| 18. | 21 | Transport (Charged) | 0.025 | 0.025 | 100 |
| 19. | 22 | Forest and Environment (Voted) | 129.29 | 41.18 | 32 |
| 20. | 23 | Agriculture (Voted) | 287.68 | 34.30 | 12 |
| 21. | 23 | Agriculture (Charged) | 0.0076 | 0.0076 | 100 |
| 22. | 28 | Rural Development (Voted) | 254.10 | 62.66 | 25 |
| 23. | 28 | Rural Development (Charged) | 0.099 | 0.04 | 40 |
| 24. | 29 | Parliamentary Affairs (Voted) | 7.79 | 1.72 | 22 |
| 25. | 29 | Parliamentary Affairs (Charged) | 2.39 | 0.53 | 22 |
| 26. | 30 | Energy (Voted) | 95.45 | 52.22 | 55 |
| 27. | 31 | Textile and Handloom (Voted) | 63.46 | 43.61 | 69 |
| 28. | 33 | Fisheries and Animal Resources Development (Voted) | 129.72 | 21.79 | 17 |
| 29. | 34 | Co-operation (Voted) | 45.26 | 9.17 | 20 |
| 30. | 35 | Public Enterprises (Voted) | 100.73 | 73.62 | 73 |
| 31. | 36 | Women and Child Development (Voted) | 483.82 | 84.21 | 17 |

Concl'd.

| Sl. No. | Grant No. | Name of the Grant | Amount of Grant | Savings | Percentage of savings |
|------------------------|-----------|---|-----------------|---------|-----------------------|
| (Rupees in crore) | | | | | |
| 32. | 38 | Higher Education Department (Charged) | 0.01 | 0.01 | 100 |
| CAPITAL SECTION | | | | | |
| 1. | 1 | Home (Voted) | 74.49 | 52.47 | 70 |
| 2. | 2 | General Administration (Voted) | 1.67 | 0.26 | 16 |
| 3. | 3 | Revenue (Voted) | 0.41 | 0.06 | 15 |
| 4. | 5 | Finance (Voted) | 223.99 | 103.53 | 46 |
| 5. | 6 | Commerce (Voted) | 4.00 | 1.69 | 42 |
| 6. | 6 | Commerce (Charged) | 0.01 | 0.01 | 100 |
| 7. | 7 | Works (Voted) | 325.32 | 53.44 | 16 |
| 8. | 7 | Works (Charged) | 0.50 | 0.07 | 14 |
| 9. | 9 | Food Supplies and Consumers Welfare (Voted) | 0.0042 | 0.0038 | 90 |
| 10. | 10 | School and Mass Education (Voted) | 0.01 | 0.01 | 100 |
| 11. | 11 | Scheduled Tribes and Scheduled Castes Development and Minorities and Other Backward Classes Development (Voted) | 6.24 | 4.76 | 76 |
| 12. | 12 | Health and Family Welfare (Voted) | 66.68 | 66.03 | 99 |
| 13. | 13 | Housing and Urban Development (Voted) | 73.74 | 34.62 | 47 |
| 14. | 20 | Water Resources (Voted) | 574.92 | 80.23 | 14 |
| 15. | 20 | Water Resources (Charged) | 2.47 | 1.15 | 47 |
| 16. | 28 | Rural Development (Voted) | 165.81 | 35.86 | 22 |
| 17. | 28 | Rural Development (Charged) | 0.1 | 0.09 | 90 |
| 18. | 30 | Energy (Voted) | 259.71 | 166.14 | 64 |
| 19. | 31 | Textile and Handloom (Voted) | 15.00 | 15.00 | 100 |
| 20. | 33 | Fisheries and Animal Resources Development (Voted) | 1.94 | 1.79 | 92 |
| 21. | 6003 | Internal Debt of the State Government (Charged) | 3465.41 | 1206.85 | 35 |
| 22. | 6004 | Loans and Advances from Central Government (Charged) | 2137.18 | 692.61 | 32 |

APPENDIX-IX-B

(Refer paragraph 2.3.2 at page 26)

Statement showing persistent savings of more than 10 per cent

| Statement showing persistent savings of more than 10 per cent. | | | | | |
|--|-----------|---|-----------------------|---------|---------|
| Sl. No. | Grant No. | Name of the Grant | Percentage of Savings | | |
| | | | 2002-03 | 2003-04 | 2004-05 |
| REVENUE SECTION | | | | | |
| 1. | 3 | Revenue (Voted) | 47 | 37 | 17 |
| 2. | 5 | Finance (Voted) | 30 | 30 | 23 |
| 3. | 7 | Works (Voted) | 41 | 22 | 23 |
| 4. | 11 | Scheduled Tribes and Scheduled Castes Development and Minorities and Other Backward Classes Development (Voted) | 27 | 34 | 28 |
| 5. | 12 | Health and Family Welfare (Voted) | 23 | 17 | 67 |
| 6. | 16 | Planning and co-ordination (Voted) | 37 | 28 | 26 |
| 7. | 19 | Industries (Voted) | 16 | 15 | 35 |
| 8. | 22 | Forest and Environment (Voted) | 40 | 51 | 32 |
| 9. | 23 | Agriculture (Voted) | 21 | 13 | 12 |
| 10. | 28 | Rural Development (Voted) | 11 | 30 | 25 |
| 11. | 29 | Parliamentary Affairs (Voted) | 18 | 14 | 22 |
| 12. | 29 | Parliamentary Affairs (Charged) | 25 | 22 | 22 |
| 13. | 30 | Energy (Voted) | 59 | 71 | 55 |
| 14. | 31 | Textile and Handloom (Voted) | 60 | 74 | 69 |
| 15. | 33 | Fisheries and Animal Resources Development (Voted) | 40 | 15 | 17 |
| 16. | 35 | Public Enterprises (Voted) | 68 | 26 | 73 |
| 17. | 36 | Women and Child Development (Voted) | 21 | 25 | 17 |
| 18. | 38 | Higher Education (Charged) | 100 | 100 | 100 |
| CAPITAL SECTION | | | | | |
| 1. | 1 | Home (Voted) | 46 | 54 | 70 |
| 2. | 5 | Finance (Voted) | 59 | 83 | 46 |
| 3. | 7 | Works (Voted) | 48 | 67 | 16 |
| 4. | 7 | Works (Charged) | 99 | 26 | 14 |
| 5. | 9 | Food Supplies and Consumer Welfare (Voted) | 100 | 100 | 90 |
| 6. | 11 | Scheduled Tribes and Scheduled Castes Development and Minorities and Backward Classes Development (Voted) | 23 | 74 | 76 |
| 7. | 12 | Health and Family Welfare (Voted) | 37 | 34 | 99 |
| 8. | 13 | Housing and Urban Development (Voted) | 33 | 58 | 47 |
| 9. | 20 | Water Resources (Voted) | 27 | 39 | 14 |
| 10. | 20 | Water Resources (Charged) | 77 | 56 | 47 |
| 11. | 28 | Rural Development (Voted) | 40 | 42 | 22 |
| 12. | 28 | Rural Development (Charged) | 45 | 100 | 90 |

APPENDIX-X

(Refer paragraph 2.3.3 (ii) at page 27)

Excess Expenditure over provisions 2004-05

| Sl. No. | Number and Name of Grant/Appropriations. | Total Grants/Appropriation. | Expenditure in Rupees | Excess over Grants/Appropriation |
|------------------------|--|-----------------------------|-----------------------|----------------------------------|
| (Rupees in thousand) | | | | |
| 1 | 2 | 3 | 4 | 5 |
| Revenue Section | | | | |
| 1. | 7-Works Department (Charged) (Revenue) | 8735 | 8848 | 113 |
| 2. | 34-Co-operation Department (Voted) (Capital) | 166236 | 265510 | 99274 |
| 3. | 38-Higher Education (Capital) (Voted) | 12002 | 12010 | 8 |
| | | 186973 | 286368 | 99395 |

APPENDIX-XI

{Refer paragraph 2.3.5 (i) at page 27}

Statement showing cases where supplementary provision was unnecessary

| Sl. No. | No. and Name of the Grant/Appropriation | Original Grant/Appropriation | Supplementary Grant/Appropriation | Expenditure | Savings |
|------------------------|--|------------------------------|-----------------------------------|----------------|----------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| (Rupees in crore) | | | | | |
| REVENUE SECTION | | | | | |
| 1. | 1 Home (Voted) | 577.17 | 5.51 | 529.56 | 53.12 |
| 2. | 1 Home (Charged) | 9.58 | 0.11 | 9.06 | 0.63 |
| 3. | 2 General Administration (Voted) | 24.71 | 0.0003 | 23.62 | 1.09 |
| 4. | 2 General Administration (Charged) | 2.95 | 0.0002 | 2.25 | 0.7 |
| 5. | 3 Revenue (Voted) | 950.66 | 1.83 | 786.41 | 166.08 |
| 6. | 4 Law (Voted) | 46.89 | 1.44 | 43.02 | 5.31 |
| 7. | 6 Commerce (Voted) | 25.39 | 0.17 | 21.13 | 4.43 |
| 8. | 7 Works (voted) | 233.64 | 0.92 | 179.44 | 55.12 |
| 9. | 8 Orissa Legislative Assembly (Voted) | 10.45 | 0.0001 | 9.38 | 1.07 |
| 10. | 9 Food Supplies and Consumer Welfare (Voted) | 60.75 | 1.18 | 59.44 | 2.49 |
| 11. | 11 Scheduled Tribes and Scheduled Castes Development and Minorities & Other Backward Classes Development (Voted) | 327.86 | 11.33 | 243.96 | 95.23 |
| 12. | 12 Health and Family Welfare (Voted) | 639.31 | 7.34 | 634.80 | 11.85 |
| 13. | 13 Housing and Urban Development (Voted) | 326.11 | 3.62 | 282.61 | 47.12 |
| 14. | 14 Labour and Employment (Voted) | 26.79 | 0.12 | 25.43 | 1.48 |
| 15. | 16 Planning and Co-ordination (Voted) | 370.37 | 3.05 | 275.36 | 98.06 |
| 16. | 17 Panchayati Raj (Voted) | 459.21 | 23.33 | 459.07 | 23.47 |
| 17. | 19 Industries (Voted) | 60.91 | 10.70 | 46.34 | 25.27 |
| 18. | 20 Water Resources (Voted) | 241.72 | 41.18 | 214.80 | 68.10 |
| 19. | 22 Forest and Environment (Voted) | 124.40 | 4.89 | 88.11 | 41.18 |
| 20. | 23 Agriculture (Voted) | 270.38 | 17.30 | 253.38 | 34.30 |
| 21. | 26 Excise (Voted) | 14.37 | 0.55 | 13.84 | 1.08 |
| 22. | 28 Rural Development (Voted) | 244.90 | 9.20 | 191.44 | 62.66 |
| 23. | 29 Parliamentary Affairs (Voted) | 7.69 | 0.10 | 6.07 | 1.72 |
| 24. | 29 Parliamentary Affairs (Charged) | 2.36 | 0.02 | 1.85 | 0.53 |
| 25. | 30 Energy (Voted) | 95.43 | 0.02 | 43.23 | 52.22 |
| 26. | 31 Textiles and Handloom (Voted) | 60.81 | 2.65 | 19.85 | 43.61 |
| 27. | 33 Fisheries and Animal Resources Development (Voted) | 124.94 | 4.78 | 107.93 | 21.79 |
| 28. | 34 Co-operation (Voted) | 44.96 | 0.30 | 36.09 | 9.17 |
| 29. | 36 Women and Child Development (Voted) | 438.98 | 44.83 | 399.60 | 84.21 |
| Total | | 5823.69 | 196.47 | 5007.07 | 1013.09 |
| CAPITAL SECTION | | | | | |
| 1. | 1 Home (Voted) | 67.43 | 7.06 | 22.02 | 52.47 |
| 2. | 6 Commerce (Voted) | 2.85 | 1.14 | 2.30 | 1.69 |
| 3. | 11 Scheduled Tribes, Scheduled Castes Development and Minorities and Backward classes Development (Voted) | 5.31 | 0.92 | 1.47 | 4.76 |
| 4. | 13 Housing and Urban Development (Voted) | 66.97 | 6.77 | 39.12 | 34.62 |
| 5. | 20 Water Resources (Charged) | 1.76 | 0.71 | 1.32 | 1.15 |
| 6. | 22 Forest and Environment (Voted) | 145.11 | 0.35 | 143.46 | 2.00 |
| 7. | 28 Rural Development (Voted) | 140.95 | 24.87 | 129.96 | 35.86 |
| Total | | 430.38 | 41.82 | 339.65 | 132.55 |
| Grand Total: | | 6254.07 | 238.29 | 5346.72 | 1145.64 |

APPENDIX-XII

{Refer paragraph 2.3.5(ii) at page 28}

Statement showing cases where supplementary provision was made in excess of actual requirement

| Sl. No. | Number and Name of the Grant/ Appropriation | | Original Grant/ Appropriation | Expend- iture | Additional require- ment | Supple- mentary provision | Final savings |
|-------------------|---|---|-------------------------------|---------------|--------------------------|---------------------------|---------------|
| (Rupees in crore) | | | | | | | |
| REVENUE SECTION | | | | | | | |
| 1 | 10 | School and Mass Education (Voted) | 1622.87 | 1658.06 | 35.19 | 70.55 | 35.36 |
| 2. | 21 | Transport (Voted) | 13.00 | 14.72 | 1.72 | 2.34 | 0.62 |
| 3. | 25 | Information and Public Relations (Voted) | 12.19 | 13.33 | 1.14 | 1.64 | 0.50 |
| 4. | 38 | Higher Education (Voted) | 283.00 | 310.75 | 27.75 | 35.46 | 7.71 |
| Total | | | 1931.06 | 1996.86 | 65.8 | 109.99 | 44.19 |
| CAPITAL SECTION | | | | | | | |
| 1. | 7 | Works (Voted) | 200.62 | 271.88 | 71.26 | 124.69 | 53.43 |
| 2. | 20 | Water Resource (Voted) | 436.97 | 494.69 | 57.72 | 137.95 | 80.23 |
| 3. | 32 | Tourism and Culture (Voted) | 7.67 | 12.94 | 5.27 | 5.65 | 0.38 |
| 4. | 6003 | Internal Debt of State Government (Charged) | 1965.41 | 2258.56 | 293.15 | 1500.00 | 1206.85 |
| Total | | | 2610.67 | 3038.07 | 427.40 | 1768.29 | 1340.89 |
| Grand Total | | | 4541.73 | 5034.93 | 493.20 | 1878.28 | 1385.08 |

APPENDIX-XIII

(Refer paragraph 2.3.6 at page

Statement showing significant cases of savings in plan
exceeding Rs.1 crore

Contd.

| Sl. No. | Number and Name of the Grant/Appropriation | Major Head/Minor Head/Sub-Head | Total Grant | Actual expenditure | 2 |
|-------------------|--|--|-------------|--------------------|-------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| (Rupees in crore) | | | | | |
| 1. | 7-Works | 3054-Roads and Bridges, State Plan-SS-80-General, 797-Transfer to/from Reserve Fund/Deposit Account. | 31.61 | -- | 31.61 |
| 2. | 7-Works | 5054-Capital outlay on Roads and Bridges, State Plan-SS-03-State High Ways, 337-Road Works. | 15.41 | 13.39 | 2.02 |
| 3. | 7-Works | 5054-Capital outlay on Roads and Bridges, State Plan, 03-State High Ways, 337-Road Works, 0017610-Central Road Fund (370000-Major Works). | 12.38 | 8.00 | 4.38 |
| 4. | 7-Works | 5054-Capital outlay on Roads and Bridges, State Plan, 04-District and Other Roads, 796-TASP, 0028950-KBK District from SCA under RLTA (3703670-Road Development Programme) (3703680-Road Works) | 4.95 | 3.01 | 1.94 |
| 5. | 7-Works | 5054-Capital outlay on Roads and Bridges, State Plan, 04-District and Other Roads, 800-Other expenditure, 0028950-KBK District from ACA under RLTA (3703670-Road Development Programme) (3703680-Road Works) | 2.90 | 0.38 | 2.53 |
| 6. | 7-Works | 5054-Capital outlay on Roads and Bridges, State Plan, 04-District and Other Roads, 800-Other expenditure, 0028960-KBK District from ACA under RLTA (3703670-Road Development Programme) | 4.30 | 3.08 | 1.22 |
| 7. | 7-Works | 5054-Capital outlay on Roads and Bridges, State Plan, 04-District and Other Roads, 800-Other expenditure, 0028970-ACA for Road Development (3703680-Road Works) | 39.67 | 32.80 | 6.87 |
| 8. | 10-School and Mass Education | 2202-General Education, State Plan-DS-01-Elementary Education, 101-Government Primary Schools, 0005580-Government Primary Schools. | 6.27 | 4.70 | 1.58 |
| 9. | 10-School and Mass Education | 2202-General Education, State Plan, 02-Secondary Education, 110-Assistant to Non-Government secondary schools, 0005970-High Schools. | 28.62 | 24.19 | 4.43 |
| 10. | 10-School and Mass Education | 2202-General Education, State Plan, 02-Secondary Education, 796-Tribal Area sub-plan | 8.19 | 4.85 | 3.34 |

| Audit Report | | | | | |
|---------------------------|--|--|-------------|--------------------|---------|
| Name of the Appropriation | | Major Head/Minor Head/Sub-Head | Total Grant | Actual expenditure | Savings |
| Sl | 2 | 3 | 4 | 5 | 6 |
| (Rupees in crore) | | | | | |
| | 11-Scheduled Tribe and Scheduled Caste Development and Minorities and Other Backward Classes Development | 2225-Welfare of SC, ST and OBC, State Plan, 02-Welfare of Schedule Tribes, 794-Special Central Assistance for Tribal sub-plan, 0029440-Special Education Infrastructure | 7.03 | 1.49 | 5.54 |
| 12. | 11-Scheduled Tribe and Scheduled Caste Development and Minorities and Other Backward Classes Development | 2225-Welfare of SC, ST and OBC, State Plan, 80-General, 800-Other expenses, 0028930-RLTAP for KBK districts | 8.80 | 2.47 | 6.33 |
| 13. | 11-Scheduled Tribe and Scheduled Caste Development and Minorities and Other Backward Classes Development | 2225-Welfare of SC, ST and OBC, State Plan, 01-Welfare of Schedule Castes, 277-Education, 0009150-Other Educational facilities | 6.96 | 1.18 | 5.78 |
| 14. | 11-Scheduled Tribe and Scheduled Caste Development and Minorities and Other Backward Classes Development | 2225-Welfare of SC, ST and OBC, State Plan, 02-Welfare of Schedule Tribes, 794-Special Central Assistance for Tribal sub-plan, 0006975-Integrated Tribal Development Project, 0029460-Implementation of Income Generating and Infrastructure Development | 42.74 | 31.26 | 11.48 |
| 15. | 11-Scheduled Tribe and Scheduled Caste Development and Minorities and Other Backward Classes Development | 2225-Welfare of SC, ST and OBC, State Plan, 02-Welfare of Schedule Tribes, 794-Special Central Assistance for Tribal sub-plan, 0006978-ITDP, 0004740-Family oriented and poverty eradication programme | 3.50 | 2.39 | 1.11 |
| 16. | 11-Scheduled Tribe and Scheduled Caste Development and Minorities and Other Backward Classes Development | 2225-Welfare of SC, ST and OBC, Central Plan, 01-Welfare of Scheduled Castes, 793-Special Central Assistance for Scheduled Castes component plan, 0006390-Implementation of income generating scheme | 6.94 | 5.38 | 1.56 |
| 17. | 12-Health and Family Welfare | 2210-Medical and Public Health, State Plan-SS-01-Urban Health Services, Allopathy, 001-Direction and Administration, 0002922-District Establishment (0026710-World Bank Assisted Orissa Health System Development Project | 14.91 | 9.48 | 5.43 |
| 18. | 12-Health and Family Welfare | 2211-Family Welfare, Central Plan, 102-Rural Family Welfare Services, 0028400-Rural Family Welfare sub-centre | 35.30 | 33.19 | 2.11 |
| 19. | 12-Health and Family Welfare | 2211-Family Welfare, Central Plan, 796-TASP, 0010933-Rural Family Welfare Services (0028400-RFW sub-centres) | 21.80 | 19.18 | 2.62 |

