



**REPORT**  
**OF THE**  
**COMPTROLLER**  
**AND**  
**AUDITOR GENERAL OF INDIA**  
**FOR THE YEAR**  
**1982-83**

**( CIVIL )**  
**GOVERNMENT OF ORISSA**

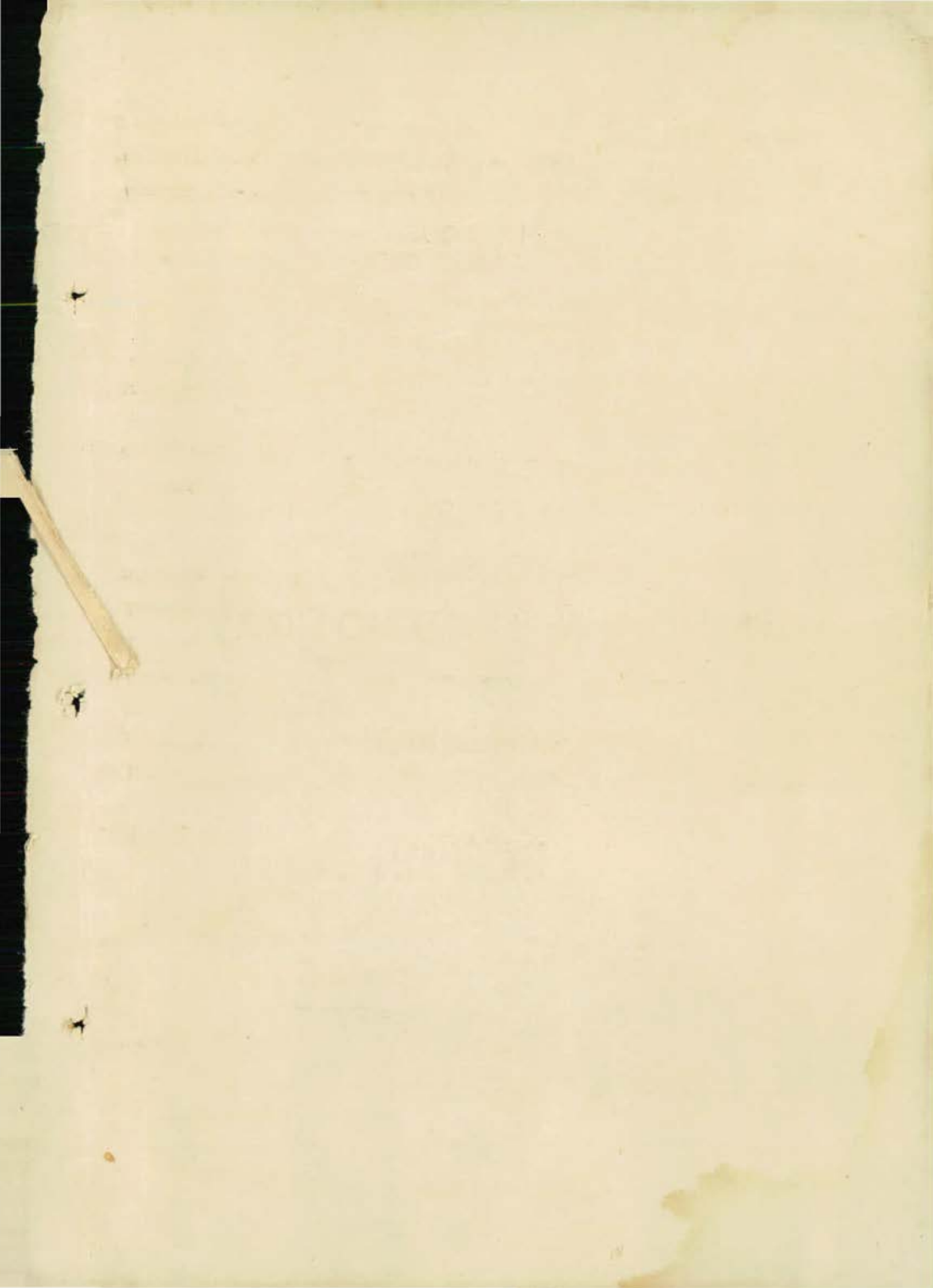


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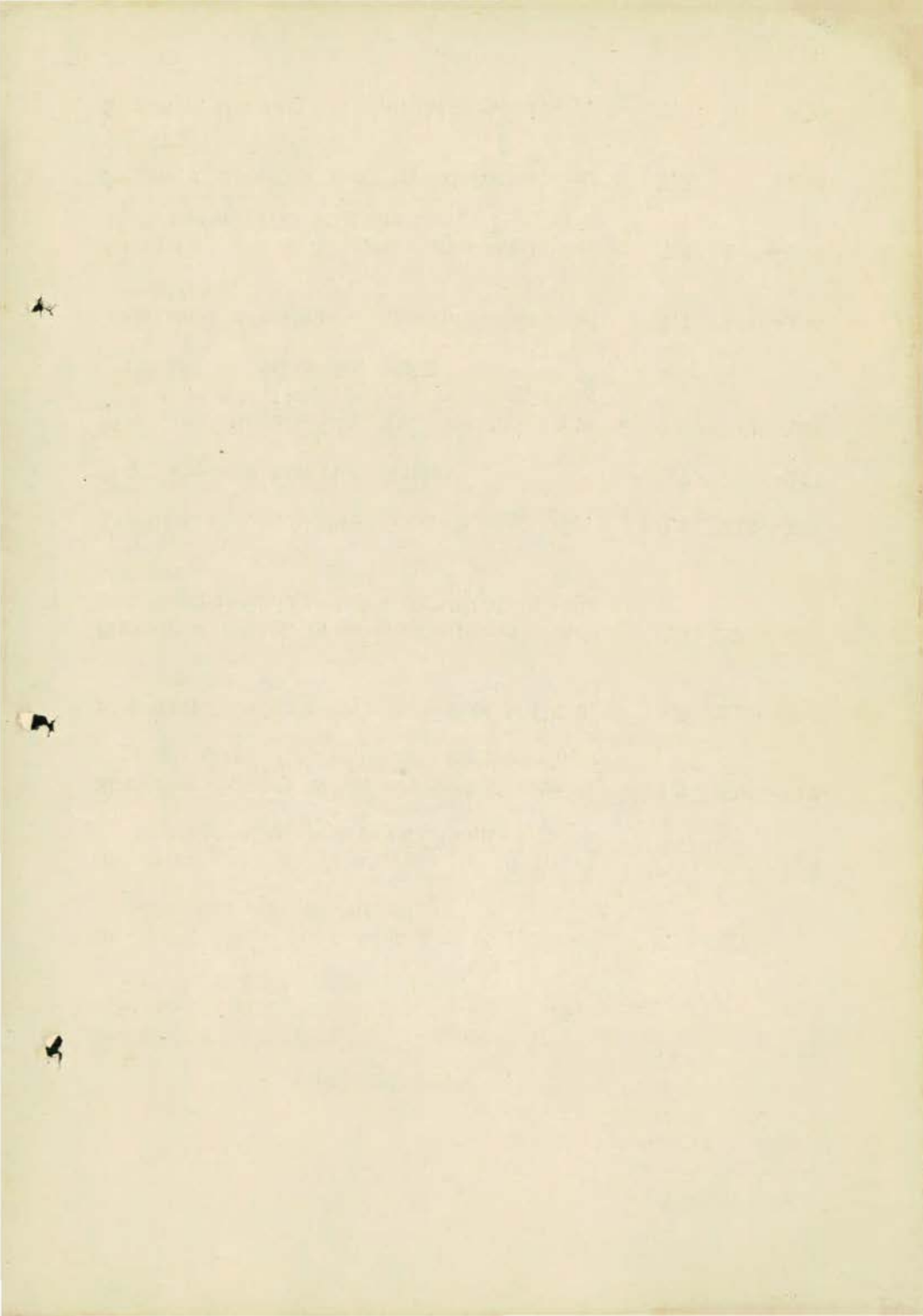
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## PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1982-83 together with other points arising from audit of financial transactions of Government of Orissa. It also includes:

- (i) certain points arising from the Finance Accounts for the year 1982-83; and
- (ii) comments on Fisheries Development Programme, Schemes for welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes, Rural Health Programme, Daha Medium Irrigation Project, Text Book Press, Bhubaneswar, Elementary Education and Assistance for development of dairy.

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

3. The cases mentioned in the present Report are among those which came to notice in the course of test audit of accounts during the year 1982-83 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 1982-83 have also been included, wherever considered necessary.



4

2

4

## **CHAPTER I**

### **GENERAL**

#### **1.1. Summary of accounts**

The summarised position of the accounts of the Government of Orissa emerging from the Appropriation Accounts and Finance Accounts for the year 1982-83 is indicated in the statements following :

## I—Statement of Financial position of the Government

Amount as on 31-3-1982 (Rupees in crores)	Liabilities	Amount as on 31-3-1983 (Rupees in crores)
2,32.73	<b>Internal Debt including Ways and Means Advance</b> (Market loans, Loans from LIC and others)	2,60.60
9,50.64	<b>Loans and Advances from Central Govern- ment</b>	10,82.04
	Pre 1979-80 loans ..	5,90.19
	Non-Plan loans ..	96.12
	Loans for State Plan schemes	3,66.50
	Loans for Central Plan schemes	19.82
	Loans for Centrally spon- sored schemes	<u>9.41</u>
1,29.18	<b>Small savings</b> ..	1,56.07
83.39	<b>Deposits</b> ..	1,09.47
25.20	<b>Overdraft from RBI</b> ..	75.67
28.59	<b>Reserve Funds</b> ..	24.77
13.08	<b>Contingency Fund</b> ..	93.72
	<b>Surplus on Govern- ment Account</b>	1,24.14
56.86	Surplus as on 31-3-1982	56.86
	Less current year deficit ..	(-)22.98
		<u>33.88</u>
86.03	Add Miscellaneous adjustments	<u>90.26</u>
<u>16,05.70</u>		<u>19,26.48</u>

## of Orissa as on 31st March 1983

Amount as on 31-3-1982 (Rupees in crores)	Assets		Amount as on 31-3-1983 (Rupees in crores)
12,73.69	<b>Gross Capital outlay on Fixed Assets</b>		14,56.06
	Investment in shares of Companies, Corporations, etc.	1,87.52	
	Other Capital outlay ..	<u>12,68.54</u>	
2,36.32	<b>Loans and Advances ..</b>	..	2,43.13
	Loans for power projects	1,46.78	
	Other Development loans	85.55	
	Loans to Government servants and miscellane- ous loans	10.80	
4.82	<b>Other Advances ..</b>	..	4.87
39.70	Remittance Balances ..	..	61.73
13.47	Suspense and Miscellane- ous Balances	..	14.59
	<b>C a s h ..</b>	..	36.10
0.77	Cash in Treasuries and local remittance	0.98	
1.25	Departmental cash balance including permanent Advance	1.55	
15.68	Cash balance investment and Security Deposits	<u>33.57</u>	
20.00	Contingency Fund ..	..	1,10.00
<u>16,05.70</u>			<u>19,26.48</u>



**GOVERNMENT**  
**II. Abstract of Receipts and**

**Section-A Revenue**

(Rupees in crores)

**I. Receipts**

8,01.62

(i) Tax Revenue ..	1,78.68	..
(ii) Non-tax Revenue ..	99.33	..
(iii) States share of divisible union Taxes	1,97.26	..
(iv) Non-Plan grants ..	1,96.07	..
(v) Grants for State Plan Schemes	65.10	..
(vi) Grants for Central and Centrally Sponsored Schemes	65.18	..

5

**II. Revenue Deficit C/O**

22.98

8,24.60

824.60  
801.62 ✓  
22.98

OF ORISSA  
Disbursements for the year 1982-83

## Disbursements

(Rupees in crores)

I. Revenue Expenditure	Non-Plan	Plan	Total
			8,24.60 ✓
(i) General Services ..	1,86.83	7.88	1,94.71 ✓
(ii) Social and Community Services	3,68.40	87.64	4,56.04 ✓
(iii) General Economic Services	11.90	4.69	16.59
(iv) Agriculture and Allied Services	54.65	62.93	1,17.58 ✓
(v) Industry and Minerals	3.05	5.62	8.67
(vi) Water and Power Development	7.40	1.38	8.78
(vii) Transport and Communications	17.80	0.32	18.12
(viii) Grants-in-aid and contributions	4.11	..	4.11 ✓
	<u>6,54.14</u>	<u>1,70.46</u>	<u>8,24.60</u>

1,17.58 ✓

Revenue surplus carried over to Section-B ..

824.60  
22.98  
801.62 ✓

8,24.60



(Rupees in crores)

**Section B—Others**

Receipts		
<b>III. Opening Cash Balance including Permanent Advance and Cash balance investment</b>		17.70
<b>IV. Recoveries of Loans and Advances</b>		23.80
(i) From Government servants ..	4.01	
(ii) From others ..	19.79	
<b>V. Public Debt Receipts</b>		5,31.22
(i) Internal debt of the State Government	3,50.74	
(ii) Loans and Advances from the Central Government	1,80.48	
<b>VI. Public Account Receipts</b>		7,29.71
(i) Small Savings and Provident Funds	55.84	
(ii) Reserve Funds excluding (B) Sinking Fund investment	9.56	
(iii) Deposits and Advances ..	1,93.94	
(iv) Suspense and miscellaneous excluding (C) Other accounts	25.80	
(v) Remittances ..	4,44.63	

(Rupees in crores)

## Disbursements

III. Opening overdraft from RBI	..	25.20
IV. Capital outlay	..	1,82.37
<b>Sector</b>		
(i) General Services	..	1.82
(ii) Social and Community Services	..	11.04
(iii) General Economic Services	..	10.95
(iv) Agriculture and Allied Services	..	11.20
(v) Industry and Minerals	..	9.10
(vi) Water and Power Development	..	1,20.99
(vii) Transport and Communication	..	<u>17.27</u>
V. Loans and Advances disbursed	..	30.61
(i) For various projects	..	21.63
(ii) To Government servants	..	4.63
(iii) To others	..	<u>4.35</u>
VI. Revenue deficit brought down	..	22.98
VII. Repayment of Public Debts	..	3,71.94
(i) Internal debt of the State Government		3,22.86
(ii) Loans and Advances from the Central Government		<u>49.08</u>

350.74      322.86



(Rupees in crores)

## Receipts

VII. Closing overdraft from RBI	75.67
VIII. Receipt from Contingency Fund	96.05

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**14,74.21**

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(Rupees in crores)

## Disbursements

<b>VIII. Public Account Disbursements</b>		6,99.60
(i) Small Savings and Provident Funds	28.95	
(ii) Reserve Funds	.. 13.38	
(iii) Deposits and Advances	.. 1,67.91	
(iv) Suspense and miscellaneous excluding (c) other accounts	22.70	
(v) Remittances	.. <u>4,66.66</u>	
<b>IX. Appropriation to Contingency Fund</b>		90.00
<b>X. Expenditure from Contingency Fund</b>		15.41
<b>XI. Cash balance at end</b>	..	36.10
Cash in Treasuries and local remittances	0.98	
Departmental cash balances including Permanent Advance	1.55	
Cash balance Investment and Security Deposits	<u>33.57</u>	

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14,74.21

## GOVERNMENT OF ORISSA

### III. Sources and application of funds for 1982-83

I. Sources	Rupees in crores
1. Revenue Receipts	8,01.62
2. Increase in Public Debt, Small Savings, Deposits and Ways and Means Advances	2,12.20
3. Increase in overdraft from RBI ..	50.47 ✓
4. Contingency Fund (net addition)	80.64 ✓
Total ..	<u>11,44.93</u>
<b>Adjustments</b>	
Add Reduction in suspense Balance ..	(+ ) 3.10 ✓
Less Reduction in Reserve Funds	(- ) 3.82 ✓
Less effect on Remittance balances	(- ) 22.03 ✓
	<u>(- ) 22.75</u>
Net funds available	<u>11,22.18</u>
<b>II—Applications</b>	
Revenue expenditure ..	8,24.60 ✓
Capital expenditure ..	1,82.37 ✓
Contingency Fund ..	90.00 ✓
Lending for development and other programmes	6.81
Increase in closing cash balance ..	18.40
Total ..	<u>11,22.18</u>

### Audit comments on the Accounts of the Government of Orissa for 1982-83

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



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

1.03. There is an unreconciled difference of Rs. 1.75 crores between the figure of overdraft as shown in the accounts and that intimated by the Reserve Bank of India.

1.04. The net additional public debt (as adjusted by the effect on remittance and suspense balances and drawal from Reserve Funds) raised during the year was Rs. 1,89.45 crores. This was reduced by the net additional (Rs. 6.81 crores) loans and advances disbursed for development and other programmes and revenue deficit (Rs. 22.98 crores) leaving Rs. 1,59.66 crores which fell short of the capital expenditure of Rs. 1,82.37 crores by Rs. 22.71 crores. The gap had, in effect, been bridged by resorting to diversions from small savings and Provident Fund and overdraft.

1.05. Due to non-mobilisation of resources, the State Government obtained Rs. 3,08.35 crores (ways and means advances: Rs.170.14 crores and overdrafts: Rs. 138.21 crores) during 1982-83 and repaid the entire amount during the year. Interest of Rs.1,00.38 lakhs was also paid by the State Government during the year on these advances.

1.06. Against the additional revenue of Rs. 16.69 crores anticipated at the budget stage due to revision and rationalisation of various existing taxation measures only Rs. 11.04 crores were realised. The shortfall was mainly on revision of rates on royalty on minor forest produce (Rs. 2.60 crores), levy of tax on carriage of goods (Rs. 0.25 crore) and revision of rates of mining royalty (Rs. 0.25 crore) due to non-impelmentation of the proposal in the first case and non-receipt of clearance from the Government of India in the other two cases.

1.07. The total variation of Rs. 13.32 crores between budget estimates and actuals during 1982-83 was made up of shortfall of Rs. 14.16 crores (7.3 per cent) in tax revenue and excess of Rs. 0.84 crore (0.8 per cent) in non-tax revenue. The shortfall in realisation was mainly on taxes and duties on electricity (Rs. 3.96 crores) due to non-payment of arrears by some of the firms and also imposition of power cut by the Orissa State Electricity Board.



1.08. The outstanding balance of loans and advances (Rs. 2,43.13 crores) on 31st March 1983 includes Rs. 65.50 crores treated as loans in the form of assets transferred to the Orissa State Electricity Board on its formation on 1st March 1961; Government stated (April 1981) that these loans were declared as irredeemable loans to the Board.

1.09. According to the information received (December 1983) from 19 departments, recovery of Rs. 8.14 crores (Principal: Rs. 4.94 crores and Interest: Rs. 3.20 crores) was overdue as on 31st March 1983, the main defaulter being the Industries Department.

1.10. The interest paid on debt and other obligations during 1982-83 was Rs. 79.68 crores. The interest received was Rs. 13.39 crores including dividends and profits from departmental commercial undertakings and others. The net interest burden was thus, Rs. 66.29 crores.

The interest charges paid on small savings, PF, etc., was Rs. 13.68 crores, while the net accretion to the balance during the year was Rs. 26.89 crores.

1.11. The assistance received from the Central Government for Central and Centrally sponsored Plan schemes in the Revenue account was Rs. 65.18 crores. The Plan expenditure on such schemes was Rs. 68.90 crores.

1.12. Against the Plan provision of Rs. 4,32.16 crores, the actual expenditure on Plan schemes on all accounts was Rs. 3,66.94 crores during the year resulting in a shortfall of Rs. 65.22 crores. Against non-Plan provision of Rs. 6,86.17 crores in the Revenue account the actual expenditure was Rs. 6,54.14 crores leaving a shortfall of Rs. 32.03 crores.

1.13. The total expenditure under non-Plan (including Capital) during the year 1982-83 was Rs. 6,70.64 crores as compared to Rs. 449 crores of the previous year. The increase of Rs. 2,21.64 crores was mainly due to increase in salaries paid to Government servants.

1.14. The annual debt service obligation, according to the schedule of repayment of principal and payment of interest was Rs. 4,39.22 crores; the actual discharge was Rs. 4,37.84 crores.

1.15. With fresh investment of Rs. 21.92 crores during the current year in the various statutory corporations/Government companies/Co-operative institutions, the total investment of the Government in shares and debentures on 31st March 1983 was Rs. 1,87.52 crores. Interest and dividend received on such investment during the year was Rs. 0.20 crore (0.11 per cent) of the investment.

1.16. The contingent liability for guarantee given by the State Government for repayment of loans, etc., by statutory Corporations, Companies and Co-operatives, etc., on 31st March 1983 was Rs 96.17 crores including interest of Rs. 0.33 crore. No guarantee was invoked during the year.

1.17. While a sum of Rs. 19.83 lakhs was received as guarantee commission during 1982-83, in 12 cases guarantee commission of Rs. 18.74 lakhs was due for recovery on 31st March 1983, the main defaulters being Government Companies and Co-operative Sugar Mills.

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

## CHAPTER II

## APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

## 2.1. Summary

(a) The following table compares the total expenditure during the year with the total of grants and charged appropriations:—

(1)	Grants/ charged appropriations	Expenditure	Saving (—)/ Excess (+)		
			Amount	Percentage	
	(2)	(3)	(4)	(5)	
	(In crores of rupees)				
<i>Voted</i>					
Original ..	9,47.85	13,66.18	12,78.90	(—)87.28	6
Supplementary ..	4,18.33				
<i>Charged</i>					
Original ..	3,87.54	3,98.12	4,62.36	(+)64.24	16
Supplementary ..	10.58				
Total ..	17,64.30	17,41.26	(—)23.04	1	

The overall saving of Rs. 23.04 crores was the net result of saving of Rs. 1,93.61 crores in 22 grants in the Revenue section (Rs. 52.34 crores), 24 grants in the Capital section (Rs. 1,40.46 crores), 13 charged appropriations in the Revenue section (Rs. 0.13 crore) and 4 charged appropriations in the Capital section (Rs. 0.68 crore) partly counter-balanced by excess of Rs. 1,70.57 crores in 5 grants in the Revenue section (Rs. 1,05.51 crores), 1 grant in the Capital section (Rs. 0.02 crore), 1 charged appropriation in the Revenue section (Rs. 0.07 crore) and 2 charged appropriations in the Capital section (Rs. 64.97 crores).



(b) Further details are given below:—

	Revenue	Capital	Loans and advances	Transfer to the Contingency Fund	Public Debt	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(In crores of rupees)						
Authorised to be spent (grants and charged appropriations)						
Original	6,83.44	3,28.44	21.49	..	3,02.02	13,35.39
Supplementary	2,38.63	84.20	11.12	90.00	4.96	4,28.91
Total	9,22.07	4,12.64	32.61	90.00	3,06.98	17,64.30
Actual expenditure (grants and charged appropriations)	9,75.17	3,48.13	30.61	15.41	3,71.94	17,41.26
Shortfall (—)/ Excess (+)	(+)53.10	(—)64.51	(—)2.00	(—)74.59	(+)64.96	(—)23.04

## 2.2. Excess over grants/charged appropriations requiring regularisation

(a) *Excess over grants*—The excess expenditure of Rs. 1,05.51 crores over the authorised provision in 5 grants in the Revenue section and of Rs. 0.02 crore in 1 grant in the Capital section as detailed below, requires regularisation under Article 205 of the Constitution.

Sl. No.	Number and name of grant	Total grant	Actual expenditure	Excess
(1)	(2)	(3)	(4)	(5)
(In rupees)				

### Revenue section

#### 1. 3—Expenditure relating to the Revenue Department

Original	39,92,42,000	2,05,79,72,000	2,06,51,76,256	72,04,256
Supplementary	1,65,87,30,000			

Excess expenditure of Rs. 2.06 crores was incurred on assistance for repair/reconstruction of houses. Repairs and restoration of damaged irrigation and flood control works and gratuitous relief



accounted for excess expenditure of Rs. 1.82 crores and Rs. 1.45 crores respectively. On special nutrition while there was no provision, Rs. 0.89 crore was spent.

Reasons for the excess have not been intimated (April 1984). Excess was partly off set by savings under other heads.

Sl. No.	Number and name of grant	Total grant	Actual expenditure	Excess
(1)	(2)	(3)	(4)	(5)

(In rupees)

2. 7—Expenditure relating to Works Department

Original	..	47,93,54,000	49,88,83,000	1,11,33,59,762	61,44,76,762
Supplementary	..	1,95,29,000			

Bulk of the excess occurred under 'Public Works—Suspense' (Rs. 53.34 crores) and 'Roads and Bridges—Suspense' (Rs. 11.68 crores), reasons for which have not been intimated (February 1984). Excess was partly off set by savings under other heads.

Excess has been a recurring feature in this grant. Excess during earlier three years being Rs 7.85 crores in 1979-80, Rs. 25.38 crores in 1980-81 and Rs. 34.58 crores in 1981-82.

3. 13—Expenditure relating to the Housing and Urban Development Department

Original	..	27,24,77,000	37,49,01,000	66,92,92,802	29,43,91,802
Supplementary	..	10,24,24,000			

Excess occurred mainly 'under Sewerage and Water Supply—Suspense' (Rs. 28.96 crores). Reasons for excess acquisition of stock have not been intimated (April 1984).

In this grant too, the excess has occurred year after year, the excess during the previous three years being Rs. 5.96 crores in 1979-80, Rs. 11.72 crores in 1980-81 and Rs. 16.67 crores in 1981-82.

Sl. No.	Number and name of grant	Total grant	Actual expenditure	Excess
(1)	(2)	(3)	(4)	(5)

(In rupees)

A. 20—Expenditure relating to the Irrigation Department

Original ..	26,19,81,000	27,75,15,000	33,53,70,530	5,78,55,530
Supplementary ..	1,55,34,000			

Reasons for the excess which occurred mainly under 'Flood Control and Anti-sea erosion Projects' (Rs. 9.62 crores) have not been intimated (April 1984). Excess was partly off set by savings under other heads.

5. 23—Expenditure relating to the Agriculture and Co-operation Department

Original ..	49,29,61,000	59,39,59,000	67,50,93,031	8,11,34,031
Supplementary ..	10,09,98,000			

Excess occurred mainly under 'Multiplication and distribution of seeds' (Rs. 9.76 crores), reasons for which have not been intimated (April 1984). Excess was partly off set by savings under other heads.

(b) *Excess over charged appropriations*—The excess expenditure of Rs. 65.04 crores over one charged appropriation in Revenue section (Rs. 0.07 crore) and over 2 charged appropriations in Capital section (Rs. 64.97 crores) as detailed below, also requires regularisation under Article 205 of the Constitution.

*Revenue Section*

Sl. No.	Number and name of appropriation	Total appropriation	Actual expenditure	Excess
(1)	(2)	(3)	(4)	(5)

( In rupees )

6. Appropriation—Interest payments

Original	74,77,01,000	79,54,12,000	79,80,91,367	6,79,367
Supplementary	4,77,11,000			

Excess was mainly due to payment of heavy interest on ways and means advances (Rs. 41.20 lakhs) and on loans from the State Bank of India (Rs. 62.06 lakhs). The excess was partly off set by savings under other heads.

Sl. No.	Number and name of appropriation	Total appropriation	Actual Expenditure	Excess
(1)	(2)	(3)	(4)	(5)
<i>(In rupees)</i>				
<i>Capital section</i>				
7.	Appropriation—Internal debt of the State Government			
	Original 2,59,02,91,000	2,59,02,92,000	3,22,86,62,240	63,83,70,240
	Supplementary 1,000			

Excess occurred mainly under 'overdraft with the Reserve Bank of India' (Rs. 1,38.20 crores) due to clearance of more overdraft than that for which provision was made.

Excess was partly off set by saving mainly due to less loan obtained from State Bank and other banks and consequential less repayment (expenditure being Rs. 5 crores against provision of Rs. 49 crores).

8.	Appropriation—Loans and Advances from the Central Government			
	Original 42,99,39,000	47,93,93,000	49,07,75,954	1,13,82,954
	Supplementary 4,94,54,000			

Excess occurred mainly under 'Loans for Centrally Sponsored Plan schemes—Urban Development' (Rs. 106 lakhs), reasons for which have not been intimated (April 1984).

### 2.3. Supplementary grants/charged appropriations

(a) During the year, supplementary provision of Rs. 4,28.91 crores was obtained (October 1982 and March 1983) under 27 grants in Revenue section (Rs. 2,33.68 crores), 13 grants in Capital section (Rs. 1,84.65 crores) and 15 charged appropriations (Rs. 10.58 crores).



(b) The details of significant cases of unnecessary, excessive and inadequate supplementary grants are given below :

(i) *Unnecessary Supplementary grants*—In the following case, the supplementary grant (exceeding Rs. 50 lakhs) of Rs. 1.86 crores was unnecessary as the expenditure did not come up even to the original provision :

Number and name of grant (1)	Original grant (2)	Supplementary grant (3)	Expenditure (4)	Saving (5)
			(In crores of rupees)	
	<i>Revenue section</i>			
16—Expenditure relating to the Planning and Co-ordination Department	22.33	1.86	15.67	8.52

Saving was attributed mainly to less requirement of State's share of expenditure in Centrally Sponsored Plan schemes.

(ii) *Supplementary grants which proved excessive*—In the following cases, the supplementary grants (exceeding Rs. 50 lakhs each) proved excessive by more than Rs. 50 lakhs in each case. Against the supplementary provision of Rs. 89.75 crores, Rs. 40.21 crores were utilised resulting in saving of Rs. 49.54 crores. The details are given below :

Sl. No. (1)	Number and name of grant (2)	Original grant (3)	Supplementary grant (4)	Expenditure (5)	Saving (6)
			(In crores rupees)		
		<i>Revenue section</i>			
1.	1—Expenditure relating to the Home Department	39.74	5.63	43.38	1.99

Saving was stated to be mainly due to non-filling up of posts in various ranks in Police services under the scheme for upgradation of standards of administration (Rs. 88.29 lakhs) and curtailment of expenditure as a measure of economy (Rs. 67.87 lakhs).

2.	10—Expenditure relating to the Education and Youth Services Department	1,27.80	11.05	1,34.56	4.29
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Saving was attributed mainly to less requirement for payment of grants to non-Government Secondary Schools due to non-finalisation of Provident Fund rules, reduced sanction by the Government of India for Functional Literacy Centres for Adult Farmers and less admissibility of grants to some non-Government colleges.

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		( In crores of rupees)			
3.	12—Expenditure relating to the Health and Family Welfare Department	56.38	8.44	56.66	8.16

Under 'Aid Materials and Equipments—Family Welfare Programme' the entire supplementary provision of Rs. 1.90 crores remained unspent. Saving of Rs. 1.37 crores under 'National Malaria Eradication Programme' was more than 50 *per cent* of the provision of Rs. 2.69 crores. On 'Medical Relief' Rs. 1.01 crores could only be spent out of the provision of Rs. 1.52 crores. The expenditure on 'Compensation' also fell short of the estimate of Rs. 3.20 crores by Rs. 0.65 crore.

4.	18—Expenditure relating to the Community Development and Rural Reconstruction (C. D.) Department	32.09	5.77	36.39	1.47
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Saving was stated to be mainly due to reduction in State Plan ceiling for agricultural schemes.

5.	19—Expenditure relating to the Industries Department	16.74	3.25	17.24	2.75
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Savings occurred mainly under Central Plan—'Industrial Cooperatives' (Rs. 1.99 crores) which were attributed to non-receipt of sanction from Government of India for special rebate on sale of handloom cloth and on production of controlled dhotis and sarees.

6.	22—Expenditure relating to the Forest, Fisheries and Animal Husbandry Department	26.71	2.99	28.88	0.82
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On 'Plantation schemes—Central Plan', expenditure was Rs. 47 lakhs against provision of Rs. 73.47 lakhs. Scheme for 'Improvement of socio-economic condition of poor fishermen' a State Plan scheme, was not reportedly sanctioned in time by the Agricultural Refinance and Development Corporation.

Large savings also occurred during 1974-75 (Rs. 93.75 lakhs), 1975-76 (Rs. 48.93 lakhs), 1976-77 (Rs. 1,51.71 lakhs), 1977-78 (Rs. 2,29.10 lakhs), 1978-79 (Rs. 2,24.55 lakhs), 1979-80



(Rs. 7,68.08 lakhs), 1980-81 (Rs. 2,02.58 lakhs) and 1981-82 (Rs. 96.27 lakhs).