Contd.

| Sl. No. | Number and Name of the Grant/Appropriation | Major Head/Minor Head/Sub-Head | Total Grant | Actual expenditure | Savings |
|-------------------|--|---|-------------|--------------------|---------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| (Rupees in crore) | | | | | |
| 20. | 13-Housing and Urban Development | 2215-Water Supply and Sanitation, Central Plan-DS-02-Sewerage and Sanitation, 107-Sewerage Services, 4108410-Grants to Orissa Water Supply and Sewerage Board for Abatement of Pollution of River Mahanadi and Kathajodi at Cuttack | 3.12 | 0 | 3.12 |
| 21. | 13-Housing and Urban Development | 2215-Water Supply and Sanitation, Centrally Sponsored Plan-DS-02-Sewerage and Sanitation, 107-Sewerage Services, 4108420-Grants to Orissa Water Supply and Sewerage Board for Sewerage treatment plant at Puri | 13.00 | 0 | 13.00 |
| 22. | 16-Planning and Co-ordination | 2401-Crop Husbandry, State Plan, 111-Agricultural Economics and Statistics, 0003730-Establishment of an Agency for reporting Agriculture Statistics in Orissa | 5.56 | 0 | 5.56 |
| 23. | 17-Panchayati Raj | 2501-Special Programme for Rural Development, State Plan-DS-01-Integrated Rural Development Programme, 800-Other Expenditure, 0026640-Swarna Jayanti Gram Swarojagar Yojana | 14.88 | 13.50 | 1.39 |
| 24. | 17-Panchayati Raj | 2505-Rural Employment, State Plan, 01-National Programme, 701-Jawahar Rozgar Yojana, 0025870-Indira Awas Yojana | 71.09 | 69.24 | 1.85 |
| 25. | 17-Panchayati Raj | 2505-Rural Employment, State Plan-DS-01-National Programme, 701-Jawahar Rozgar Yojana, 0028370-Sampoorna Gramina Rojagar Yojana | 64.96 | 62.87 | 2.09 |
| 26. | 19-Industries | 2851-Village and Small Industries, State Plan, 102-Small Scale Industries, 0018830-Development of Growth Centre in the State | 1.70 | 0 | 1.70 |
| 27. | 20-Water Resources Development | 2702-Minor Irrigation, State Plan-SS-01-Surface Water, 102-Lift Irrigation Schemes, 0029380-ACA for KBK district | 19.85 | 18.35 | 1.50 |
| 28. | 20-Water Resources Development | 2702-Minor Irrigation, State Plan, 01-Surface Water, 796-Tribal Area sub-plan, 0029560-Biju Krushak Vikash Yojana for LIPs and RIDP. | 11.36 | 6.38 | 4.98 |
| 29. | 20-Water Resources Development | 4701-Capital outlay on Major and Medium Irrigation, State Plan, 01-Major Irrigation Commercial, 202-Rengali Irrigation Project, 0026160-Funded under WRCP | 19.46 | 16.05 | 3.41 |
| 30. | 20-Water Resources Development | 4701-Capital outlay on Major and Medium Irrigation, State Plan, 01-Major Irrigation Commercial, 202-Rengali Irrigation Project, 0026170-Funded by OECF | 46.39 | 43.98 | 2.41 |

Contd.

| Sl. No. | Number and Name of the Grant/Appropriation | Major Head/Minor Head/Sub-Head | Total Grant | Actual expenditure | Savings |
|-------------------|--|--|-------------|--------------------|---------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| (Rupees in crore) | | | | | |
| 31. | 20-Water Resources Development | 4701-Capital outlay on Major and Medium Irrigation, State Plan, 01-Major Irrigation Commercial, 202-Rengali Irrigation Project, 3710890-Right Bank Canal Funded by AIBP | 32.08 | 28.45 | 3.63 |
| 32. | 20-Water Resources Development | 4701-Capital outlay on Major and Medium Irrigation, State Plan, 01-Major Irrigation Commercial, 202-Rengali Irrigation Project, 3710892-Right Bank Canal Funded by AIBP (0002730-Direction and Administration) (0004390-Execution) | 4.92 | 3.91 | 1.01 |
| 33. | 22-Forest and Environment | 2406-Forestry and Wild Life, Central Plan, 01-Forestry, 102-Social and Farm Forestry, 0024630-Integrated Afforestation and Eco Development Project | 2.50 | 0.033 | 2.47 |
| 34. | 22-Forest and Environment | 4406-Capital outlay on Forestry and Wild Life, State Plan, 01-Forestry, 796-TASP, 0029260-Special Development of KBK | 16.43 | 8.39 | 8.04 |
| 35. | 23-Agriculture | 2401-Crop Husbandry, State Plan, 108-Commercial Crop, 0008970-Oil Seed Production Programme | 1.005 | 0.0008 | 1.004 |
| 36. | 23-Agriculture | 2401-Crop Husbandry, State Plan, 119-Horticulture and Vegetable Crops, 0028570-Macro Management of Agriculture Supplementation/complementation of State efforts through work plan | 1.05 | 0 | 1.05 |
| 37. | 23-Agriculture | 2401-Crop Husbandry, State Plan, 800-Other expenditure, 0027740-Macro Management of Agriculture Supplementation/complementation of State efforts through work plan. | 1.36 | 0 | 1.36 |
| 38. | 28-Rural Development | 2215-Water Supply and Sanitation, State Plan, 01-Water Supply, 796-TASP, 0027750-PMGY-Drinking Water | 4.68 | 3.40 | 1.28 |
| 39. | 28-Rural Development | 2215-Water Supply and Sanitation, State Plan-SS-01-Water Supply, 799-Suspense | 2.00 | 0 | 2.00 |
| 40. | 28-Rural Development | 2215-Water Supply and Sanitation, State Plan, 02-Sewerage and Sanitation, 105-Sanitation Services, 3703750-Rural Sanitation | 11.45 | 5.40 | 6.05 |
| 41. | 28-Rural Development | 2215-Water Supply and Sanitation, State Plan, 02-Sewerage and Sanitation, 796-TASP, 3703750-Rural Sanitation | 2.62 | 0 | 2.62 |
| 42. | 28-Rural Development | 5054-Capital outlay on Roads and Bridges, State Plan, 04-District and other Roads, 796-TASP, 0008291-Minimum Needs Programme (3700790-Classified Village Roads) | 23.00 | 21.64 | 1.36 |

Concl'd.

| Sl. No. | Number and Name of the Grant/Appropriation | Major Head/Minor Head/Sub-Head | Total Grant | Actual expenditure | Savings |
|-------------------|--|---|---------------|--------------------|---------------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| (Rupees in crore) | | | | | |
| 43. | 28-Rural Development | 2215-Water Supply and Sanitation, State Plan, 01-Water Supply, 799-Suspense | 2.00 | 0 | 2.00 |
| 44. | 30-Energy | 6801-Loan for Power Projects, State Plan, 00-205-Transmission and Distribution, 4802850-Loans to GRIDCO for upgrading T and D system and procurement of Meters and Receipt of Meters, Receipt of loan from World Bank | 5.34 | 2.04 | 3.30 |
| 45. | 32-Tourism and Culture | 5452-Capital outlay on Tourism, Central Plan, 01-Tourist Infrastructure, 102-Tourist Accommodation | 4.15 | 0.5 | 3.65 |
| 46. | 33-Fisheries and Animal Husbandry | 2403-Animal Husbandry, State Plan-DS-101-veterinary services and Animal Health, 0028790-Implementation of Animal Husbandry Programme in KBK Districts under RLTAP | 2.50 | 1.39 | 1.11 |
| 47. | 34-Co-operation | 2435-Other Agriculture Programme, State Plan-01-Marketing and Quality Control, 796 TASP, 0029240-Infrastructure/Institutional Development in Agriculture business | 1.75 | 0 | 1.75 |
| 48. | 34-Co-operation | 6425-Loans for Co-operation, Centrally Sponsored Plan, 00-107-Loans to Credit Co-operatives, 0028570-Macro Management of Agriculture Supplementation/Complementation of State efforts through work plan | 1.31 | 0.09 | 1.22 |
| 49. | 36- Women and Child Development | 2235-Social Security and Welfare, State Plan, 60-Other Social Security and Welfare Programme, 102-Pensions under Social Security Schemes, 3800180-National Old Age Pension to destitute | 47.36 | 42.55 | 4.81 |
| 50. | 36- Women and Child Development | 2236-Nutrition, State Plan, 02-Distribution of Nutritious Food and Beverages, 101-Special Nutrition Programmes, 0027830-PMGY(Nutrition) | 27.42 | 23.77 | 3.65 |
| 51. | 36- Women and Child Development | 2236-Nutrition, State Plan, 02-Distribution of Nutritious Food and Beverages, 102-Mid-day Meals, 2000000-Other charges | 24.83 | 21.73 | 3.10 |
| 52. | 38-Higher Education | 2202-General Education, State Plan, 03-University and Higher Education, 104-Assistance to Non-Government College and Institutes, 4108500-Grants to Non-Government colleges | 54.70 | 50.58 | 4.12 |
| Total: | | | 848.10 | 644.66 | 203.94 |

Contd.

APPENDIX XIV

(Refer paragraph 2.3.7 at page 28)

Statement showing significant cases of excess expenditure (exceeding Rs.1 crore)

| Sl. No. | No. and Name of the grant | Head of Account | Total/ Final Grant | Expendi- ture | Excess |
|-------------------|---------------------------|--|--------------------------|------------------|--------|
| (Rupees in crore) | | | | | |
| 1. | 1-Home | 4216-Capital outlay on Housing, 01-Government Residential Buildings, 106-General Pool Accommodation, 3711640-Construction of Staff Quarters for Jail staff | 4.88 | 8.47 | 3.59 |
| 2. | 3 Revenue | 2245-Relief on account of Natural Calamities, 02-Flood, Cyclone etc., 106-Repair & Restoration of damaged Roads & Bridges-2100410-Repair and restoration of PWD Roads | 16.83 | 18.03 | 1.20 |
| 3. | 3 Revenue | 2245-Relief on account of Natural Calamities, 02-Flood, Cyclone etc., 106-Repair & Restoration of damaged Roads and Bridges-4103940-Grants to Rural Works | 22.74 | 26.28 | 3.54 |
| 4. | 3 Revenue | 2245-Relief on account of Natural Calamities, 80-General, 800-Other expenditures, 0027620-National Calamity Contingency Fund | 85.80 | 87.86 | 2.06 |
| 5. | 4-Law | 2250-Other Social Services, 103-Upkeepment of Shrines, Temples etc., 4102840-Grants to Temple Administration of Lord Jagannath Puri for Corpus Fund | 0.3 | 1.68 | 1.38 |
| 6. | 7-Works | 3054-Roads & Bridges-04-District and other Roads, State Highways-337-Road Works, 0001290-Chief Engineer (Roads and Buildings) (3705490-Major District Roads and other Roads) | 53.49 | 60.13 | 6.64 |
| 7. | 7-Works | 5054-Capital outlay on Roads & Bridges-SP-SS-04-District and other Roads, 800-Other Expenditure, 0017610-Central Road Fund | 9.20 | 11.40 | 2.20 |

Contd.

| Sl. No. | No. and Name of the grant | Head of Account | Total/ Final Grant | Expendi- ture | Excess |
|---------|------------------------------|--|--------------------------|------------------|--------|
| | | | (Rupees in crore) | | |
| 8. | 7-Works | 4059-Capital outlay on Public Works, 01-Office Buildings, 051-Construction, 3700850-Completion and Construction of Incomplete Buildings of Treasury & Sub-Treasury (3700000-Major Works) | 1.18 | 2.45 | 1.27 |
| 9. | 7-Works | 4059-Capital outlay on Public Works, 60-Other Buildings, 051-Construction, 3711050-Construction of office Building of OLA | 0.70 | 8.81 | 8.11 |
| 10. | 7-Works | 5054-Capital outlay on Roads & Bridges, State Plan-SS-03-State High Ways, 101-Bridges | 4.71 | 7.58 | 2.87 |
| 11. | 7-Works | 5054-Capital outlay on Roads & Bridges, State Plan-SS-03-State High Ways, 796-TASP, 3700630-Bridge Works | 2.67 | 4.58 | 1.91 |
| 12. | 10-School and Mass Education | 2202-General Education, 01-Elementary Education, 104-Inspection, 0005360-General | 24.47 | 27.90 | 3.43 |
| 13. | 10-School and Mass Education | 2202-General Education, 02-Secondary Education, 101-Inspection | 5.70 | 7.66 | 1.96 |
| 14. | 10-School and Mass Education | 2202-General Education, 02-Secondary Education, 110-Assistance to non-Government Secondary Schools, 0011320-Secondary Schools | 3.92 | 5.50 | 1.58 |
| 15. | 10-School & Mass Education | 2202-General Education, State Plan-DS-01-Elementary Education, 102-Assistance to Non-Government primary schools, 4100260-Asst to Non-Government primary school | 0.07 | 1.36 | 1.29 |
| 16. | 10-School and Mass Education | 2202-General Education, State Plan, 01-Elementary Education, 102-Assistance to Non-Govt. primary schools, 4107260-Asst to Non-Govt. Upper Primary school | 4.93 | 6.51 | 1.58 |
| 17. | 10-School and Mass Education | 2202-General Education, State Plan, 02-Secondary Education, 109-Government Secondary Schools, 0005970-High Schools | | 5.71 | 5.71 |

Contd.

| Sl. No. | No. and Name of the grant | Head of Account | Total/ Final Grant | Expendi- ture | Excess |
|-------------------|--|--|--------------------------|------------------|--------|
| (Rupees in crore) | | | | | |
| 18. | 11- Scheduled Tribe and Scheduled Caste Development and Minorities and Other Backward Classes Development. | 2225-Welfare of SC, ST and OBC-01-Welfare of SC, 277-Education, 0005970-High Schools | 0.19 | 1.59 | 1.40 |
| 19. | 11- Scheduled Tribe and Scheduled Caste Development and Minorities and Other Backward Classes Development. | 2225-Welfare of SC, ST & OBC-02-Welfare of SC, 277-Education, 0009150-Other educational facilities | 17.06 | 29.34 | 12.28 |
| 20. | 11- Scheduled Tribe and Scheduled Caste Development and Minorities and Other Backward Classes Development. | 2225-Welfare of SC, ST and OBC, 80-General, 001-Direction and Administration, 0002920-District establishment. | 8.44 | 10.35 | 1.91 |
| 21. | 11- Scheduled Tribe and Scheduled Caste Development and Minorities and Other Backward Classes Development. | 2225-Welfare of SC, ST and OBC, State Plan-SS-02-Welfare of ST, 794-Special Central Assistance for Tribal sub-plan, 0027110-Creation of Infrastructure in TSP Area under 1st proviso of Art 275(1) of constitution of India | 28.27 | 42.11 | 13.84 |
| 22. | 11- Scheduled Tribe and Scheduled Caste Development and Minorities & Other Backward Classes Development. | 2225-Welfare of SC, ST & OBC, State Plan.-DS-02-Welfare of ST, 277- Education, 0009150-Other Educational facilities | 20.42 | 24.91 | 4.49 |
| 23. | 11- Scheduled Tribe and Scheduled Caste Development and Minorities and Other Backward Classes Development. | 2225-Welfare of SC, ST and OBC, State Plan-DS-02-Welfare of ST, 794-Special Central assistance for Tribal sub-plan, 0006974-Integrated Tribal Development Projects (0003680-Establishment charges, 0029460-Implementation of income generating and infrastructure Development Programme) | 1.70 | 3.98 | 2.28 |
| 24. | 12-Health and Family Welfare | 2210-Medical and Public Health, State Plan, State Sector, 01-Urban Health Services, Allopathy, 001-Direction and Administration, 0005862-Hdqs organisation, World Bank Assisted, Orissa Health System Development Project | 34.81 | 36.41 | 1.60 |

| Sl. No. | No. and Name of the grant | Head of Account | Total/ Final Grant | Expendi- ture | Excess |
|-------------------|----------------------------------|---|--------------------------|------------------|--------|
| (Rupees in crore) | | | | | |
| 25. | 12-Health and Family Welfare | 2210-Medical and Public Health, Central Plan, District Sector, 06-Public Health, 101-Prevention and Control of diseases, 0008700-NMEP | 1.20 | 4.47 | 3.27 |
| 26. | 12-Health and Family Welfare | 2211-Family Welfare, Central Plan, State Sector, 200-Other services and supplies, 330130-Purchases of contraceptives, MCH extension supplies, educational kits | 5.54 | 15.63 | 10.09 |
| 27. | 12-Health and Family Welfare | 2210-Medical and Public Health, 01-Urban Health Services, Allopathy, 001-Direction & Administration, 0002920-District Establishment | 2.10 | 4.95 | 2.85 |
| 28. | 13-Housing and Urban Development | 2217-Urban Development, 80-General, 193-Assistance to Nagar Panchayats, NAC or equivalent thereof, 4102910-Grants to ULBs for Road Maintenance | 7.31 | 9.87 | 2.56 |
| 29. | 16-Planning & Co-ordination | 2401-Crop Husbandry, Centrally Sponsored Plan, SS-111-Agricultural Economics and Statistics, 0003730-Establishment of an agency for reporting Agricultural statistics in Orissa | 5.82 | 11.31 | 5.49 |
| 30. | 17-Panchayati Raj | 2515-Other Rural Development programmes, 198-Assistance to Grampanchayats, 0008330-Miscellaneous. | 8.40 | 10.85 | 2.45 |
| 31. | 17-Panchayati Raj | 2501-Special Programme for Rural Development, State Plan-DS-01-Integrated Rural Development Programmes, 796-TASP, 0006950-Integrated Rural Development Programme | 9.87 | 11.56 | 1.69 |
| 32. | 19-Industries | 2851-Village and Small Industries, Centrally Sponsored Plan-SS-102-Small Industries, 0018830-Development of growth centres in the State | 0 | 1.70 | 1.70 |
| 33. | 20-Water Resources | 2702-Minor Irrigation, State Plan-SS-01-Surface Water, 102-Lift Irrigation Scheme, 0029550-Biju Krushak Vikash Yojana under RIDF | 18.25 | 23.28 | 5.03 |

Contd.

| Sl. No. | No. and Name of the grant | Head of Account | Total/ Final Grant | Expendi- ture | Excess |
|-------------------|---------------------------|--|--------------------------|------------------|--------|
| (Rupees in crore) | | | | | |
| 34. | 20-Water Resources | 2702-Minor Irrigation, State Plan-SS-01-Surface Water, 102-Lift Irrigation Scheme, 4301470-Water Rate subsidy to OLIC for Lift Irrigation Schemes | 7.00 | 10.30 | 3.30 |
| 35. | 20-Water Resources | 4702-Capital outlay on Minor Irrigation, State Plan, DS-800-Other expenditure, 3701370-Continuing Projects | 18.06 | 19.28 | 1.22 |
| 36. | 20-Water Resources | 4701-Capital outlay on Major and Medium Irrigation, State Plan, SS-01-Major Irrigation (Commercial), 796-TASP, 3703050-Potteru Irrigation Project, 0026190-Funded by AIBP | 9.00 | 10.76 | 1.76 |
| 37. | 20-Water Resources | 4701-Capital outlay on Major and Medium Irrigation, State Plan, SS-03-Medium Irrigation (Commercial), 400-Telengiri Irrigation Project, 3704060-Telengiri Irrigation Project barring establishment portion | 10.85 | 13.36 | 2.51 |
| 38. | 20-Water Resources | 4702-Capital outlay on Minor Irrigation, State Plan, DS-796-TASP-ongoing scheme under AIBP | 2.00 | 3.20 | 1.20 |
| 39. | 22-Forest Environment | 2406-Forestry & Wild Life, 01-Forestry, 001-Direction & Administration, 0004800-Field Establishment (Circle Office) | 0.31 | 1.97 | 1.66 |
| 40. | 22-Forest Environment | 2406-Forestry & Wild Life, 01-Forestry, 001-Direction & Administration, 0004810-Field Establishment (Division office) | 1.98 | 12.29 | 10.31 |
| 41. | 22-Forest Environment | 4406-Capital outlay on Forestry and Wild Life, State Plan, DS-01-Forestry, 102-Social & Farm Forestry, 0029260-Special Development of KBK | 5.67 | 13.68 | 8.01 |
| 42. | 23-Agriculture | 2401-Crop Husbandry, 103-Seeds, 0009330-Personal Ledger Account for purchase and distribution of seeds, fertilisers etc. | 4.00 | 11.62 | 7.62 |
| 43. | 23-Agriculture | 2401-Crop Husbandry, Centrally Sponsored Plan, DS-108-Commercial Crops, 0008970-Oil Seeds Production Programme | 3.01 | 4.09 | 1.08 |