## Capital section

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		( In crores of rupees )			
7.	7—Expenditure relating to the Works Department	22.07	6.59	25.97	2.69

Under 459—Capital Outlay on Public Works—1—General, the entire provision of Rs. 1.35 crores remained unutilised due reportedly to late receipt/non-receipt of administrative approval for improvement of office buildings, construction of 123 office-cum-residential buildings and new court buildings. For construction of modern Polytechnic building and hostel at Talcher, the supplementary provision of Rs. 81.75 lakhs made in February 1983 remained wholly unutilised. Similarly provision of Rs. 33.72 lakhs meant for Railway safety works fund, could not be utilised (reasons not stated).

8.	13—Expenditure relating to the Housing and Urban Development Department	4.55	2.30	5.36	1.49
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The entire provision of Rs. 1 crore made for housing loans under Middle and Low Income Group Housing Schemes remained unutilised. On Urban Water Supply Programmes, against provision of Rs. 2.74 crores (including supplementary provision of Rs. 0.69 crore made in September 1982 and February 1983), expenditure was only Rs. 1.95 crores which was even below the original provision, shortfall being attributed to less requirement of assistance by urban local bodies.

9.	19—Expenditure relating to the Industries Department	15.21	2.03	15.98	1.26
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Saving was stated to be due to non-release of funds by the National Co-operative Development Corporation and non-receipt of sanction from Government of India for share capital investment in spinning mills.

10.	20—Expenditure relating to the Irrigation and Power Department	1,74.42	29.64	1 84.96	19.10
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Saving was attributed mainly to reduction of Plan ceiling (Rs. 7.08 crores), revision of programme of work and Plan allocation (Rs. 7.07 crores), less reimbursement of Central assistance (Rs. 2 crores) and non-payment of cost of machinery and equipment (Rs. 0.73 crore).

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
11.	21—Expenditure relating to the Transport Department	1.88	1.17	2.23	0.82

Saving was mainly due to surrender of Rs. 0.78 crore consequent on a post budget decision to provide funds for share capital investment in Orissa Road Transport Company, Berhampur under the major head 538—Capital Outlay on Road and Water Transport Services of the grant instead of giving loan to the Company.

12.	23—Expenditure relating to the Agriculture and Co-operation Department	13.80	10.21	20.24	3.77
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Saving was stated to be mainly due to non-release of funds by the Reserve Bank of India (Rs. 2.19 crores) for investment in credit co-operatives and societies in tribal areas and less requirement of loans by the Orissa Agro-Industries Corporation (Rs. 0.50 crore).

Significant savings also occurred during 1977-78 (Rs. 3.43 crores), 1978-79 (Rs. 2.83 crores), 1980-81 (Rs. 1.27 crores) and 1981-82 (Rs. 2.38 crores).

*Charged appropriation (Capital expenditure)*

Sl. No.	Number and name of appropriation	Original appropriation	Supplementary appropriation	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
1.	20—Expenditure relating to the Irrigation and Power Department	0.82	0.68	0.91	0.59

The entire supplementary provision of Rs. 18.87 lakhs made for payment of arbitration awards relating to construction of earthdam of Khadkei Irrigation Project and works under Flood Control and Anti-sea erosion Project remained unutilised (reasons not intimated). Saving also occurred under 506—Capital Outlay on Minor Irrigation, Soil Conservation and Area Development—State Plan—'Minor Irrigation' (Rs. 33.39 lakhs) due to surrender of provision to meet the additional requirements for pay and allowances of staff engaged on minor irrigation works.

(iii) *Inadequate supplementary grants/charged appropriations*

In the following six cases, the supplementary provision (exceeding Rs. 50 lakhs each) of Rs. 1,94.66 crores proved inadequate (by more than Rs. 50 lakhs) as in these cases, excess of Rs. 1,06.65 crores remained uncovered; reasons for the excess to the extent received are given in paragraph 2.2.

Sl. No.	Number and name of grant	Original grant	Supplementary grant	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)	(6)
<i>Revenue section</i> (In crores of rupees)					
1.	3—Expenditure relating to Revenue Department	39.93	1,65.87	2,06.52	0.72
2.	7—Expenditure relating to the Works Department	47.94	1.95	1,11.34	61.45
3.	13—Expenditure relating to the Housing and Urban Development Department	27.25	10.24	66.93	29.44
4.	20—Expenditure relating to the Irrigation and Power Department	26.20	1.55	33.54	5.79
5.	23—Expenditure relating to the Agriculture and Co-operation Department	49.30	10.10	67.51	8.11

*Charged appropriations*

Sl. No.	Name of charged appropriation	Original appropriation	Supplementary appropriation	Expenditure	Excess
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
1.	Appropriation—Loans and Advances from the Central Government	42.99	4.95	49.08	1.14

## 2.4. Unutilised provision

(a) Rupees 1,93.61 crores remained unutilised during 1982-83 as stated in para 2.1 (a). In 4 grants in Revenue section and 6 grants in Capital section, the savings (more than Rs. 50 lakhs in each case) were more than 10 per cent of the total provision. The details are given in Appendix 2.1.

(b) Of the unutilised provision under Revenue and Capital sections, Rs. 43.57 crores related to 'Water and Power Development' (provision: Rs. 1,73.34 crores, expenditure: Rs. 1,29.77 crores), Rs. 7.59 crores pertained to General Economic Services (provision: Rs. 35.12 crores, expenditure: Rs. 27.53 crores), Rs. 14.82 crores to 'Social and Community Services' (provision: Rs. 4,81.90 crores, expenditure: Rs. 4,67.08 crores).

Some of the major schemes pertaining to the above services and others where provisions remained substantially/wholly unutilised (other than that mentioned in para 2.3 above) are detailed below :

Sl. No.	Number and name of grant and scheme	Provision	Saving (and percentage)	Reasons for saving and remarks
(1)	(2)	(3)	(4)	(5)
		(In lakhs of rupees)		
1. 9	—Expenditure relating to the Food & Civil Supplies Department—Procurement and supply (Major Head—509)	80,00.00	65,47.32 (82)	Saving was stated to be due to change in food policy of the State Government for the Kharif year 1982-83 and less repayment of cash credit accommodation to State Bank of India for want of receipt of sale proceeds from Orissa State Civil Supplies Corporation.
2. 16	—Expenditure relating to the Planning & Co-ordination Department			
	(i) Community Development Roads (Major Head—314)	1,50.00	1,50.00 (100)	Reasons for saving have not been intimated (April 1984).
	(ii) Tribal Areas Sub-Plan (Major Head—314)	1,62.15	1,62.15 (100)	



Sl. No.	Number and name of grant and scheme	Provision	Saving (and percentage)	Reasons for saving and remarks
(1)	(2)	(3)	(4)	(5)
(In lakhs of rupees)				
3.	20—Expenditure relating to the Irrigation & Power Department			
	Capital outlay on Multipurpose River Projects			
	Upper Kolab Project—Power Scheme (Major Head—532)	28,79.01	12,33.94 (43)	Saving to the extent of Rs. 1,88.40 lakhs was attributed to reduction in Plan allocation (Rs. 1,15.40 lakhs) and non-payment of the cost of machinery and equipments (Rs. 73 lakhs). Reasons for balance saving have not been communicated (April 1984).
4.	22—Expenditure relating to the Forest, Fisheries and Animal Husbandry Department—Government Trading in <i>kendu</i> leaves (Major Head—513)	25,27.24	5,22.92 (20)	Reasons for saving have not been intimated (April 1984).

## 2.5. Advances from the Orissa Contingency Fund

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

The corpus of the fund was temporarily raised from Rs. 20 crores to Rs. 60 crores by issue of an ordinance on 2nd August 1982. The corpus was further raised to Rs. 110 crores through another ordinance issued on 1st November 1982. Consequent upon lapsing of ordinance of 2nd August 1982 on 31st October 1982 Rs. 40 crores were transferred back to Consolidated Fund.

Similarly, the 2nd ordinance of 1st November 1982 lapsed on 6th April 1983 and on its lapsing, Rs. 90 crores were transferred back to Consolidated Fund.

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

Fiftyseven sanctions were issued by Government during 1982-83 advancing Rs. 1,45.40 crores of which 36 sanctions were operated upon and Rs. 1,24.25 crores were drawn from the Fund during the year.

An analysis of the sanctions for advances and expenditure thereagainst is given below :

(i) In four cases, sanctions for Rs. 2.17 crores issued (January-February 1983) were not operated upon and were subsequently cancelled (February 1983 to March 1983).

(ii) Out of Rs. 1,24.25 crores drawn during the year, Rs. 15.41 crores were not recouped to the Fund till the close of the year.

(iii) Advances of Rs. 87.12 lakhs drawn from the Contingency Fund during 1978-79 (Rs. 0.28 lakh) and 1981-82 (Rs. 86.84 lakhs) though due for recoupment to the Fund were not recouped during 1982-83.

## **2.6. Recoveries exceeding or falling short of estimates**

Under the system of gross budgeting followed by Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts in reduction of expenditure; the anticipated recoveries and credits are shown separately in the budget estimates. During 1982-83, against the anticipated recoveries of Rs. 2,06.31 crores (Revenue : Rs. 44.02 crores, Capital : Rs. 1,62.29 crores), the actual recoveries during the year were Rs. 2,41.73 crores

(Revenue : Rs. 1,50.57 crores, Capital : Rs. 91.16 crores). Some of the important cases of shortfall/excess in recoveries are detailed below :

Sl. No.	Number and name of grant	Budget		Actuals		Amount of shortfall (-)/excess(+)	
		Revenue	Capital	Revenue	Capital	Revenue	Capital
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

(In crores of rupees)

1. 7—Expenditure relating to the Works Department	17.13	0.76	77.82	2.70	(+)60.69	(+)1.94
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More recoveries were mainly under 'Suspense—Gross Credits'. Reasons therefor have not been intimated (April 1984).

2. 9—Expenditure relating to the Food and Civil Supplies Department	..	1,04.00	..	19.78	..	(-)84.22
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Less recovery was under 'Procurement and Supply—Grain Purchase Scheme—Suspense Credits'. Reasons have not been intimated (April 1984).

3. 13—Expenditure relating to the Housing and Urban Development Department	2.49	1.31	34.56	..	(+)32.07	(-)1.31
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Excess in the Revenue section was due to more recoveries under 'Suspense—Credits'. Reasons for non-recovery of loans to Urban Local Bodies in the Capital section have not been intimated (April 1984).

4. 20—Expenditure relating to the Irrigation and Power Department	4.29	30.89	13.49	50.33	(+)9.20	(+)19.44
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More recoveries were mainly under 'Suspense—Gross Credits'. Reasons for excess recoveries have not been intimated (April 1984).

5. 22—Expenditure relating to the Forest, Fisheries and Animal Husbandry Department	..	24.88	..	16.70	..	(-)8.18
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Less recoveries were under 'Government Trading in Kendu leaves—Suspense—Credits'. Reasons have not been intimated (April 1984).

Sl. No.	Number and name of grant	Budget		Actuals		Amount of shortfall (—)/ excess(+)	
		Revenue	Capital	Revenue	Capital	Revenue	Capital
		(3)	(4)	(5)	(6)	(7)	(8)
( In crores of rupees )							
6.	23—Expenditure relating to the Agriculture & Co-operation Department	4.19	..	15.73	1.05	(+)11.54	(+)1.05

The excess in the Revenue section was mainly due to more credit in Personal Ledger Account for purchase and distribution of seeds and fertilisers. Excess in the Capital section was due to non-provision for recoveries under manures and fertilisers.

**2.7. Non-receipt of explanations for savings/excesses**

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

During 1982-83, explanations for variations were called for in respect of 3,553 heads (savings: Rs. 1,34.70 crores, excesses: Rs. 1,38.22 crores). Explanations for variations were received only in very negligible *i. e.* 50 (1.4 per cent) cases. For the remaining 3,503 (98.6 per cent) cases (savings: Rs. 1,34.25 crores, excesses: Rs. 1,37.98 crores), reasons for variations were not received (February 1984).

Departments which did not furnish (February 1984) the explanations for variations in a large number of cases are Irrigation & Power (1,226 heads), Works (490 heads), Forest, Fisheries & Animal Husbandry (340 heads), Housing & Urban Development (263 heads), Industries (180 heads), Health & Family Welfare (164 heads) and Home (141 heads).

## 2.8. Retention of heavy cash balances and rush of expenditure

(i) The financial rules of the Government lay down that no money shall be drawn from the treasury unless it is required for immediate disbursement; the rules also prohibit the drawal of money to prevent the lapse of budget grants. The expenditure is required to be phased evenly throughout the year, as far as possible, so as to avoid rush of expenditure towards the end of the year. It is, however, noticed that heavy drawals were made in the last quarter of the year resulting in heavy accumulation of cash in hand at the close of the year. The information furnished by 197 drawing officers to audit brings out the following position of outstanding cash balance in hand as on 31st March 1982.

Name of the Department	Number of drawing officers	Amount (Rupees in lakhs)
Health & Family Welfare ..	28	2,84.36
Community Development & Rural Reconstruction	29	1,98.29
Agriculture & Co-operation ..	28	1,62.27
Revenue ..	55	1,41.09
✓ Harijan and Tribal Welfare ..	11	1,07.38
Education & Youth Services	11	79.25
Industries ..	8	49.06
Forest, Fisheries and Animal Husbandry	13	48.02
Home ..	6	39.36
Tourism, Sports & Cultural Affairs	3	37.26
Planning and Co-ordination ..	1	4.46
Labour and Employment ..	4	3.13
Total ..	197	<u>11,53.93</u>

(ii) The expenditure incurred by different offices under Public Works Department during the last 3 months of 1982-83 was 48 per cent (Rs. 1,90.33 crores) of the total expenditure (Rs. 3,92.64 crores). The expenditure incurred during March 1983 itself constituted 27 per cent of the total expenditure.

A test check of records of some Public Works divisions revealed the following position :—

(a) Major/substantial portion of the allotment was received by the Public Works divisions in the last quarter/month of the year (1982-83) as detailed below :—

Name of the division	Allotment received during 1st three quarters	Allotment received in the last quarter	Allotment received in March 1983	Total allotment received by the division
(1)	(2)	(3)	(4)	(5)
(In lakhs of rupees)				
Deogarh (Roads and Buildings)	46.13	27.78	24.63	73.91
Koraput (Public Health) ..	0.01	38.77	22.84	38.78
Project Division, Sundergarh ..	23.23	38.62	..	61.85

(b) The expenditure incurred during the first three quarters, last quarter/month of the year (1982-83) was not proportionate and major portion of the expenditure was incurred in the last quarter of the year. Disproportionate expenditure was stated by the divisions



to be mainly due to late receipt of allotment. Some of the instances are cited below :—

Name of the division (1)	Expenditure			Total (5)
	Incurring during 1st three quarters of the year (2)	During the last quarter of the year (3)	During March 1983 (4)	
	(In lakhs of rupees)			
1. Deogarh (Roads and Buildings)	37.56	36.54	18.49	74.10
2. Mahanadi South	1,00.67	2,15.12	80.03	3,15.79
3. Jajpur Irrigation	94.56	1,38.09	79.88	2,32.65
4. M. I. Rayagada	12.04	23.76	7.45	35.80
5. Project division, Phulbani	6.93	50.25	47.21	57.18
6. Koraput (Public Health)	0.01	38.77	23.68	38.78
7. M. I. Phulbani	47.59	87.76	63.32	1,35.35
8. Canals division, Bargarh	35.06	45.50	23.68	80.56

## 2.9. Delay in reconciliation of figures by the Departments

To enable departmental officers to exercise proper control over expenditure and ensure accuracy of figures, there are standing instructions of Government that departmental figures should be reconciled with those recorded in the books of the Accounts office every month. One controlling officer out of 86 did not reconcile the expenditure figures amounting to Rs. 52.80 crores relating to the head of account 249—Interest payments during 1982-83.

The matter was reported to Government in September 1983; their reply is awaited (April 1984).

## CHAPTER III

## CIVIL DEPARTMENTS

## FOREST, FISHERIES AND ANIMAL HUSBANDRY DEPARTMENT

## 3.1. Fisheries Development Programme

## 3.1.1. Introduction

The State has a long coast line of 480 kms. extending into the continental shelf to the extent of 0.25 lakh square kms. with rich sources of demersal and pelagic fish. The State has also 5.74 lakh hectares of semi-saline water area as swamps, lakes and estuaries suitable for brackish water fish farming. According to survey in the year 1975 by the Institute of Foreign Trade, about 1.20 lakh MT of fish could be landed from marine sources by sea fishing up to a depth of 100 fathoms by utilisation of all available resources. The total water area in the inland sector is 4.65 lakh hectares comprising reservoirs (2.56 lakh hectares), lakes and swamps (1.80 lakh hectares) and tanks (0.29 lakh hectares) where culture and capture fisheries could be developed.

The Director of Fisheries, Orissa estimated (September 1982) the total potentiality of fish as 0.52 lakh MT in fresh water area and 0.30 lakh MT in brackish water area. The actual coverage to end of 1981-82 was as under:

Fishing source	Area covered	Actual production
(1)	(2)	(3)
		(In lakh MT)
Fresh water ..	0.99 (lakh hectare)	0.30
Brackish water (Chilka)	906 sq. km.	0.08
Marine ..	0.25 (lakh sq. km.)	0.44

Objectives of the Fifth and Sixth Plan periods were maximisation of fish production, improvement of marketing of fish and socio-economic conditions of fishermen, increase of employment potential and export of fish products and creation of essential infrastructure for development of fisheries. The development programmes comprise inland fisheries, marine fisheries and general schemes, *viz.*, research, education and training and extension activities.

The Director of Fisheries is responsible for policy formulation, overall supervision and direction for successful implementation of various programmes undertaken for development of fisheries. There are five Zonal Deputy Directors (three for inland and two for marine schemes) and one Assistant Director (ADF) in each revenue district for execution of inland fishery and three for marine fishery programmes. A Fishery Extension Officer is provided for each block; 54 blocks out of 314 functioned without any Extension Officer. It was stated that the staff were not available.

### 3.1.2. Plan provision and expenditure

The following table indicates the plan provision and the expenditure on the schemes taken up since the First Plan to end of 1981-82.

Plan period	Provision	Expenditure
	(Rupees in lakhs)	
I Plan (1951—56) ..	33.69	28.72
II Plan (1956—61) ..	77.25	79.36
III Plan (1961—66) ..	1,78.00	1,17.07
Annual Plans (1966—69) ..	1,18.68	65.92
IV Plan (1969—74) ..	4,49.54	2,29.96
V Plan (1974—78) ..	2,41.53	1,76.00
Annual Plan (1978—80) ..	3,28.66	2,71.34
VI Plan up to 1981-82 ..	4,45.90	3,73.98
Total ..	<u>18,73.25</u>	<u>13,42.35</u>



The total Central assistance received by Government during 1975-76 to 1981-82 was Rs. 1,93.30 lakhs.

### 3.1.3. *Inland Fishery*

Allotment and expenditure during 1978-79 to 1981-82 was as under:

Year		Allotment	Expenditure
		(Rupees in lakhs)	
1978-79	..	96.70	1,01.64
1979-80	..	1,67.82	1,04.72
1980-81	..	1,50.99	1,39.94
1981-82	..	2,67.17	1,97.73

#### 3.1.3.1. *Spawn and fry production*

The requirement of spawn i. e., fish seed as estimated by the department (1981-82) was 4,700 lakhs. A table indicating collection/production of spawn from riverine sources and induced breeding and expenditure incurred thereon during last 4 years ended 1982-83 is given in Appendix 3.1. Total production during 1981-82 and 1982-83 was 55 and 63 *per cent* respectively of the estimated requirement. The cost of production of one lakh spawn from riverine source was between Rs. 101 and Rs. 253 while the cost of production by induced breeding ranged from Rs. 2,660 to Rs. 3,792.

#### 3.1.3.2. *Demonstration of Intensive Fish Production*

A demonstration scheme to educate the local fish farmers in modern techniques of intensive fish production was launched during 1975-76 to 1977-78 in departmental tanks of one hectare water area in each district. From 1978-79 onwards the programme was implemented in the tanks of private fish farmers who were to be provided with necessary technical assistance and subsidy in the form of inputs at Rs. 9,000 per hectare. The total demonstrated area, production of fish against the target (2,500 kgs.

per hectare for departmental tank and 5,000 kgs. per hectare for private tanks) and expenditure incurred during the above period are given in the Appendix 3.2.

In respect of departmental farm the shortfall was as high as 72 to 82 *per cent* during the years 1975-76 to 1977-78. The department has not monitored actual production of fish in private farms. Production of fish from 1978-79 onwards had not been assessed. A test check of 10 selected districts by audit in respect of demonstration in private tanks showed that the actual production per acre varied from 1,151 kgs. to 3,592 kgs. during 1979-80, between 1,461 kgs. and 2,801 kgs. during 1980-81 and between 1,257 kgs. and 1,885 kgs. during 1981-82. Government desired (March 1981) the Director to investigate the reasons for the poor performance of demonstration farms. No investigation report had been submitted to Government till June 1983.

### 3.1.3.3. *Departmental fish farms*

In the Fifth Plan Programme, the work of remodelling of existing 94 departmental fish farms was taken up to get an additional production of 20 MT of fish and 25 millions of fry. A total amount of Rs. 50.86 lakhs was spent up to 1982-83. Records of production of fingerlings and fish and disposal thereof required to be maintained by the farms were either not maintained or left incomplete. Due to absence or incompleteness of this initial record it could not be verified in audit whether additional production of 25 million fry over the base level of 2,79.30 lakhs (1974-75) was achieved and whether the outlay of Rs. 50.86 lakhs was fruitful.

The following points were noticed :

(i) Fingerlings worth Rs. 3.90 lakhs (51.94 lakhs at Rs. 75 per 1,000) were shown to have been transferred during 1979-80 to 1981-82 by 4 districts and Kausalyaganga farms to other districts.

Cross reference of stock accounts of the receiving districts did not establish receipt except for 1.13 lakhs received in two districts.

(ii) In 5 districts, 13.74 lakhs (Cuttack : 1.41 lakhs, Balasore: 1.16 lakhs, Dhenkanal: 4.29 lakhs, Ganjam: 1.62 lakhs and Mayurbhanj: 5.26 lakhs) fingerlings were stocked in the tanks of



fish farms (219.28 acres). As per the norm of 2,000 fingerlings per acre, the total stocking in this should have been 4.38 lakhs. There was thus overstocking of 9.36 lakhs i.e., over 200 *per cent* during the years 1979-80 to 1981-82. Apart from extra expenditure (Rs. 0.70 lakh at Rs. 75 per 1,000), overstocking of fingerlings would cause hindrance to the healthy growth of fish. The rate of survival, growth, etc., of fish could not, however, be known in audit in the absence of any report on sample netting required to be done periodically by the department.

(iii) A new fish farm of 12 acres water area at Kalkala (Cuttack district) was constructed (1979-80) departmentally at a cost of Rs. 2.06 lakhs. The farm showed production of 18.28 lakh fingerlings during 1980-81 (9.39 lakhs) and 1981-82 (8.89 lakhs) but stocked only 0.17 lakh fingerlings (0.10 lakh in 1980-81 and 0.07 lakh in 1981-82) in 9 acres of water area (as against available water area of 12 acres). The disposal of the remaining 18.11 lakh fingerlings (value: Rs. 1.36 lakhs) and reasons for non-utilisation of entire water area were not available with the ADF, Cuttack.

(iv) According to the opinion of the Director of Fisheries (February 1982) in a given population of fingerlings 60 *per cent* would grow into fish and in about 12 months attain average weight of 500 and 1,000 gms. By about 2 years they would weigh about 2 Kgs. and would attain maturity for induced breeding purposes. A test check in audit of records of 10 selected districts and Kausalyaganga farm showed that during 1979-80, 8.46 lakh fingerlings were stocked in departmental tanks. On the basis of the above technical opinion of the Director of Fisheries, 5.08 lakhs (60 *per cent* of the stocking) should have attained maturity by 1981-82 (2 years after stocking) for breeding purposes. Further on the reckoning that 50 *per cent* of breed stock would only prove successful (as was generally expressed by Assistant Directors of Fisheries to Audit) 2.54 lakhs of fish would have actually been available for breeding purposes. As per departmental norm (for measuring spawn from riverine sources) minimum 1 cup equivalent to 0.50 lakh spawn was available from each breed stock. As such total expected production of induced breeding spawn during 1981-82 in respect of 10 districts would be around 1,27,000 lakhs



(2.54 lakhs X 0.50 lakh). The expected production of fry in ten districts from out of 1,27,000 lakh spawns at the prescribed norm (20 per cent) would have been 25,400 lakhs (value: Rs. 19,05 lakhs at Rs. 75 per 1,000). Actual production was only 4,00 lakhs approximately. The sale proceeds of fry during 1981-82 in respect of 10 districts was only Rs. 12.73 lakhs which was less than one per cent of the anticipated amount of Rs. 19,05 lakhs. The reasons for shortfall in production of spawn and fry was not available from Assistant Directors.

The remaining 50 per cent of breed stock ( 5.08 lakh Kgs. ) which did not turn out to be useful for breeding was to have been marketed at an approximate sale value of Rs. 50.80 lakhs (Rs. 10 per Kg. ). The actual sale was only Rs. 0.98 lakh from all districts. The reason for such low out-turn had not been investigated by the department.

3.1.3.4. Mention was made in para 31 of the Report of the Comptroller and Auditor General of India for the year 1971-72 regarding stoppage of work pertaining to extensive remodelling programme at Kausalyaganga fish farm (for production of fry up to 60 lakhs), after incurring an expenditure of Rs. 8.70 lakhs.

A further sum of Rs. 46.46 lakhs was spent during 1978-79 to 1980-81 for improvement of tanks and embankments (Rs. 36.60 lakhs including Rs. 4.86 lakhs for construction of staff quarters) and construction (Rs. 9.86 lakhs) of nursery tanks (5.2 acres). Again in 1982-83, the farm was severely damaged and the repair work was entrusted to Orissa Construction Corporation Limited during 1982-83 and an amount of Rs. 23 lakhs was deposited by the department with the Corporation. The work was in progress (June 1983).

The total production of fry during 1979-80 to 1981-82 was 20.93 lakhs, 18.24 lakhs and 39.51 lakhs respectively which was much lower than the annual target of 60 lakhs despite investment of more than Rs. 81 lakhs during the last 12 years. The reasons for non-achieving the targeted production had not been investigated by the department so far (June 1983).

3.1.3.5. The Assistant Director of Fisheries, Phulbani received Rs. 2.60 lakhs in 1977-78 (Rs. 1.10 lakhs) and in 1981-82 (Rs. 1.50 lakhs) from District Rural Development Agency (DRDA) Phulbani towards construction of a fish seed farm at Baliguda to produce 2.50 lakh fry annually. Rupees 1.08 lakhs were paid (April 1978) to the Executive Engineer, Rural Engineering Organisation, Phulbani (now defunct) for execution of the work. An expenditure of Rs. 1.45 lakhs was incurred (June 1983) by the division towards construction of 4 stocking tanks (Rs. 0.54 lakh), 10 nursery tanks (Rs. 0.30 lakh), wire fencing (Rs. 0.11 lakh), office building (Rs. 0.29 lakh) and kitchen and watchman shed (Rs. 0.21 lakh).

In June 1981, the Director observed that the nursery and stocking tanks were constructed at higher level than the water pool and as a result water could not be retained in the tanks during summer. He, therefore, suggested polythene lining in the bed of the tanks to retain water at required level. This suggestion was, however, not implemented by the Executive Engineer on the ground that minimum water level of 4 feet could not be ensured even then. The scheme, was, therefore, abandoned by the department. Thus, due to defective selection of site, the expenditure of Rs. 0.95 lakh proved unfruitful. (The buildings constructed were reported by the Assistant Director of Fisheries to be utilised by the department).

### 3.1.3.6. *Assistance to traditional inland fishermen*

During Fifth Plan (1974—78) a scheme to provide financial assistance to 2,000 fishermen and traditional inland pisciculturists was taken up. The assistance consisted of loan (fisherman: Rs. 3,700, pisciculturist: Rs. 3,000) from financial institution and subsidy (fisherman: Rs. 925, pisciculturist: Rs. 1,000) from Government. It was noticed in audit that only 1,223 beneficiaries (shortfall 39 per cent of the target) were brought under the scheme during 1974-75 to 1981-82 in 279 blocks of 11 districts (other than Sundergarh and Kalahandi). In Keonjhar district (13 blocks) the beneficiaries were only 3.



None of the beneficiaries had furnished the utilisation certificates for loans (Rs. 12.47 lakhs) obtained from banks (May 1983) nor had the department taken any follow-up action to ascertain the extent of utilisation of loans by the beneficiaries for the intended purpose. Extent of utilisation of loans and income derived from the pisciculture was not monitored by the department.

### 3.1.3.7. *Expansion of fisheries Co-operatives*

One of the objectives of fisheries development programme was to bring the fishermen in to the co-operative fold for improvement of their socio-economic conditions by inducing them to adopt modern scientific technology for capture fishery. For the purpose, the department organised and registered 266 societies during 1976-77 to 1981-82.

Three societies which were brought under the fishery scheme approved by the Agricultural Refinance Development Corporation (ARDC) during 1979-80 to 1981-82 were test audited. It was seen that one society (Balasore) received loan assistance of Rs. 2.57 lakhs under ARDC scheme and share capital and subsidy by Government. The department supplied 9.25 lakh spawn to that society during 1981-82. Only 6,100 fingerlings i. e., 0.66 per cent (as against the norm of 20 per cent) were released by the society to stocking tanks (45 acres). The Society could not furnish (April 1983) any reason for heavy mortality of spawn. The loss due to less production of fingerlings (at Rs. 75 per 1,000) worked out to Rs. 0.13 lakh. Further, the society which was already in the 2nd year had not earned any amount by sale of fish though as per the scheme, annual fish production of 45 MT (value: Rs. 2.70 lakhs) at 1,000 kgs. per acre per annum was envisaged.

Another Society (Puri district) which received (1979-80 and 1980-81) loan assistance of Rs. 3.56 lakhs as also subsidy and share capital for development of fisheries in 45.46 acres was expected to earn annually Rs. 1.54 lakhs from sale of 22 MT of fish. The actual production of fish by the society for the year ended 30th June of 1980, 1981 and 1982 was only 1,265 kgs. (Rs. 0.09 lakh), 1,461 kgs. (Rs. 0.12 lakh) and 969 kgs. (Rs. 0.10 lakh)



respectively. The reason for lower production had not been investigated (May 1983). The Society was also in default in repayment of loan instalments (Rs. 0.37 lakh) and interest (Rs. 0.64 lakh). The Society was stated to be in unsound financial condition.

The third society did not avail of loan from ARDC though Government subsidy of Rs. 0.63 lakh was drawn. The department did not have information regarding working of this society.

The points mentioned above would indicate that proper monitoring and follow-up action were not taken by the department to investigate the reasons for poor performance of the societies.

#### 3.1.3.8. *Special Central assistance programme for tribal areas*

The Government sanctioned Rs. 9.75 lakhs during 1978-79 (Rs. 5.00 lakhs) and 1979-80 (Rs. 4.75 lakhs) for implementing a two year special Central assistance programme of pisciculture development in tribal blocks of 9 districts (other than Bolangir, Dhenkanal, Cuttack and Puri).

The scheme envisaged payment of Government subsidy to beneficiaries ranging from 50 *per cent* (Ceiling : Rs. 2,500) to 100 *per cent* (Ceiling : Rs. 12,000) depending on their possession of land in excess of 10 acres and less than 2.5 acres, as the case may be.

The following points were noticed in test audit of records of 5 districts (Keonjhar, Koraput, Mayurbhanj, Ganjam and Phulbani) :

(i) Altogether 147 beneficiaries (75 during 1978-79 and 72 during 1979-80) in 47 out of 95 tribal blocks in 5 districts were brought under the programme thereby depriving the benefit to other 48 targeted blocks.

(ii) Mayurbhanj district spent Rs. 0.29 lakh (1978-79 : Rs. 0.16 lakh and 1979-80 : Rs. 0.13 lakh) in excess over the allotment of Rs. 2 lakhs during the period while Koraput district refunded unspent balance of Rs. 0.41 lakh (out of Rs. 2.50 lakhs allotted during 1978-79 and 1979-80) into treasury though as many as 28 out of 46 tribal blocks of the district remained uncovered under the programme.

(iii) Although the programme was intended to benefit only tribal people, subsidy of Rs. 0.32 lakh was paid to other non-tribal beneficiaries in 5 blocks (Koraput district) during 1979-80.

(iv) Guidelines for construction of tanks issued by the Director in November 1978 and June 1979 stipulated that the plot selected for tank should be closed to the water table so as to retain at least 5 feet of water in the tank during summer and that the tank size should be 150 feet  $\times$  148 feet (water area of about 0.50 acre) equivalent to 45.72m.  $\times$  45.11m. with 6 feet depth (about 2 metres).

In Koraput district 4 tanks constructed in 2 blocks (Papadhandi: 1 and Jeypore: 3) involving subsidy of Rs. 0.22 lakh (1979-80) were, however, of smaller size 30m.  $\times$  30m. and 36.58m.  $\times$  36.58m. (water area of about 0.30 acre). The sale proceeds of fish realised by the beneficiaries during 1980-81 in respect of 3 tanks (out of 4 tanks mentioned above) was Rs. 544, Rs. 1,584 and Rs. 1,216 as against the expected income of Rs. 1,800 per annum (1,000 kgs. per acre). Information regarding continuance of pisciculture by beneficiaries during subsequent years was not available with the Assistant Director which indicated lack of monitoring system. The poor earning as stated (May 1983) by the Assistant Director of Fisheries was due to early harvesting of fish consequent upon non-retention of sufficient water in tanks.

In Balasore and Keonjhar districts, average production of fish in 1981-82 was between 410 kgs. and 700 kgs. per acre as against the targeted quantity of 1,000 kgs. per acre.

In Phulbani district out of 15 tanks only 10 tanks were constructed in 1978-79 and 1979-80. Plots selected for construction of three tanks were 0.23 acre, 0.36 acre and 0.38 acre which was smaller than the stipulated norm of minimum 0.50 acre. Evidently tanks constructed by the beneficiaries did not conform to the standard size of 150 feet  $\times$  148 feet. Information regarding production of fish and income derived by beneficiaries in respect of these tanks was not available with the department.

(v) The amount of subsidy to beneficiaries had not been limited to the actual cost of construction of tanks or the prescribed ceiling whichever was less. This resulted in excess payment of



subsidy of Rs. 0.41 lakh in 19 cases of Balasore (1978-79: 6 and 1979-80: 4), Phulbani (1978-79: 3) and Koraput (1979-80: 6) districts as per details given in the Appendix 3.3.

### 3.1.3.9. Reservoir Fisheries

(a) There are 5 major and 27 medium irrigation projects in the State. Till November 1981, twenty reservoirs (one lakh hectares) were transferred by Irrigation department for pisciculture. The department started (October 1978) the programme of 'development of reservoir fisheries' in 1,421 hectares in six medium irrigation reservoirs viz., Kalkala (270 hectares), Dorjang (530 hectares), Pitamahal (230 hectares), Marudi (70 hectares), Simuliguda (Kodigaon 60 hectares) and Khadkhai (261 hectares). The scheme envisaged stocking of fingerlings continuously for five years at 1,250 per hectare per annum which was to result in annual production of fish at 200 kgs. per hectare after 5 years. Thus after end of October 1983, the expected annual production of fish from 6 reservoirs would be around 284 tonnes (value: Rs. 17.05 lakhs at Rs. 6,000 per MT). The reservoir was to be leased out at 25 per cent of the expected sale value.

It was noticed in audit that the department stocked 32.58 lakh fingerlings in 6 reservoirs during 1979-80 to 1981-82 which was less than the stocking envisaged (53.29 lakhs). Further, before completion of 5 years of stocking, when fishing was not permissible, two reservoirs viz., Pitamahal (Sundergarh) and Khadkhai (Mayurbhanj) were leased out (1981-82) free of charge to two fisheries Co-operative Societies for exploitation of fish under the programme of 'Economic Rehabilitation of Rural Poor' thus affecting the optimum potentiality of fish.

### (b) Hirakud Reservoir

Water was impounded in the Hirakud Reservoir (288 sq. miles) in 1957 out of which about 236 sq. miles was exploitable. Though intensive pisciculture in the reservoir was already in operation, no uniform procedure of leasing out the reservoir for exploitation was adopted upto 1974-75. During 1975-76 to 1978-79, out of total exploitable water area in six sectors, only two sectors (68 sq. miles) on an average were leased out (average lease rent:



Rs. 0.07 lakh) and another sector (68 sq. miles) was operated departmentally. During 1979-80 to 1981-82, five sectors (168 sq. miles) were leased out to five Co-operative societies at an *ad hoc* rent of Rs. 100 per sq. mile or Rs. 16,800 per annum. The catch of fish during the period was 118 MT (Rs. 7.08 lakhs), 160 MT (Rs. 9.60 lakhs) and 202 MT (Rs. 12.12 lakhs) respectively. The catch of fish in the leased out sectors had gone up from year to year, but the lease rent had not been correspondingly revised. In the case of fishing in medium irrigation reservoirs the department decided (October 1978) to get lease money at 25 *per cent* of the value of fish harvested. On that basis the lease amount recoverable from the five Co-operative societies would have been Rs. 1.77 lakhs in 1979-80, Rs. 2.40 lakhs in 1980-81 and Rs. 3.03 lakhs in 1981-82. But the actual lease amount was only Rs. 16,800 per annum. Non-adoption of the uniform policy of fixing lease amount at 25 *per cent* of the value of fish harvested, resulted in a loss of revenue of Rs. 6.70 lakhs during the period 1980-81 to 1981-82.

During 1979-80 it was decided by the department to stock fingerlings in the Hirakud reservoir for a period of five years and an amount of Rs. 1.17 lakhs was spent during the period towards 2 fibre glass boats, 2 country boats, 120 kgs. of nylon nets and 50 spawn collection sets. But no stocking was actually done during 1979-80 to 1981-82. No information regarding utilisation of these boats and nets was available from the records of Assistant Director of Fisheries, Sambalpur.

### (c) Salandi Reservoir

Salandi reservoir (0.03 lakh hectares) in Balasore district was leased out (1976-77) to a fishermen Co-operative Society for exploitation at the annual rental of Rs. 4,000. In 1980-81 it was leased out to another society on a fixed annual rental of Rs. 4,210. The estimated annual catch was 150 MT (at 500 kg. per hectare). But the total catch during last 3 years ended 1981-82, was only 153 MT (sale proceeds: Rs. 9.74 lakhs) and the lease amount recoverable even at 25 *per cent* of the value of catch worked out to Rs. 2.43 lakhs. Less earning of revenue during the period due to fixation of rent at lesser rate, was Rs. 2.31 lakhs. The department also stocked 6.67 lakh fingerlings (cost: Rs. 0.50 lakh) during

1980-81 which was the responsibility of the society as per terms of lease. The cost had, however, not been recovered from the society. The society was in default in payment of lease amount of Rs. 0.10 lakh up to end of 1981-82.

3.1.3.10. *Fishery under the programme of economic rehabilitation of rural poor (ERRP)*

Government started (1980-81) a fishery programme for economic rehabilitation within a period of 5 years of 5 lakh poor families whose annual income was upto Rs. 1,200 in three sectors viz., tank, reservoir and brackish water. The target for 1980-81 was 5,000 families (tank: 2,300, reservoir: 700 and Brackish water: 2,000).

The following points were noticed in audit :

(A) *Tank fishing*

The total number of families brought under the Programme during 1980-81 was only 198 (102.29 acres) out of which only 74 members were eligible to get assistance (100 per cent subsidy) under the scheme and the rest 124 belonged to families with income above Rs. 1,200 per annum. Out of Rs. 9.61 lakhs drawn during the year (1980-81) an amount of Rs. 6.91 lakhs only was spent for renovation of tanks (Rs. 6.04 lakhs) and cost of input (Rs. 0.87 lakh) and the balance remained unutilised. As against 61.374 MT (Rs. 4.30 lakhs) of fish envisaged (600 Kgs. per acre) in the scheme only 5.20 MT (value: Rs. 0.52 lakh) of fish (8.5 per cent) was produced during the year. The annual income per beneficiary worked out to Rs. 265 as against Rs. 1,500 proposed in the scheme. The shortfall in production was attributed (June 1983) by Assistant Directors of Fisheries mainly to lack of supervision and incomplete renovation of tanks resulting in drying up of tanks before April.

(B) *Reservoir fishing*

The department purchased (1980-81) 100 boats and 1,067 nets at a cost of Rs. 13 lakhs and distributed to 100 units (each unit having 7 persons) free of cost for exploitation of fish from 9 reservoirs (Mayurbhanj and Ganjam 3 each; Sambalpur, Sundergarh and Koraput one each). However, only 357 persons out of 700 targeted were covered during the year.



The following points were noticed :

(i) As against expected annual income of Rs. 1,000 per beneficiary, the average annual income of 357 beneficiaries from 6 reservoirs (Balimela, Khadkhai, Haldia, Badjore, Kodla and Pitamahal) was Rs. 283 and Rs. 198 during 1980-81 and 1981-82 respectively. Shortfall in production was attributed by the Director (May 1983) to late supply of boats and nets (May 1981) and insufficient growth of fish which was not possible to be caught with the nets supplied by the department.

(ii) The Revenue Divisional Commissioner, Berhampur observed (July 1981) that 24 boats (cost: Rs. 1 lakh) supplied (1980-81 and 1981-82) by the department to beneficiaries of Balimela reservoir were not suitable for fishing and the beneficiaries were using locally made boats (cost: Rs. 500 each). The non-utilisation of 24 boats by beneficiaries led to unproductive expenditure of rupees one lakh.

(iii) The beneficiaries were required to execute joint bond guaranteeing the use of boats and nets for the intended purpose as per orders (April 1982) of Government but these had not been executed by the beneficiaries so far (June 1983).

(iv) It was noticed that all the 74 nets (6 inches mesh size) purchased by the Director at a cost of Rs. 0.66 lakh and supplied (1981-82) to fishermen members of Khadkhai reservoir were not found by the fishermen to be suitable for fishing and were lying with them unutilised (June 1983). Thirty members of the Society availed (1981-82) subsidy (Rs. 0.09 lakh) and bank loan (Rs. 0.36 lakh) and purchased smaller mesh size nets. Out of 7 boats supplied by the department to the beneficiaries of this reservoir, two boats (cost: Rs. 0.08 lakh) were reported by the A. D. F. to be missing (1981-82). The average income per beneficiary was only Rs. 273 during 1980-81 and Rs. 800 during 1981-82 as against the anticipated income of Rs. 2,145 per annum.

Though it was contemplated to cover 2,000 persons under Brackish water sector during 1980-81, none was covered. Thus, out of 5,000 persons targeted only 555 persons (including 124 ineligible persons) were actually brought under tank/reservoir schemes.



### 3.1.3.11. Fishery through fish farmers development agencies

Mention was made in para 7.2 of the Report of the Comptroller and Auditor General of India for the year 1980-81 (Civil) regarding poor performance of 4 out of 9 Fish Farmers Development Agencies (FFDA) set up during 1976-77 to 1979-80. No other agency had been established thereafter.

A sum of Rs. 1,53.83 lakhs was given as assistance during 1980-81 and 1981-82 to the agencies and it was proposed to develop 4,818 hectares (1,600 in 1980-81 and 3,218 in 1981-82) of tank for pisciculture (out of total culturable tank area of 0.72 lakh hectares). However, only 1,879 hectares of tanks were developed to end of 1981-82.

It was noticed in audit that even in 1981-82 the annual production pertaining to 4 agencies (Puri, Balasore, Dhenkanal and Mayurbhanj) was between 400 kgs. (Mayurbhanj) and 1,355 kgs. (Balasore) per hectare against the expected production of 2,000 kgs. per hectare. Eight agencies (Cuttack, Puri, Sambalpur, Balasore, Phulbani, Mayurbhanj, Dhenkanal and Ganjam) received a sum of Rs. 66.72 lakhs as Government grants up to 1981-82, out of which a sum of Rs. 15.07 lakhs was spent on establishment and contingent expenditure and a sum of Rs. 12.15 lakhs was released by agencies to farmers leaving an unutilised balance of Rs. 39.50 lakhs as at the end of March 1982. The subsidy that should have been released by the agencies was Rs. 38.46 lakhs (25 per cent of the term loan of Rs. 1,53.83 lakhs received from banks). The reason for non-disbursement of the balance amount (Rs. 26.31 lakhs) of subsidy was not available from the records of the agencies.

### 3.1.4. Marine fishery

Allotment and expenditure under marine fishing programme was as under :

Year	Allotment	Expenditure
	(Rupees in lakhs)	
1978-79	90.17	43.10
1979-80	1,69.54	21.88
1980-81	83.71	22.89
1981-82	22.38	13.42

3.1.4.1. Fourth Plan programme aimed at increase of tempo of production of marine fishery by creating necessary infrastructure viz., fishing harbours, ice plants, cold storages, transport facilities, boat building yards, fuel supply and marketing arrangements, etc., and introduction of mechanised fishing vessels and deep sea fishing. Fifth Plan programme envisaged improvement of the socio-economic conditions of marine fishermen by replacing non-powered country boats by mechanised boats. Draft Sixth Plan document also programmed to increase the number of mechanised boats from 500 (upto 1979-80) to 850 and fishing vessels from 12 (upto 1979-80) to 36 and also to construct harbours at Astarang and Gopalpur.

Production as per data in the Directorate was 0.32 lakh MT during 1978-79 to 1979-80, 0.39 lakh MT during 1980-81 and 0.44 lakh MT during 1981-82 as against the target of 0.32 lakh MT during 1978-79 and 1979-80, 0.39 lakh MT during 1980-81 and 0.43 lakh MT during 1981-82. But the production figures were not verifiable with base records as none of the Assistant Directors (Marine) maintained statistics of catch during 1974-75 to 1981-82. It was, however, noticed in audit that the Directorate computed the total production of fish on the basis of number of boats operated during a year multiplied by the estimated catch per boat per annum. As per information available with Assistant Directors (Marine) Ganjam, Balasore and Cuttack, the number of mechanised and country boats actually in operation to end of 1981-82 was 713 and 7,467 respectively as against 775 and 9,728 shown in the statistics of the Directorate. It was also noticed that though deep sea fishing at a depth beyond 40 fathoms was contemplated, actual fishing was limited to only 20 fathoms up to 1981-82.

#### 3.1.4.2. *Expansion of mechanised wooden boats*

The Government approved in August 1978 (proposed by the Director in November 1976) a scheme of expansion of mechanised wooden boats for marine fishery in the private sector in a phased manner. The scheme contemplated a loan assistance of 25 per cent from financial institutions and Government subsidy of



10 per cent on the capital cost of a boat subject to a limit of Rs. 0.15 lakh per boat and maximum of Rs. 0.30 lakh to an individual or a firm.

The following points were noticed in audit:

(i) Subsidy aggregating Rs. 16.50 lakhs was paid during 1978-79 (Rs. 4.95 lakhs) and 1979-80 (Rs. 11.55 lakhs) in favour of 73 units for acquisition of 110 mechanised boats. Of this, 109 boats had already been acquired by 73 units (between July 1975 and August 1978) even before the scheme was approved (29th August 1978) by Government. A cross reference with the accounts of Orissa State Financial Corporation (OSFC) which financed the acquisition of boats by these units indicated that loans were sanctioned to these units during 1975-76 and 1976-77. Hence the payment of subsidy of Rs. 16.35 lakhs for 109 boats which were purchased earlier than the inception of the scheme was not in accordance with the scheme approved (August 1978) by Government.

(ii) The scheme stipulated purchase of 32 feet wooden trawler-cum-gill netter with 60/65 BHP marine diesel engine. The department did not have the particulars of acquisition of boats by beneficiaries and hence it could not be checked whether boats purchased conformed to the prescribed standard. It was also noticed in audit that loans granted by the OSFC for acquisition of a boat varied between Rs. 1.56 lakhs to Rs. 4.64 lakhs as against the estimated cost of Rs. 2.04 lakhs of a standard boat of the scheme. Evidently, the boats purchased did not conform to the specifications prescribed in the scheme.

#### 3.1.4.3. Assistance to traditional marine fishermen

To mitigate the suffering of poor marine fishermen, Government proposed to provide during Fifth Plan financial assistance up to a ceiling of Rs. 3,700 per boat and nets in the shape of institutional loan (75 per cent of the cost) and Government subsidy (25 per cent of the cost) to 2,000 persons. The ceiling was raised to Rs. 7,000 in the year 1981-82. The scheme was operated in 4 coastal districts viz., Cuttack (1977-78), Puri (1975-76), Balasore (1974-75) and Ganjam (1976-77).



The total number of beneficiaries covered under the scheme during 1974-75 to 1981-82, amount of loan and subsidy paid and extent of default in repayment of outstanding loan (repayable in 4 annual instalments) were as under:

District	No. of beneficiaries	Loan	Subsidy	Outstanding dues of loan including interest
(1)	(2)	(3)	(4)	(5)
		(Rupees in lakhs)		
Cuttack ..	59	1.60	0.40	1.11
Puri ..	111	3.83	1.13	4.29
Ganjam ..	529	5.90	2.70	2.42
Balasore ..	638	16.32	3.52	N. A.
Total ..	1,337	27.65	7.75	

(i) The number of beneficiaries covered was 1,337 as against the target of 2,000. The Assistant Directors (Marine) stated (April—May 1983) to Audit that non-repayment of loan was due to unsound financial conditions of fishermen. The utilisation certificate for loans required to be furnished by the beneficiaries to the department had also not been furnished in any case.

(ii) The department did not have a monitoring system to find out the number of boats and nets purchased and utilised by the beneficiaries in fishing operation, catch statistics and average annual income and hence it could not be ensured in audit whether the beneficiaries had achieved the desired result under the scheme.

#### 3.1.4.4. Assistance to Marine Co-operative Societies

(i) Under a programme sponsored by the Agricultural Refinance Development Corporation (ARDC) to improve socio-economic conditions of poor marine fishermen, 4 Marine Fishermen Co-operative Societies (MFCS) were to acquire during the Fifth

Plan 160 mechanised boats and to set up one workshop each for maintenance and repair of boats at an estimated cost of Rs. 2,52.54 lakhs of which loan component from financial institutions was Rs. 1,82.43 lakhs and Government subsidy was Rs. 70.11 lakhs besides share capital contribution by Government in these societies. Details showing estimated requirement, amounts received in the shape of loan and subsidy and the actual investment by the societies to end of 1982-83 towards purchase of boats and nets are given in the following table :

Name of MFCS	Estimated requirement				Amounts received		Investment	
	No. of boats with nets	Total cost of the scheme	Loan from financial institutions	Government subsidy	Loan	Subsidy	Number of boats	Cost
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		(Rupees in lakhs)				(Rupees in lakhs)		
Kirtania	50	59.15	42.25	16.90	19.49	8.34	23	23.47
Ma-Dhamrai	30	63.98	47.24	16.74	30.44	13.07	20	45.94
Rajalaxmi	50	61.10	44.35	16.75	34.50	15.15	40	45.36
Gangadevi	30	68.31	48.59	19.72	33.50	11.77	20	16.96
<b>Total</b>	<b>160</b>	<b>2,52.54</b>	<b>1,82.43</b>	<b>70.11</b>	<b>1,17.93</b>	<b>48.33</b>	<b>1.03</b>	<b>1,31.73</b>

The societies received (1974-75 to 1982-83) a total amount of Rs. 74.92 lakhs from Government towards subsidy (Rs. 48.33 lakhs), share capital (Rs. 15.77 lakhs), managerial subsidy (Rs. 1.95 lakhs) and supervision cost (Rs. 8.87 lakhs) and raised loans aggregating Rs. 1,17.93 lakhs from financial institutions. In all, only 103 out of 160 boats along with nets and accessories were purchased (1977-78 to 1982-83) by the societies at a total cost of Rs. 1,31.73 lakhs (boats: Rs. 1,14.70 lakhs and nets: Rs. 17.03 lakhs). The societies, thus, got financial assistance of Rs. 34.53 lakhs in excess. Further, they also received excess subsidy of Rs. 11.14 lakhs (Gangadevi: Rs. 7.25 lakhs, Rajlaxmi: Rs. 1.75 lakhs, Kirtania: Rs. 1.56 lakhs and Ma-Dhamrai: Rs. 0.58 lakh) as the subsidy payable (25 per cent for boats and 50 per cent for nets) worked out to Rs. 37.19 lakhs as against Rs. 48.33 lakhs paid.

Workshops had not been set up by any of the societies so far (June 1983).

(ii) Out of 103 boats so far (March 1983) acquired, 85 were purchased by the societies upto 1981-82. It was noticed that out of total 1,551 fishermen members of the societies, number of members who actually participated in fishing with 85 boats to end of 1981-82 was only 425. A test check in audit of catch statistics of 85 boats (each boat operated by 5 persons) pertaining to 1981-82 indicated that as against the expected catch of 2,606 MT (value: Rs. 83.80 lakhs), the actual catch was only 401 MT (value: Rs. 16.38 lakhs), the shortfall being 85 *per cent*. The shortfall was attributed by the Project Officers to bad weather, break down of engines, ecological changes, etc. Brief particulars are given in the Appendix 3.4.

(iii) At the end of 1982-83, all the four societies were in default in repayment of loan (Rs. 22.48 lakhs) and interest (Rs. 8.69 lakhs). The societies were stated to be in unsound financial condition.

(iv) The scheme envisaged that 80 *per cent* of sale proceeds of fish would be retained by the society to meet the operational and maintenance cost of boats and repayment of loan and balance (20 *per cent*) was payable to fishermen members. It was seen that an amount of Rs. 10.45 lakhs (Kirtania: Rs. 3.36 lakhs and Rajalaxmi : Rs. 7.09 lakhs) was paid during 1981-82 to members of 2 societies in excess of this ceiling. The excess had not been adjusted/recovered so far (June 1983).

The position brought out above would indicate that the basic objective of economic and social upliftment of poor marine fishermen envisaged in the programme had not been achieved so far (June 1983).

#### 3.1.4.5. Fishing harbours

##### (i) Dhamra fishing harbour

Mention was made in para 4.12 of the Report of the Comptroller and Auditor General of India for the year 1979-80 (Civil) regarding non-utilisation of Dhamra fishing harbour constructed at a cost of more than Rs. 98.15 lakhs due to lack of infrastructural facilities.



The infrastructure for utilisation of the harbour mainly consisted of a 47 Km. connecting road with marketing centres, installation of a fuel station, shoring facilities for processing and marketing of fish, workshop for maintenance of fishing vessels, water supply arrangement, etc. The construction of the road was still in progress (June 1983). Installation of fuel station had not yet (June 1983) been done by Indian Oil Corporation Limited stated to be due to non-completion of the link road to Dhamra. Consequently, the fishermen could not get direct supply of fuel at the fishing base but had to depend upon private traders who were bringing fuel from other places which had affected the economies of the fishing operations. The fishing harbour still lacked infrastructural facilities.

As against provision of 50 boats with an expected catch of 8,200 MT per annum in the pre-investment survey (1973), only 2 (1980-81) to 18 boats (1982-83) were operated during the period 1978-79 to 1982-83 with an annual catch of 8 (1978-79) to 262 MT (1982-83) per annum (annual sale value: Rs. 0.16 lakh to Rs. 7.32 lakhs).

*(ii) Gopalpur and Astarang harbours*

Construction of Gopalpur and Astarang harbours had not yet (May 1983) been approved by Government. However, construction of a 7 km. link road to Astarang fishing harbour was under execution by the Executive Engineer, Roads and Buildings division No. 1, Puri at an estimated cost of Rs. 21.33 lakhs (expenditure up to May 1983: Rs. 19.94 lakhs).

Delay in construction of these fishing harbours had naturally affected exploitation of fish resources.

*3.1.4.6. Brackish water fishery*

*(i) Chilka lake*

Chilka lake which stretches to 1,165 sq. km. during rainy season and reduces to 906 sq. km. during summer is connected by a 35 km. long outer channel which meets the sea at Arkhakuda. Due to absence of dredging arrangements, siltation had taken place in the lake over a period of years and the channel had

become shallow with the result that free inflow and outflow of water between the sea and the lake during tides and monsoon had been affected. As early as in 1974, the department had prepared a project report estimated to cost Rs. 49 crores for integrated development of the lake viz., deepening of Palur canal, infrastructural facilities, development of brackish water fish and prawn farms in shallow areas, training of fishermen, etc. Decision thereon had yet (June 1983) to be taken by Government.

The following points were noticed in audit:

(a) The ice plant at Balugaon could produce only 100 blocks of 50 Kg. each per day as against the requirement of 700 blocks of ice daily. The balance had to be procured by the fishermen societies from the market at higher rates (ranging from Rs. 10 to 20 per block of 50 Kgs.) as against the sale price of Rs. 4.50 per block charged by the departmental ice plant. This had the effect of reducing the net income of fishermen of this area.

(b) Exploitation of the lake had been entrusted (1959) to Central Fishermen Co-operative Marketing Society (C F C M S), Balugaon. Marketing which is one of the main objects as per bye-laws of the society was not actually done due to non-participation of member societies (52 in number).

(c) Under a scheme of development of Co-operative societies sponsored by National Co-operative Development Corporation, the Government approved (1980-81 and 1981-82) financial assistance of Rs. 8.05 lakhs to the C F C M S, Balugaon towards share capital (Rs. 1.64 lakhs), loan (Rs. 4.35 lakhs) and subsidy (Rs. 2.06 lakhs) in connection with construction of an ice-cum-cold storage plant and purchase of two mechanised fibre glass boats and one truck. However, a total amount of Rs. 8.70 lakhs was paid (1980-81 and 1981-82) to the society. Excess amount of Rs. 0.65 lakh paid to the society had not been recovered (May 1983). It was also noticed that though the society had spent Rs. 8.38 lakhs so far (May 1983) on the scheme, one truck had only been purchased, fibre glass boat had not been purchased nor the ice-cum-cold storage plant commissioned (May 1983).



(d) Catch statistics during the last 10 years ended 1981-82, available with Assistant Director (B and T), Balugaon indicated that there was substantial fall in landing of fish even as compared with the output (8,900 MT) during 1972-73. Production came down to 5,500 MT (1975-76) and 5,150 MT (during 1976-77 and 1979-80). The landings, however, improved during 1980-81 (6,500 MT) and 1981-82 (7,600 MT) but were still lower than 1972-73 level. Species-wise statistics showed that catch of prawn had fallen from 1,667 MT (1973-74) to 686 MT (1975-76) but increased subsequently to 739 MT (1979-80), 781 MT (1980-81) and 1,213 MT (1981-82). The shortfall was attributed (May 1983) by the department to large scale exploitation without corresponding migration of fresh stock from sea and less recruitment of juveniles due to hindrance of free-flow of water between the sea and the lake and arbitrary netting of fish by fishermen irrespective of the size. The research reports of the Assistant Director on Commercial landing at Chilka further indicated that production of mullet and threadfins had reduced considerably due to non-replenishment of sufficient stock in proportion to exploitation. No effective measures had been taken so far for increased production to reach at least 1972-73 base level.

*(ii) Prawn culture farm at Includi*

It was decided (July 1977) by Government to establish a prawn culture farm at Includi by utilising a portion of abandoned coast canal of the Irrigation department at an estimated cost of Rs. 16.26 lakhs. The Government of India approved (March 1978) the scheme for Rs. 12.33 lakhs and allotted (March 1978) the amount to the State Government in full. The work was to be completed within one year (March 1979). Construction of the farm was entrusted (January 1980) by the Director to Orissa Construction Corporation (OCC). While construction of tanks inside the canal bed was in progress and an expenditure of Rs. 0.27 lakh had already been incurred, the Irrigation department informed (March 1980) the Fisheries department that as the revival of the canal was under consideration, it would not be spared for pisciculture work. Further work inside the canal bed was, thereafter, stopped (April 1980) after incurring an expenditure of Rs. 0.27 lakh.



The revised estimate for Rs. 19.03 lakhs for construction of 15 tanks, 4 sluices, quarters, etc., on the land adjacent to the canal was sanctioned by Government in March 1983. Tanks and sluices had since been completed through OCC at a cost of Rs. 15.12 lakhs. Tanks were, however, damaged due to cyclone and flood in June 1982 which were under repair by the same Corporation at an estimated cost of Rs. 4 lakhs (up to May 1983 the expenditure was Rs. 4.20 lakhs). Thus, the construction of farm approved in 1977 which was to be completed by March 1979 had not yet been completed (June 1983) and the investment of Rs. 19.32 lakhs had yet to become productive. The delay has also deprived the department of the anticipated net income of Rs. 0.46 lakh per year by sale of prawn from the second year of operation of the scheme for the past 4 years.

(iii) *Brackish water fish farm, Keshpur*

Keshpur fish farm having 26.43 acres water area was constructed (1962-63) by reclaiming a portion of foreshore of Chilka lake at a cost of Rs. 1.90 lakhs. The average annual production of fish during 1966-67 to 1972-73 was 587.6 kg. (sale value: Rs.2,000).

With a view to increase the tempo of annual production through scientific fish farming, as suggested (1973-74) by the Indian Council of Agricultural Research, certain improvements to the farm *viz.*, raising of bundh, desilting of ponds, approach road, tube-well, field laboratory, etc., were approved by Government in March 1977 at an estimated cost of Rs. 5.81 lakhs (revised to Rs. 15.17 lakhs in June 1982). An expenditure of Rs. 10.32 lakhs was incurred on the improvement works (which was still to be completed) up to 1980-81.

Cultural experiments (rearing technique, pond ecology, etc.) of prawn and fish were conducted by the farm during 1978-79 to 1981-82 in tanks (each tank area: 0.06 hectare) adopting different periodicity and different density. Results of experiments indicated different rate of growth, survival and production of fish depending on density and period of culture. It was, however, noticed in audit that no conclusive findings on such experiments were recorded for the purpose of economic prawn and fish production.

#### 3.1.4.7. *Ice-cum-cold storage plants*

Mention was made in para 3.9 of the Audit Report (Civil) for the year 1973-74 and para 3.5 of the Audit Report (Civil) for the year 1976-77 regarding outlay on ice-cum-cold storage plants. Eight such plants were constructed during the period from 1960 to 1973 at a total cost of Rs. 17.10 lakhs vide details given in Appendix 3.5. It was noticed that two plants (Jeypore and Bhawanipatna) had not yet (June 1983) been commissioned, 2 plants (Hirakud and Majhid) had been disposed of (1980-81) and the remaining 4 had suffered operational loss aggregating Rs. 15.08 lakhs up to end of 1982-83 (Balugaon: Rs. 4.68 lakhs, Laxmisagar: Rs. 3.68 lakhs, Chandbali: Rs. 4.03 lakhs and Chandipur: Rs. 2.69 lakhs). The loss was generally attributed by the department to low production of ice, non-utilisation of full storage space due to poor demand, break-down of machinery, high cost of establishment, failure of electricity, etc.

#### 3.1.4.8. *Departmental marketing of fish*

During 1974-75 a Marketing Organisation with 6 marketing units (Cuttack, Sambalpur, Berhampur, Bhubaneswar, Paradeep and Chandipur) was started for marketing of marine and inland fish. Personal Ledger Accounts for Rs. 10 lakhs were opened (1974-75) by the units with treasuries for the purpose (at Rs. 0.50 lakh each unit except Cuttack and Balasore for Rs. 5 lakhs and Rs. 3 lakhs respectively).

It was noticed in audit that marketing of inland fish was stopped during 1977-78 and that of marine fish during 1979-80 but it was only in May 1981 that Government issued orders suspending departmental marketing of fish on the ground of uneconomic operation of sale centres and the units not being able to bring salutary effect on fish prices.

The cumulative operational loss of the units to end of 1976-77 was Rs. 11.15 lakhs (inland: Rs. 0.52 lakh, marine: Rs. 10.63 lakhs). The above loss did not include the cost of supervision charges of the departmental staff deployed to marketing



units. Personal Ledger Accounts had not been closed so far (June 1983). The reason for failure of the scheme had also not been investigated (June 1983) by the department.

#### 3.1.4.9. *Training*

There are 9 fishery training centres. During 1979-80, 5 training centres (Balugaon, Paradeep, Chandipur, Dhamra and Kausalya-ganga) were reorganised to impart training to departmental staff and outsiders in specific branches of modern scientific technology of pisciculture viz., induced breeding, nursery management, refrigeration system, etc. It was noticed in audit that an amount of Rs. 3.47 lakhs was spent during 1979-80 to 1981-82 towards stipend to outside trainees and special allowance to departmental trainees. Four centres (Jeypore, Sambalpur, Astarang and Ganjam) were closed down during 1979-80 to 1980-81 due to poor response from outsiders and non-availability of accommodation for the centres.