Contd.

| Sl. No. | No. and Name of the grant | Head of Account | Total/ Final Grant | Expendi- ture | Excess |
|-------------------|---------------------------|---|--------------------------|------------------|--------|
| (Rupees in crore) | | | | | |
| 44. | 23-Agriculture | 2401-Crop Husbandry, Centrally Sponsored Plan, DS-119-Horticulture and Vegetable crops, 0028580-Macromanagement of Agricultural Supplement/Complement, State efforts through work plan | 12.21 | 13.26 | 1.05 |
| 45. | 23-Agriculture | 2415-Agricultural Research and Education, State Plan, SS-01-Crop Husbandry, 277-Education, 4103470-Grants-in-aid to OUAT (including IDA assistance) | 4.09 | 6.44 | 2.35 |
| 46. | 28-Rural Development | 5054-Capital outlay on Roads & Bridges, State Plan, DS-04-District and other Roads, 800-Other expenditure, 0008290-Minimum Needs Programme (3700790-Classified village Roads. | 49.49 | 52.20 | 2.71 |
| 47. | 28-Rural Development | 5054-Capital outlay on Roads & Bridges, 04-District and other Roads, 796-TASP, 3703740-Rural Roads (0029030-Rural Development Programme) | 0.1 | 1.85 | 1.75 |
| 48. | 28-Rural Development | 5054-Capital outlay on Roads & Bridges, 04-District and other Roads, 800-Other expenditure | 0.24 | 2.03 | 1.79 |
| 49. | 28-Rural Development | 2215-Water Supply and Sanitation, State Plan, SS-01-Water Supply, 102-Rural Water Supply Programmes, 0027750-PMGY drinking water | 9.84 | 11.21 | 1.37 |
| 50. | 28-Rural Development | 2215-Water Supply and Sanitation, State Plan, SS-02-Sewerage and Sanitation, 105-Sanitation Services, 0027750-PMGY Drinking Water | 0.42 | 7.69 | 7.27 |
| 51. | 30-Energy | 4801-Capital Outlay on Power Projects-State Plan, SS-01-Hydel Generation, 190-Investment in Public Sector and other undertakings, 3503160-Share Capital investment in OHPC | 0 | 19.00 | 19.00 |
| 52. | 30-Energy | 4801-Capital Outlay on Power Projects-State Plan, SS-05-Transmission & Distribution, 190-Investment in Public Sector and other undertakings, 3503010-Share Capital investment in GRIDCO out of Financial assistance from DFID (EAP) | 0.01 | 17.44 | 17.43 |

Concl'd.

| Sl. No. | No. and Name of the grant | Head of Account | Total/ Final Grant | Expendi- ture | Excess |
|-------------------|--|--|--------------------------|------------------|---------------|
| (Rupees in crore) | | | | | |
| 53. | 30-Energy | 6801-Loans for Power Projects, 201-Hydel Generation, 4803240-Loans to OHPC under APDP scheme | -- | 19.00 | 19.00 |
| 54. | 32-Tourism and Culture | 5452-Capital outlay on Tourism, State Plan, SS-01-Tourist Infrastructure, 102-Tourist Accommodation | 8.30 | 11.95 | 3.65 |
| 55. | 34-Co-operation | 6425-Loans for Co-operation, 107-Loans to credit co-operatives, 4800530-Loans to OSCB for conversion of short term loan to medium term loan | 0 | 13.91 | 13.91 |
| 56. | 36-Women and Child Development | 2235-Social Security & Welfare, Central Plan, DS-02-Social Welfare, 102-Child Welfare, 0006880-Integrated Child Development service schemes (District Cell) | 65.72 | 67.76 | 2.04 |
| 57. | 38-Higher Education | 2202-General education, SS-03-University and Higher education, 104-Assistance to Non-Government colleges and Institutes, 4108720-Block Grant to New eligible Non-Govt. colleges notified in 2004 | 3.39 | 8.62 | 5.23 |
| 58. | 38-Higher Education | 2202-General education, SS-03-University and Higher education, 104-Assistance to Non-Government colleges and Institutes, 4100240-Assistance to Non-Government colleges and Institutes | 16.93 | 18.38 | 1.45 |
| 59. | 38-Higher Education | 2202-General education, DS-03-University and Higher education, 104-Assistance to Non-Government colleges and Institutes, 4100940-Grants | 0 | 1.70 | 1.70 |
| 60. | 6003-Internal Debt of State Government | 6003-Internal Debt of State Govt., 5600420-Loans Issued under RIDF | 101.26 | 423.48 | 322.22 |
| 61. | 6003-Internal Debt of State Government | 6003-Internal Debt of State Government, 5600460-Repayment of Loans from HUDCO | 46.06 | 48.85 | 2.79 |
| 62. | 6003-Internal Debt of State Government | 6003-Internal Debt of State Government, 111-Special Securities issued to NSSF of Central Government | -- | 19.22 | 19.22 |
| Total: | | | 790.91 | 1398.76 | 607.85 |

APPENDIX-XV

{Refer paragraph 2.3.8(ii) at page 28}

Injudicious Surrenders

| Sl. No. | Number and Name of the Grant | Total savings | Amount surrendered | Amount not surrendered |
|----------------------------------|--|----------------|--------------------|------------------------|
| (Rupees in crore) | | | | |
| REVENUE SECTION (VOTED) | | | | |
| 1. | 1-Home (Voted) | 53.12 | 26.87 | 26.25 |
| 2. | 4-Law (Voted) | 5.31 | 1.11 | 4.20 |
| 3. | 7-Works (Voted) | 55.12 | 12.02 | 43.10 |
| 4. | 10-School and Mass Education (Voted) | 35.36 | 18.84 | 16.52 |
| 5. | 11-Scheduled Tribes and Scheduled Castes Development and Minorities and Other Backward classes Development (Voted) | 95.23 | 90.49 | 4.74 |
| 6. | 13-Housing and Urban Development (Voted) | 47.12 | 34.02 | 13.10 |
| 7. | 17-Panchayati Raj (Voted) | 23.47 | 15.96 | 7.51 |
| 8. | 19-Industries (Voted) | 25.27 | 10.54 | 14.73 |
| 9. | 20-Water Resources (Voted) | 68.10 | 51.91 | 16.19 |
| 10. | 22-Forests and Environment (Voted) | 41.18 | 34.30 | 6.88 |
| 11. | 28-Rural Development (Voted) | 62.66 | 25.75 | 36.91 |
| 12. | 33-Fisheries and Animal Resource Development Department (Voted) | 21.79 | 19.05 | 2.74 |
| 13. | 36-Women and Child Development | 84.21 | 76.70 | 7.51 |
| CAPITAL SECTION (VOTED) | | | | |
| 1. | 1-Home (Voted) | 52.47 | 34.71 | 17.76 |
| 2. | 5-Finance (Voted) | 103.53 | 96.39 | 7.14 |
| 3. | 7-Works (Voted) | 53.44 | 48.82 | 4.62 |
| 4. | 20-Water Resources (Voted) | 80.23 | 46.68 | 33.55 |
| 5. | 24-Steel and Mines (Voted) | 3.71 | 0.01 | 3.70 |
| CAPITAL SECTION (CHARGED) | | | | |
| 1. | 6003-Internal Debt of State Government | 1206.85 | -- | 1206.85 |
| Total | | 2118.17 | 644.17 | 1474.00 |

APPENDIX-XVI

{Refer paragraph 2.3.8 (iii) at page 28}

Statement showing excessive surrenders

| Sl. No. | Number and Name of the Grant | Total Savings | Amount surrendered | Amount surrendered in excess |
|--------------------------------|--|---------------|--------------------|------------------------------|
| (Rupees in crore) | | | | |
| REVENUE SECTION (VOTED) | | | | |
| 1. | 3-Revenue (Voted) | 166.08 | 220.84 | 54.76 |
| 2. | 5-Finance (Voted) | 403.14 | 406.05 | 2.91 |
| 3. | 26-Excise (Voted) | 1.08 | 1.09 | 0.01 |
| 4. | 30-Energy (Voted) | 52.22 | 52.93 | 0.71 |
| CAPITAL SECTION (VOTED) | | | | |
| 1. | 13-Housing and Urban Development (Voted) | 34.62 | 36.63 | 2.01 |
| 2. | 22-Forest and Environment (Voted) | 2.01 | 8.93 | 6.92 |
| 3. | 28-Rural Development (Voted) | 35.86 | 39.17 | 3.31 |
| 4. | 30-Energy (Voted) | 166.14 | 218.27 | 52.13 |
| Total | | 861.15 | 983.91 | 122.76 |

Contd.

APPENDIX-XVII

{ Refer paragraph 2.3.8 (iv) at page 28 }

Statement showing significant cases of entire provision surrendered/re-appropriated

| Sl. No. | Grant Number and Name of the Department | Head of Account | Total Provision | Totally surrendered/reappropriated |
|---------|---|--|-------------------|------------------------------------|
| 1 | 2 | 3 | 4 | 5 |
| | | | (Rupees in lakh) | |
| 1. | 1-Home | 2015-Elections, Non-plan, 106-charges for conduct of Elections to State/Union Territory Legislature, 2000240-Police arrangement for conduct of elections | 300.00 | 300.00 |
| 2. | 1-Home | 2055-Police, Non-plan, 115-Modernisation of Police force, 0014630-Wireless computer | 265.33 | 265.33 |
| 3. | 1-Home | 4059-Capital outlay on Public Works, State Plan, 60-Other buildings, 051-Construction, 0027280-Upgradation of standard of Administration recommended by the 11 th Finance Commission | 346.30 | 346.30 |
| 4. | 3-Revenue | 2029-Land Revenue-Central Plan-102-Survey and Settlement Operation, 0016650-Computerisation of Land Records | 692.62 | 692.62 |
| 5. | 3-Revenue | 2029-Land Revenue-Central Plan-102-Survey and Settlement Operation, 0026570-Computerisation of Cadastral Survey maps | 235.12 | 235.12 |
| 6. | 3-Revenue | 2030-Stamps and Registration, State Plan, 03-Registration, 001-Direction and Administration, 0002921-District Establishment Additional Central Assistance for computerisation of District Registration office | 100.00 | 100.00 |
| 7. | 3-Revenue | 2245-Relief on account of Natural calamities, Non-plan, 02-Flood, Cyclone etc., 112-Evacuation of Population, 2000020-Air dropping operation | 100.00 | 100.00 |
| 8. | 3-Revenue | 2245-Relief on account of Natural calamities, Non-plan, 02-Flood, Cyclone etc., 112-Evacuation of Population, 3600100-Temporary shelter | 200.00 | 200.00 |
| 9. | 3-Revenue | 2245-Relief on account of Natural calamities, Non-plan, 02-Flood, Cyclone etc., 113-Assistance for repair/reconstruction of Houses, 3900070-Hail storm affected | 50.00 | 50.00 |
| 10. | 3-Revenue | 2245-Relief on account of Natural calamities, Non-plan, 02-Flood, Cyclone etc., 114-Assistance to Farmers for purchase of Agriculture inputs, 4300790-Subsidy on seed and fertilisers | 100.00 | 100.00 |
| 11. | 3-Revenue | 2245-Relief on account of Natural calamities, Non-plan, 02-Flood, Cyclone etc., 193-Assistance to Local Bodies and other non-Government Bodies/Institutions, 4102900-Grants to Urban Local Bodies for Repair and Restoration of properties | 50.00 | 50.00 |

Contd.

| Sl. No. | Grant Number and Name of the Department | Head of Account | Total Provision | Totally surrendered/ reappropriated |
|---------|---|---|-------------------|-------------------------------------|
| 1 | 2 | 3 | 4 | 5 |
| | | | (Rupees in lakh) | |
| 12. | 3-Revenue | 2245-Relief on account of Natural calamities, Non-plan, 80-General, 800-Other expenditure Provision (including NCCF) | 29979.00 | 29979.00 |
| 13. | 5-Finance | 2052-Secretariate General Service, Non-plan, 092-Other officers, 8000000-Lump Provision | 649.66 | 649.66 |
| 14. | 5-Finance | 2071-Pension and other Retirement Benefits, Non-plan, 01-Civil, 101-Superannuation and Retirement Allowances, 0028730-Voluntary Separation Scheme for NMR, DLR, Work charged etc. | 2000.00 | 2000.00 |
| 15. | 5-Finance | 2075-Miscellaneous General Services, Non-plan, 800-Other expenditure, 0028080-Payment of Account of revocation of Guarantee | 5000.00 | 5000.00 |
| 16. | 5-Finance | 2235-Social Security and Welfare, Non-plan, 60-Other Social Security and Welfare Programmes, 102-Pension under Social Security Schemes, 3800220-Pension to imprisoned Freedom Fighters | 25.00 | 25.00 |
| 17. | 7-Works | 5054-Capital outlay on Roads and Bridges, State Plan, 03-State High Ways, 796-Tribal Area sub-plan, 3703680-Road works | 1496.00 | 1496.00 |
| 18. | 7-Works | 5054-Capital outlay on Roads and Bridges, Central Plan, 05-Roads of Inter-state or Economic Importance, 796-Tribal Area sub-plan, 3700000-Major Works | 560.00 | 560.00 |
| 19. | 7-Works | 4059-Capital outlay on Public Works, State Plan, 01-Office Building, 796-Tribal Area sub-plan, 0028950-KBK Districts from SCA under RLTA | 39.10 | 39.10 |
| 20. | 7-Works | 4202-Capital outlay on Education, Sports, Arts and Culture, State Plan, 04-Art & Culture, 800-Other Expenditure | 18.00 | 18.00 |
| 21. | 7-Works | 4210-Capital outlay on Medical and Public Health, State Plan, 03-Medical Education, Training and Research, 105-Allopathy | 101.35 | 101.35 |
| 22. | 7-Works | 4210-Capital outlay on Medical and Public Health, Central Plan, 01-Urban Health Services, 110-Hospital and Dispensaries | 63.00 | 63.00 |
| 23. | 7-Works | 4216-Capital outlay on Housing, Non-plan, 01-Government Residential Buildings, 106-General Pool accommodation, 3711650-Completion & Construction to Building of Madhusudan Das Regional Academy of Finance and Management | 20.00 | 20.00 |
| 24. | 7-Works | 4216-Capital outlay on Housing, Non-plan, 01-Government Residential Buildings, 106-General Pool accommodation, 3711770-Construction of staff quarters for Small Savings Organisation | 11.20 | 11.20 |

Contd.

| Sl. No. | Grant Number and Name of the Department | Head of Account | Total Provision | Totally surrendered/ reappropriated |
|---------|--|---|-------------------|-------------------------------------|
| 1 | 2 | 3 | 4 | 5 |
| | | | (Rupees in lakh) | |
| 25. | 10-School and Mass Education | 2202-General Education, State Plan, 04-Adult Education, 796-Tribal Area Sub-plan, 0007760-Literacy campaign | 20.00 | 20.00 |
| 26. | 11-ST and SC Development and OBC & Minority Development. | 2225-Welfare of SC, ST and Other Backward Classes, State Plan, 02-Welfare of ST, 794-Special Central Assistance for Tribal Sub-Plan, 0006973-Integrated Tribal Development Project, (0001530-Co-operatives) | 50.00 | 50.00 |
| 27. | 11-ST and SC Development and OBC and Minority Development. | 2225-Welfare of SC, ST and Other Backward Classes, SP, 03-Welfare of Backward classes, 800-other expenditure, 0006390-Implementation of Income generating schemes | 107.77 | 107.77 |
| 28. | 11-ST and SC Development and OBC and Minority Development | 2225-Welfare of SC, ST and Other Backward Classes, Central Plan, 01-Welfare of SC, 800-other expenditure | 352.87 | 352.87 |
| 29. | 11-ST and SC Development and OBC and Minority Development | 2225-Welfare of SC, ST and Other Backward Classes, Central Plan, 03-Welfare of Backward classes, 277-Education, 0009150-Other Educational Facilities | 100.00 | 100.00 |
| 30. | 11-ST and SC Development and OBC and Minority Development | 2225-Welfare of SC, ST and Other Backward Classes, Central Plan, 02-Welfare of ST, 277-Education, 0019080-Vocational Training Institute | 115.00 | 115.00 |
| 31. | 11-ST and SC Development and OBC and Minority Development | 2225-Welfare of SC, ST and Other Backward Classes, Centrally Sponsored Plan, 80-General, 800-other expenditure | 13.00 | 13.00 |
| 32. | 11-ST and SC Development and OBC and Minority Development | 4225-Capital Outlay on Welfare of SC, ST and OBC, SP, 02-Welfare of Schedule Tribe, 277-Education, 0010820-Research-cum-Training. | 31.00 | 31.00 |
| 33. | 11-ST and SC Development and OBC and Minority Development | 4225-Capital Outlay on Welfare of SC, ST & OBC, Centrally Sponsored Plan, 02-Welfare of Schedule Tribe, 277-Education, 0010820-Research-cum-Training. | 31.00 | 31.00 |
| 34. | 12-Health and Family Welfare Department | 4210-Capital Outlay on medical and Public Health, Central Plan, P.H. 01-Urban Health Services, 110-Hospital and Dispensaries | 2204.46 | 2204.46 |
| 35. | 12-Health and Family Welfare Department | 4210-Capital Outlay on medical and Public Health, 01-Urban Health Services, 796-Tribal Area sub-plan | 1130.48 | 1130.48 |
| 36. | 12-Health and Family Welfare Department. | 4210-Capital Outlay on Medical and Public Health, 01-Urban Health Services, 800-Other expenditure (World Bank assisted project) | 300.00 | 300.00 |
| 37. | 12-Health and Family Welfare Department | 4210-Capital Outlay on Medical and Public Health, 02-Rural Health Service, 110-Hospital & Dispensaries (World Bank assisted project) | 836.05 | 836.05 |
| 38. | 12-Health and Family Welfare Department | 4210-Capital Outlay on Medical and Public Health, 02-Rural Health Scheme, 796-Tribal Area Sub-plan | 836.06 | 836.06 |

Contd.

| Sl. No. | Grant Number and Name of the Department | Head of Account | Total Provision | Totally surrendered/ reappropriated |
|---------|---|--|------------------|-------------------------------------|
| 1 | 2 | 3 | 4 | 5 |
| | | | (Rupees in lakh) | |
| 39. | 12-Health and Family Welfare | 4216-Capital outlay on Housing, 01-Government Residential Building, 106-General pool accommodation. (World Bank assisted project) | 650.00 | 650.00 |
| 40. | 12-Health and Family Welfare | 4216-Capital outlay on Housing, 01-Government Residential Building, 796-Tribal Area sub-plan (World Bank assisted project) | 636.58 | 636.58 |
| 41. | 13-Housing and Urban Development | 4059-Capital outlay on Public Works, Non-Plan, 01-Office Building, 051-Construction, 3700841-Completion and Construction of incomplete building of Commercial Tax organisations, 3704370-Water Supply | 25.15 | 25.15 |
| 42. | 13-Housing and Urban Development | 2215-Water supply and Sanitation, State Plan, 01-Water supply, 191-Assistance to Local Bodies, Municipalities etc. | 160.00 | 160.00 |
| 43. | 13-Housing & Urban Development | 2217-Urban Development, State Plan, 05-Other Urban Development Schemes, 192-Assistance to Municipality and Municipal council, 4108070, Grants for strengthening Urban Infrastructure. | 215.82 | 215.82 |
| 44. | 13-Housing and Urban Development | 2217-Urban Development, State Plan, 05-other Urban Development schemes, 193-Assistance to Nagar Panchayats/NACs for Equivalent thereof | 519.93 | 519.93 |
| 45. | 13-Housing and Urban Development | 2217-Urban Development, State Plan, 05-Other Urban Development schemes, 191-Assistance to Municipal Corporations | 117.00 | 117.00 |
| 46. | 13-Housing and Urban Development | 2217-Urban Development, State Plan, 05-Other Urban Development schemes, 192-Assistance to Municipality and Municipal council, 0028320-Urban services Improvement Project assisted by DFID | 85.95 | 85.95 |
| 47. | 13-Housing and Urban Development | 2217-Urban Development, State Plan, 05-Other Urban Development schemes, 193-Assistance to Nagar Panchayats/NACs or Equivalent thereof, 0028320-Urban service improvement project assisted by DFID | 75.00 | 75.00 |
| 48. | 13-Housing and Urban Development | 2217-Urban Development, State Plan, 05-Other Urban Development schemes, 796-Tribal Area Sub-plan, 4108590-Assistance to Municipality/Municipal council | 75.00 | 75.00 |
| 49. | 13-Housing and Urban Development | 2217-Urban Development, State Plan, 05-Other Urban Development schemes, 796-Tribal Area Sub-plan, 4108600-Assistance to Nagar Panchayats/Notified Area Council or equivalent thereof | 50.00 | 50.00 |
| 50. | 19-Industries | 2230-Labour and Employment, State Plan, 03-Training, 003-Training of Craftsmen and Supervisors, 4108780-Financial assistance for strengthening of ITIs for promoting self employment under special ACA | 90.00 | 90.00 |