Systematic records had not been maintained in the Directorate showing posting of trained persons for specific jobs. Consequently, the position regarding optimum utilisation of trained persons was not ascertainable in audit.

#### 3.1.4.10. *Investments for development of fisheries*

Government invested Rs. 38 lakhs during 1977-78 to 1982-83 in the share capital of Orissa Fish Seed Development Corporation with the objective of construction of 4 hatcheries for production of 740 lakh fingerlings. Though the Corporation had selected 4 sites, construction of only one hatchery at Binika was in progress (expenditure : Rs. 4.39 lakhs) and others had not been taken up so far (June 1983).

A sum of Rs. 60 lakhs was also invested by Government during 1979-80 towards equity share capital with Orissa Maritime and Chilka Area Development Corporation Limited for exploitation of marine fisheries and utilisation of low priced fish at Paradeep. The scheme envisaged purchase of 6 wooden trawlers and setting up of a fish processing complex with ice plant, fish meal plant, etc. by the Corporation at Paradeep at an estimated cost of



Rs. 1,51.38 lakhs. Although 3 years had already passed, trawlers had not been purchased nor any fish processing complex established by the Corporation (June 1983).

Thus, nothing substantial had been derived so far (June 1983) out of the investment of Rs. 98 lakhs made by Government in public sector.

### *Summing up*

(i) As against the water potential of 4.65 lakh hectares including tanks, reservoirs, lakes and swamps in the inland sector, the actual coverage under pisciculture programme to end of 1981-82 was 0.99 lakh hectares (tanks : 0.05 lakh hectares and reservoir : 0.94 lakh hectares);

(ii) production of spawn to end of 1982-83 was only 2,977 lakhs against the target of 4,700 lakhs;

(iii) maximum production of fingerlings in the demonstrated tanks to end of 1981-82 was only 2,000 Kgs. per hectare against the targeted production of 5,000 Kgs. per hectare;

(iv) additional production of 25 millions of fry over the production of 2,79.30 lakhs (1974-75) from 94 departmental fish farms remodelled at a total cost of Rs. 50.86 lakhs could not be known due to non-maintenance or incomplete maintenance of initial records by farms;

(v) even after spending more than Rs. 81 lakhs on remodelling Kausalyaganga fish farm during 1969-70 to 1981-82, the targeted production of 60 lakh fingerlings had not been achieved;

(vi) less production of fry from induced breeding in respect of 10 selected districts resulted in shortfall of sale proceeds of Rs. 18.92 lakhs;

(vii) wrong selection of site of Baliguda fish seed farm resulted in an unfruitful expenditure of Rs. 0.95 lakh ;

(viii) only 1,223 in eleven districts out of targeted 2,000 traditional inland fishermen were given financial assistance (bank loan: Rs. 12.47 lakhs and subsidy: Rs. 4.76 lakhs) during 1974-75 to 1981-82 and 1,337 in 4 districts out of targeted 2,000 beneficiaries of marine fishermen were given financial assistance (loan: Rs. 27.65 lakhs, subsidy: Rs. 7.75 lakhs) during 1977-78 to 1981-82 but the extent of utilisation of loan by beneficiaries for the intended purpose and income derived by them from pisciculture operation was not available;

(ix) excess payment of Rs. 0.41 lakh to tribal beneficiaries under special Central assistance programme occurred due to non-observance of maximum limit payable under the scheme;

(x) avoidable expenditure of Rs. 0.66 lakh resulted on supply of unsuitable nets for Khadkhai reservoir fishery and unproductive expenditure of rupees one lakh on supply of 24 boats for Balimela reservoir fishery, which were not utilised;

(xi) loss of revenue of Rs. 9 lakhs in Hirakud and Salandi reservoirs during 1979-80 to 1981-82 was due to fixation of rent for fishing right at a very low rate;

(xii) only 555 out of targeted 3,000 beneficiaries brought under ERRP Programme had annual income ranging from Rs. 82 to Rs. 730 as against Rs. 1,000 in case of reservoir fishing and Rs. 1,500 in case of tank fishing;

(xiii) out of the total investment of Rs. 66.72 lakhs with 8 FFDA's up to 1981-82, the unutilised balance to end of 1981-82 was Rs. 39.50 lakhs;

(xiv) deep sea fishing beyond 40 fathoms contemplated in the sixth Plan had not been started and production of 0.44 lakh MT of marine fish recorded during 1981-82 was not verifiable from base records with Assistant Directors (Marine);

(xv) subsidy of Rs. 16.35 lakhs to 73 entrepreneurs was sanctioned during 1975-76 and 1976-77 even before the scheme of mechanisation of country boats was approved by Government in August 1978;

(xvi) four marine fishermen Co-operative societies were paid excess subsidy of Rs. 11.14 lakhs towards purchase of mechanised boats; unutilised financial assistance with the societies to end of 1982-83 was Rs. 34.53 lakhs; shortfall in fish production in respect of 85 boats operated during 1981-82 was 85 per cent; societies were also in default in repayment of loan and interest of Rs. 31.17 lakhs to end of 1982-83;

(xvii) Dhamra fishing harbour completed in March 1980 at a cost of Rs. 98.15 lakhs was only partially utilised for fishing with 18 boats (262 MT) to end of 1982-83 as against the capacity of 50 boats to land 8,200 MT due to lack of infrastructural facilities;

(xviii) central fishermen Co-operative marketing society, Balugaon was paid Rs. 0.65 lakh excess towards financial assistance;

(xix) construction of a prawn culture farm at Inchudi started in January 1980 had not been completed so far despite an investment of Rs. 19.32 lakhs on the construction (Rs. 15.12 lakhs) and repair to cyclone damages (Rs. 4.20 lakhs) while under construction;

(xx) out of 8 ice-cum-cold storage plants set up during 1960 to 1973, two were sold, 2 had yet to be commissioned and the remaining 4 plants suffered cumulative operational loss of Rs. 15.08 lakhs up to 1982-83;

(xxi) cumulative loss up to 1979-80 on departmental marketing of fish was Rs. 11.15 lakhs; and

(xxii) nothing had been derived so far out of investment of Rs. 98 lakhs on the share capital of two Corporations up to 1982-83 for construction of 4 hatcheries for production of fingerlings (Rs. 38 lakhs) and exploitation of marine fisheries (Rs. 60 lakhs).

The matter was reported to Government in September 1983; their reply is awaited (April, 1984).



### 3.2. Supply of maize under World Food Programme

Two Intensive Poultry Development Project Centres (IPDP) were set up in 1964-65 and 1965-66 one at Bhubaneswar and another at Rourkela under the scheme 'establishment of egg and poultry production-cum-marketing centres' in the State. Under an agreement entered into in February 1968 by the Government of India with the World Food Programme (WFP), IPDP centres were to obtain hybrid maize from the WFP as a gift. The hybrid maize was to be mixed with local feed ingredients (ratio: 20:80) to improve the quality of poultry feed. The mixed poultry feed was to be sold to the poultry farmers on no profit no loss basis. The scheme was to be in operation for 6 years from April 1968 to March 1974 and continued thereafter. The WFP was to supply 5,400 MT of maize at the rate of 900 MT each year.

A test check (May—August 1981) of the records of IPDP centres, Bhubaneswar and Rourkela revealed the following points :

(i) As against the projected supply of 5,400 MT, the centres received only 1,355 MT. Due to the limited WFP supplies and substantial increases in the cost of local feed ingredients, there was a severe curtailment of the progress of the centres.

(ii) Though 1,355 MT was shown as supplied between 1968-69 and 1973-74 by WFP, only 1,291 MT were actually acknowledged as received by the centres. The difference of 64 MT (value : Rs. 0.23 lakh) was treated by the Project Officers as transit loss constituting railway shortages (48 MT), storing and handling shortages (16 MT). The loss had neither been investigated nor written off by the Project Officers.

(iii) As per prescribed norms, 6,453 MT of poultry feed should have been manufactured by utilising the actual quantity of 1,291 MT of hybrid maize received by centres. The actual manufactured quantity was, however, only 3,871 MT. The reasons for manufacture of less quantity of feed could not be explained by the centres.

(iv) According to the agreement, the feed produced is required to be sold first to the registered units (300 units each) of IPDPs and surplus, if any, can be sold to other farmers. The staffing pattern of the 2 centres was designed to cater to 300 units each. However, it was seen in audit that the actual number of registered units in Bhubaneswar centre which was 192 in 1968-69 dwindled to 16 units in 1973. Similarly in the IPDP area, Rourkela which started with 52 units in 1967-68, the number dwindled to 20 units in 1968-69, 6 units in 1970-71 and nil in 1971-72.

It was, however, seen that the full complement of staff was continued despite the steady decrease in the number of units to be catered. Expenditure of Rs. 23.38 lakhs was incurred on these two establishments during the period 1974-75 to 1981-82. Government stated (September 1981) that after closure of units the establishment was continued to cater to the needs of a number of private farmers. However, no specific orders of Government for continuing the establishment even after the closure of all units could be produced.

(v) The agreement also contemplated that the funds generated out of sale proceeds of the poultry feed from the WFP maize (for purpose of accounting to be valued at the rate Rs. 350 per MT) were required to be deposited by the Project Officers in a separate account for each IPDP and a revolving fund (consisting of 35 per cent of total WFP sales proceed) would be established with a view to ensure that the project could be continued even after WFP ceased to supply. When no further maize was available to individual IPDPs, the revolving fund was to be utilised for purchase of local feed grain during the period of extension. It was seen in audit that the sale proceeds were not deposited up to July 1974 by any of the centres in separate account but were mixed up with the general revenues of the centres. With the recommendations (April 1974) of Central Review Team, however, a personal ledger account was opened (between August 1974 and August 1975) for operating revolving fund by depositing Rs. 1.58 lakhs at Sundergarh Treasury in favour of Additional District



Veterinary Officer, Feed Mixing Centre, Sundergarh. The revolving fund could not, however, be operated upon nor purchases could be made till October 1977 due to non-finalisation of personal ledger accounting procedure.

It was noticed in audit that between November 1977 and November 1980 purchases of maize worth Rs. 4.05 lakhs (2,999.37 qtls.) were made from out of the revolving fund without assessing full year's requirement reportedly due to lack of storage facilities and information regarding number of birds maintained by the private poultry farmers. Though the revolving fund was to accommodate purchases of maize by the State Government and subsequent recoument thereon, it was noticed that sale proceeds of cattle feed (Rs. 0.45 lakhs), purchase of rice polish bran (Rs. 0.05 lakh) and groundnut oil cake for cattle feed (Rs. 0.13 lakh) were also accounted for as receipts and payments between June 1980 and March 1981. The revolving fund, therefore, did not serve the purpose for which it was intended.

(vi) The scheme contemplated that after setting apart 35 per cent of the sale proceeds of poultry feed towards revolving fund, the balance will be utilised for other developmental activities during the operation of the project viz., development of coarse grain production; improvement of egg and poultry marketing arrangements; purchase of locally fabricated equipments like feed grinders, mixers, platform weighing scale; grant of loans to poultry farmers in furtherance of the purpose of the project; development of extension and information services. No separate sales account of poultry feed was maintained. However, the department worked out Rs. 2.94 lakhs as 65 per cent of the sale value of maize received from WFP to be utilised for this purpose. The funds were utilised during 1974-75 to 1975-76 for purchase of one Matador station wagon (Rs. 0.57 lakh); two Matador pick up vans (Rs. 1.01 lakhs); publicity material and copywriter (Rs. 0.04 lakh); poultry equipments (Rs. 0.22 lakh); equipment for feed analytical laboratory at Bhubaneswar (Rs. 0.20 lakh); installation of cold storage plant for IPDP at Bhubaneswar (Rs. 0.29 lakh); financial assistance to Co-operative (Rs. 0.52 lakh) and establishment of food testing



laboratory at Bhubaneswar IPDP (Rs. 0.09 lakh) are some of the items of expenditure not contemplated in the scheme. It was further noticed that the Matador pickup van purchased (December 1974) for IPDP Bhubaneswar met (October 1976) with an accident and thereafter remained idle. Rupees 0.29 lakh were diverted (February 1975) towards electric and water installations in the Cold Storage Plant which started functioning from June 1977 remained idle since May 1980. No fund is allotted for production of coarse grains which is one of the objectives of the development activities. The equipments purchased were mostly utilised for running the private units not contemplated in the project.

(vii) No project evaluation was done with reference to maize received under World Food Programme after ceasure of foreign assistance received up to 1973-74. An evaluation Committee comprising of Additional Director, Animal Husbandry (Chairman) and Deputy Director, Animal Husbandry Statistician, Special Officer (Poultry) as members was formed (October 1982) but the findings of the Committee were still awaited (November 1983).

To sum up the poultry feed was found supplied to the private poultry farmers who were not covered under the scheme resulting in huge establishment charges. Expenditure met out of funds included objects not contemplated in the original programme. During the period of operation (1968-69 to 1973-74) the Government could not take advantage of increased production of hybrid maize; no fund was also set apart for production of hybrid maize as contemplated; as a result the main object of meeting shortage of coarse grains after ceasure of WFP for continuing the programme remained to be achieved.

The matter was reported to Government (September 1982); their replies are awaited (April 1984).

### **3.3. Unfruitful outlay on fodder seed farm**

To meet the fodder and fodder seed requirement of private farmers and departmental live stock breeding farms and other agencies like Small Farmers Development Agency and Marginal Farmers and

Agricultural labourers. Government sanctioned establishment of a fodder seed farm at Jeypore during 1979-80 at an estimated cost of Rs. 1.10 lakhs. The scheme envisaged that during the period 1979-80 to 1982-83 the farm would produce 450 quintals of fodder seeds (1979-80: 50 quintals, 1980-81: 100 quintals, 1981-82: 150 quintals, 1982-83: 150 quintals) and 1,700 quintals of dry fodder (1979-80: 200 quintals, 1980-81: 500 quintals, 1981-82 : 500 quintals, 1982-83 : 500 quintals) and would earn an income of Rs. 1.35 lakhs.

Since no suitable Government land having consolidated patch of 50 acres was available nearby Jeypore town, a site measuring 20 acres (Government land) at Batajagannathpur (20 Kms. away from Jeypore) having no facility of irrigation and electricity was selected in June 1979 for the farm. Though alienation proposal of land was submitted in December 1979 by the Tahsildar, Jeypore to Revenue Department, orders for transfer of land were received from the Board of Revenue only in July 1982 ( after a lapse of 31 months). Physical possession of land was, however, taken only in July 1982 and the farm is yet to be established ( April 1984). During the period from April 1979 to March 1982, (when the farm did not have the land) an expenditure of Rs. 1.04 lakhs was incurred (Rs. 0.89 lakh on tractor; Rs. 0.02 lakh on implements; Rs. 0.04 lakh on spare parts and P.O.L. and Rs. 0.09 lakh on establishment).

As the staff entertained were idle, the Director of Animal Husbandry suggested (October 1981) at the instance of Government (September 1981) transfer of scheme and staff from Jeypore and diversion of balance of funds of 1981-82 to Rural Dairy Farm, Kathpal (Mayurbhanj district) situated over 700 Km. away from Jeypore. Government approved (December 1981) the proposal. The tractor (purchased in May 1980) for the Jeypore farm was also transferred (November 1981) to another Fodder seed farm—Panchmahal (where a tractor was already available) as per order (November 1981) of the Director of Animal Husbandry.

The matter was reported to Government in October 1982; their reply is still awaited (April 1984).



COMMUNITY DEVELOPMENT AND RURAL RECONSTRUCTION  
DEPARTMENT

**3.4. Extra expenditure on purchase of Butto dal**

Under Special Nutrition Programme for feeding children and expectant/nursing mothers, 'Butto dal' was one of the feeding components. In November 1981, on the recommendation of the tender committee, Government decided to substitute 'Mung dal' for 'Butto dal' for reasons of health and economy. The rates per quintal and the tenderer for each district from whom the Collectors were to procure their requirements for the remaining part of the year 1981-82, were also communicated. In June 1982, Government decided to allow the arrangement for procurement of 'Mung dal' to continue for the whole year 1982-83 at the same rates, terms and conditions of supply prevailing during 1981-82. The suppliers approached Government to accept 'Butto dal' instead of 'Mung dal' as sufficient quantity of 'Mung dal' was not available due to drought and various natural calamities. Government considered this request and in order to avoid interruption in feed programme decided in July 1982 that suppliers may be given orders for supply of both 'Mung dal' and 'Butto dal' subject to availability. They ordered that 'Butto dal' when supplied will be paid for at the same rates as approved for 'Mung dal'.

During the period July 1982 to July 1983, 26,302 quintals of 'Butto dal' was purchased in 6 districts at rates ranging from Rs. 496.47 to Rs. 518.42 per quintal paid for 'Mung dal'. It was ascertained from the Civil Supply Officers of the districts that the prevailing rates for 'Butto dal' were lower and ranged from Rs. 345.50 to Rs. 480 per quintal. Thus, payment at higher rates applicable for 'Mung dal' (as ordered by Government), instead of at the prevailing rates of 'Butto dal', resulted in an extra expenditure of Rs. 29.67 lakhs.

The matter was reported to Government in September 1983; their reply is awaited (April 1984).



## EDUCATION AND YOUTH SERVICES DEPARTMENT

**3.5. Short/non-accountal of cash**

A test-check (March/April 1983) of the accounts records of Jatiya Kabi Birakishore (J. K. B. K.) College, Cuttack for the period from January 1979 to March 1983 revealed a net shortage of cash to the extent of Rs. 0.66 lakh.

The Head Clerk who was discharging the functions of a cashier since August 1972 was allowed by the Principal of the college to handle cash but no security deposit or fidelity insurance was taken from him as required under the financial rules of Government.

The shortage of cash was rendered possible and remained undetected *inter alia* due to non-observance of the following codal provisions by the concerned authority, though pointed out on earlier occasions by audit.

(i) Money transactions were not entered in the cash book promptly. Entries therein were not checked and attested by the head of the institution concurrently as required under the rules.

(ii) Departmental receipts, etc., were neither remitted in full into the treasury nor was any verification of remittances with reference to the Treasury challan, conducted by the head of the institution. There was also omission in obtaining consolidated treasury receipt from the Treasury for verification with reference to the departmental receipts and/or in sending any monthly statement of remittances for verification by the Treasury.

(iii) Payment entries recorded in the cash book were not attested with reference to the number of bills and supporting acknowledgements of payees; undisbursed pay and allowances register was also not maintained.

(iv) The cash book was not closed regularly nor was it completely checked. No verification of the totalling of the cash book was done by the head of the institution himself nor any arrangement made to get the same done by some responsible subordinate officer other than the writer of the cash book.

(v) Verification of cash balance was also not done at the end of the month.

On Audit pointing out in April 1983 about short-accountal of cash, proceedings were drawn in April 1983 by the Principal against the Head Clerk who was placed under suspension in April 1983. Further developments are awaited.

The matter was reported to Government in June 1983; during discussion (September 1983) the department accepted the factual position and their reply is awaited (April 1984).

### **3.6. Suspected defalcation**

The Treasury accounts (June 1981) of Special Treasury-I Bhubaneswar disclosed drawal of Rs. 1.82 lakhs (Rs. 0.92 lakh and Rs. 0.90 lakh paid from the State Bank of India, Bhubaneswar on 12th June 1981 as per Treasury vouchers No. 155 and 156 respectively) by the Principal, B. J. B. College, Bhubaneswar towards G. P. F. withdrawal in respect of 4 subscribers (Lecturers) of the College. On a reference made by audit (March 1983), the Principal, B. J. B. College intimated in March 1983 that no such withdrawal was made by the Principal. Further, the Director of Public Instruction (who is the competent authority to sanction G. P. F. advances in those cases) to whom a reference was made in April 1983 had intimated in July 1983 that no such sanction was accorded by him.

On the matter being referred to the Director of Treasuries/ Government in April 1983, the Treasury Officer, Special Treasury-I, Bhubaneswar intimated in July 1983 that he had lodged F. I. R. with the Police in April 1983, and the matter is still under investigation by the Crime Branch. Further developments are awaited (April 1984).

## **HARIJAN AND TRIBAL WELFARE DEPARTMENT**

### **3.7. Schemes for welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes**

#### **3.7.1. Introductory**

The Directive Principles of Constitution of India enjoin the State on to promote the educational and economical interests of the Scheduled Castes (SCs) and Scheduled Tribes (STs) with special care. According to 1981 census the Scheduled Castes/Tribes in the State number 38,55,543 and 59,15,057 respectively



representing 14.62 and 22.43 *per cent* of the total population. The scheduled areas of the State comprise the entire districts of Mayurbhanj, Sundergarh and Koraput and few pockets in the districts of Keonjhar, Phulbani, Balasore, Ganjam, Kalahandi and Sambalpur. Various welfare programmes/schemes have been undertaken by the Government of India/State Government for meeting the special needs of these communities. The Central Government has undertaken 14 welfare schemes (both centrally operated and centrally sponsored) during the period from 1951-52 to 1981-82. The State Government undertook programmes under education, economic development and health.

### 3.7.2. Financial

Expenditure during successive Five year/Annual Plans on the various schemes for the welfare of the SCs and STs is indicated below:—

Plan period	Proposed outlay	Expenditure	Central assistance received		
			Centrally Sponsored Schemes	Special Central assistance for Tribal Sub-Plan and special component Plan	Total
(1)	(2)	(3)	(4)	(5)	(6)
		(Rupees in lakhs)			
First Plan					
(1951—56)	1,35.17	1,45.11	..	..	..
Second Plan					
(1956—61)	3,80.00	2,83.17	..	..	..
Third Plan					
(1961—66)	8,41.67	6,54.57	..	..	..
Annual Plan					
(1966—69)	9,06.16	8,05.48	..	..	..
Fourth Plan					
(1969—74)	21,30.69	19,38.29	..	..	38.13
Fifth Plan					
(1974—79)	58,95.84	42,49.30	2,25.98	26,04.18	28,30.16
Sixth Plan					
1979-80	15,91.72	9,88.73	65.41	10,11.10	10,76.51
1980-81	18,73.23	14,82.51	82.51	12,45.45	13,27.96
1981-82	24,28.54	11,22.56	1,63.20	16,94.95	18,58.15



Out of the 91 sub-schemes implemented under the scheme by the Government in Harijan and Tribal Welfare Department with their own finances and with the Central assistance, the records of 13 sub-schemes spread over four districts (Cuttack, Puri, Sundergarh and Mayurbhanj) having higher concentration of Scheduled Castes and Tribes relating to the period 1977-78 to 1981-82 along with the records of the State level Co-ordinating Officers were test checked (during May 1982 to November 1982) in audit and the salient points noticed are given in the succeeding paragraphs.

### A—Educational Schemes

#### (1) *Pre-matric scholarships*

Under the scheme of providing financial assistance to Scheduled Castes/Scheduled Tribes students of recognised middle and high schools, the State Government is giving scholarship since June 1979 at the monthly rate of Rs. 30 (raised to Rs. 35\* for each student in class VI to VII) and Rs. 38 (raised to Rs. 43\* for each student in Class VIII to XI) for those staying in hostels and an annual lump grant of Rs. 50 (raised to Rs. 55\* for each student in Class VI to VII) and Rs. 70 (raised to Rs. 75\* for each student in Class VIII to XI) for the day-scholars subject to their passing in class examinations. The scholarship is for 10 months in a year and the students of class XI are eligible to get the scholarships till the end of their examination. As against an outlay of Rs. 14,09.61 lakhs (Plan: Rs. 3,11.94 lakhs; non-Plan: Rs.10,97.67 lakhs) during the period 1974-75 to 1981-82, Rs. 14,05.44 lakhs were incurred by the State Government to cover 5,60,000 (actually covered 5,50,675 up to 1980-81) students in the State.

A test check conducted (May 1982 to November 1982) in three selected districts (Cuttack, Puri and Mayurbhanj) on the award of scholarships disclosed the following points:

(i) The amount of scholarship payable for a particular month was required to be drawn during that month and distributed through the heads of respective institutions by the first week of the

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\* Existing scholarships revised w. e. f. 1. 1. 1981.

succeeding month. It was seen that in 31 institutions there had been delays in disbursement of scholarships to Scheduled Castes and Scheduled Tribes students ranging from 6 months to 1 year from the date of drawal. Reasons for delayed payments were attributed to absence of students on the particular day of disbursement.

(ii) The following erroneous payments due to non-observance of prescribed rules were noticed during review by Audit.

Particulars	No. of cases	Amount (Rupees in lakhs)
(i) Payment of scholarship at higher rates i. e., hostelers rate to day-scholars	62	0.14
(ii) Payment at hostelers rate when no recognised hostel was attached to the institutions	46	0.11
(iii) Payment to non SC/ST students (denotified)	14	0.05
(iv) Payment to students of unrecognised institutions	<u>27</u>	<u>0.06</u>
(v) Payment to students belonging to castes not covered in the approved list of SC/ST	21	0.03
Total	<u>170</u>	<u>0.39</u>

The State Government issued (January 1978) instructions to all the Collectors of the districts to conduct a test check in at least 10 per cent of cases through District Welfare Officers (DWO), Assistant District Welfare Officers (ADWO) and Welfare Extension Officers (WEO) to see that the students who were awarded scholarships at hosteler's rate were actually residing in the hostel. Failure to comply with these instructions resulted in the above irregularities.



(iii) The Government issued (June 1979) guidelines that the Assistant District Welfare Officers (ADWO) and the Welfare Extension Officers (WEO) should not be given cash advances exceeding Rs. 7,500 and Rs. 4,000 respectively at a time for disbursement of pre-matric stipend and that unless accounts are rendered in respect of at least 75 per cent of the amounts given as advance previously, no further amounts should be given to them. The Assistant District Welfare Officer (Mayurbhanj) and the Welfare Extension Officer (Bhubaneswar) were paid advances for the purpose on 13 occasions from October 1977 to December 1981 found to be in excess (Rs. 0.34 lakh) of the limits prescribed for disbursement of pre-matric scholarships at a time to S C/S T students. The unadjusted advances with them at the end of November 1982 amounted to Rs. 0.31 lakh. Non-adjustment of advances was reportedly due to absence of students and their discontinuance of studies.

(2) *Pre-matric scholarship to children of those engaged in unclean occupations*

The Scheme was sponsored in September 1978 by the Government of India to benefit the Scheduled Caste people engaged in unclean occupations to enable certain number of children of scavengers to receive good quality school education by meeting their entire educational expenses from Government funds. The scheme was to be implemented and administered by the State Government. Financial assistance at the rate of Rs. 100 per child per month was available for meeting the expenditure on tuition fees, cost of boarding and lodging, cost of books, equipment charges and other incidental expenses incurred on the child. Additional allowance at the rate of Rs. 45 per child per month was provided for purchase of school uniform, towels, toilets, etc. The scheme was introduced in the State from 1979-80. At the end of 1981-82 out of a sum of Rs. 5.08 lakhs (Central and State share on 50: 50 basis) drawn, Rs. 4.86 lakhs were utilised (refunded during 1980-81 : Rs. 0.15 lakh, surrendered during 1981-82 : Rs. 0.07 lakh) for payment of scholarships. As against the target to benefit 380 children in two districts (Cuttack and Puri) where the Scheme was implemented,



only 60 were benefited up to 1980-81 (number of beneficiaries for 1981-82 not available) the shortfall was explained to be due to non-availability of eligible scheduled caste students.

A test check conducted (September—November 1982) of the records of District Welfare Officer, Cuttack and two municipalities (Cuttack and Bhubaneswar) disclosed the following points :

(i) It was seen that there were delays in the receipt of acquittances as indicated below :

	1979-80 to 1981-82 (Rupees in lakhs)
Total amount of scholarships drawn and paid	3.25
Amount for which acquittances are due	2.08
Number of cases for which acquittances were due as at the end of November 1982	Not available

The district level authorities (District Welfare Officers) who were responsible to receive the acquittances and watch the utilisation certificates did not take any effective steps in this regard.

(ii) According to the guidelines prescribed by the Government of India, the scholarships would be tenable only in institutions having hostel facilities. No hostel facilities were available prior to January 1982 in Bhubaneswar even though scholarships amounting to Rs. 0.20 lakh for the period from October 1981 to December 1981 were sanctioned (November 1981) by the Government for Harijan Children and disbursed (March 1982).

(iii) Utilisation certificates are awaited for the amount of Rs. 3.25 lakhs utilised by both the Municipalities.

### (3) *Post-matric scholarships*

The scheme for providing financial assistance to Scheduled Caste and Scheduled Tribe students studying in post-matriculate or post-secondary stage was started in 1944-45 and continued as a Centrally sponsored scheme up to 1958-59 and thereafter decentralised in 1959-60. Since 1959-60 the scheme is being administered by the State Government. The scholarships include maintenance

allowance at prescribed rates for hostelers and day-scholars and reimbursement of all non-refundable fees paid by the students to educational institutions. The monthly allowance varies from Rs. 40 for day-scholars and Rs. 90 (Rs. 130 with effect from 1981-82) for hostelers for undergraduate courses to Rs. 50 (Rs. 100 with effect from 1981-82) for day-scholars and Rs. 200 for hostelers in the professional degree courses like Engineering, Medicine, etc. The value of scholarship is met by the Government of India and in addition for each course of study, Rs. 10 is being given to each eligible student by the State Government.

The scholarships were sanctioned by the Government Department up to 1978-79 and thereafter by the respective District Collectors. The District Welfare Officers were declared as the drawing and disbursing officers for the purpose. A review of the sanction orders and other relevant records maintained in the Harijan and Tribal Welfare Department (H and T. W.), 4 District Welfare Officers (Cuttack, Puri, Sundergarh and Mayurbhanj) and 7 Colleges (Ravenshaw College, Cuttack; Banki College; B. J. B. College, Bhubaneswar; P. N. Mahavidyalaya, Khurda; Karanjia College; S. C. B. Medical College, Cuttack and Regional Engineering College, Rourkela) made during May 1982-November 1982 disclosed the following points :

During 1974-75 to 1981-82, Rs. 4,90.36 lakhs (non-Plan: Rs. 2,67.48 lakhs, Central Sector Plan: Rs. 2,22.88 lakhs) were spent on these scholarships against a budget provision of Rs. 5,23.21 lakhs (non-Plan: Rs. 2,69.11 lakhs, Central Sector Plan: Rs. 2,54.10 lakhs) to benefit 58,828 students (against a target of 60,704) in the State. The Central assistance received during the period was Rs. 2,54.10 lakhs of which expenditure of Rs. 2,22.88 lakhs was incurred and the balance of Rs. 31.22 lakhs remained unutilised with the department. The number of scholarship holders increased from 4,917 in 1974-75 to 13,198 in 1981-82, showing an increase of 168 per cent.

(ii) The records of 3 colleges (Ravenshaw College, Cuttack; B. J. B. College, Bhubaneswar; S. C. B. Medical College, Cuttack) revealed that out of Rs. 23.33 lakhs sanctioned during 1974-75 to 1978-79 and sent to the respective colleges for disbursement



Rs. 0.83 lakh remained (January 1982) undisbursed at the College level reportedly due to discontinuance of students and Rs. 22.50 lakhs were reported to have been disbursed but acquittance for Rs. 21.19 lakhs were not received and the concerned Principals were asked in February 1983 by Government to produce the paid acquittances for finalisation of accounts.

(iii) With a view to ensure timely payment of scholarships, the last date for receipt of application/sanction for renewal cases was fixed as 10th August/25th August and for fresh cases the 10th September/30th September. In practice, the prescribed time limits were not adhered to and instead applications were entertained throughout the year. There were also delays of 3 to 12 months in the disbursement of scholarships in 3 colleges test checked during May to November 1982 resulting in non-receipt of scholarships by the Scheduled Caste and Scheduled Tribe students for months together and their discontinuance of studies. To an audit enquiry in November 1982 the District Welfare Officers of 4 districts attributed the reasons for delay to late receipt of applications from the Colleges and the time lag for processing the applications which were often found to be defective.

(iv) The table below gives information regarding the number of students for whom post-matric scholarships were sanctioned during 1974-75 to 1980-81 and the number of cases renewed in the next year. Normally the number of renewal cases should be equal to the number of cases in which scholarships were sanctioned in the previous year. The reasons for shortfall was mainly due to drop out in the middle of the course. The percentage of drop out varied from 5 to 39 per cent as indicated below:

Year	No. of students for whom post-matric scholarships were sanctioned as fresh students	No. of cases due for renewal during next year	No. of cases actually renewed	No. of drop outs	Percentage
1974-75	3,085	3,085	2,139	946	31
1975-76	3,469	3,469	2,110	1,359	39
1976-77	3,339	3,339	2,973	366	11
1977-78	3,079	3,079	2,649	430	14
1978-79	3,633	3,633	3,451	182	5
1979-80	4,344	4,344	3,802	542	12
1980-81	5,725	5,725	5,023	702	12



(v) *Adhoc* grants of post-matric scholarships at the rate of Rs. 80 per student for 4 months are given so that the students do not suffer from hardship during the period of processing of applications for sanction. These grants are subject to adjustment from the final sanction. Scrutiny of the records in four Colleges (Ravenshaw College, Cuttack; B. J. B. College, Bhubaneswar; P. N. College, Khurda; Karanjia College, Mayurbhanj) revealed that *ad hoc* grants of Rs. 5.60 lakhs sanctioned in 2,043 cases during 1974-75 to 1979-80 were not fully adjusted leaving a balance of Rs. 0.44 lakh still (May 1982) to be adjusted/recovered. In reply to audit, the Principal, B. J. B. College stated (May 1982) that some students to whom *ad hoc* grants were allowed did not apply for scholarships and in other cases they had applied for scholarships but were subsequently declared as non-entitled persons. No action was taken to recover the amount from non-entitled persons (June 1983).

(vi) B. J. B. College, Bhubaneswar and P.N. College, Khurda had disbursed to 191 day scholars post-matric scholarships at boarders' rate which was higher than the day-scholars rate by Rs. 30 per month for 9 to 11 months during 1978-79 and 1980-81 resulting in an excess payment of Rs. 0.57 lakh which has not yet (July 1983) been recovered. While attributing reasons to payment at boarders' rate, the Principal, B. J. B. College stated (May 1982) that he was not aware of the existence of post-matric hostel and scholarship was paid by him as per recommendation of the hostel superintendent. No action was taken to recover the excess payment.

(vii) Refund of undisbursed scholarships received by the District Welfare Officers are being credited to the relevant receipt head of the Department instead of being refunded to the Government of India. The Government replied (February 1983) to an audit enquiry that undisbursed amounts received from the Principals through bank drafts were not categorised as non-Plan/Central Plan and it was not possible for them to furnish the details of refunded amounts.

(4) *Pre-examination Training**(since discontinued)*

To prepare educated youth belonging to Scheduled Castes and Scheduled Tribes for various competitive examinations for recruitment to various Central and State Civil Services, Banks and other Government undertakings, entrance examination for medical and engineering degree courses, pre-examination Training Centres (PETC) have been set up in the State since 1968-69. Three units i.e., pre-examination training for civil service examinations, pre-examination training for Clerk and Assistant grade examinations and pre-examination/training for entrance in to Engineering and Medical degree courses have been organised in two colleges (Ravenshaw College, Cuttack and B.J.B. College, Bhubaneswar). Rupees 6.13 lakhs (including Central assistance of Rs. 3.93 lakhs) were spent on the running of the PETC during the years 1974-75 to 1981-82.

During the test check in May 1982 the following points were noticed:

(i) In pre-medical and engineering training, the majority of the trainees in 1980-81 session did not attend the classes (76 classes each) regularly, the percentage of the number of students who absented themselves for more than 25 *per cent* of the total number of training classes ranged from 20 to 68 *per cent* in the case of pre-medical (number of trainees 25) and 44 to 99 *per cent* in the case of pre-engineering (number of trainees 32).

As per the Surety Bond furnished by each trainee, candidates securing 70 to 84 *per cent* of attendance are entitled to half the value of the stipend and those obtaining less than 70 *per cent* attendance shall receive no stipend for the period. All the trainees were, however, paid stipend by the Course Director of Pre-examination training at full rate during the course eventhough their attendance fell short of the required minimum and resulted in an inadmissible expenditure of Rs. 0.07 lakh. No effective steps were taken by the Course Director to ensure regular attendance of the trainees in the classes nor action has been taken to recover the excess payment.



(ii) For recruitment to various Civil service examinations out of 200 persons (157 Scheduled Caste and 43 Scheduled Tribe) who were imparted training during 1968-69 to 1979-80, only 6 persons qualified (2 in Orissa Administrative Service and 4 in Allied Services). The expenditure incurred by the Principal, Ravenshaw College in this connection was Rs. 3.92 lakhs. The training scheme for recruitment to Clerk and Assistant Grade was started in the year 1975-76. Out of 103 persons who were imparted training during 1975-76 to 1979-80 at a cost of Rs. 0.50 lakh, 31 had secured employment.

(iii) Although 140 Scheduled Caste and Scheduled Tribe trainees enrolled in pre-medical and pre-engineering courses during 1979-80 to 1981-82 were given special coaching facilities, the Course Director in B. J. B. College, Bhubaneswar could not furnish information regarding the number of trainees who had appeared at the examination and qualified. The expenditure incurred in this respect was Rs. 1.72 lakhs.

#### (5) *Book Banks for Medical and Engineering Students*

Under a Centrally Sponsored Scheme introduced in November 1978, one set of books (ceiling cost: Rs. 2,300) was to be provided for every seven Scheduled Caste and Scheduled Tribe students studying in Medical and Engineering colleges with a view to provide text books prescribed both for Medical and Engineering degree courses.

During the years 1978-79 to 1981-82, Rs. 1.95 lakhs (including Rs. 1.51 lakhs released by the Government of India) were sanctioned by the Government against which Rs. 1.47 lakhs were spent towards implementation for the scheme.

Test check during September 1982 to November 1982 of records in Government department and two colleges (S. C. B. Medical College, Cuttack and Regional Engineering College, Rourkela) revealed the following points:

(i) Although Rs. 1.47 lakhs were spent, utilisation certificates were received for Rs. 1.25 lakhs only by the department till end of 1981-82.



(ii) As against 37 sets of books actually required for 234 Scheduled Caste and Scheduled Tribe students studying in the Medical and Engineering Colleges during the academic sessions of 1978-79 to 1980-81, 68 sets were purchased during the period resulting in excess procurement of books valuing Rs. 0.71 lakh (at the rate of Rs. 2,300 per set for 31 sets). No reasons were attributed by the Principals of the respective Colleges for purchase and distribution of the extra sets.

(iii) The scheme was introduced to benefit the Scheduled Caste and Scheduled Tribe students from the academic session 1978-79. In two colleges test checked, the books were purchased towards the end of the academic year reportedly due to late receipt of sanction and thus the students were not able to get the benefits during one full academic session of 1978-79.

#### (6) *Procurement and distribution of Nationalised Text Books*

To encourage education among backward classes particularly among the students belonging to Scheduled Castes and Scheduled Tribes who can ill afford to purchase books, the Government have undertaken the scheme 'Distribution of Nationalised Text Books' free of cost to students reading in Class I to VII of different educational institutions of the State. According to the scheme the District Welfare Officers (DWOs) are to take delivery of stock directly from the Text Book Press and distribute the books to the Blocks/Tribal Rural Welfare schools to enable them to distribute the books to the students before commencement of the academic session.

Test check of records for the years 1976-77 to 1980-81 of the department revealed the following :

(i) Indents for supply of books were placed by the Harijan and Tribal Welfare department with the Text Book Press on an *ad hoc* basis by adding 5 per cent increase to the student strength of the previous year without reference to the actual requirement of the districts.

(ii) In four districts (Cuttack, Puri, Mayurbhanj and Sundergarh) the press had supplied during 1979-80 to 1981-82 to the District Welfare Officer a large number of books in excess of the demand which have been rendered surplus (Cuttack : 1,46,612 numbers, Puri: 27,440 numbers, Mayurbhanj: 76,930 numbers, Sundergarh: 25,624 numbers) at the district level. The value of the surplus books lying in stock at the average rate works out to Rs. 4.98 lakhs.

(iii) The District Welfare Officers (Dhenkanal, Phulbani and Sambalpur) and the Text Book Press authorities intimated (August 1980 and October 1980) to Government that text books (18,978 numbers) valuing Rs. 0.42 lakh were supplied to districts during 1979-80 and 1980-81 in excess of requirement. The Director-cum-Joint Secretary, Harijan and Tribal Welfare department observed in June 1981 that the indents had no relevance to the actual number of Scheduled Caste and Scheduled Tribe students on roll which were highly inflated and instructed the DWOs to assess the requirement correctly in future.

(iv) The Government in Harijan and Tribal Welfare department had placed in March 1981 final indent for supply of 30,97,398 books which was revised in May 1981 to 23,22,995 books. By the time the revised indent was placed (May 1981) the press had already printed 25,98,546 books meant for free supply. This resulted in excess supply of 2,75,551 books and an avoidable cost of Rs. 4.96 lakhs thereon.

(v) 1,80,688 number of books valuing Rs. 3.25 lakhs remained undistributed at the end of 1981-82 at district level (Cuttack, Puri, Mayurbhanj and Sundergarh). This was attributed (May 1982 to November 1982) by the District Welfare Officers to excess and late supply of books by the press. It was noticed during audit that District Welfare Officers had reported (January 1980 to March 1981) to Government that in these four districts the books (1,32,988 numbers valuing Rs. 2.39 lakhs) remained undistributed at the Block/Municipality/Notified Area Council's level at the end of 1981-82 in respect of supplies made during 1979-80 to 1981-82. No action was taken to dispose of the undistributed stock.



(vi) A large number of books (1,02,096 numbers) valued at Rs. 1.65 lakhs pertaining to 5 districts (Cuttack, Puri, Mayurbhanj, Sundergarh and Keonjhar) were rendered obsolete because of change of syllabus for 1980-81 and 1982-83. Government issued instructions (February 1980) to the District Welfare Officers to distribute the obsolete books due to change of syllabus for the academic sessions of 1977-78 and 1978-79 among Scheduled Caste and Scheduled Tribe students reading in primary schools for use by them as reference books and supplementary readers. These instructions were not carried out yet (July 1983) by the District Welfare Officers.

(vii) The stock account of Nationalised Text Books for the years 1978-79 to 1981-82 maintained in the District Welfare Offices (Puri and Mayurbhanj) as verified in audit disclosed (Appendix 3.6) shortage of books worth Rs. 0.17 lakh. The shortage was rendered possible due to incorrect balancing of stock, omission in carrying over the book balances, etc., by the store clerks of the District Welfare Offices.

#### (7) (a) Hostels

In order to avoid drop out of students from their studies, a number of hostels have been set up by the State Government for the Scheduled Caste and Scheduled Tribe children studying in the middle schools (classes V to VII) and high schools (classes VIII to XI). Hostels were also started for post-matric Scheduled Caste and Scheduled Tribe students, if there are sufficient number of such students who do not have adequate hostel accommodation. The Central Government gives grants for construction of hostels for girls and the State Government bears the maintenance charges. During the Fifth Five Year Plan, the scope of Central assistance was enlarged to accommodate provision for furnishing hostels. In 1979-80 it was decided to treat expenditure incurred to end of 1978-79 as committed non-Plan expenditure of State Government and expenditure above it was shared between the Central and State Government on 50:50 basis.

During the Fifth Five Year Plan (1974-75 to 1978-79), out of the Central assistance of Rs. 34.05 lakhs received the expenditure incurred was Rs. 30.80 lakhs besides an equal amount



spent by the State Government for construction of girls' hostels. In the State sector, Rs. 71.57 lakhs were spent for construction of hostels for boys. In all 1,011 hostels (post-matric: 45 nos.; high school: 468 nos.; M. E. Schools: 380 nos.; U. P. School hostels: 118 nos.) were existing till end of 1978-79 of which 103 different hostels (estimated cost not known) were constructed out of special Central assistance. During 1979-80 another 21 hostels (post-matric: 4 nos., high school: 13 nos. and central hostels: 4 nos.) were added.

Test check during May 1982 to November 1982 of the records in the Government department revealed the following points:

(i) The District welfare Officers conference held in October 1979 brought to light that out of 1,011 hostel buildings, only 294 were used for hostel purposes, 327 were utilised otherwise (class rooms: 288; staff quarters: 28; non-educational purposes: 11), whereabouts of 314 hostels were not located, 31 had been in damaged condition, 24 remained incomplete and 21 were lying vacant since 1959-60. The position was verified from the Government record test checked. In four districts (Phulbani, Sambalpur, Dhenkanal and Bolangir) it was seen in audit that 56 hostels estimated to cost Rs. 8.35 lakhs were utilised for other purposes.

(ii) It was also seen in audit that in 5 districts (Phulbani, Sambalpur, Dhenkanal, Bolangir and Mayurbhanj) 36 hostels (constructed during 1956-57 to 1978-79 at an estimated cost of Rs. 6.20 lakhs) remained unutilised (vacant: 5; incomplete: 12; damaged: 19) for a period ranging from 3 to 25 years.

Reasons for the completed buildings lying vacant were attributed by the District Welfare Officer, Sambalpur (January 1980) to non-availability of boarders from the students belonging to the same locality. The District Welfare Officer, Dhenkanal explained in May 1980 that there was no demand for any hostel building.

Even though the hostel buildings were constructed since 1956-57, the detailed accounts of assets were not maintained either at the district level or by the Government department. No

steps were taken to locate the whereabouts of the buildings; the exact number of SC/ST students occupying the hostels meant for them was not verifiable from the records test checked. The hostel buildings already completed in some cases either remained vacant or damaged and thereby the hostel facilities were denied to the SC/ST students over a period ranging from 3 to 25 years. Thus, assistance provided by the Central/State Governments in respect of 717 hostel buildings was not utilised as such and proved to be unfruitful.

*(b) Aid in lieu of Hostel facilities*

A scheme was mooted by the State Government in 1979-80 to provide mess accommodation to Scheduled Caste and Scheduled Tribe students in view of inadequacy of accommodation available in Government College hostels. Government decided (June 1979) to reimburse the house rent of deserving (10 or more) students who could arrange to take private house on hire and obtain recognition of the same as a hostel or mess. The house rent was reimbursible at a rate not exceeding Rs. 20 per student per month subject to actuals.

During 1979-80 to 1981-82 against a provision of Rs. 9 lakhs, Rs. 5.63 lakhs were spent for implementing the scheme.

Scrutiny of the records of 4 districts (Cuttack, Puri, Mayurbhanj and Sundergarh) and two colleges (May 1982-November 1982) revealed the following :

(i) During 1979-80 and 1980-81, Rs. 0.13 lakh and Rs. 0.19 lakh were sanctioned by the Collector, Cuttack as house rent for 66 and 102 students respectively of N. C. College, Jajpur (Cuttack district) for their residing in a joint mess (Janakalyan Hostel) eventhough the rent payable was only Rs. 4,800 per annum (at the rate of Rs. 400 per month). No action was taken to get back the excess amount of Rs. 0.22 lakh paid from the Principal of the College. To an audit query, the District Welfare Officer, Cuttack stated (May 1982) that the house rent was sanctioned on the recommendation of the Principal.



(ii) Rs. 0.18 lakh were sanctioned during 1979-80 towards reimbursement of house rent for 92 Scheduled Caste and Scheduled Tribe students reading in 10 colleges (Puri district) even though applications for sanction of house rent were not received except from 3 colleges; monthly rent paid to the house owners were not recorded in any case.

(iii) A hostel constructed for Scheduled Caste and Scheduled Tribe students in the Kendrapara College (Cuttak district) at a cost of Rs. 0.27 lakh during 1963-64 is being utilised as science block and these students are, therefore, accommodated in private messes. This has resulted in an avoidable expenditure of Rs. 0.30 lakh sanctioned (1979-80 : Rs. 0.13 lakh; 1980-81 : Rs. 0.07 lakh; 1981-82 : Rs. 0.10 lakh) for Scheduled Caste and Scheduled Tribe students of the college staying in joint mess. Reasons for the misutilisation of the building have not been investigated.

(iv) In Karanjia College (Mayurbhanj district) the post-matric hostel having a capacity of 30 seats was not filled in by Scheduled Caste and Scheduled Tribe students who were, however, allowed to stay in joint mess for which house rent of Rs. 0.13 lakh was reimbursed to them during 1980-81 and 1981-82.

## **B—Housing Scheme**

With a view to improving the living conditions of Scheduled Caste people engaged in unclean occupation, the State Government have been sanctioning grants-in-aid since 1979-80 in favour of local bodies i.e., Municipalities and Notified Area Councils (NAC) for construction of houses. The scheme envisaged availability of land for the houses and creation of infrastructure facilities by the respective local body, construction of houses over a plinth area of 300 sq. feet at an estimated cost of Rs. 0.09 lakh each to be shared by Government and local body 50 per cent each.

Though Government sanctioned Rs. 21.33 lakhs with a target to complete 465 houses (1979-80: 146; 1980-81: 44; 1981-82: 275) and the entire amount was drawn by the local bodies, only 68 houses were constructed at a cost of Rs. 3.62 lakhs to end of March 1982. No information was available with the Administrative



department as to the utilisation of unspent balance and completion of the remaining houses. The utilisation certificates were furnished only for an amount of Rs. 2.81 lakhs.

Test check in November 1982 of the records of 5 Municipalities and Notified Area Councils disclosed the following points:

(i) As against an amount of Rs. 11.82 lakhs drawn (1979-80: Rs. 4.08 lakhs; 1981-82: Rs. 7.74 lakhs) by all the five local bodies with the proposal to construct 262 houses (estimated cost: Rs. 23.58 lakhs) only 56 houses could be completed in 3 years at a total cost of Rs. 2.90 lakhs.

The Cuttack Municipality had drawn (1979-80 and 1981-82) Rs. 3.88 lakhs for construction of 86 houses of which only 10 houses (cost: Rs. 0.90 lakh) could be constructed during 1979-80. It was stated by the Executive Officer, Cuttack Municipality in November 1982 that the remaining houses could not be completed due to revision of the schedule of rates and rise in cost of materials etc. The balance amounts were lying in the P. L. Account maintained by the local bodies.

(ii) 6 houses constructed (estimated cost : Rs. 0.54 lakh) by the Jatni Notified Area Council covered only a plinth area of 192 sq. ft. as against the prescribed area of 300 sq. ft.

Thus, the implementation of the scheme could not make any headway and the houses required to be completed during the year of sanction remained incomplete even after years.

### **C—Other Miscellaneous Schemes**

#### *(a) Tribal and Harijan Research-cum-Training Institute (THRTI)*

The Tribal Research Bureau and the Tribal Orientation Training Centre set up in the State in 1952 and 1966 respectively were amalgamated during 1972-73 in order to ensure co-ordination between research and training and the integrated institute was designed as "Tribal and Harijan Research-cum-Training Institute" with a Director as its administrative and technical head. The Directorate was entrusted with the research on cultural and social problems of the tribals, specific and cultural survey of tribal areas,

organisation of training and seminars for the village level and other field workers in the tribal regions and evaluation of schemes. The scheme was continued as a centrally sponsored scheme with 50 per cent Central and 50 per cent State share.

During the period 1972-73 to 1981-82, Rs. 54.12 lakhs were spent for the research and training against a budget provision of Rs. 77.04 lakhs. Besides, grants to the extent of Rs. 30.94 lakhs were released by the Government of India during 1977-78 to 1981-82 for carrying on various surveys and organisation of training programmes against which expenditure incurred was Rs. 29.51 lakhs.

Test check of the records of the Director, Tribal and Harijan Research-cum-Training Institute, revealed the following :

(i) On survey and research, the THRTI had taken up 99 works during 1974-75 to 1981-82 of which the studies in 53 cases (expenditure incurred Rs. 32.91 lakhs) were completed and reports submitted to Government only in 33 cases. However, it could not be ensured by the Director whether the results of these studies were helpful to the Government in formulating the programme as no such evaluation was attempted by the department.

(ii) It was decided in the third meeting of the Central Research Advisory Council held in June 1976 that the research priorities for the THRTI may be related closely to the problems of implementation of the sub-Plan. Integrated Tribal Development Projects (ITDPs) were taken up with specific reference to sectors such as road programmes, irrigation, soil conservation and land development programmes, drinking water and rural electrification for which no studies were undertaken by the THRTI.

(iii) With the approval of Government of India, the Institute conducted specialised training courses on Project Implementation, Monitoring and Evaluation (PIME) and on Tribal Development Administration (TDA). The Central assistance of Rs. 1.15 lakhs was released during 1979-80 and 1980-81 for training of senior and middle level officers engaged in planning but it was noticed in audit that actually junior officers of THRTI and lecturers of a few



colleges participated in the training course and the expenditure incurred was Rs. 0.76 lakh. The expenditure also includes Rs. 0.15 lakh incurred by the institute on items (furniture for guest room : Rs. 0.09 lakh, entertainment expenditure : Rs. 0.02 lakh, hire charges of bus and cost of spares for office jeep : Rs. 0.04 lakh) found inadmissible under G. I. assistance.

(iv) To carry out research work the Institute had purchased between 1974-75 and 1981-82 appliances, apparatus worth Rs. 2.31 lakhs (photographic equipment : Rs. 1.42 lakhs, categraphic materials : Rs. 0.41 lakh, Medical and Physical anthropology articles : Rs. 0.48 lakh). The imported photographic equipments purchased in 1980-81 have not been installed by the firm 'M' (December 1982).

(v) In addition to a pre-examination training centre for Scheduled Caste/Scheduled Tribe students to appear at Civil Service examinations and Assistant grade examinations functioning in the Ravenshaw College, Cuttack since 1975-76 under the scheme, sanction was accorded by Government in March 1980 to start a pre-examination training centre at the THRTI, Bhubaneswar. As against sanction of Rs. 0.99 lakh, the expenditure incurred during 1979-80 to 1981-82 was Rs. 0.98 lakh (Type-writers : Rs. 0.59 lakh; Furniture : Rs. 0.20 lakh; Reference Books : Rs. 0.11 lakh; Utensils : Rs. 0.05 lakh and Contingencies : Rs. 0.03 lakh). No trainee was trained for the past 3 to 4 years eventhough sanction for the centre was accorded in November 1980. The Director replied (June 1982) to audit that the hostel for the trainees was not ready to provide hostel facilities to them.

#### **D—Scheduled Caste Finance Corporation**

The Government of India initiated a proposal in August 1978 to establish a Scheduled Caste Finance Corporation in the States having a sizeable scheduled caste population with a view to covering directly and in association with other organisations at least 50 per cent of the economically weakest section of the scheduled caste families. The Government of India while according their administrative approval in November 1979 for grant-in-aid



to State Government for investment during 1979-80 in the share capital of the Corporation stipulated that their assistance bears the ratio of 49 : 51 to that made by the State Government and that the Corporation would concentrate on areas not covered under Integrated Rural Development for 2 years as other areas (IRD) would be taken care of by the State Government. The Government of India also suggested that agricultural labourers, small and marginal farmers, share croppers and non-agricultural labourers might be assumed to be within the income limit of Rs. 3,500 and Rs. 4,300 per annum in rural and urban areas respectively.

The Corporation was registered in June 1979 under the Co-operative Societies Act, 1962 with an authorised share capital of Rs. 2 crores. The target of coverage during the Sixth Plan was fixed at 4 lakhs S. C. families of which one lakh families were to be covered under the income generating programme. The Corporation formulated a programme to cover 64,150 S. C. families (families actually covered were 48,446) during the year 1979-80 to 1982-83.

During the years 1979-80 to 1981-82, the Government of India and the State Government subscribed Rs. 1,29.66 lakhs and Rs. 1,14.16 lakhs respectively in shape of share capital. In addition, the Government of India paid Rs. 4 lakhs as marginal subsidy and the State Government also paid Rs. 8.40 lakhs (1980-81 : Rs. 4.40 lakhs; 1982-83 : Rs. 4 lakhs) as managerial subsidy and Rs. 1,78.82 lakhs (1979-80 : Rs. 3 lakhs; 1981-82 : Rs. 72.11 lakhs and 1982-83 : Rs. 1,03.71 lakhs) as schematic subsidy.

(i) In the Co-operative year 1979-80 (1-7-1979 to 30-6-1980) the Corporation could not achieve any target and an expenditure of Rs. 1.97 lakhs was incurred on establishment, vehicle, house rent, furniture and fixtures. The Chairman-cum-Managing Director of the Corporation explained in May 1980 that the main bottleneck was that the Commercial Banks were not coming forward for financing the schemes for want of subsidy element and were reluctant to undertake the responsibility of recovering the margin

money loan of the Corporation. In subsequent years the Corporation opened 9 branch offices to co-ordinate/supervise implementation of the programme in the State.

(ii) Particulars of target fixed and the number of loanees benefited, etc., during 1979-80 to 1982-83 under margin money scheme are indicated below :

Year	No. of beneficiaries		Loans released by Banks		Margin money by Corporation	
	Target	Achievement	Target	Achievement	Target	Achievement
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rupees in lakhs)						
1979-80 and 1980-81	17,950	7,251	7,50.48	54.26	10.85 (20% of loan)	10.52
1981-82	22,200	21,603	9,16.00	3,47.11	86.78 (25% of loan)	1,05.80
1982-83	24,000	19,592	10,91.56	3,31.96	82.99 (25% of loan)	85.01
				7,33.33	1,80.62	2,01.33

(iii) Out of Rs. 2,43.82 lakhs received as paid up share capital to end of 1982-83, the Corporation had paid margin money loan of Rs. 2,01.33 lakhs (as against admissible amount of Rs. 1,80.62 lakhs) and kept the balance amount of Rs. 42.49 lakhs as deposit with the banks. Reasons for depositing the share capital money and payment of excess margin money to the banks could not be explained by the Chairman-cum-Managing Director.

(iv) Rs. 1,78.82 lakhs were received as grant-in-aid towards subsidy during the 4 years ended 1982-83, of which Rs. 71.27 lakhs were utilised and 8,858 beneficiaries were covered. The balance amount of Rs. 1,07.55 lakhs is lying in the deposit account with



different banks. Utilisation certificates have not been furnished by the Corporation in respect of Rs. 71.27 lakhs reported to have been utilised.

### **E—Evaluation**

No evaluation had been made of any of the sub-schemes implemented for the benefits of the Scheduled Castes and Scheduled Tribes in the State since 1974-75 to 1977-78 though there is a separate Directorate functioning since 1972-73. During 1978-79 to 1981-82 the Institute of Tribal and Harijan Research-cum-Training (THRTI) programmed to evaluate the work of only four tribal development projects (evaluation of Saora Development Agency, Chandragiri; evaluation of working of LAMPs, evaluation of impact of land survey and settlement operation in tribal areas; evaluation of dugwells and other irrigation facilities etc.). Out of the four projects, evaluation studies were stated to have been completed in respect of LAMPs and dugwell projects and reports submitted in April 1982 to Government. The THRTI was stated by the Director in December 1982 to have taken up preliminary studies on the award of post-matric scholarship but no evaluation report had been received by the Government so far (July 1983).

### *Summing up*

(i) Even though the scheme for improving educational, social and economic well-being of the Scheduled Caste/Scheduled Tribe was started since 1951-52, no evaluation of the results achieved, has been conducted by the Government.

(ii) Erroneous payment of pre-matric scholarships due to non-observance of prescribed rules amounted to Rs. 0.39 lakh in 170 cases.

(iii) Out of Rs. 3.25 lakhs drawn and paid as grants during 1979-80 to 1981-82 towards pre-matric scholarship to the children of those engaged in unclean occupation, acquittances were due for Rs. 2.08 lakhs; utilisation certificates were wanting for the full amount.



(iv) Rs. 22.50 lakhs were disbursed in 3 colleges for payment of post-matric scholarships but acquittances for Rs. 21.49 lakhs were not received; Rs. 0.83 lakh remained undisbursed at the college level reportedly due to discontinuance of students.

(v) Two colleges had disbursed post-matric scholarships at boarders rate to 191 day scholars for 9 to 11 months resulting in an extra expenditure of Rs. 0.57 lakh.

(vi) Out of 200 persons imparted training under pre-examination training programme in a college during 1968-69 to 1979-80 at a cost of Rs. 3.92 lakhs, only 6 persons were qualified and thereby the benefits derived were not commensurate with the expenditure incurred.

(vii) As against 37 sets of books required for 234 Scheduled Caste and Scheduled Tribe students studying in Medical and Engineering Colleges during the academic sessions of 1978-79 to 1980-81, 68 sets were purchased for the Book Bank resulting in excess procurement of books valuing Rs. 0.71 lakh.

(viii) The supply of Nationalised Text Books worth Rs. 4.98 lakhs by the Text Book Press in four districts was in excess of demand; the press had also printed and supplied 2.76 lakhs books worth Rs. 4.96 lakhs which are lying in stock without any use.

(ix) Number of text books remained undistributed at the end of 1981-82 at the district level in four districts was 1.81 lakhs valuing Rs. 3.25 lakhs; the undistributed stock of books at the Block/Municipality level was 1.33 lakhs valuing Rs. 2.39 lakhs.

(x) Government incurred a loss of Rs. 1.65 lakhs due to non-distribution of books in 5 districts which were ultimately rendered obsolete because of change in syllabus for the academic sessions 1977-78 and 1978-79.

(xi) Out of 1,011 hostel buildings constructed to end of 1978-79 for accommodating Scheduled Caste and Scheduled Tribe students, only 294 were used for hostel purposes, 327 were used otherwise, 314 could not be located.

(xii) 36 hostels constructed in 5 districts during 1956-57 to 1978-79 at an estimated cost of Rs. 6.20 lakhs remained unutilised for a period ranging from 3 to 25 years mainly due to non-availability of boarders from the students belonging to the same locality.

(xiii) Rupees 11.82 lakhs were drawn by the local bodies during 1979-80 to 1981-82 to construct 262 houses for Scheduled Caste people engaged in unclean occupation of which 56 houses only could be completed in 3 years ending 1981-82 at a cost of Rs. 2.90 lakhs retaining the balance amount in P. L. account of the local bodies.

(xiv) The institute for research-cum-training took up 99 works on survey and research during 1974-75 to 1981-82 of which the studies in 53 cases were completed and in 33 cases reports were submitted to Government; the extent to which these studies were helpful in formulating the programme on the welfare of Scheduled Caste and Scheduled Tribe people was not on record after spending Rs. 32.91 lakhs on this.

(xv) Photographic equipments worth Rs. 1.42 lakhs purchased by the institute THRTI during 1980-81 remained unutilised.

(xvi) Rupees 0.98 lakh was spent from out of Central assistance received under THRTI programme during 1979-80 for starting a pre-examination training centre for Scheduled Caste and Scheduled Tribe students but the centre could not be started even after a lapse of 3 to 4 years.

The matter was reported to Government in February 1983 and August 1983; their reply is still awaited (April 1984).

## TRANSPORT DEPARTMENT

### 3.8. Unfruitful investment

(a) For 'Modernisation of Transport Commissioner's Organisation' Government sanctioned in October 1980 the purchase of equipment at a total cost of Rs 1.84 lakhs. They were intended to help the selection of suitable drivers and to avoid accidents.



The State Transport Authority without quotations/tenders, procured 13 sets of Driving Testing equipment (November 1980: 5 sets; April 1981: 8 sets) from firm 'V' of New Delhi (sole manufacturer) for installation in different Regional Transport Offices. There was no provision in the purchase order for training of personnel to handle the equipments. There was a delay ranging from 5 to 25 months in their distribution to the Regional Transport Offices after their receipt by the State Transport Authority. As suitable accommodation to house the equipment was not planned, these equipments even after their delayed receipt by the Regional Offices could not be installed (May 1983).

In reply to audit query, the Deputy Commissioner (Technical) observed in March 1983 that nobody knew how to handle the equipment and that no purpose would be served even if these are installed as some operations conducted by him were not found (March 1983) successful.

Considering that the equipment was new and supplied by a sole proprietary manufacturer, only a small quantity should have been purchased and its utility established before further quantities were procured. It was evidently imprudent to have purchased the second set of 8 numbers in April 1981 without testing and establishing the usefulness of the equipment first purchased in November 1980.

Thus, the total investment of Rs. 1.12 lakhs made on the purchase of above equipments had remained unfruitful and the objects for which they were purchased could not be achieved.

The matter was reported to Government in June 1983; their reply is awaited (April 1984).