Contd.

| Sl. No. | Grant Number and Name of the Department | Head of Account | Total Provision | Totally surrendered/ reappropriated |
|---------|---|--|-------------------|-------------------------------------|
| 1 | 2 | 3 | 4 | 5 |
| | | | (Rupees in lakh) | |
| 51. | 19-Industries | 2230-Labour and Employment, Centrally Sponsored Plan, 03-Training, 003-Training of Craftsmen and Supervisors, 0030520- Upgradation of existing ITIs into centre of excellence | 240.00 | 240.00 |
| 52. | 19-Industries | 2851-Village and Small Industries, Centrally Sponsored Plan, 102-Small Scale Industries, 0026150-Integrated Infrastructural Development centre. | 12.00 | 12.00 |
| 53. | 19-Industries | 2875-Other Industries, Centrally Sponsored Plan, 60-Other Industries, 190-Assistance to Public Sector and other undertakings, 4108810-Grants to IDCO | 140.00 | 140.00 |
| 54. | 20-Water Resources | 2701-Major and Medium Irrigation, Non-Plan, 80-General, 800-other expenditure, 8000700-Lump Provision for maintenance of critical Major and Medium Irrigation Projects | 773.68 | 773.68 |
| 55. | 20-Water Resources | 2702-Minor Irrigation, Non-Plan, 01-Surface Water, 800-other expenditure, 2100910-Maintenance of critical Minor Irrigation Projects | 200.00 | 200.00 |
| 56. | 20-Water Resources | 2702-Minor Irrigation, Non-Plan, 01-Surface Water, 800-other expenditure, 8000130-Lump provision for other works | 102.66 | 102.66 |
| 57. | 20-Water Resources | 4701-Capital outlay on Major and Medium Irrigation, State Plan, 01-Major Irrigation, Commercial, 210-Kanapur Irrigation Project, 0004870-Financial Advisor and Chief Accounts Officer. | 22.75 | 22.75 |
| 58. | 22-Forest and Environment | 2406-Forestry and Wild Life, State Plan, 01-Forestry, 796-Tribal Area Sub-Plan, 0029200-Orissa Forest Sector Development Project (EAP, JBIC (Japan) assisted) | 1000.00 | 1000.00 |
| 59. | 22-Forest and Environment | 2406-Forestry and Wild Life, Central Plan, 02-Environmental forestry and wild life, 110-Wild Life preservation, 0025980-Relocation of villages from sanctuaries and National Parks. | 150.00 | 150.00 |
| 60. | 22-Forest and Environment | 2406-Forestry and Wild Life, State Plan, 01-Forestry, 102-Social and Farm Forestry, 0029180-Capacity building for participatory management of degraded forests (EAP, SIDA assisted) | 164.00 | 164.00 |
| 61. | 22-Forest and Environment | 2406-Forestry and Wild Life, State Plan, 01-Forestry, 102-Social and Farm Forestry, 0029200-Orissa Forest Sector Development Project{(EAP, JBIC (Japan)) assisted. | 1500.00 | 1500.00 |
| 62. | 22-Forest and Environment | 2406-Forestry and Wild Life, State Plan, 01-Forestry, 796-Tribal Area Sub-plan, 0029180-Capacity building for participating management of degraded forest (EAP, SIDA assisted) | 99.00 | 99.00 |

Contd.

| Sl. No. | Grant Number and Name of the Department | Head of Account | Total Provision | Totally surrendered/ reappropriated |
|---------|---|---|-------------------|-------------------------------------|
| 1 | 2 | 3 | 4 | 5 |
| | | | (Rupees in lakh) | |
| 63. | 23-Agriculture | 2402-Soil and Water Conservation, State Plan, 800-other expenditures, 0030240-Artificial recharge to ground water and rain water harvesting | 11.00 | 11.00 |
| 64. | 23-Agriculture | 2402-Soil and Water Conservation, Centrally Sponsored Plan, 800-other expenditures, 0030240-Artificial recharge to ground water and rain water harvesting | 101.50 | 101.50 |
| 65. | 28-Rural Development | 2215-Water supply and sanitation, State Plan, 01-Water supply, 102-Rural Water supply programme | 50.01 | 50.01 |
| 66. | 28-Rural Development | 2215-Water supply and sanitation, Centrally Sponsored Plan, 01-Water supply, 003-Training, 0025850-Management Information System and Computerisation | 499.00 | 499.00 |
| 67. | 28-Rural Development | 5054-Capital outlay on Roads and Bridges, State Plan, 04-District and other Roads, 796-Tribal Area sub-plan, 0008293-Minimum needs programme (371 1620-Improvement of Roads and Bridges in KBK districts) | 450.00 | 450.00 |
| 68. | 30-Energy | 2801-Power-State Plan, 06-Rural Electrification, 800-Other expenditure, 4302540-subsidy to CESCO for rural electrification through conventional source under PMGY | 200.00 | 200.00 |
| 69. | 30-Energy | 2801-Power-State Plan, 06-Rural Electrification, 800-Other expenditure, 4302550-subsidy to NESCO for rural electrification through conventional source under PMGY | 200.00 | 200.00 |
| 70. | 30-Energy | 2801-Power-State Plan, 06-Rural Electrification, 800-Other expenditure, 4302560-subsidy to WESCO for rural electrification through conventional source under PMGY | 200.00 | 200.00 |
| 71. | 30-Energy | 2801-Power-State Plan, 06-Rural Electrification, 800-Other expenditure, 4302570-subsidy to SOUTHCO for rural electrification through conventional source under PMGY | 200.00 | 200.00 |
| 72. | 30-Energy | 6801-Loans for Power Projects, State Plan, 00-205-Transmission and distribution, 0029230-Strengthening and improvement of distribution system under Accelerated Power Development Reform Programme | 16998.00 | 16998.00 |
| 73. | 31-Textiles and Handloom | 2851-Village and Small Industries-Central Plan, 103-Handloom Industries, 0014950-Integrated Handloom Village Development | 43.17 | 43.17 |
| 74. | 31-Textiles and Handloom | 2851-Village and Small Industries, Central Plan, 103-Handloom Industries, 0018310-Health Package Scheme for Handloom Weavers | 51.61 | 51.61 |

Contd.

| Sl. No. | Grant Number and Name of the Department | Head of Account | Total Provision | Totally surrendered/ reappropriated |
|------------------|---|--|-----------------|-------------------------------------|
| 1 | 2 | 3 | 4 | 5 |
| (Rupees in lakh) | | | | |
| 75. | 31-Textiles and Handloom | 2851-Village and Small Industries, Central Plan, 103-Handloom Industries, 0027926-Deendayal Hath Kargha Protsahan Yojana (0027970-Design input) | 31.12 | 31.12 |
| 76. | 31-Textiles and Handloom | 2851-Village and Small Industries, Central Plan, 796-Tribal Area sub-plan, 0014950-Integrated Village Development | 12.33 | 12.33 |
| 77. | 31-Textiles and Handloom | 2851-Village and Small Industries, Central Plan, 796-Tribal Area sub-plan, 0018310-Health Package Scheme for Handloom Weavers. | 14.74 | 14.74 |
| 78. | 31-Textiles and Handloom | 2851-Village and Small Industries, Centrally Sponsored Plan, 103-Handloom Industries, 0019800-Project Package Scheme for Handloom Development. | 391.00 | 391.00 |
| 79. | 31-Textiles and Handloom | 2851-Village & Small Industries, Centrally Sponsored Plan, 103-Handloom Industries, 0027920-Deendayal Hathkargha Protshahan Yojana (0900210-Publicity Scheme) | 15.95 | 15.95 |
| 80. | 31-Textiles and Handloom | 2851-Village & Small Industries, Centrally Sponsored Plan, 103-Handloom Industries, 0027921-Deendayal Hathkargha Protshahan Yojana (0027930-Basic input) | 34.20 | 34.20 |
| 81. | 31-Textiles and Handloom | 2851-Village and Small Industries, Centrally Sponsored Plan, 103-Handloom Industries, 0027923-Deendayal Hath Kargha Protshahan Yojana (0027950 Strengthening of Handloom Organisation) | 1166.85 | 1166.85 |
| 82. | 31-Textiles and Handloom | 2851-Village & Small Industries, Centrally Sponsored Plan, 103-Handloom Industries, 3501660-Thrift deposit Handloom Weavers Savings and Security Scheme | 20.86 | 20.86 |
| 83. | 31-Textiles and Handloom | 2851-Village and Small Industries, 796-Tribal Area sub-plan, 0027924-Deendayal Hath Kargha Protshahan Yojana (0027950-Strengthening of Handloom Organisation) | 333.15 | 333.15 |
| 84. | 31-Textiles and Handloom | 4851-Capital Outlay on village and Small Industries, State Plan, 00-103-Handloom Industries, 0027920-Deendayal Hath Kargha Protshahan Yojana | 1500.00 | 1500.00 |
| 85. | 31-Textiles and Handloom | 2851-Village and Small Industries, State Plan, 103-Handloom Industries, 0027920-Deendayal Hath Kargha Protshahan Yojana (0900210-Publicity scheme) | 12.45 | 12.45 |
| 86. | 31-Textiles and Handloom | 2851-Village and Small Industries, Central Plan, SS-103-Handloom Industries, 0027925 | 1500.00 | 1500.00 |
| 87. | 31-Textiles and Handloom | 2851-Village and Small Industries, State Plan, 103-Handloom Industries, 3501660-Thrift Deposit-Handloom Weavers Savings and Security Scheme. | 20.86 | 20.86 |

Concl'd.

| Sl. No. | Grant Number and Name of the Department | Head of Account | Total Provision | Totally surrendered/ reappropriated |
|---------|---|--|------------------|-------------------------------------|
| 1 | 2 | 3 | 4 | 5 |
| | | | (Rupees in lakh) | |
| 88. | 33-Fisheries & Animal Resources Development | 2403-Animal Husbandry, CP, 101-Veterinary services and Animal Health, 0001980-Control of Foot and Mouth diseases. | 100.00 | 100.00 |
| 89. | 33-Fisheries & Animal Resources Development | 2403-Animal Husbandry, Centrally Sponsored Plan, 103-Poultry Development, 0027670-Strengthening of Poultry Duck breeding farms in the state. | 44.92 | 44.92 |
| 90. | 33-Fisheries & Animal Resources Development | 2405-Fishries, State Plan, 101-Inland Fisheries, 0030140-Development of Brakish Water Aquaculture through FFDA | 16.00 | 16.00 |
| 91. | 33-Fisheries & Animal Resources Development | 2405-Fishries, CP, 103-Marine Fisheries, 0019060-Enforcement of Marine Fishing Regulation Act. | 32.00 | 32.00 |
| 92. | 33-Fisheries & Animal Resources Development | 2405-Fishries, Centrally Sponsored Plan, 101-Inland Fisheries, 0030130-Integrated Development of Inland capture resources. | 11.18 | 11.18 |
| 93. | 33-Fisheries & Animal Resources Development | 4405-Capital Outlay on Fisheries, Centrally Sponsored Plan, 00, 103-Marine Fisheries, 0030220-Establishment of Fishing Harbour and Fish landing centre. | 173.76 | 173.76 |
| 94. | 33-Fisheries & Animal Resources Development | 2403-Animal Husbandry, CP, 106-Other Live stock Development, 0030110-Conservation of threatened breeds of small ruminants. | 25.00 | 25.00 |
| 95. | 33-Fisheries & Animal Resources Development | 2403-Animal Husbandry, CP, 107-Fodder & Feed Development-0026980-Enrichment of straw and cellulosic water | 150.00 | 150.00 |
| 96. | 34-Co-operation | 2408-Food storage and Ware Housing, State Plan, 02-Storage and Ware Housing, 195-Assistance to Co-operatives, 4108110-Grants to State Ware Housing Co-operative to construct go down in KBK districts. | 175.00 | 175.00 |
| 97. | 38-Higher Education | 2202-General Education, State Plan, 03-University and Higher Education, 102-Assistance to Universities, 0029020-Identified Schemes under ACA. | 50.00 | 50.00 |
| 98. | 38-Higher Education | 2202-General Education, CP, 03-University and Higher Education, 107-Scholarships, 4000260-Award of scholarship to students of Higher Secondary Schools studying Sanskrit | 17.00 | 17.00 |
| 99. | 38-Higher Education | 2204-Sports and Youth Services, State Plan, 102-Youth Welfare Programme for students, 0008600-NCC | 50.00 | 50.00 |
| | | Total: | 80547.05 | 80547.05 |

APPENDIX-XVIII
{Refer paragraph 2.3.8 (v) at page 28}
Anticipated savings not surrendered

Contd.

| Sl. No. | Grant Number and Name | Head of Account | Total Grant | Actual expenditure | Savings |
|------------------------|----------------------------------|---|-------------|--------------------|---------|
| (Rupees in lakh) | | | | | |
| REVENUE SECTION | | | | | |
| 1. | 1-Home | 4059-Capital Outlay on Public Works-60-Other buildings, 051-Construction. | 165.20 | 0 | 165.20 |
| 2. | 1-Home | 4059-Capital Outlay on Public Works-State Plan, DS-60-Other buildings, 051-Construction, 4901250-State share of expenditure in Centrally Sponsored Plan schemes | 90.00 | 0 | 90.00 |
| 3. | 1-Home | 4216-Capital outlay on Housing, 01-Govt. Residential Buildings, 106-General Pool Accommodation. | 375.00 | 0 | 375.00 |
| 4. | 4-Law | 2250-Other Social Services, 103-Upkeep of Shrines, Temples etc., 4107900-Grants to Temple Administration of Lord Shri Jagannath, Puri for corpus fund | 100.00 | 0 | 100.00 |
| 5. | 7-Works | 3054-Roads and Bridges, State Plan, 80-General, 797-Transfer to/from Reserve Fund, Deposit Account. | 3161.00 | 0 | 3161.00 |
| 6. | 10-School and Mass Education | 2202-General Education, 02-Secondary Education, 109-Government Secondary Schools, 0006790-Institute of Malkangiri Zone | 47.93 | 0 | 47.93 |
| 7. | 13-Housing Development | 2215-Water Supply and Sanitation, 799-Suspense (Stock) | 100.00 | 0 | 100.00 |
| 8. | 13-Housing and Urban Development | 2215-Water Supply and Sanitation, Central Plan, DS-02-Sewerage and Sanitation, 107-Sewerage Services, 4108410-Grants to Orissa Water Supply and Sewerage Board for abatement of pollution of River Mahanadi & Kathajori at Cuttack. | 312.40 | 0 | 312.40 |
| 9. | 13-Housing and Development | 2215-Water Supply and Sanitation, Centrally Sponsored Plan, 02-Sewerage & Sanitation, 107-Sewerage Services, 4108420-Grants to Orissa Water Supply and Sewerage Board for sewerage treatment plant at Puri. | 1300.00 | 0 | 1300.00 |

Concl'd.

| Sl. No. | Grant Number and Name | Head of Account | Total Grant | Actual expenditure | Savings |
|------------------|--|---|-----------------|--------------------|-----------------|
| (Rupees in lakh) | | | | | |
| 10. | 19-Industries | 2851-Village and Small Industries, State Plan, SS-102-Small Scale Industries, 0018830-Development of Growth centres in the state. | 170.00 | 0 | 170.00 |
| 11. | 20-Water Resources | 4711-Capital outlay on Flood Control Projects, State Plan, SS-03-Drainage, 001-Direction & Administration, 0030530-Special ACA | 350.00 | 0 | 350.00 |
| 12. | 22-Forest and Environment | 2406-Forestry and Wild Life, Central Plan, DS-01-Forestry, 102-Social and Farm Forestry, 0028650-Non-Timber Forests including Medicinal plants | 30.00 | 0 | 30.00 |
| 13. | 28-Rural Development | 2059-Public Works, 80-General, 799-Suspense, 3400080-Public Works (Stock) | 478.00 | 0 | 478.00 |
| 14. | 28-Rural Development | 2215-Water Supply and Sanitation, State Plan, SS-01-Water Supply, 799-Suspense, 0012571-Stock | 200.00 | 0 | 200.00 |
| 15. | 28-Rural Development | 2215-Water Supply and Sanitation, SP-SS-02-Sewrage and Sanitation, 796-TASP, 3703750-Rural Sanitation. | 261.95 | 0 | 261.95 |
| 16. | 33-Fisheries and Animal Husbandry | 2403-Animal Husbandry, State Plan, SS-101-Veterinary Services and Animal Health, 4108320-Assistance to State for control of Animal diseases | 37.00 | 0 | 37.00 |
| 17. | 34-Co-operation | 2435-Other Agricultural Programmes, State Plan, SS-01-Marketing and quality control, 796-TASP, 0029240-Infrastructure institutional Development in Agricultural Business. | 175.00 | 0 | 175.00 |
| 18. | 34-Co-operation | 6425-Loans for Co-operation, State Plan, SS-01-Marketing and quality control, 101-Marketing Facilities, 0028570-Macro Management of Agricultural Supplementation/Complement ation of state effect through work plan | 25.00 | 0 | 25.00 |
| 19. | 6003-Internal Debt of State Government | 6003-Internal Debt of State Government, 110-Ways and Means advances from RBI, 5600030-Over Draft with RBI | 50000.00 | 0 | 50000.00 |
| Total: | | | 57378.48 | | 57378.48 |

APPENDIX-XIX

(Refer paragraph 2.3.9 at page 29)

Statement showing cases where expenditure fell short by
Rs.1 crore and over 20 per cent of provision

| Sl. No. | No. of the Grant | Name of the Grant/Appropriation. | Total Grant | Amount of savings | Savings as a percentage of total grant |
|-----------------|------------------|---|---------------------|-------------------|--|
| 1 | 2 | 3 | 4 | 5 | 6 |
| | | | (Rupees in crore) | | |
| REVENUE SECTION | | | | | |
| 1. | 5 | Finance (Voted) | 1727.40 | 403.14 | 23 |
| 2. | 5 | Finance (Charged) | 400.01 | 250.00 | 62 |
| 3. | 7 | Works (Voted) | 234.56 | 55.12 | 23 |
| 4. | 11 | Scheduled Tribes and Scheduled Castes Development and Minorities and Backward Development (Voted) | 339.20 | 95.23 | 28 |
| 5. | 16 | Planning and Co-ordination (Voted) | 373.42 | 98.06 | 26 |
| 6. | 19 | Industries (Voted) | 71.61 | 25.27 | 35 |
| 7. | 20 | Water Resources (Voted) | 282.90 | 68.10 | 24 |
| 8. | 22 | Forest and Environment (Voted) | 129.29 | 41.18 | 32 |
| 9. | 28 | Rural Development (Voted) | 254.10 | 62.66 | 25 |
| 10. | 29 | Parliament Affairs (Voted) | 7.79 | 1.72 | 22 |
| 11. | 30 | Energy (Voted) | 95.45 | 52.22 | 55 |
| 12. | 31 | Textiles and Handloom (Voted) | 63.46 | 43.61 | 69 |
| 13. | 35 | Public Enterprises (Voted) | 100.73 | 73.62 | 73 |
| CAPITAL SECTION | | | | | |
| 1. | 1 | Home (Voted) | 74.49 | 52.47 | 70 |
| 2. | 5 | Finance (Voted) | 223.99 | 103.53 | 46 |
| 3. | 6 | Commerce (Voted) | 4.00 | 1.69 | 42 |
| 4. | 11 | Scheduled Tribes and Scheduled Castes Development and Minorities and Backward Classes Development (Voted) | 6.24 | 4.76 | 76 |
| 5. | 12 | Health and Family Welfare (Voted) | 66.68 | 66.03 | 99 |
| 6. | 13 | Housing and Urban Development (Voted) | 73.74 | 34.62 | 47 |
| 7. | 20 | Water Resources (Charged) | 2.47 | 1.15 | 47 |
| 8. | 28 | Rural Development (Voted) | 165.81 | 35.86 | 22 |
| 9. | 30 | Energy (Voted) | 259.71 | 166.14 | 64 |
| 10. | 31 | Textile and Handloom (Voted) | 15.00 | 15.00 | 100 |
| 11. | 33 | Fisheries and Animal Resources Development (Voted) | 1.94 | 1.79 | 92 |
| 12. | 6003 | Internal Debt of the State Government | 3465.41 | 1206.85 | 35 |
| 13. | 6004 | Loans and Advances from the Central Government | 2137.18 | 692.61 | 32 |

Contd.