## HEALTH AND FAMILY WELFARE DEPARTMENT

### 3.9. Rural Health Programme

3.9.1. *Introductory*—The Rural Health Services were developed on the basis of directions and guidance provided by the Health Survey and Development Committee in 1946. Primary Health Centres (PHCs) to be established in Community Development blocks were



the focal points to provide primary health care services to the people. By the end of Fourth Five Year Plan, PHCs had been established in all the 314 Community development blocks with 2,038 sub-centres in the State. The Rural Health Programme includes Minimum Needs Programme (MNP), Community Health Workers (Volunteers/Health Guides) Scheme (CHWS), Multi-purpose Workers Scheme (MPWS) and Re-orientation of Medical Education Scheme (ROME). MNP forms part of the State Plan and others are Centrally Sponsored Schemes. The Rural Health Programme is intended to augment the health services and facilities and provide an umbrella of health care coverage to rural population by making available (a) the services of (i) community health volunteers at village level (ii) Multipurpose Workers at peripheral Sub-Centres and medical officers at PHCs and (iii) medical faculty, interneers and students of medical colleges/mobile medical units under re-oriented pattern of Medical Education at PHCs/other rural medical institution and (b) providing more health facilities (additional sub-centres, PHCs, 30 bedded hospital, building therefor) and provision of drugs under Minimum Needs Programme.

The Community Health Workers Scheme (October 1977) and the Multipurpose Workers Scheme (July 1976) were centrally sponsored with 100 per cent Central assistance upto 1978-79, 50 per cent from 1979-80 and 100 per cent from December 1981 for the Community Health Workers Scheme. The scheme for re-orientation of Medical Education was implemented from 1977-78 with a one time Central grant towards recurring and non-recurring expenditure with matching provision from State Government, for meeting the remaining expenditure, the scheme to train public health and para-medical workers (introduced in the State from 1983-84) is eligible for 100 per cent Central assistance. Minimum Needs Programme was implemented (1974-75) as part of the State sector Plan scheme and 100 per cent Central assistance was provided to establish new sub-centres (excluding cost of construction of sub-centres' buildings which was to be met from Central grants under Family Welfare Programme) from 1981-82. The programmes were implemented by the Director of Health Services and the Director of Family Welfare in respect of sub-centres.

### 3.9.2. Overall Performance

The overall performance of the Rural Health Programme in physical and financial terms was as follows :

Components	To end of 1979-80	Targets for Sixth Five year Plan	Physical					
			Achievements			At the end of 1982-83		
			1980-81	1981-82	1982-83	No. required	No. functioning	
Primary Health Centres	Nil	20	Nil	Nil	6	..	6	
Opening of Sub-centres	2,434	2,000	Nil	..	660	5,540	3,094	
Conversion of dispensaries into subsidiary Health Centres	..	100	Nil	11	37	..	48	
Upgraded Primary Health Centres	12	5	..	..	..	..	..	
Community Health Guides	Nil	..	..	..	..	21,176	19,139	
Multipurpose Workers	Nil	Nil	..	..	..	10,522	9,315	
Medical Colleges covered under ROME	Nil	..	..	..	..	..	3	

### Financial

(In lakhs of rupees)

	Up to 1979-80		1980-81	1981-82	1982-83
	Budget	Actual			
Expenditure ..	2,467.66	2,428.52	699.52	729.18	965.16
Central assistance received	..	209.98	120.31	149.27	134.33
Central assistance utilised	..	227.09	110.05	81.48	177.58

The shortfall in setting up Primary Health Centres, Sub-centres and subsidiary centres to end of 1982-83 was 70 per cent, 46 per cent and 52 per cent of the target respectively. During 1979-80 to



1982-83, 721 Sub-centres in five districts were not supplied with medicines, consequently the rural population of 29.71 lakhs were deprived of the benefit of the Primary Health Centres/Sub-centres.

3.9.3. A test check of the records of the programme implemented in 54 Primary Health Centres in seven districts (Cuttack, Puri, Balasore, Ganjam, Phulbani, Kalahandi and Koraput) and the related offices was conducted between November 1982 to June 1983 and some of the points noticed are given below :

#### **A. Minimum Needs Programme**

##### **(1) Introductory**

The programme envisaged (i) establishment of one Primary Health Centre for each Community Development block; (ii) establishment of one sub-centre for each rural population of 10,000; (iii) Upgradation of one out of every four Primary Health Centres in to 30-bed rural hospital; (iv) provision of medicines at the rate of Rs. 12,000 per Primary Health Centre per annum and Rs. 2,000 per Sub-centre per annum and (v) making up of deficiencies in construction of buildings for the Primary Health Centres, Sub-centres and staff quarters. MNP forms a part of the State Plan and is funded by the State out of earmarked allocations. Recurring expenditure on the new Sub-centres started from 1981-82 onwards is being met by the centre under Family Welfare Programme. The Sixth Five Year Plan envisaged establishment of additional Primary Health Centres and Sub-centres so as to achieve by 2,000 A. D. target of one Primary Health Centre for rural population of 30,000 (20,000 in Hill and Tribal areas) and additional Sub-centres for rural population of 5,000 (3,000 in hill and tribal areas) in a phased manner. Establishment of Community health centres to cover one lakh population with 30 beds and conversion of existing dispensaries into subsidiary Health Centres were also programmed.

##### **(2) Diversion of funds, medicines and equipments intended for the Scheme**

(i) Out of Rs. 141.62 lakhs drawn during the 5 year period 1977-78 to 1982-83 for the PHCs, including upgraded PHCs, medicines and equipments valued at Rs. 41.49 lakhs were diverted



to other programmes not connected with this scheme which resulted in a set back to the programme. Details of some cases are given below :

Year of drawal	Purpose for which drawn	Amount drawn	Amount diverted	Purpose for which diverted
		(Rupees in lakhs)		
1977-78 to 1982-83	Medicines for PHCs	1,23.28	29.21	Diverted for District hospitals and urban dispensaries, Family Welfare Programme, T. B. Control Programme etc.
1982-83	Medicines and equipments for additional PHCs	1.60	0.76	Liquidation of liabilities of 1980-81 in respect of medicines for hospitals and dispensaries (Other than PHCs) in Puri district.
1978-79 to 1982-83	Medicines and equipments for upgraded PHCs	16.74	11.52	Diverted for hospitals and dispensaries, Medical Colleges and to meet office expenses.
		<u>1,41.62</u>	<u>41.49</u>	

(ii) It was also noticed that Rs. 35.40 lakhs were drawn by all the Chief District Medical Officers for purchase of medicines for the Sub-centres (2,038 numbers) between 1974-75 and 1975-76 but no medicines were actually supplied to the Sub-centres and instead utilised in the hospitals, dispensaries and P. H. Cs.

(iii) On an erroneous assumption that 1,070 Family Welfare Sub-centres existed as against correct figure of 700, the Director, Family Welfare purchased during 1974-75 medicines worth Rs. 21.40 lakhs at the rate of Rs. 2,000 for each Sub-centre for 1,070 Sub-centres. The excess medicines worth Rs. 7.40 lakhs were diverted by C. D. M. O. for hospitals and dispensaries and for other purposes unconnected with the requirements of Sub-centres.

(iv) Medicines valued at Rs. 0.41 lakh meant for issue to sub-centres were consumed by 14 P. H. Cs. in 5 districts (Cuttack, Puri, Ganjam, Koraput and Phulbani) during the period 1977-78 and 1982-83. As a result, the Sub-centres did not get full quantity of medicines purchased for use in Sub-centres.

### (3) *Posting of Staff*

(i) The shortage of Medical Officers in P. H. Cs had already been commented in para 3.8.3 of Comptroller and Auditor General's Report (Civil) for 1979-80. It was seen during the present audit that the problem of shortage of Medical Officers in the P. H. Cs. continued during subsequent period also. During the period 1974-75 to 1982-83, 72 P. H. Cs. in 5 districts (Kalahandi, Phulbani, Koraput, Ganjam and Balasore) were working without Medical Officers for periods ranging from 12 months to 108 months. There were also vacancies of supporting staff like Pharmacists and Health Assistants in various P. H. Cs. Non-filling of posts defeated the object of providing integrated health services to the rural community. The vacancies were attributed to non-availability of trained/suitable personnel.

(ii) The Government sanctioned 3 additional P. H. Cs. (2 in November 1981 and 1 in January 1983) in Tribal areas of Sambalpur, Koraput and Sundergarh districts. All the three additional P. H. Cs. were not established as yet reportedly due to non-sanction of posts and funds by Government.

(iii) Three additional Primary Health Centres (Rameswar, Nuagaon and Jaganathpur) were established during 1980-83 in non-tribal areas. It was also seen that P. H. C. at Nuagaon was functioning from April 1982 without a Medical Officer and another set up at Jaganathpur was established at a place where a sub-centre (under Manijanga P. H. C.) was also functioning and the area for P. H. C. was neither demarcated nor any sub-centres attached to it.

(iv) The scheme contemplated posting of specialists to upgraded P. H. Cs. Out of 77 P. H. Cs. contemplated in the programme, Government approved upgradation of 17 P. H. Cs. (16 in January 1975 and 1 in January 1978) at an estimated cost of Rs. 94.91 lakhs. A test check of 8 P. H. Cs. out of 17 P. H. Cs. upgraded indicated that except in one case, the upgraded P. H. Cs. were not provided with specialists services in surgery, anaesthesia, medicine, obstetrics and gynaecology provided under the scheme. In the absence of availability of specialist services,



the object of upgrading P. H. Cs. to provide referral services to the rural population was not achieved.

(v) In some cases, medical officers and staff were entertained much earlier than the date of opening of P. H. Cs. when their services could not be utilised. In 4 upgraded P. H. Cs. (Gallery, Charichak, Tikabali and Laxmipur), opened during the period July 1980 to April 1983 medical officers and staff were entertained 4 to 14 months before the dates of opening of P. H. Cs., resulting in an avoidable expenditure of Rs. 1.68 lakhs. In Laxmipur and Ersama upgraded P. H. Cs. no cooked diet was supplied during 1981-82 and 1982-83 but one cook and one kitchen attendant were continued to be entertained from October 1981 in Laxmipur P. H. C. and from August 1982 in Ersama P. H. C. entailing an avoidable expenditure of Rs. 0.20 lakh. In three other upgraded P. H. Cs. (Rameswar, Nuagaon and Jaganathpur) though there were no indoor facilities, post of Ward attendant was entertained from July 1982 in each P. H. C. entailing an avoidable expenditure of Rs. 0.14 lakh.

(vi) The scheme contemplated voluntary workers engaged from 1st April 1982 on honorarium basis of Rs. 50 per month from among trained dais in areas under each sub-centre to assist Auxiliary Nurse Midwife (ANM). However, voluntary workers were not engaged since no funds were placed with the Chief District Medical Officers (CDMOs).

#### (4) *Establishment of P. H. Cs./Additional P. H. Cs./Sub-centres*

The shortfall in establishing P. H. C./Additional P. H. C. has already been indicated in the introductory para. The following further points were noticed.

(i) The upgraded P. H. Cs. were to be established in places which have good approach road, easy accessibility and safe water supply. It was noticed that an upgraded P. H. C. at Gallery, in Ganjam district which was to provide referral services to other 3 P. H. Cs. in that locality was established in July 1980, though in view of the remoteness of area, it was not easily accessible. It was also reported by the Medical Officer of P. H. C. that the area was cut off from the rest of the block for about 6 months in a year.



(ii) It was noticed that 14 out of 28 Sub-centres in 2 P.H.Cs. (Phulbani and Kalahandi) were not accessible to the community due to their remoteness. Similarly, 216 out of 417 Sub-centres in 7 districts (Balasore, Kalahandi, Puri, Cuttack, Koraput, Ganjam and Phulbani) were located at places far from the bus route with no communication network. The establishment of Sub-centres in inaccessible areas did not serve fully the intended purpose.

(iii) Against the target of 2,000 Sub-centres fixed by Government of India to be established during sixth Plan, the State Government sanctioned 1,449 Sub-centres during the year 1981-82 and 1982-83. The number of Sub-centres which were opened was however, only 660. The shortfall was stated to be due to non-availability of ANMs.

(iv) As per the guidelines issued by the Government of India in September 1981, the Sub-centres were required to be opened with the approval of Village Panchayats so that people at large will feel involved in the programme. However, all the 1,449 Sub-centres sanctioned during 1980-81 to 1982-83 were on the basis of recommendations of Medical Officers and Village Panchayats were not associated.

#### (5) *Supply of medicines to P. H. C./Sub-centres*

(i) According to norms prescribed (1974) in the programme, each PHC is to be supplied with medicines worth Rs. 12,000 per year, and each Sub-centre with medicines worth Rs. 2,000 per annum (raised to Rs. 3,000 per annum in November 1979). It was noticed in audit that the actual supplies of medicines and drugs did not conform to the norms. In 3 districts (Ganjam, Koraput and Phulbani) test checked, it was found that in 10 PHCs, the supply was below Rs. 5,000 per annum, during 1978-79 to 1982-83. In 29 PHCs of Puri district, medicines were supplied at the rate of Rs. 0.52 lakh per annum per centre. There was no supply of medicines at all for four years from 1979-80 to 1982-83 in 2 PHCs. In 5 districts, no medicines were supplied to 721 Sub-centres involving 124 PHCs between 1979-80 to 1982-83. Value of medicines supplied varied from Rs. 99 to Rs. 668 per annum in Ganjam district and from Rs. 807 to Rs. 1,560 per annum

in Kalahandi district. It was also observed that issue of medicines to sub-centres was mixed with the PHC medicines and the issue vouchers did not specify the items and quantities for sub-centres. As a result, some PHCs had not issued medicines to sub-centres for years together which deprived the rural poor served by sub-centres from getting the medicines meant for them.

(ii) In Tangi PHC (Cuttack district), 85 items of medicines valued at Rs. 0.27 lakh received from the Chief District Medical Officer, Cuttack during 1979-80 were not accounted for by the Medical Officer in the ledger while carrying over balance in 1980-81. Similar short accounting of medicines worth Rs. 0.60 lakh were noted in 8 centres (vide Appendix 3.7). The shortages are yet to be investigated by the Medical Officers.

#### (6) *Purchase of equipments*

(i) The Chief District Medical Officer, Kalahandi placed in March 1982 orders on approved firms for purchase of equipments/instruments worth Rs. 0.96 lakh for upgraded P. H. C. at Jaipatna without specific sanction or allotment of funds. The Director of Health Services, Orissa, however, partly approved in April 1982 the action of the C. D. M. O., Kalahandi and indicated that equipments worth only Rs. 0.48 lakh are to be purchased and the order in excess of that amount was to be cancelled. Despite the instructions, the C. D. M. O. did not cancel the order and accepted materials worth Rs. 0.89 lakh even after the expiry of stipulated period of delivery. It was noticed that this supply accepted by the C. D. M. O. included equipments valued at Rs. 0.48 lakh which was not required for the upgraded P H C.

(ii) Quotations were called for in December 1981 from six selected firms by the D H S, Orissa for supply of 50 M. A. X-Ray machines required for four upgraded P H Cs at Jaipatna, Basta, Fasinal and Laxmipur. The last date for receipt of quotations was 18th January 1982 (subsequently extended to 25th January 1982). Tenders were received from four firms and the validity period in respect of three firms 'I', 'GE', and 'E' was between 5th February 1982 and 5th March 1982 and no validity date was given by the firm 'R'. Due to delay in formation of purchase



committee, the tenders were finalised on 18th March 1982 and the quotation of firm 'E' was rejected on the ground of expiry of validity date. Orders were placed for 4 X-Ray machines on other three firms one each with 'GE' for Rs. 81,300; with 'I' for Rs. 71,400 (though validity period expired on 5th March 1982) and two with firm 'R' at Rs. 76,489. Computed with the lowest rate of firm 'I', the extra avoidable expenditure was Rs. 0.20 lakh.

(iii) It was observed that there was delay in installation, commissioning of X-Ray plants ranging from 8 to 17 months in 10 cases due to non-completion of building, non-availability of power connection. It was further observed that the X-Ray unit supplied to Laxmipur (July 1982) in six packages (two of which were in open condition) was still lying idle for want of power line to X-Ray room. The X-Ray unit installed (July 1982) in Jaipatna upgraded PHC was still (November 1983) lying idle for want of radiographer.

(iv) Equipments valued at Rs. 0.46 lakh (Dressing drums : Rs. 0.25 lakh, Universal diagnosis set without Ophthalmoscope : Rs. 0.03 lakh, Cataract knives : Rs. 0.08 lakh, Dialatory sets : Rs. 0.04 lakh, Nylon thread : Rs. 0.01 lakh, Scissors : Rs. 0.01 lakh, Stoves single burner : Rs. 0.04 lakh) were purchased (March 1983) for additional PHCs, though these equipments are not meant for supply to PHCs.

### (7) Construction of buildings

The poor performance in construction of buildings is indicated in the table below :

Item under MNP	Backlog of Fourth Plan	Fifth Year Plan (1974-79)		Target for Sixth Five Year Plan	1980-81		1981-82		1982-83	
		Target	Achievement		Target	Achievement	Target	Achievement		
		(3)	(4)		(6)	(7)	(8)	(9)	(10)	(11)
P. H. C. ..	2	2	Nil	2	2	Nil	2	Nil	2	2
Upgraded P. H. C.	Nil	17	12	5	Nil	Nil	3	3	2	2
Sub-Centres	380	380	Nil	Nil	600	554	400	20	238	1
Staff quarters for P. H. Cs	Nil	551	Nil	1,021	100	Nil	120	Nil	234	12



It would be seen that no construction was taken up under MNP as envisaged except construction of 12 upgraded P. H. C. buildings during the Fifth Five Year Plan. The shortfall was attributed by the department to constraint in financial resources, non-finalisation of sites, lack of proper liaison, co-ordination and follow up action between various departments. Though Government prescribed (April 1980) for maintenance of stage-wise progress of construction of buildings in a register by the Directorate and at C. D. M. O. level, no such register was maintained and as such the stages of construction could not be verified.

(ii) It was noticed that the Rural Family Welfare Centre building at Dabugaon (Koraput district) constructed at a cost of Rs. 2.31 lakhs during 1979-80 remained unoccupied since its completion as it was considered by the Medical Officer to be unsafe from security point.

(iii) It was further noticed that 5 sub-centres buildings were lying in damaged condition without repairs ranging from 24 months to 48 months, 2 were occupied by Government and 1 by private individual. Five sub-centres buildings (year of construction not available) were abandoned due to the isolation and distance from village.

## **B. Multipurpose Workers Scheme**

### **(1) Introduction**

The scheme was started in 1974 with the objective of integrating all the vertical programmes in health and envisaged (a) Training of medical staff at various levels—Orientation of district medical officer and key trainers of the health and family welfare training centres at the Central Training Institutes; training of medical officers of Primary Health Centres, block extension educators and other supervisory staff at the health and family welfare training centres run by State Government, training of health supervisors and multipurpose workers at selected P. H. Cs.

(b) Appointment of Health Workers—One male and one female for every 5,000 of the rural population in phased manner and appointment of supervisors at the rate of one for every four health workers and

(c) Rationalisation of pay scale of multi-purpose workers and supervisors.

The scheme was to be introduced in a phased manner and the Sixth Plan envisaged the entire country to be brought within the ambit of scheme by March 1983.

The scheme was started in the State between July 1976 and October 1979 integrating only National Malaria Eradication Programme, National Small-Pox Eradication Programme, Cholera Central Programme and Family Welfare Programme. The integration of the other programme like Leprosy, Trachoma and Tuberculosis is still (April 1984) to be done.

(2) *Financing and expenditure*

The scheme was Centrally sponsored with cent *per cent* assistance from Central Government up to March 1979, after which 50 *per cent* expenditure was to be borne by the State Government. The table below indicates the Central assistance received during the period 1976-77 to 1982-83 *vis-a-vis* the expenditure on the scheme.

Year	Central assistance received	(Rupees in lakhs)	
		Expenditure	
		Out of State funds	Out of Central assistance
1976-77	2.69	..	1.80
1977-78	2.33	..	26.44
1978-79	4.91	..	22.35
1979-80	33.34	12.84	12.84
1980-81	40.12	19.12	19.12
1981-82	15.60	3.07	3.08
1982-83	4.73	22.49	22.50
Total	1,03.72	57.52	1,08.13



Except for delayed utilisation in some years, the Central assistance on the whole was fully utilised. However, the following points were noticed.

(a) The expenditure out of Central assistance included Rs. 2.35 lakhs drawn in March 1982 by the C. D. M. O., Balasore without allotment and subsequently refunded between May and June 1982 to State revenue, which did not qualify for Central assistance. Similarly, a sum of Rs. 0.79 lakh spent by the same C. D. M. O. during 1977-78 for purchase of shamianas, payment of stipends to Community Health Workers and contingencies unrelated to this scheme was also not eligible for Central assistance. The amount of Rs. 3.14 lakhs (Rs. 2.35 lakhs + 0.79 lakh) is yet (March 1984) to be refunded.

(b) The Central assistance included the expenditure on additional post of laboratory technician and attendant to each training centre. The posts were sanctioned for 2 centres at Cuttack and Sambalpur in October 1976 and November 1976, respectively. One post which was filled up in February 1977 was utilised elsewhere till August 1982 and the expenditure of Rs. 0.53 lakh incurred for the period from February 1977 to August 1982 did not qualify for Central assistance.

### (3) *Training of Health Workers*

(i) The State Government took up the scheme of training in 1976-77 and 2 Family Welfare training centres one at Sambalpur and the other at Cuttack were opened for training the key trainers. The training centres had capacity to train 25 persons in a batch and were to utilise 250 days in a year. It was noticed that while at Sambalpur, the trainee days utilised were 34,465, it was only 24,978 at Cuttack Centre during the 7 years from 1976-77 to 1982-83 as against the capacity of 43,750 trainee days. In both centres, there was thus, underutilisation of training capacity which was attributed by the Principals of these centres to non-sponsoring of the targeted number of trainees by the Chief District Medical Officers. The shortfall in the number of persons trained had obviously affected the programme.



(ii) It was further noticed that in those centres, only 4 out of 14 key trainees were trained. Further, the posts of Senior Medical Officer which were sanctioned in 1977-78 by Government of India for these centres were not filled up by the State Government. The quality of training had obviously suffered thereby.

(iii) The training of Health Workers was to be imparted by the key trainers who had received training in the above 2 centres and the prescribed period of training varied from 6 to 10 weeks for the Health Assistants/Workers. A test check of one district (Balasore) conducted by audit indicated that 123 Health Assistants (Male), 36 Health Assistants (Female) 367 Health Workers (Male) and 220 Health Workers (Female) who had undergone training at Primary Health Centres of Balasore district between 1976-77 and 1980-81 were given training for lesser duration varying from 26 to 45 days. Similarly, 24 Health Assistants (Male), 8 Health Assistants (Female), 117 Health Workers (Male) and 55 Health Workers (Female) of Cuttack, Koraput, Puri, Ganjam and Kalahandi districts working in 22 Primary Health Centres were given training for less period ranging from 1 to 7 weeks than prescribed. Certain other deficiencies were also noticed.

(a) In six districts (Cuttack, Puri, Phulbani, Kalahandi, Koraput and Ganjam) involving 11 Primary Health Centres, the training was not imparted by the Medical Officers of the Primary Health Centres continuously and there were interruptions in training for periods varying from 1 to 9 months.

(b) In seven districts (Cuttack, Puri, Balasore, Ganjam, Phulbani, Kalahandi and Koraput) 84 unipurpose workers not covered under the scheme were trained by the Medical Officers, Primary Health Centres at a cost of Rs. 0.23 lakh.

(c) Excess stipend of Rs. 0.18 lakh due to erroneous calculation was paid during January 1978 to April 1981 in five districts to 107 Health Assistants and 310 Health Workers. Recovery of excess stipend pointed out by Audit between March to June 1983 is still awaited.

(d) The department did not have a regular system to monitor whether the training programmes were being conducted for prescribed periods.

#### (4) *Supply of Kits and Manuals*

Government of India provided to the State Government 11,837 kits (containing drugs, equipments, etc.) and 1,868 manuals for distribution to multipurpose workers to enable them to discharge their field duties efficiently. The following points were noticed during test check:

(i) Out of 6,759 multipurpose workers trained during the period 1976-77 to 1980-81, 1,387 (21 per cent) were not supplied with kits and 5,106 workers (76 per cent) were not given manuals. Delays ranging from 1 to 67 months were noticed in distribution of kits/manuals to trained workers reportedly due to non-availability of transport at C. D. M. O's level.

(ii) It was noticed that kits supplied to 5,372 Health Workers did not contain medicines. There was also no system of replenishment of medicines in kits though the Director of Family Welfare decided in March 1982 that out of Rs. 3,000 worth of medicines to be supplied to each Sub-centre, medicines worth Rs. 1,000 each may be supplied to Health Workers (Male) and Health Workers (Female) to replenish kits.

#### (5) *Rationalisation of Pay Scales*

The scheme envisaged that pay scales of multipurpose Workers/supervisors should be rationalised, before their appointment. The Government have rationalised the pay scale in respect of fourteen categories of workers but have not yet (April 1984) rationalised the pay structure of family planning field workers. It was seen in Audit that the workers and supervisors borne on erstwhile vertical programmes continued to concentrate on the programmes to which they belonged with the result that their performance in other programmes suffered a set-back.



**(6) Other points of interest****(a) Entertainment of Excess Health Assistants**

The schemes contemplated appointment of Health Workers (Male) for every 5,000 of rural population in a phased manner and appointment of supervisors at the rate of one for every ten health workers. The Director of Family Welfare wrote to Government in July 1978 indicating that only 109 health assistants (supervisors) were justified for Ganjam district against which 147 posts were sanctioned and were in existence. He, therefore, suggested that the excess 38 health assistants could be transferred and adjusted against the vacancies in P. H. Cs in Ganjam or the neighbouring districts. The Government, however, did not pass any order till date (April 1984) with the result that these excess posts were continued. The expenditure on the entertainment of this surplus staff for the period July 1978 to June 1983 was Rs. 11.45 lakhs. The expenditure on this excess staff continues to be incurred beyond June 1983 also.

**(b) Monitoring of the scheme**

No proper system was evolved at the district level to assess the number of health assistants/workers trained under MPW scheme. Lack of regular monitoring at the State and district levels resulted in introduction of the scheme in a few districts before completion of training of Health Workers. The State level committee which was constituted in September 1977 was required to meet once in three months to review the training programme. But the Committee did not meet even once since its formation in September 1977.

**C. Re-orientation of Medical Education****(1) Introduction**

The scheme was launched by the Central Government in 1977 with a view to involving medical colleges in the country in direct delivery of health care services to rural and semi-urban population and for giving a rural re-orientation to training of medical students and interns. Each medical college was expected to accept total responsibility for promotive, preventive and curative health care of the area covered by 3 PHCs in the district where the medical



colleges are situated. The entire district is to be covered by the scheme in a phased manner over a period of 3 to 5 years. The scheme was implemented in the State in 3 colleges from 1978-79.

## (2) *Central assistance*

For each college, Government of India gave (April 1978) a lump sum grant of Rs. 4.79 lakhs and provided 3 mobile clinics. The cost of running and maintenance of the mobile clinics was to be borne by the State Government. In December 1981, Government of India decided to enhance the assistance with an additional grant of Rs. 11.25 lakhs per college providing (a) Rs. 2.84 lakhs per PHC for construction works for a teaching annexe consisting of dormitory type residential accommodation for 5 faculty members, 10 male students, 5 female students and seminar room-cum-lecture rooms and Rs. 0.36 lakh per PHC for additions/alterations to PHCs/operation theatre, (b) Rs. 0.75 lakh per college for procurement of vehicles for transporting faculty members/students/interns and (c) Rs. 0.30 lakh for construction of garage for each of 3 mobile clinics provided.

The three colleges which were covered by the scheme received Rs. 48.12 lakhs as Central assistance. The expenditure on this scheme was not separately booked and hence, not ascertainable from compiled accounts of medical colleges. However, as per the information furnished by the 3 colleges, the expenditure incurred was Rs. 19.18 lakhs only during the period 1978-79 to 1982-83, which included Rs. 7.60 lakhs being the recurring expenditure to be borne by the State Government. On this basis, the admissible Central assistance would only be Rs. 11.58 lakhs. However, the Central assistance received was Rs. 48.12 lakhs which resulted in receipt of excess Central assistance to the extent of Rs. 36.54 lakhs, which has not been refunded as yet (April 1984).

Although Government of India had released Rs. 0.75 lakh to each medical college during 1981-82 for purchase of vehicles to transport students faculty, they were not purchased so far (April 1984).

A test check of the records of the Director of Medical Education and Training, three rural health centres which implemented the scheme and three Medical colleges disclosed the following points :

(3) *Shortfall in training and creation of facilities*

(i) The Scheme contemplated that rural re-orientation training was to be given to under-graduates by posting them in rural areas for at least a period of 8 weeks annually, but under-graduates were not posted in rural areas. The training of interns in the District Hospitals, Sub-divisional Hospitals and PHCs was an integral part of the scheme and accordingly programme of training of interns was drawn up in January 1982 but the interns were not trained as programmed. Thus, in none of the 3 Medical Colleges where the scheme was implemented, the rural re-orientation training was given reportedly due to want of dormitory facilities.

(ii) The scheme contemplated posting of Medical College staff to rural hospitals and involvement of medical staff in paramedical and other ancillary staff up to PHC level. But in none of the 3 Medical Colleges covered by the scheme, faculty members were posted to PHCs for the required period reportedly due to want of accommodation.

(iii) A major portion of Central assistance in respect of each college (Rs. 9.60 lakhs) out of the total amount of Rs. 16.04 lakhs was for construction of dormitories for faculty members, students and seminar-cum-lecture rooms and additions and alterations to the PHCs operation theatres. Though the work of construction of dormitory for 3 PHCs was taken up in 1979, they are yet to be put to use (April 1984). Two dormitories one at Shergada and another at Batli were completed in October 1982 but could not be utilised for want of completion of electrical and sanitary works. The third dormitory at Mandasahi PHC though taken up in December 1980 is still incomplete. Similarly, out of the 3 operation theatres, one at Batli PHC was completed and the work in respect of other PHCs (Shergada and Mandasahi) taken up between March and June 1982 is yet (April 1984) to be completed.



#### (4) *Utilisation of Mobile Clinics*

(a) The programme provided for starting of 9 Mobile clinics (3 clinics to each Hospital), so that these Mobile clinics would move to interior places and render medical care on the spot to the villagers. Accordingly, 9 Mobile clinic Vans costing Rs. 49.86 lakhs were supplied by Government of India to the State Government during November 1979 to May 1980 to serve as hospital on wheels. The Government of India also gave assistance of Rs. 2.70 lakhs in 1981-82 for construction of 9 garages to house the Mobile clinics. Only 3 garages were taken up for construction in February 1981 and completed in February 1982, but only 2 could be used, as the third garage at Jagatsingpur PHC could not be used since its construction, as the Mobile clinic had earlier in February 1981 been transferred to Cuttack Medical College. The work of construction of other 6 garages had not been taken up as yet (March 1984) and the Mobile clinics have to be kept in open space and left to the vagaries of weather. Of 9 Mobile clinics, only 4 were put to use including one which was transferred to Cuttack Medical College in February 1981 which is not covered by the scheme. The other 5 are lying idle for various periods from July 1981 onwards, 3 for want of repairs and 2 for want of drivers. Thus, the utilisation of Mobile clinics was poor.

(b) It was noticed that 2 Attendants, 5 Cleaners-cum-Sweepers and one Laboratory Technician were engaged for the Mobile Vans which remained idle and the expenditure on these idle staff from June 1980 to March 1983 was Rs. 0.94 lakh.

(c) It was further seen that between 1980-81 and 1982-83, only 83 out of 1,699 villages (5 per cent) were covered by the Mobile clinics. Further, as against 20 villages programmed to be covered each month, only 6 to 9 villages were covered by each clinic. The low coverage was attributed by the Associate Professor to inadequate allotment of funds for running the vans.

(d) Specialists were required to accompany the clinics, so that specialist service could be given to rural people, but in no case did specialists accompany the Clinics, thus, depriving the rural people of the specialist services at their door steps as contemplated in the scheme.



## D. Community Health Workers/Volunteers/Health Guides Scheme

### (1) Introduction

The Government of India launched (2nd October 1977) the scheme of Community Health Workers to devote special attention to health needs and to provide simple health services to rural population. Under the scheme, a person below 30 years of age (revised to around 30 in August 1981) from village or community of 1,000 population is selected and given training for a period of 3 months in the PHC. During training period, the trainees are eligible to get a stipend of Rs. 200 per month and after training, the Health Workers are given an honorarium of Rs. 50 per month, besides, medicines worth Rs. 50 with a kit and a manual. The scheme was introduced gradually in all 314 PHCs in the State during the period from 2nd October 1977 to 1982-83.

### (2) Release of Central assistance and diversion of funds

During the period 2nd October 1977 to 31st March 1979, the scheme was a Centrally sponsored scheme with 100 per cent assistance. From 1st April 1979, the scheme was converted into Centrally aided scheme with 50 per cent assistance from the Central Government. From 1st December 1981, however, 100 per cent assistance was restored when the scheme was resumed as Health Guide Scheme. The Central assistance (both in cash and kind) received by the State Government as per their records, during the period 1977-78 to 1982-83 was Rs. 4,62.05 lakhs (cash: Rs. 4,37.93 lakhs plus kind: Rs. 24.12 lakhs) while, as per the records of Ministry of Health and Family Welfare, Government of India, the amount was Rs. 6,17.34 lakhs. The expenditure on this scheme during the period (including Rs. 2,08.61 lakhs spent by State Government during 1979-80 and 1980-81) was Rs. 6,85.11 lakhs. The Central assistance admissible was Rs. 4,76.50 lakhs. However, as per the records of the Ministry of Health and Family Welfare, the Central assistance released was Rs. 6,17.34 lakhs. The excess Central assistance received would, thus, amount to Rs. 1,40.84 lakhs. It was further noticed that an

amount of Rs. 17.20 lakhs (as detailed below) did not qualify for Central assistance.

(a) Out of Rs. 1,37.30 lakhs drawn by CDMOs for purchase of medicines during 1977-78 to 1982-83, Rs. 15.07 lakhs were diverted i. e., Rs. 7 lakhs for flood relief under orders of Government and Rs. 8.07 lakhs for purchase such as furniture and materials for ANM training centres, payment of motor vehicle tax and other purposes unconnected with the scheme and, hence, not eligible for Central assistance.

(b) Rupees 1.05 lakhs drawn by the CDMO, Ganjam in March 1981 was subsequently refunded in October 1982 to treasury due to non-supply of medicines by the supplier. Similarly, a sum of Rs. 1.08 lakhs drawn irregularly by the CDMO, Balasore in March 1982 was refunded in June 1982. Both these amounts were ineligible for Central assistance.

### (3) Selection of CHWs

In August 1981, Government of India issued revised guidelines that selection of CHWs should be made by the Medical Officer duly recommended by PHC in consultation with Block Development Officer, Village Panchayat/Village Committees, so that local villagers will feel involved in this scheme. However, 3,126 CHWs were appointed without involving local villagers.

### (4) Training of CHWs

(i) 8,876 CHWs were trained during the period 1977-78 to 1979-80 when no targets were fixed. It was noticed that training programme was suspended from October 1979 to December 1979 as the Central assistance was reduced from 100 per cent to 50 per cent. The number of trainees was only 3,342 during 1979-80 in 136 PHCs as against 5,018 CHWs trained in 1978-79. During 1980-81 to 1982-83, as against the target of 12,300, the number of CHWs trained was 10,263. The shortfall of 2,037 was attributed by the Director of Family Welfare to non-availability of female candidates.

(ii) It was also seen that 348 CHWs selected by the Medical Officers, in 5 districts involving 24 PHCs (Cuttack, Balasore, Phulbani, Ganjam and Koraput) were of ages varying



from 14 to 60 years as against 30 years as contemplated in the scheme. The training given to such under-aged/over-aged persons did not serve the best interests of the scheme.

(iii) The scheme contemplated training in batches of 20 CHWs in a year in each PHC. It was seen during test check, that in 15 PHCs, the number of CHWs in a batch varied from 21 to 51 numbers, while in 20 other PHCs, the batch consisted of 7 to 19 persons. The under/over utilisation of the training capacity had obviously affected the quality of training.

(iv) Although the scheme contemplated provision of educational and teaching aids before commencement of training programme, it was noticed in test check of 14 PHCs, that 1,346 CHWs were not provided with the educational and teaching aids.

(v) The scheme envisaged advance action for arranging training of District level Medical Officers at Central training Institute. However, no District level Medical Officer was deputed for training and the CHWs were trained by the Medical Officers who had not received the training.

(vi) The scheme provided that if the CHW leaves the job within 3 years after training, the cost of training of the alternate candidate should be borne by village community. A test check indicated that out of 4,066 CHWs trained during 1977-78 and 1982-83, 180 persons discontinued training and only 42 substitutes were trained at Government cost and 138 numbers were not trained at all. No alternative arrangements were made in those cases.

#### (5) *Honorarium to guides*

(i) The scheme contemplated payment of honorarium of Rs. 50 per trainee. A test check of 54 PHCs disclosed that as many as 820 CHWs (out of 4,066 CHWs trainees in those PHCs during 1977-78 to 1982-83) were not paid honorarium reportedly due to want of allotment and honorarium for other 3,246 was paid for 2 to 6 months at a time instead of making payment monthly. This had obviously affected the enthusiasm of the Trainee Health Workers.



(ii) It was seen that honorarium was paid to many CHWs to whom medicines were not supplied at all or supplied belatedly and the amount of honorarium paid to the CHWs during the period of non-supply/delayed supply of medicines amounted to Rs. 7.60 lakhs in respect of 2,240 CHWs trained in 48 PHCs of 7 districts between 1978-79 to 1982-83 for whom medicines were supplied belatedly and for 473 CHWs trained in 1981-82 and 1982-83 to whom medicines have not been supplied as yet (June 1983).

#### (6) *Supply of kits*

(i) After completion of training, each CHW was to be provided with a kit containing scissors, thermometres, drugs, cotton, bandage etc. The department did not have information as to whether all 19,139 trained CHWs were provided with kits or not. A test check of 54 PHCs indicated that out of 4,066 CHWs trained during 1977-78 to 1982-83, no kit was provided for 1,290 CHWs, while 126 kits were in stock of PHCs undistributed. In the remaining 2,776 cases, there were delays in supplying kits varying from 1 month to 36 months.

(ii) The scheme contemplated posting of a third medical officer of Homoeopathy branch, if the people of PHCs so choose that system of medicines. In such cases, kits containing Homoeopathy medicines were required to be supplied to CHWs. It was noticed that out of 10,780 Homoeopathy kits (valued at Rs. 9.70 lakhs) received from Government of India during June 1978 to May 1979, 3,227 kits were distributed to 153 PHCs where no Homoeopathy Medical Officer was posted and the remaining 7,553 kits were supplied to 161 PHCs where only in 7 PHCs, Homoeopathy Medical Officers were in position. Kits containing Homoeopathy medicines were distributed without checking up whether Medical Officers trained in Homoeopathy were available in those centres. It was also noticed that 1,231 kits valued Rs. 1.12 lakhs were supplied to CHWs (in 18 PHCs) who are not at all trained in Homoeopathy, while 110 CHWs in 4 PHCs who are trained in Homoeopathy were not supplied with kits. The supply of kits was, thus, unrelated to the requirements.

(iii) While a Committee headed by Director of Family Welfare and the Purchase Committee at State level opined that the purchase of medicines in a kit can be done in loose form, Government, however, decided in February 1982 that purchases should be made in package form. Accordingly, 59,248 kits containing 13 items of medicines and 2 items of dressing materials were purchased from lowest tenderer in September 1982 to May 1983 in package form at a cost of Rs. 115 per kit. The requirement was, however, only 55,868 kits and 3,380 kits valued at Rs. 3.89 lakhs were in excess of requirement. Had these medicines been purchased in loose form each kit would have cost only Rs. 99.44. Thus, purchase in package form entailed an extra expenditure of Rs. 9.21 lakhs. The contents and quantities in sealed packet could not also be verified by the medical officers to ensure that the packed kit contained the prescribed items of medicines and dressing.

#### (7) *Supply of manuals*

(i) Each CHW was to be provided with a printed manual for day to day reference. It was seen that out of 19,139 CHWs trained in all PHCs up to 1982-83, manuals were not supplied to 10,989 CHWs and the manuals supplied to others were also done belatedly after delays ranging from 15 to 51 months.

(ii) 7,500 copies of the Oriya version of manual were got printed at a cost of Rs. 0.75 lakh in 1977-78 by the Director of Family Welfare. 1,070 copies (value: Rs. 0.11 lakh) were lying with the press (July 1983) awaiting distribution.

#### (8) *Medicines and equipments*

(i) Medicines worth Rs. 50 per month were to be supplied to CHWs for treatment of minor ailments of villagers. The supply of medicines was, however, not uniform. A test check of 27 PHCs indicated that the value of medicines supplied to each CHW ranged from Rs. 2 to Rs. 117 per month during July 1978 to June 1983 as against the norm of Rs. 50 per month. It was also noticed that there were delays ranging from 1 to 20 months in supply of medicines to 2,240 CHWs in 48 PHCs and 4,714 CHWs have not yet been provided with medicines.



(ii) Chief District Medical Officer, Puri had purchased during 1978-79 to 1982-83 medicines valued at Rs. 1.73 lakhs for distribution to CHWs. Those medicines were not in the list of approved medicines for supply to CHWs. The responsibility for purchase of unapproved medicines is yet to be fixed (April 1984).

(iii) Medicines supplied during September 1980 to August 1981 by CDMO, Cuttack to Barachanna PHC included Hemotrophin eye drops and Tarinuron injections which were not in the approved list and were considered unsafe by Medical Officer. Similarly medicines supplied by CDMO, Kalahandi to Paltikidi PHC in December 1982 included 500 circuits of filter papers which were not required for use by CHWs.

(iv) Medicines worth Rs. 1.14 lakhs shown as issued by Raghunathpur PHC during 1979-80 and 1981-82 were not acknowledged by the concerned CHWs. Similarly, medicines valued at Rs. 0.15 lakh supplied by Principal, Health and Family Welfare Training Centre, Cuttack to Raghunathpur PHC during 1978-79 and 1979-80 were not accounted for in Raghunathpur PHC. These short accountals have not been investigated.

(v) Government of India had prescribed in March 1978 a list of laboratory equipments (value : Rs. 5,000) to be supplied to each PHC. Though medical microscope was not an item in the approved list of Government of India, Director of Family Welfare included this item in his list without getting the approval of Government of India. He placed an order with the lowest tenderer in February 1979 for supply of 123 microscopes at a cost Rs. 1.65 lakhs for distribution to 123 PHCs. No information was available in the Directorate whether these microscopes are being utilised in PHCs. During a test check of 22 PHCs it was noticed that the microscope could not be utilised for want of oil immersion 5x eyepiece which was also required to be supplied by the firms. 14 out of 18 microscopes valued Rs. 0.33 lakh supplied to CDMO, Balasore during 1980-81 were also defective and lying unused. The purchase of microscopes at a cost of Rs. 1.65 lakhs was thus rendered infructuous.



(vi) As against the norm of Rs. 5,000 per PHC for the laboratory equipments, 58 PHCs were supplied laboratory equipments ranging from Rs. 1,209 to Rs. 4,333. Equipments valued at Rs. 0.93 lakh were lying in stock since 1977-78 and 1980-81 of CDMO, Kalahandi, Phulbani and Puri and were not utilised till date (June 1983).

(9) *Additional Medical Officers*

A third medical officer belonging to Allopathy or Homoeopathy or Ayurvedic system of medicines was contemplated to be posted in each PHC as per the needs and requirements of the people of that area. It was noticed that though 314 posts were sanctioned by March 1983 to all PHCs 301 posts were not filled up so far (March 1984), the shortfall being 95.85 per cent. The balance 13 posts (7 Homoeopath and 6 Kabiraj) were filled up after delay of 15 months and that too without ascertaining the system of medicines prevalent in those PHCs. In November 1979, it was observed by Government that the third medical officer posted to these 13 PHCs were idle for periods ranging from 2 to 11 months for want of accommodation, reference books, etc. Non-appointment/delayed appointment of medical officers has apparently been a major factor in shortfall of training of health guides and in the progress of the scheme achieved.

(10) *Review of work by village health committees*

According to the Health Guide Scheme implemented in December 1981 each village is required to establish a village health committee consisting of 5 members chosen from village community and that committee was to review monthly the work done by CHWs. The department does not have information regarding the number of village health committees that were formed and how they are working. A test check of 19 PHCs indicated that out of 2,737 villages in that area, village health committees were formed in only 671 villages but none of them had reviewed the work done by CHWs.

(11) *Other points of interest*

(i) No monitoring was done in respect of the scheme since its inception in October 1977; Government of India prescribed in January 1979 a *pro forma* to be submitted quarterly by Medical

Officer to State Government and copy to Central Government. The quarterly returns submitted by District Medical Officers to State Government were not regular and did not contain all information, with the result that it did not serve the intended purposes.

(ii) Even though the Primary Health Centres started functioning in the State since 2nd Five Year Plan period (1950—1961) and an expenditure of Rs. 48.22 crores has been incurred on the PHCs, no evaluation of the working of PHC was done. The Government instructed the Director of Family Welfare in December 1981 to formulate a clear evaluation system with a view to ensure that the guidelines are fully implemented at the district level and that there is adequate monitoring of deficiencies or problems. The evaluation system has not been formulated by the Director so far (April 1984).

#### *Summing up*

The Rural Health Programme was implemented in the State during 1974-75 to 1982-83 involving a total expenditure of Rs. 48.22 crores against the allotment of Rs. 49.74 crores resulting in shortfall of Rs. 1.52 crores. In the three Centrally Sponsored Schemes, the expenditure incurred was Rs. 8.70 crores, against the allotment of Rs. 11.20 crores, the Central assistance given was Rs. 6.14 crores against the entitlement of Rs. 5.96 crores resulting in excess assistance of Rs. 0.18 crore which remained unutilised.

—Expenditure of Rs. 15.07 lakhs, though recorded against the Centrally Sponsored Schemes, was in fact utilised for purposes not covered by the schemes.

—The number of PHC sub-centres and subsidiary Health centres set up fell short of the targets and shortfall was 70 per cent, 46 per cent and 52 per cent respectively.

—Seventy two PHCs in 5 districts were working without medical officers for periods ranging from 12 to 108 months; all the 17 upgraded PHCs were not provided with specialist services provided under the scheme.



- Of the 1,449 sub-centres sanctioned by the State Government during 1981-82 and 1982-83, 789 were not functional; 294 sub-centres in 5 to 7 districts were not accessible due to remoteness.
- Inadequate, irregular and even non-supply of medicines in many cases—supply of medicines in excess of the prescribed scale in some others and diversion of medicines worth Rs. 48.89 lakhs meant for P.H.Cs and sub-centres to other hospitals were noticed.
- Medicines worth Rs. 0.87 lakhs supplied to the P.H.Cs for distribution to sub-centres were not accounted for in the stock ledgers of the receiving centres.
- 1,238 buildings were targeted to be constructed for sub-centres during 1980-81 to 1982-83 against which only 575 buildings were completed during the period; as against 454 staff quarters required for P.H.Cs during the said period only 12 quarters were completed mainly due to constraint in financial resources.
- Out of 6,759 multipurpose workers trained during 1976-77 to 1980-81, 1,387 were not supplied with kits and 5,106 workers were not given manuals and the remaining were supplied after delays ranging from 1 to 67 months.
- 38 Health Assistants were entertained beyond the requirement in Ganjam district from July 1978 to June 1983 involving an extra expenditure of Rs. 11.45 lakhs, the excess staff were also continued beyond this date, awaiting adjustment against vacancies in the neighbouring districts.
- The objective of the scheme of Re-orientation of Medical Education remained, by and large, unfulfilled because of non-posting of faculty members, undergraduates and



internees in rural areas, non-completion of construction works and under-utilisation of mobile clinics and poor coverage of villages by mobile clinics.

- Honorarium paid to the trained Community Health Workers during the period of non-supply/delayed supply of medicines amounted to Rs. 7.60 lakhs; 473 CHWs trained in between 1981-82 and 1982-83 were not supplied with medicines.
- Out of 10,780 Homoeopathy kits valued at Rs. 9.70 lakhs received from Government of India during June 1978 to May 1979, 3,227 kits were distributed to 153 PHCs where no Homoeopathy Medical Officer was posted and the remaining 7,553 were supplied to 161 PHCs where only in 7 PHCs Homoeopathy Medical Officers were in position.
- Out of 19,139 Community Health Workers trained in all PHCs up to 1982-83, manuals were not supplied to 10,989 CHWs and the manuals supplied to others were also done belatedly ranging from 15 to 51 months.
- The shortfall in filling up the posts of Additional Medical Officers for PHC was over 95 *per cent*.
- No study has been undertaken to evaluate the effect of the scheme on the health of the people.

The matter was reported to Government in August 1983; the position brought out in the review was discussed with the Secretary, Health and Family Welfare department in September 1983 who accepted the findings and stated that the department will be instituting measures to correct the deficiencies in the working of the schemes. The final reply is awaited (April 1984).

### 3.10. Loss due to non-utilisation of insecticide

Indents were placed (July 1976—June 1977) by the Special Officer, Malaria, Orissa with the Director, National Malaria Eradication Programme (NMEP), New Delhi for 250 MT of Benzylate Hexachloride (BHC 50 per cent). As per this indent, the District Malaria Officer (DMO), Keonjhar received during November 1977 to September 1978 a quantity of 85 MT for NMEP. He also received a further quantity of 10 MT in April 1981. Due to district-wise reorganisation of the NMEP during the year 1977, the annual requirement for Keonjhar district unit came down to 18 MT. The stock received by DMO Keonjhar also covered the requirement of 67 MT of Mayurbhanj unit of NMEP which was formed as a separate unit. The excess quantity should have been diverted to that unit, as it had not received any supply at all. Out of 85 MT received earlier, 18.70 MT were utilised between May 1978 and April 1979 for spraying and 24 MT were issued between March and December 1979 to Cuttack Municipality. The balance of 42.30 MT valued at Rs. 1.82 lakhs was lying in stock thereafter. The heavy accumulation of stock was brought to the notice of the Director of Health Services in July 1980 by the Chief District Medical Officer, Keonjhar. In the meantime by September 1980, the potency period which is 2 years from date of manufacture expired. The quantity of 25.55 MT valued at Rs. 1.10 lakhs after expiry of its potency was utilised between October 1980 and February 1983 for spraying in the hospital premises, leaving a balance of 16.75 MT valued at Rs. 0.72 lakh. In the meantime, 10 MT valued at Rs. 0.43 lakh received in April 1981 remained unutilised and its potency period had also expired.

Due to failure of the Directorate to divert surplus quantity to other districts, expenditure of Rs. 1.15 lakhs (26.75 MT value) incurred was proved infructuous. Besides, the expenditure of Rs. 1.44 lakhs spent on spraying cannot be considered to be fruitful as time expired BHC (50 per cent) was sprayed.

The matter was reported to the Government in February 1983; their reply is still awaited (April 1984).

## GENERAL

**3.11. Misappropriations, losses, etc.**

(a) Cases of misappropriations, losses, etc., of Government money reported to audit up to the end of March 1983 and on which final action was pending at the end of September 1983 were as follows :

	Number	Amount ( In lakhs of rupees )
Cases outstanding at the end of September 1982	1,198	2,77.02
Cases reported during April 1982 to March 1983	148	2,06.98
Cases disposed of till September 1983	24	0.62
Cases outstanding at the end of September 1983	1,322	4,83.38

A department-wise analysis of the outstanding cases is given in appendix 3.8. The periods for which these are pending finalisation are given below :

	Number	Amount ( In lakhs of rupees )
(i) Over five years (1948-49 to 1977-78)	795	1,75.56
(ii) Exceeding three years and within five years (1978-79 to 1979-80)	178	41.63
(iii) Up to three years (1980-81 to 1982-83)	349	2,66.19
Total ..	<u>1,322</u>	<u>4,83.38</u>



The reasons for which the cases were outstanding were:—

	Number	Amount
	( In lakhs of rupees )	
(i) Awaiting departmental and criminal investigation	438	2,01.24
(ii) Departmental action started but not finalised	621	2,06.56
(iii) Criminal proceedings finalised but execution/certificate cases for recovery of the amount pending	53	9.01
(iv) Awaiting orders for recovery or write-off	120	32.32
(v) Pending in Courts of Law ..	90	34.25
Total ..	<u>1,322</u>	<u>4,83.38</u>

#### EDUCATION AND YOUTH SERVICES DEPARTMENT

##### (b) Short accountal of cash

Mention was made in para 3.6 of the Report of the Comptroller and Auditor General of India for the year 1981-82 (Civil) regarding incorrect accounting of cash to the extent of Rs. 2 lakhs in the Office of the District Inspector of Schools, Bhawanipatna (Kalahandi).

A test check (August-September 1983) of records of the District Inspector of Schools, Bhawanipatna by audit for the period from August 1982 to August 1983 revealed a further short

accountal of cash to the extent of Rs. 2 lakhs in August 1982 as detailed below:

On 18th August 1982 closing balance of cash was struck as Rs. 48,094.30 (instead of the correct balance of Rs. 2,48,094.30) by inserting a *minus* figure of Rs. 2 lakhs without details in the closing balance on that date; the closing balance was signed by the District Inspector of Schools in the cash book on 24th August 1982. This incorrect exhibition of cash balance after the above *minus* entry from the closing balance on 18th August 1982 continued to be exhibited till 31st August 1982 (disbursement of Rs. 1,905.70 was shown on 23rd and no transactions took place between 24th to 31st August 1982). This incorrect closing balance (Rs. 46,188.60) on 31st August 1982 was certified by the District Inspector of Schools to have been physically verified and found correct.

The matter was reported to Government in October 1983 and discussed further in December 1983 with the concerned Departmental Secretary to Government. In view of frequent mismanagement in handling cash/short accountal of cash in this office, the Secretary agreed to take up a detailed audit by the department and draw proceedings against the delinquent officials. Further developments are awaited (April 1984).

## CHAPTER IV

## WORKS EXPENDITURE

IRRIGATION AND POWER (INCLUDING MINOR IRRIGATION)  
DEPARTMENT

## 4.1. Daha Medium Irrigation Project

## 4.1.1. Introductory

The Daha Medium Irrigation Project was envisaged in the original Project Report 1972 as a reservoir scheme to provide irrigation to 4,000 hectares of *Kharif* and 1,600 hectares of *Rabi* at a cost of Rs. 2,70.53 lakhs. This was administratively approved by the Government in June 1974. The modified project report at a cost of Rs. 4,03.35 lakhs was approved in February 1977. The third and final project report for Rs. 7,58.75 lakhs was approved in August 1977. Further the revised estimate prepared in August 1982 for Rs. 10,96.34 lakhs is under examination. An expenditure of Rs. 11,39.16 lakhs has already been incurred to end of March 1983. The break up of initial estimate, first revised estimate, proposed second revised estimate and actual expenditure to end of March 1983 is given below:

Sub-heads	Project provision			Actuals up to March 1983
	Original (February 1976)	1st revised (August 1977)	Proposed 2nd revised (August 1982)	
	(In lakhs of rupees)			
1. Dam and appurtenant works	2,93.83	4,07.53	7,47.45	8,12.17
2. Distributary and minors ..	64.63	1,46.59	2,54.29	2,46.33
3. Drainage ..	1.60	4.40	4.40	..
4. Water course ..	0.50	14.08	16.45	0.82
5. Special Tools and Plant (net)	10.76	16.20	1,25.63	(—)2.67
6. Losses on stock ..	0.90	1.35	..	..



Sub-heads	Project provision			Actuals up to March 1983
	Original (February 1976)	1st revised (August 1977)	Proposed 2nd revised (August 1982)	
	(In lakhs of rupees)			
7. Establishment ..	37.22	61.80	75.16	44.81
8. Tools and Plant ..	3.52	5.90	7.51	13.45
9. Suspense ..	..	..	..	(—)2.54
10. Contingencies 20 per cent ..	..	1,09.33	..	..
11. Receipts and recoveries on Capital Account ..	(—)9.62	(—)15.01	(—)1,35.23	..
Total direct charges ..	4,03.35	7,52.17	10,95.66	11,12.37
Indirect charges of abatement of land revenue and Audit and Accounts charges ..	..	6.58	0.68	26.79
Total direct and indirect charges ..	4,03.35	7,58.75	10,96.34	11,39.16

The cost of dam and appurtenant works has gone up to 2.5 times from Rs. 3 crores to Rs. 8 crores, the cost of distributary has increased four fold and special Tools and Plant 11 times. The increase in cost was mainly attributed to (i) change in design of spillway and head regulator (Rs. 53.99 lakhs), (ii) construction of link channel not provided in the original estimate (Rs. 21.10 lakhs), (iii) inadequate provision for canal system due to want of detailed investigation and increase in number of structures (Rs. 65.63 lakhs), (iv) increase in special Tools and Plant charges (Rs. 1,09.43 lakhs), (v) increase in tender and Schedule of Rates (Rs. 3,20.89 lakhs) and (vi) increase in establishment and Tools and Plant charges (Rs. 14.97 lakhs).

#### 4.1.2. Programme and Progress

The Project comprises (i) earth dam in four gaps (ii) one over-flow masonry dam (spillway) on the right bank of Daha river (iii) one head regulator on the right bank combined with the spillway by a non-overflow masonry dam of 10 metres long and (iv) one main canal known as Daha distributary taking off from the head regulator.

The Project was expected to be completed in 5 years counting from 1976-77 as the first year of execution to 1981-82. However, it was noticed (March 1983) that the Project as a whole is still in progress as indicated below:

Component of the Project	Date of commencement	Scheduled date of completion	Date of completion	Balance work remaining incomplete
Earth dam ..	March 1976	March 1982	May 1982 (Gap I, II, III and IV) except both flanks of the spillway	Both flanks are in progress
Spillway ..	October 1978	March 1982	..	48 per cent of work
Spillway gates ..	March 1982	..	..	Fabrication of gate is in progress though orders were placed with M/s. O. C. C. in March 1980
Head regulator ..	October 1978	March 1981	..	5 per cent of work
Canals (83.38 Km.)	September 1976	March 1982	..	28 per cent of work
Canal structures (380 numbers)	September 1976	March 1982	..	85 number of structures
Water courses ..	April 1982	March 1983	..	Out of the total length of 140 Kms. 138.5 Kms. of water course are yet to be done

The delay in completion of the Project was attributed to slow progress of earth dam executed departmentally, non-completion of work by the Contractor within the target date, change of design of spillway and head regulator and delay in land acquisition.

#### 4.1.3. Irrigation benefits

The Project contemplated to be completed in all respects by June 1982 and to provide assured irrigation to 4,580 hectares of *Kharif* and 2,285 hectares of *Rabi* by that date with a net annual benefit of Rs. 1,21.74 lakhs, has not been able to achieve the

desired objective so far (April 1984) even after an investment of Rs. 11,39.16 lakhs up to the end of 1982-83. The Chief Engineer stated in May 1983 to Audit that full irrigation would be possible immediately on completion of the Project. According to the Executive Engineer (June 1983), the Project is expected to be completed by May 1985. Certain points noticed (May-June 1983) during audit of the project are given below:

*4.1.4. (A) Inadequate control over quality of workmanship during execution of work*

(i) The construction of spillway estimated to cost Rs. 52.04 lakhs was entrusted in December 1980 by the Executive Engineer to M/s 'B' at his lowest tendered cost of Rs. 69.70 lakhs at 33.93 per cent excess for completion by January 1983. After executing work worth Rs. 25.86 lakhs, the contract was closed in October 1982 due to slow progress of work. The balance work was awarded in January 1983 to another contractor M/s 'T' at his lowest tendered cost of Rs. 23 lakhs (79.22 per cent excess) for completion by July 1983. The construction of the Head Regulator estimated to cost Rs. 7.01 lakhs was entrusted in January 1981 to M/s 'L' at his lowest tendered value of Rs. 9.84 lakhs (40.40 per cent excess) for completion by January 1982. The agreements with these contractors 'B', 'T' and 'L' *inter alia* provided for cement concrete works of different specifications using well graded hard granite crusher broken aggregate varying from size 6 mm to maximum 25 mm.

During the course of execution, the Superintending Engineer wrote in July 1981 to Chief Engineer pointing out that I. S. I. specification for this item of work permitted use of aggregate up to size 63 mm. although the agreement stipulated use of aggregate size 6 mm. to 25 mm. and as such the contractor can be allowed to use the aggregate up to I. S. I. specification though it would be oversized as per the specifications indicated in agreement.

The Chief Engineer, however, did not agree and ordered that the specifications stipulated in agreement should be adhered to. It is not clear as to why a higher specification than that provided for



in I. S. I. standards was provided in the tender/agreement which had obviously inflated the cost. Contractor, however, carried on this work using oversized aggregate as seen from test reports of cement concrete quality control registers, but was paid at the agreement rates instead of at the derived rates. The differential amount was Rs. 2.25 lakhs. It may also be mentioned that the recording of measurement was also wrongly done as if the work was carried out with aggregate up to size 25 mm. though in actual execution, aggregate up to size 63 mm. was used, but this was not pointed out during test check of work by the Executive Engineer.

*(ii) Ramming or rolling to canal embankments*

The excavation of main canal was taken up in 36 reaches through the contractors between September 1976 and February 1981. In sixteen filling reaches, a separate item for ramming or rolling earthwork with light hand roller in canal embankments in layers not exceeding 0.3 m, etc., including watering and hire charges of rollers, etc., was provided for execution in the respective agreements with the contractors. The rates quoted by them were also inclusive of hire charges of rollers payable to the department.

In this context, the World Bank Appraisal Committee pointed out to the Chief Engineer that compaction of the canal banks was not being done and the Superintending Engineer thereafter had communicated in August 1978 the orders of the Chief Engineer for immediate purchase of hundred earth rammers for use in the project to compact the junctions of the structures as well as high banks. But the division had neither purchased nor brought on hire any earth rammers or rollers so far (June 1983) for supply to the contractors for ramming or rolling. On scrutiny (June 1983) of payment vouchers and measurement books in audit, it was noticed that in respect of 13 reaches (out of 16 reaches), the contractors were paid a total amount of Rs. 0.55 lakh for the ramming/rolling item at their agreed rates and in none of the cases rollers or rammers were supplied by the department. In respect of work done in the remaining three reaches viz., 14,310-M to 14,790-M, 15,870-M to 16,620-M and 21,630-M to 23,340-M, the division

recovered Rs. 2,000 towards the hire charges of rollers though the division was not in possession of rollers. In reply to an Audit query, the Executive Engineer stated in June 1983 that the ownership of the rammers/rollers for which recovery had been made was not known to the division and hence, the amount was credited to revenue. No records were also available to show that the contractors had deployed their own rollers for the work. Thus, it is not clear that this item of work for which a payment of Rs. 0.90 lakh was made to the contractors was actually done.

*(B) Inadequate control over issue of materials*

(a) (i) The contractor 'B' carried out the following items of work as indicated below in spillway construction:

- (1) Cement concrete with M-150 ( 1 : 2 : 4 ) using crusher broken hard granite stones varying from size 6 mm. to 20 mm.
- (2) Reinforced cement concrete with M-150 ( 1:2:4 ) using crusher broken hard granite stones varying from size 6 mm. to 20 mm.

As per the analysis of rate for these items of work, the requirement of cement for one cubic metre of the work is 3.23 quintals. It was seen in Audit that 8,139 quintals of cement were issued to the contractor for doing 2,021 Cu.m. of work against the actual requirement of 6,526 quintals for this quantity of work. The excess quantity of cement issued worked out to 1,613 quintals, the market value of which is Rs. 1.94 lakhs. But the department recovered only Rs. 0.85 lakh from the contractor.

(ii) Similarly in respect of Random Rubble Stone Masonry item of work, 1.613 quintals of cement is required for one Cu.m. of the work. It was noticed that in this item of work 7,030 quintals of cement was issued for executing 4,015 Cu.m. of work against the requirement of 6,477 quintals resulting in excess issue of 553 quintals of cement, the market value of which is Rs. 0.66 lakh. But the department recovered only Rs. 0.29 lakh from the contractor.



(b) For compaction of earth in four gaps including slope and chimney portions of the dam as per departmental analysis of rates, the dozer hours required are 23,534 for executing 12.92 lakh cu.ms. of earthwork. It was, however, seen that the actual dozer hours utilised during the period March 1976 to March 1983 was 35,310 for this quantity of work. This resulted in excess utilisation of dozers to the extent of 11,776 hours. The quantity of diesel required for this excess utilisation would be 2.34 lakh litres. At the rate of 22.10 litres per hour of working, the cost works out to Rs. 8.42 lakhs at the average cost of procurement of diesel at Rs. 3.60 per litre.