APPENDIX-XX

(Refer paragraph 2.3.10 at page 29)

Statement of New Service/New Instrument of Service

| Sl. No. | Grant Number and Name | Head of Account | Amount (Rupees in lakh) |
|---------|----------------------------------|---|-------------------------|
| 1. | 3-Revenue | 2245-Relief on account of Natural Calamity, 05-Calamity Relief Fund, 101-Transfer to Reserve Funds and Deposit Accounts, Calamity Relief Fund, 5000070-Central Grant from National Calamity Contingency Fund. | 5344.00 |
| 2. | 3-Revenue | 2245-Relief on account of Natural Calamity, 02-Flood, Cyclone etc., 193-Assistance to Local Bodies and other Non-Government Bodies/Institutions, 0024680-German (KFW) Aid scheme. | 108.61 |
| 3. | 10-School and Mass Education. | 2202-General Education, 05-Language Development, 103-Sanskrit Education, 0008890-Non-Govt. Colleges and Tolls. | 40.64 |
| 4. | 10-School and Mass Education. | 2202-General Education, State Plan, State Sector, 02-Secondary Education, 796-TAS?, 0005520-Government Secondary Schools (High Schools) | 90.48 |
| 5. | 10-School and Mass Education. | 2202-General Education, State Plan, State Sector 05-Language Development, 103-Sanskrit Education, 0008890-Non-Govt. Colleges and Tolls. | 25.82 |
| 6. | 10-School and Mass Education. | 2202-General Education, State Plan (District Sector), 02-Secondary Education, 109-Government Secondary Schools, 0005970-High Schools. | 571.04 |
| 7. | 12-Health and Family Welfare. | 2210-Medical and Public Health, State Plan, State Sector, 01-Urban Health Services, Allopathy, 0026710-World Bank Assisted, Orissa Health System Development Project. | 10871.34 |
| 8. | 12-Health and Family Welfare. | 3606-Aid Material and Equipment, 103-Trachoma of Blindness control | 38.86 |
| 9. | 12-Health and Family Welfare. | 3606-Aid Material and Equipment, 103-Trachoma of Blindness control, 4104710-World Bank Assistance. | 38.93 |
| 10. | 12-Health and Family Welfare. | 3606-Aid Material and Equipment, 104-NMEP | 1374.04 |
| 11. | 13-Housing and Urban Development | 4215-Capital outlay on Water Supply and Sanitation, 02-Sewerage and Sanitation, 106-Sewerage Services, 3704240-Urban Sewerage Scheme. | 200.00 |
| 12. | 30-Energy | 2801-Power, 01-Hydel Generation, 106-Machhakund Hydro Electric Project | 52.46 |
| 13. | 30-Energy | 4801-Capital outlay on Power Projects, State Plan, SS-01-Hydel Generation, 190-Investment in Public Sector and other undertakings, 3503160-Share Capital Investment in OHPC | 1900.00 |
| 14. | 30-Energy | 6801-Loans for Power Project, 201-Hydel Generation, 4803240-Loans to OHPC under APDP scheme. | 1900.00 |
| 15. | 34-Co-operation | 6425-Loans for Co-operation, 107-Loans to Credit-Co-operatives, 4800530-Loans to OSCB for conversion of short term Loan to Medium Term Loan. | 1390.91 |

Concl'd.

| Sl. No. | Grant Number and Name | Head of Account | Amount (Rupees in lakh) |
|--------------|-----------------------|---|----------------------------|
| 16. | 38-Higher Education | 2202-General Education, 03-University and Higher Education, 104-Assistance to Non-Government Colleges and Institutes, 4100940-Grants | 2060.98 |
| 17. | 38-Higher Education | 2202-General Education, State Plan, DS-03-University and Higher Education, 104-Assistance to Non-Government Colleges and Institutes, 4100940-Grants | 170.18 |
| 18. | 6003-Internal Debt. | 6003-Internal Debt of the State Government, 101-Market Loans, 5600020-Market Loans not bearing Interest | 35.79 |
| 19. | 6003-Internal Debt. | 6003-Internal Debt of the State Government, 111-Special Securities issued to NSSF of Central Government | 1922.35 |
| Total | | | 28134.36 |

APPENDIX-XXI
{Refer paragraph 2.3.11 at page 29}
Injudicious Reappropriation

(Rupees in Crore)

| Sl. No. | Grant | Head of Account | Grants | | | | Actual Expenditure | Savings |
|---------|--------------------------------|--|------------|---------------|--------------|-------|--------------------|---------|
| | | | Original | Supplementary | Augmentation | Total | | |
| 1. | 1-Home | 2015-Elections, 104-Charges for conduct of Elections for Lok Sabha and State/Union Territories Legislative Assembly, 200040-Charges other than police Arrangement | Negligible | 0 | 38.70 | 38.70 | 14.31 | 24.39 |
| 2. | 1-Home | 2015-Elections, 103-Preparation and Printing of Electoral Rolls, 2000250-Printing charges of Electoral Rolls | Negligible | 0 | 7.49 | 7.49 | 5.91 | 1.58 |
| 3. | 7-Works | 2059-Public Works, 80-General, 001-Direction and Administration, 0002724-Direction. | 2.27 | 0.03 | 0.17 | 2.47 | 0.98 | 1.49 |
| 4. | 10-School and Mass Education | 2202-General Education, 01-Elementary Education, 101-Govt. Primary Schools, 0007950-Malkangiri Zone, Primary School | 2.31 | 0.03 | 0.42 | 2.76 | 0.01 | 2.75 |
| 5. | 16-Planning and Co-ordination. | 2401-Crop Husbandry, State Plan, SS-111-Agricultural Economics & Statistics, 0003730-Establishment of an Agency for reporting of Agriculture statistics in Orissa | 5.06 | Negligible | 0.50 | 5.56 | 0 | 5.56 |
| 6. | 17-Panchayati Raj | 2505-Rural Employment, State Plan, DS-01-National Programmes, 701-JRY, 0025870-Indira Awas Yojana | 45.26 | 15.00 | 10.83 | 71.09 | 69.24 | 1.85 |
| 7. | 20-Water Resources | 2701-Major and Medium Irrigation, 01-Major Irrigation-(Commercial), 106-Delta Irrigation Scheme, Stage-II, 2100100-Maintenance | 6.45 | -- | 0.03 | 6.48 | 5.02 | 1.46 |
| 8. | 23-Agriculture | 2401-Crop Husbandry, State Plan, SS-119-Horticulture & Vegetable Crops, 0028570-Macro Management of Agriculture Supplementation/complementation of state efforts through work plan | 0.43 | Negligible | 0.62 | 1.05 | 0 | 1.05 |
| 9. | 23-Agriculture | 2401-Crop Husbandry, State Plan, SS-800-Other Expenditure, 0027740-Macro Management of Agriculture Supplementation/complementation of states efforts through work plan | 0.85 | 0.50 | 0.01 | 1.36 | 0 | 1.36 |

Contd.

APPENDIX-XXII
{Refer paragraph 2.3.11 at page 29}
Injudicious Reappropriation

(Rupees in Crore)

| Sl. No. | Grant | Head of Account | Grants | | | | Actual Expenditure | Excess |
|---------|-------------------------------|--|----------|---------------|--------------|-------|--------------------|--------|
| | | | Original | Supplementary | Augmentation | Total | | |
| 1. | 7-Works | 5054-Capital outlay on Roads & Bridges, SP-SS-04-District and other Roads, 800-Other Expenditures, 0017610-Central Road Fund | 13.37 | -- | (-) 4.17 | 9.20 | 11.40 | 2.20 |
| 2. | 12-Health and Family Welfare | 2210-Medical and Public Health, State Plan, State Sector, 01-Urban Health Services, Allopathy, 001-Direction & Administration, 0005862-Hdqs organisation, World Bank Assisted, Orissa Health System Development Project. | 50.00 | -- | (-) 15.19 | 34.81 | 36.41 | 1.60 |
| 3. | 12-Health and Family Welfare. | 2210-Medical and Public Health, Central Plan, District Sector, 06-Public Health, 101-Prevention and Control of diseases, 0008700-NMEP. | 30.00 | -- | (-) 28.80 | 1.20 | 4.47 | 3.27 |
| 4. | 12-Health and Family Welfare. | 2211-Family Welfare, Central Plan, State Sector, 200-Other Services and Supplies, 330130-Purchase of contraceptives, MCH extension supplies, educational kits. | 17.80 | -- | (-) 12.26 | 5.54 | 15.63 | 10.09 |
| 5. | 17-Panchayat Raj | 2515-Other Rural Development Programme, 198-Assistance to Gram Panchayats, 0008330-Miscellaneous | 23.09 | -- | (-) 14.68 | 8.40 | 10.86 | 2.46 |
| 6. | 19-Industry | 2851-Village and Small Industries, Centrally Sponsored Plan, State Sector, 102-Small Scale Industries, 0018830-Development of Growth Centres in the State. | 3.40 | -- | (-) 3.40 | -- | 1.70 | 1.70 |
| 7. | 20-Water Resource | 4702-Capital outlay on Minor Irrigation, State Plan, District Sector, 796-TASP, ongoing scheme under AIBP | 2.30 | 0.0001 | (-) 0.30 | 2.00 | 3.20 | 1.20 |
| 8. | 22-Forest and Environment | 4406-Capital outlay on Forestry and Wild life, State Plan, District Sector, 01-Forestry, 102-Social and Farm Forestry-0029260-Special Development of KBK | 14.40 | -- | (-) 8.73 | 5.67 | 13.68 | 8.01 |

Concl'd.

| Sl. No. | Grant | Head of Account | Grants | | | | Actual Expenditure | Excess |
|---------------|--------------------------------|--|---------------|---------------|-------------------|---------------|--------------------|--------------|
| | | | Original | Supplementary | Augmentation | Total | | |
| 9. | 28-Rural Development | 2215-Water Supply and Sanitation, State Plan, State Sector, 01-Water Supply, 102-Rural Water Supply Programme, 0027750-PMGY-Drinking Water. | 14.12 | -- | (-) 4.27 | 9.85 | 11.22 | 1.37 |
| 10. | 28-Rural Development | 2215-Water Supply and Sanitation, State Plan, State Sector, 02-Sewerage and Sanitation, 105-Sanitation Services, 0027750 PMGY Drinking Water. | 0.72 | -- | (-) 0.30 | 0.42 | 7.69 | 7.27 |
| 11. | 28-Rural Development | 5054-Capital outlay on Roads & Bridges, 04-District and other Roads, 796-TASP, 3703740-Rural Roads (0029030-Rural Development Programme) | 0.15 | -- | (-) 0.05 | 0.10 | 1.85 | 1.75 |
| 12. | 28-Rural Development | 5054-Capital outlay on Roads & Bridges, 04-District and other Roads, 800-Other expenditure. | 0.40 | -- | (-) 0.16 | 0.24 | 2.03 | 1.79 |
| 13. | 36-Women and Child Development | 2235-Social Security and Welfare, Central Plan, DS-02-Social Welfare, 102-Child Welfare, 0006880-Integrated Child Development Service schemes(District Cell) | 81.69 | -- | (-) 15.96 | 65.72 | 67.70 | 2.04 |
| 14. | 38-Higher Education | 2202-General Education, State Plan, State Sector, 03-University and Higher Education, 104-Asst. to Non-Government colleges and Institutes, 4108720-Block Grant to new eligible Non-Government colleges notified in 2004. | 3.56 | -- | (-) 0.17 | 3.39 | 8.62 | 5.23 |
| Total: | | | 255.00 | 0.0001 | (-) 108.44 | 146.54 | 196.52 | 49.98 |

Contd.

APPENDIX-XXIII

(Refer paragraph 2.6 at page 31)

Particulars of Major Head under which expenditure during March 2005 was substantial and also exceeded 30 per cent of the total expenditure during the year 2004-2005

| Sl. No. | Major Head of Account. | Revenue Expenditure for the month of March 2005 | Total Expenditure up to the month of March 2005 (Rupees in lakh) | Percentage of Expenditure during March 2005 to total Expenditure. |
|------------------------|--|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
| Revenue Section | | | | |
| 1. | 2048- Appropriation for reduction of avoidance of debt | 38500.00 | 78500.00 | 49.04 |
| 2. | 2058-Stationery & Printing | 590.28 | 1756.80 | 33.60 |
| 3. | 2075-Miscellaneous General Services | 15004.59 | 15059.00 | 99.64 |
| 4. | 2203-Technical Education | 723.74 | 2194.75 | 32.98 |
| 5. | 2216-Housing | 2306.43 | 5243.79 | 43.98 |
| 6. | 2217-Urban Development | 1845.55 | 3612.52 | 51.09 |
| 7. | 2235-Social Security and Welfare | 10775.99 | 32386.74 | 33.27 |
| 8. | 2250-Other Social Services | 197.64 | 585.38 | 33.76 |
| 9. | 2415-Agriculture, Research Education | 751.34 | 2198.29 | 34.18 |
| 10. | 2435-Other Agricultural | 209.98 | 363.87 | 57.71 |
| 11. | 2505-Rural Employment | 8362.04 | 21722.09 | 38.50 |
| 12. | 2851-Village & Small Industries. | 1361.89 | 4433.67 | 30.72 |
| 13. | 2875-Other Industries | 35.71 | 35.71 | 100 |
| 14. | 3054-Roads & Bridges. | 4613.14 | 14782.13 | 31.21 |
| 15. | 3055-Road Transport | 140.10 | 160.10 | 87.51 |
| 16. | 3425-Other Scientific Research | 202.29 | 354.28 | 57.10 |
| 17. | 3451-Secretariate Economic Service | 12636.65 | 28120.04 | 44.94 |
| 18. | 3604-Compensation & Assignment to Local Bodies & Panchayati Raj Institution. | 7082.38 | 14347.87 | 49.36 |
| Capital Section | | | | |
| 1. | 4055-Capital outlay on Police | 595.09 | 595.66 | 99.90 |
| 2. | 4059-Capital out lay on P.W.D. | 1009.65 | 2307.17 | 43.76 |
| 3. | 4202-Capital outlay on Education, Sports, Art & Culture | 146.32 | 234.24 | 62.47 |
| 4. | 4210-Capital outlay on Medical & Public Health | 194.99 | 346.87 | 56.21 |
| 5. | 4215-Capital outlay on Water Supply & Sanitation | 1564.79 | 4309.36 | 36.31 |
| 6. | 4225-Capital outlay on Welfare of SC, ST & OBC | 115.51 | 147.46 | 78.33 |
| 7. | 4405-Capital outlay on Fisheries | 6.32 | 14.43 | 43.80 |

Concl'd.

| Sl. No. | Major Head of Account. | Revenue Expenditure for the month of March 2005 | Total Expenditure up to the month of March 2005 (Rupees in lakh) | Percentage of Expenditure during March 2005 to total Expenditure. |
|---------|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
| 8. | 4701-Capital outlay on Major & Medium Irrigation | 15011.73 | 44019.92 | 34.10 |
| 9. | 4702-Capital outlay on Minor Irrigation. | 1724.10 | 3803.03 | 45.33 |
| 10. | 4711-Capital outlay on Flood Control Projects | 342.04 | 496.60 | 68.88 |
| 11. | 5053-Capital outlay on Civil Aviation | 59.75 | 61.26 | 97.54 |
| 12. | 5054-Capital outlay on Roads & Bridges | 13532.41 | 35137.16 | 38.51 |
| 13. | 5056-Capital outlay on Inland and Water Transport | 10.02 | 14.90 | 67.25 |
| 14. | 5452-Capital outlay on Tourism | 778.73 | 1294.91 | 60.14 |
| 15. | 5475-Capital outlay on General Economic Services | 8.53 | 22.90 | 37.25 |

APPENDIX-XXIV

(Refer to paragraph 2.7 at page 31)

**Statement showing details of amount kept under 8443-Civil
Deposits-800-Other Deposits**

| Year | Opening Balance | Deposit | Withdrawal | Closing Balance |
|-------------------------------|--------------------|---------|------------|--------------------|
| (R u p e e s i n c r o r e) | | | | |
| 2000-2001 | 461.16 | 286.84 | 131.28 | 616.72 |
| 2001-2002 | 616.72 | 307.59 | 180.87 | 743.44 |
| 2002-2003 | 743.44 | 227.31 | 173.46 | 797.29 |
| 2003-2004 | 797.29 | 171.85 | 206.42 | 762.72 |
| 2004-2005 | 762.72 | 98.10 | 220.84 | 639.98 |

APPENDIX-XXV

(Refer Paragraph 3.2.11 at page 60)

Statement showing the details of the substandard new construction, one time repair and renovation of project hospital buildings under the Orissa Health Systems Development Project as of March 2005

(Rupees in lakh)

| Sl. No. | Name of the contractor/Construction Management Consultant | Name of the project hospital | Agreement value | Value of work done | Date of handing over to the Project hospitals | Details of substandard works |
|---------|---|------------------------------|-----------------|--------------------|---|--|
| 1 | Er.G D Moharana/ OCC | CHC-I, Maniabandh | 62.24 | 48.88 | 31 July 2003 | Horizontal and vertical cracks in right side inner wall of Ward No.1. In ward no. 2, 3, 4 and 5 vertical cracks on both side on the walls over the doors. Water leaking from the joint of new portico and roof of the old building. |
| 2 | M/s. Reliance Construction/ OCC | Area Hospital, Narasinghpur | 88.99 | 81.19 | 15 May 2003 | Vertical cracks on the wall and horizontal cracks over windows of the Surgery Specialist room. Major cracks on joint portion of new and old building. All glazed ceramic tiles fixed on the walls of Pediatrics, Surgery OPD, OT and Labour rooms have fallen down and broken into pieces. |
| 3 | M/s. Karunakar Mohanty/ OCC | DHH, Jagatsingpur | 293.91 | 168.11 | February 2004 to September 2004 | Administrative block – In first floor cracks on the walls of CDMO's chamber, Steno's room, Nursing sister's room and glass room in general store, Establishment section, MO's room No.1 in 2nd floor, in meeting hall, store room, toilet in 3 rd floor. New OT/labour room – Cracks on the walls of O & G ward, toilet and on the joint of old and new building. |
| 4 | P D Agarwal/ OCC | DHH, Kendrapara | 219.52 | 214.32 | 30 June 2004 | The internal walls of casualty, OPD and Laboratory blocks developed many cracks at several places. External walls of OT complex developed many cracks around the building. |

| Sl. No. | Name of the contractor/Construction Management Consultant | Name of the project hospital | Agreement value | Value of work done | Date of handing over to the Project hospitals | Details of substandard works |
|---------|---|-------------------------------|-----------------|--------------------|---|---|
| 5 | P K Mohanty/ OCC | Area Hospital, Jajpur Road | 62.82 | 66.70 | 31 December 2002 | The building had developed horizontal cracks at six places. Water was soaking in ceiling. |
| 6 | IDCO (SS) | CHC-II, Charmal | 35.07 | 35.68 | 31 March 2001 | Most of the ceiling area was soaking and water was leaking profusely during rainy season. |
| 7 | Depak Kapoor/ IDCO | CHC-II, Kuntra | 46.00 | 41.46 | November 2001 | Many cracks had been developed in labour room and two wards. Water was soaking in the ceiling portions at many places in the rooms/wards newly constructed. Even after repaid (under one-time repair) the entire roof was leaking profusely and the building was practically inhabitable during rainy season. |
| 8 | Ramlal Agarwal/ IDCO | CHC-I, Rairakhol | 53.34 | 56.66 | July 2004 | Many cracks developed in the wards around the ceiling area. |
| 9 | P K Rath/ KKAAPL | CHC-I, G.Udayagiri | 73.38 | 73.39 | 15 March 2003 | Many cracks developed in major OT, Labour and O&G specialist room. In all the rooms cracks had been developed near ceiling and on walls. Joint of old and new building was leaking profusely. |
| 10 | IDCO (SS) | Area Hospital, Sarangagada | 49.34 | 46.69 | 15 March 2001 | The ceiling of X-Ray room, dark room, labour room and injection room not only soaked but also water was leaking. Corridor between old and new building was leaking heavily and outside water was entering there due to improper leveling. In OT and labour rooms many cracks developed below the ceiling level. |
| 11 | Jagabandhu Enterprises/ MECON | SDH, Udala | 67.50 | 67.50 | 3 September 2003 | Many cracks developed in the ceiling and walls of OT and labour rooms. Indoor ward was leaking with water profusely. |

| Sl. No. | Name of the contractor/Construction Management Consultant | Name of the project hospital | Agreement value | Value of work done | Date of handing over to the Project hospitals | Details of substandard works |
|--------------|---|------------------------------|-----------------|--------------------|---|--|
| 12 | Parmeswar Sahu/MECON | CHC-II, Tato | 45.95 | 45.95 | 2 January 2003 | The new construction work annexed to old existing building damaged and water was leaking profusely. |
| 13 | IDCO (SS) | Area Hospital, Paradeep | 182.70 | 82.70 | 31 March 2001 | The new building had developed both vertical and horizontal cracks. |
| 14 | Banabasi Panda/KKAAPL | CHC-I, Tikabali | 39.49 | 38.54 | 6 March 2003 | Huge cracks developed in General Store, Recovery room, O&G Specialist room labour room, conference hall, pantry room and toilets. Water was soaking and leaking in bed rooms and verandah in the Quarters. |
| 15 | Rupesh Mund/KKAAPL | CHC-I, Phiringia | 77.05 | 66.35 | 3 November 2004 | Joint between old and new building leaking heavily. Immunization room is leaking profusely and inhabitable. IPD building corridor leaking heavily at four places. Ceiling was soaking in Nurses Station (duty room). |
| Total | | | 1397.30 | 1234.12 | | |

DHH: District Headquarters Hospital, SDH: Sub-divisional hospitals, CHC: Community Health Centre, IDCO (SS): Orissa Industrial Infrastructure Development Corporation (Sole Source).

Contd.

APPENDIX-XXVI

(Refer Paragraph 3.2.12 at page 61)

Statement showing the details of excess purchase of equipment,
instrument and furniture

| Sl. No. | Name of equipment, instrument and furniture | Quantity to be purchased as per PIP (in numbers) | Quantity purchased (in numbers) | Rate per unit in Rupees (Quantity in numbers purchased in four phases) | Excess | |
|---------|---|--|---------------------------------|--|---------------------|-------------------------|
| | | | | | Quantity in numbers | Amount (Rupees in lakh) |
| 1 | X-Ray 300 MA | 24 | 32 | 470525 (2 nos.) 498000 (30) | 8 nos. | 39.84 |
| 2 | X-Ray 100 MA | 72 | 76 | 233070 (14 nos.) 163000(62) | 4 nos. | 6.52 |
| 3 | X-Ray 60 MA | 30 | 32 | 119320 (2 nos.) 101000 (30) | 2 nos. | 2.02 |
| 4 | X-Ray Dental | 30 | 32 | 25500 | 2 nos. | 0.51 |
| 5 | ECG | 59 | 108 | 19031 (20) 12600 (20) 11700 (68) | 49 nos | 5.73 |
| 6 | Defibrillator | 3 | 5 | 330000 | 2 nos. | 6.60 |
| 7 | Audiometer | 27 | 32 | 162000 | 5 nos. | 8.10 |
| 8 | Baby Incubator | 308 | 330 | 35338 (108) 38610 (106) 48600 (116) | 22 nos. | 10.69 |
| 9 | Phototherapy Unit | 296 | 298 | 7100 (100) 9900 (104) 16830 (94) | 2 nos. | 0.34 |
| 10 | Foetal Monitor | 269 | 271 | 86500 (100) 85000 (83) 102700 (88) | 2 nos. | 2.05 |
| 11 | Short-wave Diathermy | 25 | 32 | 78300 | 7 nos. | 5.48 |
| 12 | Ventilator | 4 | 5 | 646000 | 1 nos. | 6.46 |
| 13 | Radiant Warmer | 100 | 108 | 23400 (30) 19600 (36) 34200 (42) | 8 nos. | 2.74 |
| 14 | Diagnostic Set | 203 | 1681 | 4995 (152) 530 (1529) | 1478 nos. | 7.83 |
| 15 | Surgical Diathermy | 54 | 64 | 31850 (34) 87840 (30) | 10 nos. | 8.78 |
| 16 | E.L. Cautery | 171 | 259 | 3600 | 88 nos. | 3.17 |
| 17 | Dental Unit | 30 | 32 | 164700 | 2 nos. | 3.29 |
| 18 | Dental Chair | 25 | 32 | 19980 | 7 | 1.40 |

| Sl. No. | Name of equipment, instrument and furniture | Quantity to be purchased as per PIP (in numbers) | Quantity purchased (in numbers) | Rate per unit in Rupees (Quantity in numbers purchased in four phases) | Excess | |
|---------|---|--|---------------------------------|--|---------------------|-------------------------|
| | | | | | Quantity in numbers | Amount (Rupees in lakh) |
| 19 | Operation Table (Ordinary) | 40 | 156 | 20948 (15) 8371 (141) | 116 | 9.71 |
| 20 | OT (Hydraulic) | 57 | 113 | 44800 | 56 | 25.09 |
| 21 | Instrument Sterilizer (Electrical) | 196 | 1907 | 660 | 1711 | 11.29 |
| 22 | Instrument Sterilizer (Stove heated) | 857 | 2565 | 1411 (1036) 1341 (1529) | 1708 | 23.03 |
| 23 | Suction Apparatus (Electrical) | 157 | 867 | 5841 (100) 8400 (404) 5838 (363) | 710 | 50.34 |
| 24 | Suction Apparatus (FO) | 256 | 1742 | 1890 (214) 1470 (1528) | 1486 | 21.84 |
| 25 | Microscope (Binocular) | 320 | 393 | 11500 (100) 6915 (293) | 73 | 5.05 |
| 26 | Photoelectric Colorimeter | 106 | 156 | 20480 (40) 27900 (116) | 50 | 13.95 |
| 27 | Hot Air Oven | 18 | 32 | 20300 | 14 | 2.84 |
| 28 | Incubator | 102 | 136 | 11100 (20) 38000 (116) | 34 | 12.92 |
| 29 | Centrifuge (Electrical) | 74 | 227 | 5873 (141) 6206 (86) | 153 | 9.31 |
| 30 | A.C. Machine | 305 | 354 | 25100 (80) 17000 (90) 23292 (184) | 49 | 11.41 |
| 31 | Voltage Stabilizer (Auto) | 342 | 663 | 1480 (142) 4410 (521) | 321 | 14.16 |
| 32 | Voltage Stabilizer (Servo) | 130 | 140 | 14140 (30) 9844 (110) | 10 | 0.98 |
| 33 | Refrigerator-260 liters | 28 | 35 | 15800 (28) 21000 (7) | 7 | 1.47 |
| | Refrigerator-165 liters | 54 | 156 | 7200 (18) 10800 (138) | 102 | 11.01 |
| 34 | X-Ray View Box | 757 | 960 | 1800 (571) 1664 (389) | 203 | 3.38 |
| 35 | Air Ether Machine | 143 | 156 | 20200 | 13 | 2.63 |
| 36 | Shadow less Lamp Mobile | 82 | 196 | 18480 (22) 12444 (174) | 114 | 14.19 |
| 37 | OT Light Shadowless | 145 | 169 | 55160 (45) 36800 (147) | 24 | 8.83 |

Concid.

| Sl. No. | Name of equipment, instrument and furniture | Quantity to be purchased as per PIP (in numbers) | Quantity purchased (in numbers) | Rate per unit in Rupees (Quantity in numbers purchased in four phases) | Excess | |
|--------------|---|--|---------------------------------|--|---------------------|--|
| | | | | | Quantity in numbers | Amount (Rupees in lakh) |
| 38 | Delivery Table | 54 | 303 | 6300 (115) 23450 (188) | 249 | 47.93 |
| 39 | Fowler bed | 760 | 900 | 5093 (200) 4774 (700) | 160 | 7.64 |
| 40 | Iron Cot | 2896 | 3481 | 2783 (200) 2886 (100) 1260 (1118) 2520 (1363) | 585 | 14.74 |
| 41 | Executive Chair | 950 | 19840 | 3935 (300) 997 (8540) 576 (11000) | 18890 | 142.02 |
| 42 | Executive Table | 913 | 3512 | 4700 (300) 4150 (400) 2350 (2812) | 2599 | 61.08 |
| 43 | Iron Table | 1387 | 2876 | 1650 (400) 2300 (2476) | 1489 | 34.25 |
| 44 | Revolving Stool | 517 | 1117 | 382 (598) 405 (519) | 600 | 2.41 |
| 45 | Saline Stand | 2489 | 3802 | 522 (2184) 588 (1618) | 1313 | 7.72 |
| 46 | Steel Rack | 1095 | 6631 | 1575 (300) 2286 (887) 1800 (5444) | 5536 | 100.09 |
| 47 | Steel Cup-board | 563 | 2550 | 3350 (150) 4950 (2400) | 1987 | 98.36 |
| 48 | Instrument Trolley | 198 | 469 | 3739 (248) 1876 (221) | 271 | 6.02 |
| 49 | Instrument Cabinet | 329 | 2264 | 4137 (100) 5970 (635) 5432 (1529) | 1935 | 107.29 |
| Total | | | | | | 1004.53 or Rs.10.05 crore |

Contd.

Appendix-XXVII

(Refer Paragraph 3.2.13 at page 61)

Statement showing the details of Equipment, Instruments and Furniture (EIF) lying idle/unutilised

| Sl.No. | Name of the office | Number of items | Cost (In Rupees) |
|---|---|-----------------|---------------------|
| EIF lying idle/unutilised | | | |
| 1. | District Headquarters Hospital, Bhadrak | 5 | 277971 |
| 2. | District Headquarters Hospital, Kendrapara | 27 | 2061663 |
| 3. | District Headquarters Hospital, Jagatsinghpur | 2 | 383864 |
| 4. | Sub-Divisional Hospital, Talcher | 74 | 879436 |
| 5. | Sub-Divisional Hospital, Karanjia | 22 | 1166791 |
| 6. | Sub-Divisional Hospital, Udala | 21 | 969619 |
| 7. | Community Health Centre-I, Manibandha | 21 | 815183 |
| 8. | Community Health Centre -II, Tato | 20 | 525144 |
| 9. | Community Health Centre -II, Kundra | 12 | 426128 |
| 10. | Area Hospital, Jajpur Road | 6 | 529258 |
| 11. | Area Hospital, Bolgarh | 30 | 1671026 |
| 12. | Area Hospital, Junagarh | 2 | 16289 |
| 13. | Area Hospital, Paradeep | 9 | 767135 |
| EIF lying idle due to non-completion of civil works | | | |
| 14. | District Headquarters Hospital, Baripada | 16 | 1588238 |
| 15. | District Headquarters Hospital, Jajpur | 27 | 2450542 |
| 16. | Sub-Divisional Medical Officer, Kuchinda | 42 | 1530885 |
| EIF lying idle due to non-availability of trained manpower | | | |
| 17. | Community Health Centre-I, Tihidi | 5 | 499396 |
| 18. | Community Health Centre-I, Pattamundai | 6 | 609514 |
| 19. | Community Health Centre-I, Phiringia | 23 | 909452 |
| 20. | Community Health Centre-II, Indupur | 89 | 1017947 |
| 21. | Community Health Centre-I, Kuntra | 10 | 285790 |
| 22. | Area Hospital, Narsinghpur | 8 | 539626 |
| 23. | Area Hospital, Baramba | 9 | 494176 |
| 24. | Area Hospital, Kantapada | 40 | 1475580 |
| 25. | Area Hospital, Sarangarh | 13 | 590585 |
| 26. | Area Hospital, Paradeep | 2 | 91076 |
| 27. | District Headquarters Hospital, Jagatsinghpur | 1 | 141352 |
| 28. | Community Health Centre-I, Khamar | 1 | 23400 |
| 29. | Community Health Centre-II, Charnal | 1 | 89960 |
| 30. | Area Hospital, Paradeep | 2 | 55304 |
| 31. | Area Hospital, Sarangarh | 1 | 35864 |
| Total (EIF lying idle/unutilised) | | 546 | 23058194 |
| EIF lying in packed condition | | | |
| 32. | District Headquarters Hospital, Angul | 80 | 4008419 |
| 33. | District Headquarters Hospital, Cuttack | 75 | 4556932 |

Concl'd.

| Sl.No. | Name of the office | Number of items | Cost (In Rupees) |
|--|--|-----------------|-------------------------------------|
| 34. | District Headquarters Hospital, Deogarh | 44 | 1402892 |
| 35. | Sub-Divisional Hospital, Nilgiri | 145 | 1730207 |
| 36. | Sub-Divisional Hospital, Pallahara | 32 | 1638042 |
| 37. | Sub-Divisional Hospital, Talcher | 20 | 1293078 |
| 38. | Community Health Centre-I, Chandbali | 30 | 1306408 |
| 39. | Community Health Centre-I, Khamor | 35 | 1645713 |
| 40. | Community Health Centre-I, Tikaballi | 40 | 1084816 |
| 41. | Community Health Centre-II, Chatabar | 148 | 1645713 |
| EIF lying without installation | | | |
| 42. | District Headquarters Hospital, Balasore | 32 | 1804459 |
| 43. | District Headquarters Hospital, Bhadrak | 33 | 2282584 |
| 44. | District Headquarters Hospital, Jagatsinghpur | 3 | 397500 |
| 45. | District Headquarters Hospital, Phulbani | 4 | 651600 |
| 46. | District Headquarters Hospital, Sambalpur | 27 | 2433189 |
| 47. | Community Health Centre-I, G. Udayagiri | 4 | 221326 |
| 48. | Community Health Centre-I, Tihidi | 3 | 53082 |
| 49. | Community Health Centre-I, Charnal | 6 | 234013 |
| 50. | Community Health Centre-II, Kuntra | 9 | 170000 |
| 51. | Area Hospital, Sarangarh | 10 | 619877 |
| 52. | Sub-Divisional Hospital, Rairangpur | 19 | 1021975 |
| Total (EIF lying in packed condition) | | 805 | 30201227 |
| Grand Total | | 1351 | 53259421 or Rs.5.33 crore |

APPENDIX-XXVIII

(Refer paragraph 4.4.7 at page 115)

Statement showing details of DPS paid between December 2002 and April 2005

(In Rupees)

| Sl. No. | Consumer Number. | Month of Bill raised by the Distribution Companies | Period relating to DPS charged in current bill | Amount of the Bill | Arrear amount of the Bill | Current DPS | Arrear DPS | Total DPS |
|--|------------------|--|--|--------------------|---------------------------|--------------|---------------|---------------|
| Principal, SCB Medical College, Cuttack | | | | | | | | |
| 1. | 9789/IP | January 2003 | November/December 2002 and arrears | 1222858 | 920409 | 15657 | 19302 | 34959 |
| 2. | 9788/IP | -do- | -do- | 709350 | 514466 | 8348 | 3718 | 12066 |
| 3. | 32023/IP | -do- | -do- | 741965 | 522251 | 8564 | 5739 | 14303 |
| 4. | 62934/IP | -do- | -do- | 140774 | 99056 | 1981 | Nil | 1981 |
| 5. | MP-103-00158 | -do- | -do- | 315317 | 306772 | 4976 | Not available | 4976 |
| 6. | MP-103-12839 | -do- | -do- | 47122 | 35187 | 521 | Not available | 521 |
| 7. | MP-103-15192 | -do- | -do- | 46975 | 35793 | 542 | Not available | 542 |
| 8. | MP-103-14123 | -do- | -do- | 52415 | 41045 | 623 | Not available | 623 |
| 9. | MP-103-60166 | -do- | -do- | 52210 | 41168 | 610 | Not available | 610 |
| 10. | MP-103-60185 | -do- | -do- | 75077 | 58627 | 920 | Not available | 920 |
| 11. | MP-103-62636 | -do- | -do- | 69610 | 52694 | 747 | Not available | 747 |
| 12. | 32023/IP | February 2003 | December 2002/January 2003 and arrears | 223099 | Nil | 12743 | Nil | 12743 |
| 13. | 62934/IP | -do- | -do- | 76590 | Nil | 2435 | Nil | 2435 |
| 14. | 9789/IP | -do- | -do- | 291004 | Nil | 21300 | Nil | 21300 |
| 15. | 9788/IP | -do- | -do- | 214729 | Nil | 12347 | Nil | 12347 |
| Total | | | | 4279095 | | 92314 | 28759 | 121073 |
| ADMO (Medical/T.B), Sambalpur | | | | | | | | |
| 1. | 411001120201 | December 2002 | October/November 2002 and arrears | 64854 | 59678 | 983 | 10289 | 11272 |
| 2. | 411001120195 | -do- | -do- | 8442 | 8028 | 21 | 6850 | 6871 |
| Total | | | | 73296 | | 1004 | 17139 | 18143 |

| Sl. No. | Consumer Number. | Month of Bill raised by the Distribution Companies | Period relating to DPS charged in current bill | Amount of the Bill | Arrear amount of the Bill | Current DPS | Arrear DPS | Total DPS |
|--|------------------|--|--|--------------------|---------------------------|---------------|----------------|----------------|
| Superintendent, VSS Medical College Hospital, Burla | | | | | | | | |
| 1. | 411001080013 | February 2003 | December 2002/January 2003 and arrears | 523260 | 502411 | 6291 | 200810 | 207101 |
| 2. | 411001080012 | -do- | -do- | 8733 | 2709 | 83 | 58 | 141 |
| 3. | 411001080015 | -do- | -do- | 7996 | 4146 | 47 | 20 | 67 |
| 4. | 411001120060 | -do- | -do- | 5172 | 1089 | 35 | 16 | 51 |
| 5. | 411001120058 | -do- | -do- | 2944 | 1345 | 21 | 27 | 48 |
| 6. | 411001120057 | -do- | -do- | 350606 | 339422 | 4154 | 141687 | 145841 |
| 7. | 411001120042 | -do- | -do- | 14606 | 1109 | 154 | 72 | 226 |
| 8. | 411001120044 | -do- | -do- | 20636 | 8427 | 140 | 163 | 303 |
| 9. | 411001080011 | January 2004 | November/December 2003 and arrears | 2144599 | 2101988 | 22818 | 1016568 | 1039386 |
| 10. | 411001120056 | -do- | -do- | 491580 | 485438 | 5387 | 229477 | 234864 |
| 11. | 411001120053 | -do- | -do- | 281010 | 257516 | 2710 | 128746 | 131456 |
| 12. | 411001120055 | -do- | -do- | 370926 | 343231 | 3784 | 163446 | 167230 |
| 13. | 411001080049 | April 2005 | February/March 2005 and arrears | 806462 | 775607 | 2657 | 540037 | 542694 |
| Total | | | | 5028530 | | 48281 | 2421126 | 2469408 |
| Grand Total | | | | 9380921 | | 141599 | 2467024 | 2608624 |

APPENDIX-XXIX

(Refer paragraph 4.6.1 at page 123)

Statement showing misclassification of pension by the Treasury Officers

| Sl. No. | Inspection Report No. of AG(A&E) | Name of the Treasury/ Sub-Treasury | Number of pensioners | Name of the other Government to which pension is debitable | Amount of pension paid (Rupees in lakh) |
|--------------------|----------------------------------|------------------------------------|----------------------|--|---|
| 1. | 14/2004-05 | Banpur | 7 | Government of West Bengal | 0.17 |
| 2. | 136/2004-05 | Binjharpur | 2 | Government of West Bengal | 21.11 |
| 3. | 135/2004-05 | Salipur | 8 | Government of West Bengal | 2.16 |
| 4. | 122/2004-05 | Banki | 18 | Government of West Bengal | 0.42 |
| 5. | 123/2004-05 | Boudh | 1 | Government of West Bengal | 19.66 |
| 6. | 134/2004-05 | Keonjhar | 1 | Government of West Bengal | 0.37 |
| 7. | 117/2004-05 | Sundergarh | 12 | Government of West Bengal | 2.51 |
| 8. | 117/2004-05 | Sundergarh | 1 | Defence | 0.26 |
| 9. | 117/2004-05 | Sundergarh | 2 | Central Government | 2.26 |
| 10. | 89/2004-05 | R.Udaygiri | 1 | Central Government | 1.58 |
| Grand Total | | | 53 | | 50.50 |

APPENDIX-XXX
(Refer Paragraph 4.7.1 at Page 127)
Statement showing the position of Outstanding Inspection
Reports/Paragraphs

Contd.

| Sl. No. | Name of the department | Report awaiting settlement (upto June 2005) | | Reports awaiting settlement for more than 10 years | | Reports to which even first reply has not been received |
|---------|---|--|-------------------|--|-------------------|---|
| | | No. of Reports | No. of Paragraphs | No. of Reports | No. of Paragraphs | No. of Reports |
| 1. | General Administration | 49 | 118 | 08 | 16 | 13 |
| 2. | Law | 102 | 283 | 09 | 18 | 59 |
| 3. | Food Supply and Consumer Welfare | 20 | 53 | 7 | 16 | 9 |
| 4. | Energy | 9 | 12 | 1 | 1 | 7 |
| 5. | Works | 1038 | 3782 | 706 | 820 | 69 |
| 6. | Science and Technology | 4 | 7 | 0 | 0 | 3 |
| 7. | Higher Education | 357 | 986 | 76 | 151 | 8 |
| 8. | Co-operation | 124 | 300 | 37 | 56 | 5 |
| 9. | Housing and Urban Development | 196 | 618 | 81 | 179 | 17 |
| 10. | Steel and Mines | 33 | 60 | 7 | 13 | 3 |
| 11. | Tourism, Culture and Sports | 80 | 274 | 19 | 47 | 4 |
| 12. | Home | 514 | 1531 | 32 | 64 | 57 |
| 13. | Forest | 472 | 1622 | 105 | 293 | 11 |
| 14. | Panchayati Raj | 1263 | 7081 | 318 | 1340 | 442 |
| 15. | Finance | 210 | 411 | 102 | 199 | 6 |
| 16. | Health and Family Welfare | 1923 | 7055 | 781 | 2641 | 123 |
| 17. | Agriculture | 1833 | 6744 | 324 | 749 | 162 |
| 18. | Labour and Employment | 125 | 267 | 29 | 46 | 4 |
| 19. | Planning and Co-ordination | 58 | 173 | 16 | 39 | 4 |
| 20. | Miscellaneous (Banks involving State transactions of pension payments and subsidy adjustment) | 413 | 622 | 233 | 348 | 26 |
| 21. | Revenue | 1464 | 4832 | 324 | 792 | 48 |

Concl'd.

| Sl. No. | Name of the department | Report awaiting settlement (upto June 2005) | | Reports awaiting settlement for more than 10 years | | Reports to which even first reply has not been received |
|---------|---|---|-------------------|--|-------------------|---|
| | | No. of Reports | No. of Paragraphs | No. of Reports | No. of Paragraphs | No. of Reports |
| 22. | Excise | 61 | 93 | 15 | 28 | 0 |
| 23. | Fisheries and Animal Resources Development | 670 | 1935 | 172 | 324 | 16 |
| 24. | ST and SC and Minority and Backward Classes Development | 423 | 1566 | 54 | 165 | 18 |
| 25. | Commerce and Transport | 172 | 441 | 17 | 37 | 6 |
| 26. | Textiles and Handlooms | 81 | 206 | 17 | 30 | 12 |
| 27. | Industries | 341 | 1129 | 80 | 222 | 51 |
| 28. | School & Mass Education | 1637 | 5237 | 531 | 1446 | 12 |
| 29. | Parliamentary Affairs | 13 | 39 | 4 | 13 | 4 |
| 30. | Information and Public Relation | 86 | 378 | 11 | 39 | 23 |
| 31. | Women and Child Development | 728 | 2654 | 146 | 342 | 203 |
| 32. | Sports and Youth Services | 25 | 102 | 6 | 12 | 3 |
| 33. | Water Resources | 1647 | 5677 | 683 | 1715 | 82 |
| 34. | Rural Development | 594 | 1972 | 185 | 299 | 52 |
| | Total | 16765 | 58260 | 5136 | 12500 | 1562 |

APPENDIX-XXXI

(Refer Paragraph 4.7.1 at Page 127)

Statement showing the year-wise break-up of outstanding IRs/Paragraphs

| Year | Inspection Reports | Paragraphs |
|--------------|--------------------|--------------|
| 1964-65 | 1 | 2 |
| 1965-66 | 1 | 2 |
| 1966-67 | 4 | 11 |
| 1967-68 | 4 | 15 |
| 1968-69 | 4 | 7 |
| 1969-70 | 6 | 16 |
| 1970-71 | 7 | 10 |
| 1971-72 | 3 | 9 |
| 1972-73 | 2 | 2 |
| 1973-74 | 2 | 2 |
| 1974-75 | 3 | 6 |
| 1975-76 | 6 | 12 |
| 1976-77 | 8 | 16 |
| 1977-78 | 10 | 36 |
| 1978-79 | 15 | 39 |
| 1979-80 | 17 | 24 |
| 1980-81 | 50 | 103 |
| 1981-82 | 50 | 119 |
| 1982-83 | 54 | 100 |
| 1983-84 | 67 | 116 |
| 1984-85 | 84 | 169 |
| 1985-86 | 135 | 277 |
| 1986-87 | 195 | 409 |
| 1987-88 | 208 | 455 |
| 1988-89 | 227 | 517 |
| 1989-90 | 316 | 758 |
| 1990-91 | 454 | 1177 |
| 1991-92 | 568 | 1476 |
| 1992-93 | 679 | 1820 |
| 1993-94 | 747 | 2088 |
| 1994-95 | 914 | 2728 |
| 1995-96 | 1079 | 3394 |
| 1996-97 | 1024 | 3304 |
| 1997-98 | 947 | 3226 |
| 1998-99 | 1076 | 3749 |
| 1999-2000 | 1271 | 4436 |
| 2000-2001 | 1206 | 4408 |
| 2001-2002 | 1364 | 5334 |
| 2002-2003 | 1421 | 6140 |
| 2003-2004 | 1506 | 6444 |
| 2004-2005 | 1030 | 5304 |
| TOTAL | 16765 | 58260 |

APPENDIX-XXXII
(Refer Paragraph 4.7.1 at Page 127)
Statement showing serious irregularities

| Sl. No. | Name of the Irregularities | No. of Paragraphs | Amount (Rupees in crore) |
|---------|---|-------------------|--------------------------|
| 1. | Infructuous/unfruitful/avoidable/irregular expenditure/extra liability/excess expenditure | 1972 | 451.43 |
| 2. | Excess payment to Firms/Contractors | 871 | 377.87 |
| 3. | Idle store/Surplus/Unserviceable store/blockage of Government money | 1430 | 238.32 |
| 4. | Irregular purchase/Non-accountal of stock/Non-adjustment of cost of material | 648 | 51.86 |
| 5. | Non-recovery of dues from firms/contractors and others | 569 | 48.14 |
| 6. | Non-submission of UCs | 1114 | 1350.89 |
| 7. | Amount kept in Civil Deposits | 1177 | 298.26 |
| 8. | Loss, Misappropriation and shortage of stores | 1524 | 37.26 |
| 9. | Unauthorised expenditure | 956 | 72.33 |
| 10. | Retention of undisbursed amount | 564 | 31.32 |
| 11. | Inadmissible/irregular payment | 997 | 43.86 |
| 12. | Advance payment/Less recovery of advance/interest/royalty and Income Tax | 413 | 41.73 |
| 13. | Under-utilisation of departmental machinery | 39 | 45.08 |
| 14. | Demurrage/Penalty | 46 | 86.92 |
| 15. | Undue financial aid to contractors/firms | 181 | 44.91 |
| 16. | Miscellaneous/doubtful expenditure/non-submission of vouchers/overdrawal etc. | 2768 | 248.36 |
| 17. | Stamped Receipt/Acknowledgement wanting | 934 | 34.31 |
| 18. | Loans/Advances not recovered | 1590 | 73.89 |
| 19. | Short/Non-realisation of Government dues | 1678 | 74.73 |

Conid.

APPENDIX -XXXIII

(Refer paragraph 4.7.2 at page 128)

Statement of compliance notes on reviews/audit paragraphs (Civil) not received from Government as on 30 September 2005

| Name of the Department | Year of Audit Report (Civil)/Reviews /Paragraphs for which compliance note not received. | | | | | | | | | | | | |
|-------------------------------------|--|---------|---------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|-------|
| Individual Paras/Reviews | 1991-92 | 1993-94 | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | Total |
| 1. Agriculture | - | 1 | 2 | 1 | 4 | 7 | 1 | - | 3 | - | 2 | 4 | 25 |
| 2. Commerce | - | - | - | - | - | - | - | - | - | - | - | 1 | 1 |
| 3. Energy | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4. Food Supplies & Consumer Welfare | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5. Finance Department | 2 | 3 | 2 | 2 | 2 | 2 | 2 | 7 | 3 | 1 | 3 | | 29 |
| 6. Forest & Environment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7. Fisheries & ARD | 2 | - | - | - | - | - | - | 1 | 1 | - | 2 | 2 | 8 |
| 8. General Administration | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9. Health & Family Welfare | - | - | - | - | - | - | - | 1 | 4 | 1 | 1 | 2 | 9 |
| 10. Home | - | - | - | - | - | - | - | 1 | 2 | 2 | 1 | 1 | 7 |
| 11. Higher Education | - | - | - | - | - | - | - | - | - | - | 1 | 1 | 2 |
| 12. Housing & Urban Development | - | - | - | - | - | - | - | - | 1 | 1 | 4 | 3 | 9 |
| 13. Industries | - | - | - | - | - | - | - | - | - | - | - | 1 | 1 |
| 14. Panchayati Raj | - | - | - | - | - | - | - | - | - | - | - | 1 | 1 |
| 15. Planning & Co-ordination | - | - | - | - | - | - | - | - | - | - | - | 1 | 1 |
| 16. Revenue & Excise | 1 | - | - | - | 2 | 3 | 2 | 1 | 2 | - | 2 | 2 | 15 |
| 17. Rural Development | - | - | - | - | - | - | - | - | - | - | 5 | 4 | 9 |
| 18. Labour & Employment | - | - | - | - | - | - | - | - | - | - | - | 1 | 1 |
| 19. Co-operation | - | - | - | - | - | - | - | - | - | - | - | 1 | 1 |
| 20. Science & Technology | - | - | - | - | - | - | - | - | - | - | - | - | - |

Concl'd.

| Name of the Department | Year of Audit Report (Civil)/Reviews /Paragraphs for which compliance note not received. | | | | | | | | | | | | |
|----------------------------|--|----------|----------|----------|-----------|-----------|----------|-----------|-----------|-----------|-----------|-----------|------------|
| Individual Paras/Reviews | 1991-92 | 1993-94 | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | Total |
| 21.School & Mass Edn. | - | - | - | - | - | - | - | 2 | 2 | 4 | 1 | 2 | 11 |
| 22.Steel & Mines. | - | - | - | - | - | - | - | - | 1 | - | - | - | 1 |
| 23.Sports & Youth Services | - | - | - | - | - | - | - | - | - | - | 1 | - | 1 |
| 24.Transport | - | - | - | - | - | - | - | 1 | - | - | 1 | - | 2 |
| 25.Tourism & Culture. | - | - | - | - | - | - | - | - | - | 1 | 1 | - | 2 |
| 26.S.T & S.C Development | 1 | 4 | 1 | 1 | 2 | 3 | 1 | 2 | 2 | 1 | - | - | 18 |
| 27.Water Resources | - | - | - | - | - | - | 3 | 1 | - | - | 2 | 5 | 11 |
| 28.Women & Child Dev. | - | - | - | - | - | - | - | 1 | - | 1 | 1 | 1 | 4 |
| 29.Works. | - | - | - | - | - | 1 | - | 3 | 2 | 1 | - | 4 | 12 |
| Total | 6 | 8 | 5 | 4 | 10 | 16 | 9 | 21 | 23 | 13 | 29 | 37 | 181 |

Annexure - XXXIV
(Refer paragraph 4.7.2 at page 129)
Statement showing Status of PAC recommendations on which action had
not been taken as on 30 September 2005

| Sl. No. | Department | 9th Assembly (1985-90) | 10 th Assembly (1990-95) | 11 th Assembly (1995-2000) | 12 th Assembly (2 000-04) | 13 th Assembly (2004-2005) | Total |
|--------------|---|---------------------------|--|--|---|--|-------------|
| 1 | Agriculture | 88 | 24 | 14 | 14 | 00 | 140 |
| 2 | Co-operation | 21 | 07 | 00 | 21 | 00 | 49 |
| 3 | Commerce | 04 | 14 | 01 | 00 | 00 | 19 |
| 4 | Transport | 12 | 15 | 00 | 02 | 00 | 29 |
| 5 | School and Mass Education | 55 | 25 | 04 | 16 | 00 | 100 |
| 6 | Higher education | 00 | 17 | 04 | 11 | 00 | 32 |
| 7 | Finance | 57 | 00 | 06 | 00 | 00 | 63 |
| 8 | Forest and Environment | 29 | 25 | 05 | 02 | 00 | 61 |
| 9 | Food Supplies and Consumer Affairs | 42 | 00 | 00 | 23 | 00 | 65 |
| 10 | Fisheries and Animal Resources Development | 35 | 15 | 16 | 03 | 06 | 75 |
| 11 | General administration | 15 | 13 | 05 | 00 | 00 | 33 |
| 12 | Welfare (ST and SC Development) | 47 | 00 | 08 | 00 | 00 | 55 |
| 13 | Health & Family Welfare | 03 | 23 | 35 | 11 | 00 | 72 |
| 14 | Home | 16 | 07 | 16 | 11 | 00 | 50 |
| 15 | Industries | 39 | 62 | 01 | 12 | 00 | 114 |
| 16 | Information and Public Relation | 13 | 02 | 07 | 00 | 00 | 22 |
| 17 | Labour and Employment | 23 | 00 | 00 | 15 | 00 | 38 |
| 18 | Planning and Coordination | 07 | 09 | 00 | 00 | 00 | 16 |
| 19 | Panchayati Raj | 68 | 08 | 02 | 03 | 00 | 81 |
| 20 | Public Enterprise | 00 | 00 | 00 | 03 | 00 | 03 |
| 21 | Revenue and Excise | 13 | 10 | 05 | 00 | 00 | 28 |
| 22 | Steel and Mines | 08 | 00 | 01 | 07 | 00 | 16 |
| 23 | Tourism, Sports and Culture | 09 | 00 | 05 | 00 | 00 | 14 |
| 24 | Textiles and Handlooms | 00 | 00 | 00 | 15 | 00 | 15 |
| 25 | Law | 10 | 05 | 05 | 00 | 11 | 31 |
| 26 | Science and Technology | 03 | 00 | 07 | 00 | 00 | 10 |
| 27 | Women and Child Development | 00 | 33 | 01 | 00 | 00 | 34 |
| 28 | Energy | 03 | 11 | 16 | 09 | 00 | 39 |
| 29 | Housing and Urban Development | 41 | 32 | 29 | 05 | 00 | 107 |
| 30 | Rural Development | 00 | 57 | 20 | 00 | 09 | 86 |
| 31 | Water Resources | 126 | 208 | 10 | 64 | 00 | 408 |
| 32 | Works | 55 | 72 | 26 | 13 | 27 | 193 |
| Total | | 842 | 694 | 249 | 260 | 53 | 2098 |

Contd.

APPENDIX-XXXV

(Refer Paragraph 5.1.19 at page 140)

Statement showing the details of expenditure exceeded the provisions
under several detailed heads of account despite the LoC system being in
operation during 2001-05

(in Rupees)

| Head of Account | Details of provision | Total provision | Expenditure | Excess |
|---|----------------------|-----------------|--------------|--------------|
| 2001-2002 | | | | |
| D-7 Works | O-4,73,90,000 | 4,73,90,000 | 8,14,27,625 | 3,40,37,625 |
| 2059 Public Works | | | | |
| F-799 Supreme | | | | |
| F-1 Public Works | | | | |
| 2059 Public Works | -- | -- | 3,26,892 | 3,26,892 |
| IA-106-General pool Accommodation | | | | |
| 3054 Road & Bridges | O-17,95,15,000 | 17,95,15,000 | 23,87,74,622 | 5,92,59,622 |
| 03-State Highways | | | | |
| 0-337 Roadways | | | | |
| 0-1 Maintenance & Repairs | | | | |
| D-13 Housing & Urban Development | O-1,59,38,000 | 1,59,38,000 | 2,08,58,915 | 49,20,915 |
| 2215-Water Supply & sanitation | | | | |
| E-052 Machinery and Equipment | | | | |
| 2215-Water Supply & Sanitation | O-43,94,47,000 | 58,94,47,000 | 60,18,46,567 | 1,23,99,567 |
| FI-Maintenance & Repair | S-15,00,00,000 | | | |
| D-20 Water Resources | O-1,57,18,000 | 3,17,17,000 | 3,25,44,093 | 8,27,093 |
| 2701-Major & Medium Irrigation | S-1,59,99,000 | | | |
| RRR-005-Survey and Investigation | | | | |
| 2702-Minor Irrigation | O-12,55,96,000 | 12,55,96,000 | 12,61,83,984 | 5,87,984 |
| SSSI-Maintenance & Repairs | | | | |
| 2702 Minor Irrigation | O-1,00,00,000 | 1,00,00,000 | 11,99,76,927 | 10,99,76,927 |
| VVV-799 Suspense | | | | |
| 4701-Capital Outlay on Major & Medium Irrigation | | | | |
| DDDDD-26 Other Rivers | -- | -- | 3,57,418 | 3,57,418 |
| DDDDD-31 Ong Dam | -- | -- | 2,64,410 | 2,64,410 |
| DDDDD-32 Kala | -- | -- | 2,92,038 | 2,92,038 |
| Irrigation Projects | | | | |
| DDDDD-33 Ahirajora | -- | -- | 1,25,383 | 1,25,383 |
| Irrigation Project | | | | |
| DDDDD-34 Markada | -- | -- | 1,43,981 | 1,43,981 |
| Irrigation Project | | | | |
| DDDDD-35 Hinjili | -- | -- | 1,34,944 | 1,34,944 |
| Irrigation Project | | | | |
| IIIII-319 Baghalati | O-5,10,00,000 | 5,10,00,000 | 5,54,18,824 | 44,18,824 |
| Irrigation Project | | | | |
| IIIII-A-320 Sapua | -- | -- | 2,19,450 | 2,19,450 |
| Badajore Irrigation Project | | | | |
| JJJJ-A-337 Darajanji | -- | -- | 18,01,187 | 18,01,187 |
| Irrigation Project | | | | |
| 4711 Capital Outlay on Flood Control Project | | | | |
| VVVVV-2 Bank Protection Works on | O-1,10,00,000 | 1,10,01,000 | 3,08,47,780 | 1,98,46,780 |
| different river embankment | S- 1,000 | | | |
| YYYYY-103 Civil Work | O-22,00,000 | 22,02,000 | 41,98,916 | 19,96,916 |
| YYYYY-1 Construction and renovation of | S- 2,000 | | | |
| drainage sluice | | | | |
| D-28 Rural Development | O-1,20,00,000 | 1,20,00,000 | 1,25,46,232 | 5,46,232 |
| 2059 Public Works | | | | |
| D-052 Machinery & Equipment | | | | |
| D-1 Repairs & Carriage | | | | |

| Head of Account | Details of provision | Total provision | Expenditure | Excess |
|--|----------------------------------|-----------------|----------------|----------------|
| 2059 Public Works E-799 Suspense E1-Public Works Stock | O-4,78,00,000 | 4,78,00,000 | 1,64,59,84,667 | 1,59,81,84,667 |
| 2215 Water Supply & Sanitation 1-052 Machinery and Equipment 1 Repairs and Carriage | O-9,54,000 | 9,54,000 | 30,09,619 | 20,55,619 |
| HH-Sanitation Services HH-1 Digging of Tube Wells in Primary School | O-67,18,000 | 67,18,000 | 78,64,584 | 11,46,584 |
| HH-2 Digging of Tube Wells in UP School | O-33,58,000 | 33,58,000 | 38,15,874 | 4,57,874 |
| HH-3 Rural Sanitation | O-1,86,27,000 S-30,00,000 | 2,16,27,000 | 3,37,91,123 | 1,21,64,123 |
| 4059 Capital Outlay on Public Works OO-051 Construction OO-2-Completion and Construction of incomplete buildings of Commercial Tax organisation | O-2,67,000 | 2,67,000 | 3,81,213 | 1,14,213 |
| 4215-Capital Outlay on Water Supply and Sanitation WW-102-Rural Water Supply Programme WW-3 Piper Water Supply in KBK Districts under RLTA | -- | -- | 24,67,000 | 24,67,000 |
| 4215-Capital Outlay on Water Supply and Sanitation WW-4 Submission Activities | -- | -- | 2,79,65,006 | 2,79,65,006 |
| 4215- Capital Outlay on Water Supply & Sanitation XX-796 TASP XX-3 Piper Water Supply in KBK Districts under RLTA | -- | -- | 5,66,000 | 5,66,000 |
| 4215-Capital Outlay on Water Supply and Sanitation YY-102 Rural Water Supply programme YY-1 Minimum needs programme | O-13,93,98,000 S-23,61,93,000 | 37,55,91,000 | 38,41,68,568 | 85,77,568 |
| 4216-Capital Outlay on Housing BBB-Central Poor Accommodation BBB-1 Water Supply and Sanitation | O-1,50,000 | 1,50,000 | 8,82,580 | 7,32,580 |
| 5054 Capital Outlay on Roads and Bridges EEE-5-Rural Development Programme | -- | -- | 11,56,816 | 11,56,816 |

2002-2003

| | | | | |
|--|----------------------------------|--------------|--------------|--------------|
| Demand 7-Works 4059 Capital outlay on Public Works T-051-Construction T-4 Construction of five service building | -- | -- | 11,68,153 | 11,68,153 |
| 5040 Capital Outlay on Roads and Bridges 03-Highways VV(A)-101-Bridges VV(A)-1-Public Works | -- | -- | 2,40,88,276 | 2,40,88,276 |
| 5040-Capital Outlay on Roads and Bridges WW-1-Consotruction of Loop Road at different check gates of Commercial Tax Organisation | O-52,74,000 | 52,74,000 | 10,84,04,386 | 10,31,30,386 |
| Demand No-13 Housing and Urban Development 2215-Water Supply and Sanitation F-101-Urban Water Supply Programme F-1 Maintenance and Repairs | O-57,69,09,000 S-10,00,00,000 | 67,69,09,000 | 71,13,01,017 | 3,43,92,017 |

Contd.

| Head of Account | Details of provision | Total provision | Expenditure | Excess |
|--|---------------------------------|-----------------|--------------|-------------|
| 2216-Housing K(a)-1 Village Housing scheme | -- | -- | 7,97,903 | 7,97,903 |
| Demand No.20 Water Resources 4071-Capital Outlay on Major & Medium Irrigation OOOO-220 Mahanadi Chitrotpala Island Irrigation Projects | O-10,60,00,000 S-8,17,26,000 | 18,77,26,000 | 22,51,24,382 | 3,73,98,382 |
| SSSS-4-Balimela Dam Projects | -- | -- | 6,46,726 | 6,46,726 |
| 4711-Capital Outlay on Flood Control Projects OOOOO-1 Improvement and protection to saline embankments | O-31,00,000 | 31,00,000 | 45,54,396 | 14,54,396 |

2003-2004

| | | | | |
|---|------------------------------|-------------|-------------|-----------|
| D-7 Works 2059 Public Works 80-General 001-Direction and Administration 004372 Execution 0004610 Express way | -- | -- | 21,63,824 | 21,63,824 |
| 4059 Capital Outlay on Public Works 60-Other Building 796-TASP 0027280-Upgradation of Standard of Administration recommended by 11 th Finance Commission 3704370-Water supply | -- | -- | 68,59,000 | 68,59,000 |
| 800-Other Expenditure 3704800- Construction of office building through OPH & W Corpn. | -- | -- | 89,54,000 | 89,54,000 |
| State Plan-State Sector 60-Other Buildings 051-Construction | O- 8,07,000 | 8,07,000 | 23,31,648 | 15,24,648 |
| D-13- Housing & Urban Development 2215 Water supply & sanitation 01-Water supply 001-Direction & Administration 0002721 Direction (SEPH Engineering) | -- | -- | 24,86,757 | 24,86,757 |
| 3604-Compensation and Assignments to Local Bodies & Panchayati Raj Institutions 200- Other Misc. Compensation and Assignments 2900100 Payment of Stamp Duty Annuity | O- 3,68,10,000 | 3,68,10,000 | 4,23,00,623 | 54,90,623 |
| D-20-Water Resources 2701-Major Irrigation & Medium Irrigation-01-Major Irrigation (Commercial) State Plan-State Sector 80-General-005-Survey & Investigation | O- 91,83,000 S- 20,50,000 | 1,12,33,000 | 1,28,47,165 | 16,14,165 |
| 4702-Capital outlay on Minor Irrigation State Plan State Sector 102-Ground Water 3704030 Survey & Investigation | O- 2,00,00,000 | 2,00,00,000 | 2,87,65,927 | 87,65,927 |
| 4711-Capital Outlay on Flood Control projects State Plan State Sector 01-Flood Control-103-Civil Works 8000140-Lump Provision for payment of Arrear Land Acquisition charges | O- 1,00,000 | 1,00,000 | 33,28,953 | 32,28,953 |

Contd.

| Head of Account | Details of provision | Total provision | Expenditure | Excess |
|---|--------------------------|-----------------|--------------|-------------|
| D-28 Rural Development 2215-Water Supply and Sanitation 01-Water Supply 052-Machinery & Equipment 0200020 NMR/DLR | O- 25,97,000 | 25,97,000 | 81,41,186 | 55,44,186 |
| 2100521 Repairs & Carriages | O- 4,59,000 | 4,59,000 | 19,54,974 | 14,95,974 |
| 102-Rural Water supply Programme 0200000 Wages | O- 8,67,15,000 | 8,67,15,000 | 10,38,46,211 | 1,71,31,211 |
| 2215-Water Supply & Sanitation Centrally Sponsored Plan- District Sector-01-Water Supply 796-TASP 0028690-Iron and Floride Removal Plant | O- 10,00,000 | 10,00,000 | 30,00,000 | 20,00,000 |
| 5054-Capital Outlay on Roads and Bridges State Plan-District Sector 04-District and other Roads 796-TASP 3703740-Rural Roads 0029030 Rural Development Programme | S- 1,19,00,000 | 1,19,00,000 | 7,54,04,697 | 6,35,04,697 |
| 800-Other Expenditure 0027780 Prime Minister's Gram Swarojagar Yojana & Land Acquisition Charges | O- 10,00,000 | 10,00,000 | 4,38,21,745 | 4,28,21,745 |
| 2004-2005 | | | | |
| D-7-2059-Public Works (NP) -80-General-799-Suspense-3703430 Public Works | O- 4,73,90,000 | 4,73,90,000 | 5,47,57,505 | 73,67,505 |
| 2216-Housing (NP) 01-Govt. Residential Buildings-106-General Pool Accommodation - 2100121-Maintainance and Repair | O-61,35,000 | 61,35,000 | 69,51,014 | 8,16,014 |
| 2216-Housing (NP) 01-Govt. Residential Buildings-106-General Pool Accommodation - 3600040-Furnishing | O-1,00,00,000 | 1,00,00,000 | 1,25,86,348 | 25,86,348 |
| 3054-Roads and Bridges(NP)-03-State High Ways 337-Road Works-2100120 - Maintenance and Repair | O-26,61,73,000 S-1000 | 26,61,74,000 | 27,26,05,938 | 64,31,938 |
| 3054-Roads and Bridges(NP)-80-General- 800-Other Expenditure-3701870- Expenditure connection with Barricading | O-1,20,00,000 | 1,20,00,000 | 1,51,34,481 | 31,34,481 |
| 5054-Capital outlay on Road & Bridges(SP) - 03-State High Ways-337- Road works-0028970-ACA for Road Dev. (3703680-Road Works) | S-3,60,14,000 | 3,60,14,000 | 3,63,14,896 | 3,00,896 |
| 2059-Public Works (NP) 80-General-799- Suspense 3701760-Electrical | - | - | 9,72,786 | 9,72,786 |
| D-20 Water Resources 2230-Labour & Employment (NP)-03- Training-102-Apprenticeship Training 4000170-Stipend | O-74,000 | 74,000 | 19,18,730 | 18,44,730 |
| 2701-Major and Medium Irrigation(NP) 01-Major Irrigation Commercial-112- Upper Kolab Irrigation Project-3701442- Dam & Appurtenant Works | O-42,63,000 | 42,63,000 | 50,97,785 | 8,34,785 |
| D-13-Housing 7 U.D- 2216-Housing-SP-80-General-800-Other | O-2,40,00,000 | 2,40,00,000 | 2,68,00,000 | 28,00,000 |

Concl'd.

| Head of Account | Details of provision | Total provision | Expenditure | Excess |
|---|----------------------|-----------------|--------------|-------------|
| Expenditure 4101850-Grants to HBDA/IT/SPA An Infrastructural Development of Housing Scheme for LIG & EWS | | | | |
| 2217-Urban Dev-80-Gen-193-Asst. to Nagar Panchayat /NACs-4103710-Miscellaneous Grants | O-63,12,000 | 63,12,000 | 75,20,000 | 12,08,000 |
| 2217-Urban Dev. (SP) (SS)-05-Other Urban Dev. Scheme-192-Asst. to Municipality and Municipal Council-4108630-Grants for Improvement of Roads and other amenities | O-20,35,000 | 20,35,000 | 30,57,000 | 10,22,000 |
| 4215-Capital Outlay on Water Supply and Sanitation (NP)-02-Sewerage and Sanitation-106-Sewerage services – 3704240-Urban Sewerage Schemes | | | 2,00,00,000 | 2,00,00,000 |
| 6217-Loans for Urban Dev(SP)-60-Other Urban Dev.-Scheme-192-Asst. to Municipalities/Municipal Corporation | O-50,02,000 | 50,02,000 | 1,03,82,000 | 53,80,000 |
| D-20-2701-Major & Medium Irrigation (NP) –03-Medium Irrigation Commercial-102-Godahad Irrigation Project-2100100-Maintainance | O-31,73,000 | 31,73,000 | 44,07,352 | 12,34,352 |
| 2701-M&M-(NP)-03-Medium Irrigation-105-Budha Budhiani Irrigation Project – 2100100-Maintainance | O-16,96,000 | 16,96,000 | 20,18,043 | 3,22,043 |
| 2701-M&M-(NP)-03-Medium Irrigation Commercial III-Basket Irrigation Project 2100100-Maintainance | O-18,51,000 | 18,51,000 | 21,91,481 | 3,40,481 |
| 2701-M&M-(NP)-03-Medium Irrigation Commercial 117-Doha Irrigation Project-2100100 | O-23,63,000 | 23,63,000 | 27,62,791 | 3,99,791 |
| 2701-M&M-(NP)-03- 139-ONG Irrigation project-2100100-Maintainance | O-38,03,000 | 38,03,000 | 56,17,021 | 18,14,021 |
| 2701-M&M-SP-80-General-005-Survey and Investigation | O-8,33,000 | 8,33,000 | 12,48,193 | 4,15,193 |
| 2701-M&M-SP-80-General-005-Survey and Investigation | 9,55,000 | 9,55,000 | 44,56,704 | 35,01,704 |
| 2702-Minor Irrigation-(SP)-01-Surface Water-102-Lift Irrigation Schemes – 4301470-Water rate Subsidy to Orissa Lift Irrigation Corporation for Lift Irrigation Schedule | O-7,00,00,000 | 7,00,00,000 | 10,30,00,000 | 3,30,00,000 |
| 2711-Flood Control Damage –02-Anti sea Erosion Project – 800-Other Expenditure-2100101 Maintenance | O-10,74,000 | 10,74,000 | 14,37,692 | 3,63,692 |
| D-28-4261-Capital Outlay on Housing-01-Govt. Residential Buildings – 3700860-Construction | O-1,00,000 | 1,00,000 | 11,28,517 | 10,28,517 |

Appendix-XXXVI

Glossary of abbreviations

| | |
|------------------------|---|
| AC Bill | Abstract Contingent Bill |
| AD | Ayurvedic Distributor |
| ASU | Ayurveda, Siddha and Unani |
| BCR | Balance from Current Revenue |
| CA | Controller of Accounts |
| CADA | Command Area Development Authority |
| CBR | California Bearing Ratio |
| CC | Cement Concrete |
| CCA | Certified Command Area |
| CD | Consumer Dispute |
| CDMO | Chief District Medical Officer |
| CDR | Cyclone Damage Repair |
| CE | Capital Expenditure |
| CE | Chief Engineer |
| CE | Chief Engineer |
| CE&BM | Chief Engineer & Basin Manager |
| CEO | Chief Executive Officer |
| CHC | Community Health Centres |
| CIF | Critical Intervention Fund |
| CLM | Controller, Legal Metrology |
| COA | Controller of Accounts |
| CP | Consumer Protection |
| CVP | Commuted Value of Pension |
| CWA | Constituency Wise Allotment |
| DC Bill | Detailed Contingent Bill |
| DCA | Director, Consumer Affairs |
| DCIC | District Consumer Information Centres |
| DDA | Deputy Director of Agriculture |
| DDIPR | Deputy Director, Information and Public Relation |
| DDOs | Drawing and Disbursing Officers |
| DEPM | Director of Export Promotion and Marketing |
| DFID | Department For International Development. |
| DGSD | Director General of Supplies and Disposal |
| DHH | District Headquarters Hospitals |
| DHS | Director, Health Services |
| DIC | District Industries Centre |
| DIMH | Director of Indian Medicine and Homoeopathy |

Contd.

| | |
|------------------------|---|
| DRDA | District Rural Development Agency |
| DTI | Director of Treasuries and Inspection |
| DTL | Drug Testing Laboratory |
| EA | Efficiency Audit |
| EAS | Employment Assurance Scheme |
| EE | Executive Engineer |
| EIF | Equipment, Instrument and Furniture |
| ELA | Examiner of Local Account |
| EPF | Employees' Provident Fund |
| FD | Finance Department |
| FD | Fiscal Deficit |
| FFW | Food For Works |
| FI s | Food Inspectors |
| FSCW | Food Supplies and Consumer Welfare |
| GAP | Government Ayurvedic Pharmacy |
| GIS | Group Insurance Scheme |
| GMP | Good Manufacturing Practice |
| GOI | Government of India |
| GoO | Government of Orissa |
| GPF | General Provident Fund |
| GSB | Granular Sub Base |
| GSDP | Gross State Domestic Product |
| GSI | Geological Survey of India |
| Ha | Hectares |
| HA | Homoeopathic Assistant |
| HFW | Health and Family Welfare |
| HFW D | Health and Family Welfare Department |
| HL Bridge | High Level Bridge |
| HMIS | Health Management Information System |
| HODs | Heads of Departments |
| HPL | Homoeopathic Pharmacopoeial Laboratory |
| ICM | Internal Control Mechanism |
| IDA | International Development Association |
| IDEA | Interactive Data Extraction and Analysis |
| IK | Information Kiosk |
| IMR | Infant Mortality Rate |
| IRC | Indian Road Congress |
| IRs | Inspection Reports |
| ISMH | Indian Systems of Medicine and Homoeopathy |
| IT | Information and Technology |
| ITDA | Integrated Tribal Development Agency |
| Kg | Kilogram |
| LA | Licensing Authority |

Contd.

| | |
|---------------------------|--|
| LF | Local Fund |
| LOC | Letter of Credit |
| LoC | Letter of Credit |
| M | Metres |
| MCII | Mahanadi Chitrotpala Island Irrigation |
| MHC | Mobile Health Clinic |
| MI | Minor Irrigation |
| MMR | Maternal Mortality Rate |
| MORTH | Ministry of Road Transport and Highways |
| MT | Metric Tonne |
| NABARD | National Bank for Agriculture and Rural Development |
| NGOs | Non-Government Organisations |
| NH | National Highways |
| NIC | National Informatics Centre |
| O&M Cost | Operation and Maintenance cost |
| OB | Opening Balance |
| OBCC | Orissa Bridge Construction Corporation |
| OBM | Orissa Budget Manual |
| OCAC | Orissa Computer Application Centre |
| OCC | Orissa Construction Corporation Limited |
| OECD | Overseas Economic Cooperation Fund |
| OFS | Orissa Finance Service |
| OGFR | Orissa General Financial Rules |
| OHPC | Orissa Hydro Power Corporation Limited |
| OHSDP | Orissa Health Systems Development Project |
| OPD | Out Patient Department |
| OSCARD | Orissa State Co-operative Agriculture and Rural Development Bank Ltd |
| OT | Operation Theatre |
| OTC | Orissa Treasury Code |
| OWRCP | Orissa Water Resources Consolidation Project |
| PD | Primary Deficit |
| PD | Project Director |
| PFA | Prevention of Food Adulteration |
| PIAS | Pre-Irrigation Ayacut Survey |
| PIP | Project Implementation Plan |
| PL | Personal Ledger |
| PLA | Personal Ledger Account |
| PMC | Project Management Cell |
| PMGSY | Pradhan Mantri Gram Sadak Yojana |
| POL | Petrol Oil and Lubricant |
| PPO | Pension Payment Order |

Concl'd.

| | |
|----------------|--|
| PRI | Panchayati Raj Institutions |
| PSUs | Public Sector Undertakings |
| RA Bill | Running Account Bill |
| RCP | Rural Connectivity Programme |
| RD | Revenue Deficit |
| RD | Running Distance |
| RDD | Rural Development Department |
| RE | Revenue Expenditure |
| RIDF | Rural Infrastructure Development Fund |
| RLTAP | Revised Long Term Action Plan |
| RW | Rural Works |
| SCA | Special Central Assistance |
| SE | Superintending Engineer |
| SGRY | Sampoorna Gramin Rojgar Yojana |
| SHIFW | State Institute of Health and Family Welfare |
| SOR | Schedule of Rate |
| STO | Sub-treasury Officer |
| SWM | Standards of Weights and Measures |
| T&P | Tool and Plant |
| TC | Tender Committee |
| TCS | Tata Consultancy Services |
| TE | Total Expenditure |
| TI | Temporary Increase |
| TO | Treasury Officer |
| TPFAS | Teachers' Provident Fund Accounting System |
| TV | Television |
| ULBs | Urban Local Bodies |
| VAT | Value Added Tax |
| WBM | Water Bound Macadam |
| WD | Works Department |
| WMA | Ways and Means Advance |
| WODC | Western Orissa Development Council |
| ZSS | Zilla Swasthya Samiti |