The Executive Engineer stated in July 1983, in reply to an audit query that 4,353 hours were utilised for starting and marching of dozers. He also stated that the capacity of old dozers was only 60 cubic metres per hour of working as against 100 cubic metres indicated in the departmental analysis of rates. There were no Log Book entries or other supporting evidence for the long hours claimed for starting and marching. The norm of 100 cubic metres per hour is also an average rate and should ordinarily be considered applicable for working of any machine over a sufficiently long period. Considering the magnitude of the expenditure, continuous monitoring and control over consumption of diesel should have been exercised by linking it with the quantity of work done. This has not been done.

### (C) *Defective Planning*

(i) On the site of the dam being shifted 3 Kms. towards down stream, the reservoir was formed in two sections, one in the Daha river and the other in the Kalinga river. The two rivers were divided by a high ridge. Only one spillway for the entire reservoir was provided in the Daha reservoir. Consequently, it was necessary to provide a link channel connecting the two reservoirs in order to provide drainage through the reservoir on the other side. No provision was made for the link channel in the original project estimate. In March 1980, it became necessary to provide this link channel on an urgent basis before the monsoon in order to avoid breach in the Kalinga reservoir.



Tenders were invited by the Executive Engineer for the work of excavation of link channel in October 1981 in response to which, four tenders were received in December 1981 and the lowest negotiated tender of Contractor 'P' was accepted (March 1982) by the Additional Chief Engineer, Medium Irrigation with the approval of Government for Rs. 20.24 lakhs (221.41 per cent excess over the estimated cost of Rs. 6.30 lakhs). The excessive tendered rate was justified by the department due to urgency in completing the work before monsoon (May 1982) for safety of the earth dam. This work involved carriage of 75 per cent of earth by manual labour and 25 per cent by mechanical means. The contractor executed (May 1982) 1,60,000 cu.m. of earth work for which he is eligible to get a payment of Rs. 17.60 lakhs and had been paid (December 1982) Rs. 15.28 lakhs (5th Running Account Bill) and his final bill is yet to be prepared (July 1983). Besides, the department had also executed by mechanical means 25,000 cu.m. of earthwork at a cost of Rs. 3.36 lakhs.

Had the reservoir survey and investigation been conducted and the work of link channel (being a vital component of the project) been taken up simultaneously with the dam construction in March 1980 as observed (March 1980) by the Additional Chief Engineer, the necessity of completing the work by May 1982 at excessively high tendered rate i.e., Rs. 1,100 per 100 cu.m. against the estimated rate of Rs. 342 per 100 cu.m. by manual labour could have been avoided. The avoidable extra cost on this account was Rs. 14.46 lakhs.

(ii) The designed profile of the dam provided for crest width of 5 metres from RD 1,470 to 1,545 M. It was, however, noticed that crest width of a portion of the dam from RD 1,545 to 1,800 M was 7 metres. It was noticed in audit that the extra width of 2 metres provided by the department beyond the designed section involved extra quantity of earthwork to the extent of 3,000 cu.m. including 500 cu.m. executed through contractor 'L' at an extra cost of Rs. 0.76 lakh.

To an audit enquiry, the Executive Engineer stated in May 1983 that this extra width was necessary for carrying heavy and voluminous gate parts as this was the only approach to the spillway. Since the extra width covers only a portion of the dam and there was no uniformity in the width of the dam right up to the head regulator-cum-spillway, the contention of the Executive Engineer that the extra width provided in this portion of the dam was to facilitate carriage of heavy gate parts for spillway work does not appear justified. It may also be mentioned that the Superintending Engineer as well as Additional Chief Engineer had also noticed during their inspections in September 1981 the extra width in the dam.

*(D) Varying decisions on acceptance of tenders*

(i) Tenders were invited in September 1978 by the Executive Engineer for construction of upstream rip-rap in earth dam (Gap IV) in reach RD 400 to 700 M along with other adjacent reaches (RD 00 to 400 and RD 1,500 to 1,800 M) at an estimated cost of Rs. 3.12 lakhs. Only one tender of M/s 'T' for Rs. 4.78 lakhs (21.08 per cent excess over S. R. 1979) was received in November 1978. The Executive Engineer recommended in January 1979 acceptance of the single tender stating that the rates were reasonable considering the higher tender rates varying from 56.36 to 121 per cent received for the adjacent reaches. The Superintending Engineer, however, ordered for calling of fresh tenders on the ground that the contractor refused to reduce his rates to 10 per cent excess over Schedule of Rates 1979. Fresh tenders were accordingly invited in May 1979 and the lower tender of 'P' for Rs. 5.50 lakhs at 37.5 per cent excess over Schedule of Rates was accepted in November 1979 by the Additional Chief Engineer, Medium Irrigation. The contractor did not turn up to sign the agreement. The work was thereafter included in the tender schedule for construction of earth dam RD 00 to 840 M (balance work) and put to tender in September 1980 and was entrusted in February 1981 to the lowest tenderer 'J' at a cost of Rs. 23.53 lakhs. The cost of the work for upstream rip-rap portion included in the contract of 'J' amounted to Rs. 6.17 lakhs as against the original tender of 'T' for Rs. 4.78 lakhs, leading to an extra



expenditure of Rs. 1.39 lakhs. It may be mentioned that while it was decided to call for fresh tenders in this case (on the excess over estimate of 21.08 *per cent*), for a similar case (reach RD 00 to 400 M) the same Superintending Engineer had recommended at about the same time, i.e., in February 1979, acceptance of a tender of 'GN' which was 23.13 *per cent* excess over Schedule of Rates 1979.

(ii) Tenders for the work 'excavation of Daha distributary from RD 14,310 to 14,790 M' were invited in May 1978 by the Executive Engineer, Bhanjanagar Irrigation division at an estimated cost of Rs. 0.63 lakh. Single tender of 'S' amounting to Rs. 2.07 lakhs (228.78 *per cent* excess) was received in June 1978. His negotiated tender for Rs. 1.43 lakhs at 126.67 *per cent* excess over the estimated cost was recommended in August 1978 by the Superintending Engineer for acceptance by the Additional Chief Engineer, Irrigation. The Additional Chief Engineer returned the tender papers in November 1978 with instructions to execute the work departmentally. The division could execute between December 1978 and March 1979 only 7,400 cu.m. out of 32,539 cu.m. of earthwork through job workers at a cost of Rs. 0.23 lakh. The balance work including other items of work could not be executed departmentally reportedly (June 1983) due to non-availability of machinery which the department anticipated to obtain from other projects since their machines were engaged for earth dam work. Fresh tenders for the balance work estimated to cost Rs. 1.95 lakhs (based on Schedule of Rates 1979) were invited in April 1981 and the lowest negotiated tender of 'G' for Rs. 2.48 lakhs being 27.05 *per cent* excess over estimated cost was accepted in October 1981 by the Additional Chief Engineer, Medium Irrigation. Agreement was executed in November 1981 with the contractor stipulating completion of the work by March 1982. Though contractor has been paid in May 1983 Rs. 2.48 lakhs, the work is yet to be completed (June 1983).

Thus, the decision to reject the original tender and to get the work executed departmentally when the department did not have adequate equipment and machinery resulted in extra expenditure of



Rs. 1.16 lakhs computed with reference to the quantities of work done by 'G' up to his 10th Running Account Bill at the rates of 'S' (June 1978).

(iii) The work of clearance of over burden of spillway foundation (14,081 cu.m.) was awarded in October 1978 to contractor 'M' on lowest tender basis at Rs. 4.54 lakhs (48.48 per cent excess over the estimated cost of Rs. 3.06 lakhs) with the date of commencement and completion of the work as October 1978 and March 1979 respectively. The contractor could execute (1,835 cu.m.) work worth Rs. 0.60 lakh only by February 1979 and applied in February 1979 for extension of time upto September 1979 on the ground that the progress of the work had become slow due to inadequate supply of blasting materials by the department. The Executive Engineer pointed out to the contractor in April 1979 that explosives were supplied to him by the department as per his requirement from time to time and, hence, the contractor's contention was not acceptable. He further pointed out that as per the terms of agreement, in the event of non-supply/non-availability of explosives by the department, it was the responsibility of the contractor to arrange for their supply for the work.

The contractor, however, stopped work after February 1979. The Superintending Engineer ordered in April 1979 to rescind his contract and instructed the Executive Engineer to take final measurement of the work done by him and invite fresh tender. The contract of 'M' was finally closed in January 1982 without penalty by the Executive Engineer on the ground that the Superintending Engineer had recommended earlier in April 1980 to the Additional Chief Engineer to waive penalty as the contractor could not complete the work due to low rate, ignoring the fact that the Additional Chief Engineer, Irrigation did not agree (October 1981) with the recommendation of Superintending Engineer. The contractor 'M' was paid finally Rs. 0.68 lakh and the balance work estimated to cost Rs. 2.56 lakhs for blasting 11,800 cu.m. of hard rock was awarded in November 1979 to the lowest tenderer 'G' for Rs. 5.90 lakhs for completion by May 1980. The contractor

'G' however, did not complete the work within the original stipulated period and applied for extension of time upto November 1980 on the ground of non-supply of blasting materials. This was granted in December 1980. The contractor executed only 8,217 cu.m. out of the quantity of 11,800 cu.m. and was paid Rs. 4.11 lakhs upto his 4th Running Account Bill in March 1981. The balance work viz., 2,856 cu.m. of blasting was got executed at a cost of Rs. 1.43 lakhs (paid as per 16th Running Account Bill in December 1982) as extra quantities through another contractor 'B' who was entrusted with the spillway work.

The execution of 8,217 cu.m. of blasting work by contractor 'G' and further quantity of 2,856 cu.m. of blasting work through contractor 'B' at higher rate as against the rate of contractor 'M', resulted in an extra expenditure of Rs. 1.97 lakhs. In October 1981 the Additional Chief Engineer, Irrigation also observed that by engaging the other agency for doing the balance work, Government have been put to loss.

*(E) Under utilisation of machinery*

(i) The construction of earth dam of 3.5 kms. in four gaps was first taken up departmentally in March 1976 with the help of departmental machinery acquired at a cost of Rs. 50.65 lakhs during 1976-77 to 1980-81. By June 1980 (targeted date of completion: March 1982) the department could execute 4.26 lakh cu.m. out of the quantity of 6.53 lakh cu.m. of earthwork in Gap IV. Considering the slow progress of work done departmentally, the work involved in Gap IV of earth dam was put to tender in August 1980 and entrusted between December 1980 and February 1981 by the Executive Engineer to two contractors 'L' and 'J' (for three different reaches) at their lowest tendered rates. Similarly, the balance work in Gap I was entrusted in November 1981 to 2 contractors 'L' and 'N' for three reaches. Consequently all the 24 numbers of earth moving machinery transferred from other projects/newly purchased at a cost of Rs. 50.65 lakhs (Shovels—4 numbers transferred during 1976-77: Rs. 13.88 lakhs; Dumpers—7 numbers transferred from July 1975 to January 1977 :



Rs. 14.57 lakhs; Tippers-13 numbers purchased between March 1978 to March 1981 : Rs. 22.20 lakhs) remained idle without work from November 1981 onwards. The expenditure on running and maintenance of idle machinery amounted to Rs. 18.38 lakhs.

(ii) 8 numbers of old and unserviceable heavy machinery such as Shovel, Dumper, Dozer, Tractor and Rollers were procured between June 1976 and May 1978 on transfer from other Projects/ Divisions at a total cost of Rs. 4.48 lakhs along with the spare parts worth Rs. 12.88 lakhs. The machines did not work at all since their acquisition as these could not be repaired due to damage of major components and non-availability of imported spare parts as stated by the Executive Engineer in May 1983 in reply to an audit query. The machinery as well as the spare parts procured were, therefore, proposed in April 1983 by the Executive Engineer to be survey reported. Sanction of Government to survey reports is awaited (July 1983).

Thus, machinery which had completed its useful life and should have been sold off by other divisions had been taken over by the Project inflating the cost of the Project by Rs. 17.36 lakhs.

(iii) Each machine is required to work for 2,000 hours in a year. It was, however, noticed that 50 numbers of machinery (other than the unserviceable machinery) procured at a cost of Rs. 73.74 lakhs between May 1975 and May 1982 were under-utilised; their under-utilisation being between 49.25 per cent and 99.27 per cent as indicated in the Appendix 4.1. Reasons for under-utilisation could not be stated by the department. During October 1981 to February 1983, 15 machines were, however, transferred to other projects at the re-sale value of Rs. 26 lakhs.

#### *Summing up*

The main points which emerge from this review are :

- (i) The Project though scheduled for completion within a period of 5 years (i.e., by June 1982) was still in progress (April 1984).
- (ii) Wrong measurement resulted in extra expenditure of Rs. 3.15 lakhs.



- (iii) Over issue and consumption of materials like cement and diesel resulted in extra expenditure of Rs. 11.02 lakhs.
- (iv) Inadequate survey/investigation of the reservoir and defective planning of the link channel led to an avoidable expenditure of Rs. 14.46 lakhs.
- (v) Improper decision for cancellation of earlier tenders, closure of original contracts and execution of the balance work through other agencies resulted in extra expenditure of Rs. 4.52 lakhs.
- (vi) Execution of work through contractors while departmental machinery was idle resulted in avoidable expenditure of Rs. 18.38 lakhs.
- (vii) Injudicious procurement of unserviceable machinery by the Project authorities inflated the project cost by Rs. 17.36 lakhs.

The matter was reported to Government in August 1983; their reply is awaited (April 1984).

#### **4.2. Extra expenditure due to delay in finalisation of design**

On the basis of the tenders invited in November 1972 by the Executive Engineer, Rural Engineering division, Sambalpur North (later named as Minor Irrigation division) construction of Head Works of the Banksal Minor Irrigation Project was awarded to contractor 'U' in November 1973 at the lowest tendered cost of Rs. 16.22 lakhs which was 14.31 per cent above the estimated cost. The contract stipulated completion of the work by November 1974.

Since the division could not finalise the design of surplus escape, the contractor suspended the work on 19th December 1973. The changes in site and design of the surplus escape were finally decided by the Chief Engineer in November 1974. The revised design was made available to the contractor only in December 1974. Due to the change in the site and design of the surplus escape, several extra items of work such as blasting, rock cutting and sand chimney were executed by the contractor and payments were ordered by the Additional Chief

Engineer (Rural Engineering Organisation) to be made at the 1972 Schedule of Rates as per Clause 11 of the Agreement. The contractor did not accept the order and demanded higher rates for escalation of the cost of material and labour and stopped the work from July 1975. The work executed by him till then was worth Rs. 6.04 lakhs. The contract was closed in June 1976 by the Superintending Engineer, Northern Range with penalty under Clause 3 (c) of the Agreement. The balance work was put to tender in December 1976 and entrusted to another contractor 'S' in March 1977 at Rs. 11.09 lakhs on the basis of his lowest tender. The work was completed in December 1979 at Rs. 11.88 lakhs. Computed with reference to the rates of the first contractor, the extra expenditure was Rs. 2.40 lakhs.

The first contractor went in for arbitration and claimed Rs. 24.23 lakhs as compensation (extra item: Rs. 4.49 lakhs; idle labour: Rs. 8.58 lakhs; interest Rs. 6.42 lakhs and other items: Rs. 4.74 lakhs) from 21st April 1977 till date of payment. The claim was countered in July 1977 by the department as inadmissible under the terms of the contract. The Arbitrator, however, gave in November 1978 award in favour of the contractor for payment of Rs. 4.53 lakhs. On further appeal, the award was confirmed in July 1981 by the High Court with a further payment of Rs. 0.76 lakh as interest to the contractor. It was also seen in audit that the department failed to recover Rs. 0.15 lakh due to Government as a result of *minus* figure in the final bill. Thus, delay in finalisation of design of surplus escape, in addition to impeding the work of the contractor also led to litigation ultimately causing extra expenditure of Rs. 7.84 lakhs *plus* the cost of litigation.

The matter was reported to Government in March 1982, April 1983 and July 1983; their reply is awaited (April 1984).

### 4.3. Renovation of Kishoresagar tank

On the basis of the preliminary approval of the Chief Engineer, Rural Engineering Organisation in November 1971, Government accorded in August 1972 administrative approval for Rs. 1.70 lakhs



for the work of 'Renovation of Kishoresagar tank' in Dhenkanal district intended to irrigate 220 acres in *Kharif* season. The approval stipulated that no expenditure should be incurred without technical sanction and specific allotment of funds. Even though neither of the two conditions was satisfied, tenders were called for and the agreement was concluded in February 1974 for the execution of the work. While the position remained the same, 14 months later, i. e., in April 1975, the contractor was asked to start the work and complete it within 6 calendar months. By that time, the non-allotment of funds must have been known to the Executive Engineer. The work could not, however, proceed further for want of provision of funds in 1975-76. The contractor requested in November 1975 to close the contract with payment for preliminary expenditure incurred by him. This was rejected in December 1975. The contract, however, was not terminated.

Three years later, the contractor sought in December 1978 arbitration claiming Rs. 1.10 lakhs. The main items in his claim were the cost of collection of stone and sand for Rs. 0.84 lakh and interest at the rate of 12 *per cent* from 25th October 1975 till the payment is made. The Executive Engineer in his counter statement (June 1979) denied having any knowledge about the collection of materials at the work-site by the contractor and refuted other preliminary expenses. The Arbitrator appointed by the Chief Engineer in November 1978, in his award of April 1980 allowed Rs. 0.98 lakh (collection of stone products/sand: Rs. 0.61 lakh, release of security deposit: Rs. 0.03 lakh and interest: Rs. 0.34 lakh). An appeal was preferred by the department in June 1980 before the Sub-judge and later in January 1982 before the High Court. The High Court ordered in March 1982 payment of Rs. 0.95 lakh (including interest of Rs. 0.34 lakh) besides refund of security deposit of Rs. 0.03 lakh *plus* further interest of Rs. 0.15 lakh to the contractor.

Thus, Government had been put to a loss of Rs. 1.10 lakhs since the department could neither get the work done nor reclaim the stones and sand claimed to have been supplied by the



contractor. In addition, the contemplated benefits of irrigation during the *Kharif* season were also denied to the beneficiaries since 1975.

The matter was reported to Government in May 1983; their reply is still awaited (April 1984).

#### 4.4. Unfruitful expenditure on procurement of shovels and dumpers

On the recommendation of a High Power Committee consisting of the Chief Secretary, Additional Development Commissioner and other members, Government approved (August 1979/November 1980) the purchase of 3 electric shovels including spares, etc., (cost: Rs. 50 lakhs) and 17 dumpers (cost not exceeding Rs. 31.26 lakhs) from the Balimela Dam Project by Rengali Irrigation Project for excavation of high cutting reaches of main canals of the Project. The Rengali Project authorities made payment between March 1979 and January 1981 of Rs. 1,03.35 lakhs to Upper Kolab Project and Balimela Project against *pro forma* bills for 6 shovels, 17 dumpers with spares and 4 electrical transformers with equipments. These machineries remained idle since 1975 (after completion of Balimela Dam). By May 1981, the Project received only one electric shovel and 9 dumpers and further transfer of machinery was stopped from June 1981 by the Rengali Project. The Project incurred an expenditure of Rs. 2.23 lakhs during August 1980 to March 1982 on dismantling and transportation of the electrical shovel and 9 dumpers (shovel: Rs. 1.47 lakhs; dumpers: Rs. 0.76 lakh). Before they could be put to use, the Chief Engineer (Irrigation) issued orders in December 1981 to retransfer the shovel to the Upper Indravati Project considering the increased earthwork in Upper Indravati Project. However, the shovel had not been transferred to Upper Indravati Project and is remaining idle till date (May 1983) in the Rengali Project.

Similarly all the 9 dumpers (received mostly in damaged condition) have not been in use so far (May 1983) since their procurement for want of repairs estimated in August 1980 to cost Rs. 22.40 lakhs. On an enquiry in audit, it was stated in May 1983

by the Executive Engineer, Field Machinery division. Rengali Irrigation Project, Samal that there was a proposal to retransfer the dumpers also to the Upper Indravati Project as they could not be put to use without the shovels.

The Chief Engineer (Mechanical) reported in November 1983 to audit that construction of canal work has been deferred due to non-availability of funds during this Plan period i.e., up to March 1985 and, hence, the machinery could not be utilised.

The matter was reported to Government in June 1983; their reply is awaited (April 1984).

#### **4.5. Non-delivery of cement by carriage contractor**

In December 1980, the Executive Engineer, Minor Irrigation division, Khurda purchased 100 MT of cement through the Andhra Pradesh State Transport Corporation Limited, Visakhapatnam. The full value of the cement was paid in advance. For transportation of the cement from Visakhapatnam Port to the divisional store, the Executive Engineer called for quotations on 8th December 1980 and entrusted the contractor 'U' on 16th December 1980 with the transport of the cement subject to his accepting the lowest rate that would be obtained in the tenders, which were to be opened on 18th December 1980. Three tenders were received. The quotation of contractor 'U' dated 18th December 1980 was one of them. The contract was the lowest i.e., 0.45 paise per Km. per MT. The other two were 0.49 paise and 0.51 paise per Km. per MT.

No formal agreement was concluded with the contractor nor any security deposit or other guarantee taken from him. The delivery order for carriage of the entire cement was handed over to him. The contractor cleared 100 MT cement between 17th December 1980 and 27th February 1981. However, only 56 MT of cement were received by the divisional store, Khurda by February 1981. Though, as per the call notice of 8th December 1980, the delivery was to be completed within 15 days and only 56 MT were received, neither the Executive Engineer nor the Sub-Assistant Engineer took any action. It was only in May 1981 that Sub-Assistant Engineer reported shortage of 44 MT to the Executive Engineer on an enquiry from him.



Since the balance quantity of the cement was not delivered and since the department could not locate the contractor, a Civil suit was filed against the contractor in February 1983 for realisation of market value of the non-delivered cement. The Civil suit was decreed in January 1984 *ex parte* by the Court of Sub-judge according to which the transport firm M/s. 'U' as well as the proprietor of firm 'S' was to deliver 44 MT of cement to the department in good condition failing which, the department will recover the cost (Rs. 0.57 lakh) from the party. No recovery has yet been made (April 1984).

The contract was given to the contractor even before the quotations were opened. The documents for delivery of the entire quantity were handed over to him without any security or guarantee. Supervision over the work was not exercised. As a result, the department was put to a loss of over Rs. 0.57 lakh.

The matter was reported to Government in June 1983; their reply is awaited (April 1984).

#### 4.6. Auction sale of scrap steel

The Superintending Engineer, Central Irrigation Circle, Bhubaneswar accepted in July 1981 the highest bid of firm 'R' of Rs. 3,333 per MT for sale of 50 MT of scrap steel in cut pieces from the Mundali store. He issued instructions to the Executive Engineer to release the materials to 'R' only after receipt of the full value (Rs. 1.67 lakhs) for the entire quantity of 50 MT. The firm issued a cheque dated 14th August 1981 for Rs. 0.83 lakh only which was received in the division on 4th September 1981. It was remitted into the Bank only on 14th September 1981. The cheque was dishonoured for want of credit on 1st October 1981. In the meantime, on the 14th September 1981, the Executive Engineer issued a release order for 25 MT valued at Rs. 0.83 lakh against which the firm lifted (18th September 1981) 21.5 MT valued at Rs. 0.72 lakh. After repeated reminders from Executive Engineer and Pleader's notice (between October 1981-December 1981), the firm remitted only Rs. 3,000 between February and June 1982. While not disowning its liability on



this account, the firm also brought out a complaint in February 1982 that it had incurred a loss of Rs. 0.30 lakh (approximately) in the deal due to shortage of quantity, supply of other goods not shown to it earlier and non-supply of challans and bills. To realise the balance dues with interest, the Executive Engineer had meanwhile, filed (March 1982) a Civil Suit in the Court of Sub-judge, Bhubaneswar against one 'A' on behalf of the firm, which is pending finalisation (April 1984).

The case on being brought to their notice in June 1982, Government ordered in June 1983 for a detailed investigation into the matter; the Chief Engineer (Drainage, Flood Control and Mahanadi Barrage Project) after investigation *inter alia* found the Executive Engineer responsible for accepting a cheque from a private party contrary to the normal practice followed in the division and filing a suit against the firm without Government's approval, etc., and recommended Government in October 1983 for suitable disciplinary action against him. Further developments are awaited (April 1984).

#### **4.7. Extra liability due to delay in acceptance of tenders**

Tenders were invited in October 1981 by the Executive Engineer, Harbhangi Irrigation division No. I for the work 'Spillway excavation including approach and exit channel of Harbhangi Minor Irrigation Project in Ganjam district from RD 00 M to RD 105 M (upstream Reach I)'. The estimated cost was Rs. 8.45 lakhs. Two tenders were received and opened on 9th December 1981, the period of validity of which was for 90 days i.e., upto 8th March 1982, for Rs. 13.49 lakhs and the other for Rs. 12.49 lakhs.

The Superintending Engineer recommended the acceptance of the lower tender on 25th December 1981. The Additional Chief Engineer negotiated with the lower tenderer on 9th February 1982 and secured a reduction of Rs. 6,000 (Rs. 12.43 lakhs). Approval of Government was, however, accorded only on 27th May 1982 and the tender was finally accepted on 1st June 1982. The tenderer refused to accept the order as the validity period had

expired. Sanction of the Government was obtained in September 1982 for giving the contract to the other tenderer at Rs. 13.49 lakhs. The work was awarded to him in December 1982.

Due to delay in taking a decision at the Government level, Government had to bear an extra liability of Rs. 1.06 lakhs. Government stated in November 1983 that the delay was unavoidable since the staff dealing with such matters were pre-occupied with finalisation of Budget estimate etc., during February. It is, however, noted that the decision was taken by the Government on 27th May 1982.

#### 4.8. Extra contractual payment

The Gayapathar Minor Irrigation Project (Puri district) designed to irrigate 400 acres of *Kharif* and 250 acres of *Rabi* was administratively approved (March 1979) by the defunct Rural Development department at an estimated cost of Rs. 25.03 lakhs. Construction of head works estimated to cost Rs. 18.07 lakhs was put to tender in September 1979 by the Executive Engineer, Rural Engineering division, Cuttack West (renamed as Minor Irrigation division). The detailed tender call notice included clauses as under:

"Every tenderer should before quoting his rates, inspect the site of work. He should also inspect the quarries and borrow areas where he expects to obtain construction materials of required specification and satisfy himself about the lead involved and quantity of materials. The rates quoted should be in accordance with actual lead. Any claim afterwards comparing the actual lead with estimated lead will be rejected. The contractor will arrange the permit from the Forest or Revenue department for quarrying of materials". These clauses form a part of contract for executing the work.

On the basis of the tenders received in October 1979 for the work, the lowest tender of Rs. 21.37 lakhs (18.26 per cent excess over the estimate) of contractor 'H' was accepted in February 1980 with the approval of Government by the Chief Engineer,



Rural Engineering Organisation (defunct). The work was awarded in March 1980 to him for completion within 24 months i. e., by March 1982.

While the work was in progress, the contractor intimated in December 1980 the Executive Engineer that the quarry for boulders and metals within lead of 5 km. was coming under the reserved forest area and that the Forest department refused in September 1980 permission for extracting materials therefrom. Simultaneously, he sought approval of the Executive Engineer for collection of granite stones from another quarry situated at a distance of 20 km. lead with payment at the Schedule of Rates in vogue. The Executive Engineer did not accede to the request of the contractor and made payments at the agreement rate in respect of 2,134 cu.m. out of the total quantity of 10,097 cu.m. of quarry material collected from the quarry at a distance of 20 km. and simultaneously forwarded the claim of the contractor to Additional Chief Engineer. The Additional Chief Engineer, Minor Irrigation asked in December 1981 the Executive Engineer to submit proposal for extra rates with analysis in support. The Executive Engineer had furnished in February 1982 the analysis of rate for 20 km. lead based on Schedule of Rates 1979. Since by the time, the Schedule of Rates 1982 had become operative, the Additional Chief Engineer returned the proposal and called for fresh analysis of rate based on 1982 Schedule. This was submitted by the Executive Engineer and was approved in February 1982 by the Additional Chief Engineer (Minor Irrigation) who also indicated that the work should be completed by the scheduled date i. e., by March 1982. Accordingly for the quantity of 7,963 cu.m. the increased rate was paid to the contractor in June 1983. The work was, however, completed only by December 1982.

The extra contractual payment, thus, authorised by Additional Chief Engineer amounted to Rs. 1.84 lakhs.

The matter was reported to Government in July 1983; their reply is awaited (April 1984).



#### 4.9. Extra expenditure due to delay in making the site available

To facilitate storage and transport of electrical goods and equipments from Talcher to the Hydro Electric Project site at Rengali, it was decided in February 1978 to construct a temporary store shed at Talcher Railway Station. The site was approved in the same month during a joint inspection by the General Superintendent, Talcher Thermal Power Station (TTPS) and Chief Engineer, Electricity-cum-Electrical Projects. The site was to be transferred free of cost. Even before settling the transfer of the land by a definite date, tenders were called immediately in the same month. The work was awarded to the lowest tenderer in June 1978 for Rs. 1.05 lakhs for completion within 4 months. There was delay in getting clearance from TTPS for transfer of site to the Project authorities due to which the contractor could not commence the work. The Executive Engineer felt that there was no probability of getting the site within a short period and proposed in July 1978 to the Superintending Engineer for closure of the agreement. In the meantime the contractor was told that he should wait till the site was made available after which he would take up the construction work. The site was secured on 23rd September 1978. The Executive Engineer asked the contractor on 4th October 1978 to give his willingness by 17th October 1978 for executing the work at the original rates (currency of agreement being upto 13th October 1978). The contractor not only refused on 19th October 1978 to execute the work at the old agreement rates but also demanded compensation of Rs. 0.64 lakh for the loss suffered by him due to delay in handing over the site. The demand of the contractor for compensation was rejected and the agreement of the contractor was closed in November 1978 by the Superintending Engineer, Rengali Dam Circle without penalty. Thereafter, the contractor went in for arbitration in December 1977 and claimed compensation of Rs. 1.22 lakhs plus interest. The Arbitrator (a retired District Judge appointed in August 1979 by the Court of Sub-judge, Cuttack) gave an award of Rs. 1.13 lakhs in April 1980 in favour of contractor 'B' against his claims of Rs. 1.22 lakhs with interest on account of various losses suffered by him due to delay on the

part of the department in handing over the site. Appeals by the department before Sub-judge, Cuttack and the High Court were rejected. Special leave petition before the Supreme Court was also dismissed in August 1983. In the meantime, Rs. 1.17 lakhs (amount of award : Rs. 1.19 lakhs / less amount of Rs. 0.02 lakh deducted by the department towards income tax) including interest of Rs. 0.06 lakh from the date of decree was deposited in June 1981 in the Court of Sub-judge, Cuttack. The contractor, thus, got the benefit of Rs. 1.17 lakhs without doing any work against the faulty execution (June 1978) of the agreement before ensuring the availability of land (September 1978).

The failure of the department to make available the site in time for the work resulted in an extra expenditure of Rs. 1.57 lakhs (extra cost due to alternative arrangement of work through subsequent contractor 'R' : Rs. 0.38 lakh *plus* Arbitration award : Rs. 1.19 lakhs).

The Chief Engineer of the Project while accepting the factual position in September 1983 *inter alia* stated that the extra expenditure is due to the arbitrary award of the Arbitrator for which no reasons were added.

The matter was reported to the Government in August 1983; their reply is awaited (April 1984).

#### 4.10. Idle establishment

Two motor boats held by the Embankment and Drainage division No. I, Bhubaneswar were brought on transfer between July and September 1975 to the Drainage and Embankment division No. II, Puri for inspection of works by the Supervising officers inside the Chilka area. Of the two, ML Jagannath, after working for a few hours on trial runs and the other *viz.*, ML Daya after running for 88.25 hours from 17th August 1978 to 31st December 1978, went out of order due to troubles in their engines and gear boxes and remained idle in the divisional store yard at Puri despite certain repairs carried out between 1975-76 and 1978-79 at a cost of Rs.0.49 lakh (ML Jagannath : Rs. 0.29 lakh ML Daya : Rs. 0.20 lakh).



On the matter being pointed out in June 1979 by audit, the Executive Engineer sent proposal in December 1979 to the Superintending Engineer, Central Irrigation Circle for their disposal since repairs to the boats had not been fruitful. While no further action was taken till August 1983 for their repair or disposal, the crew i. e., one driver and two helpers entertained for the boats were continued involving an infructuous expenditure of Rs. 0.87 lakh (ML Jagannath : Rs. 0.56 lakh, ML Daya : Rs. 0.31 lakh) on their pay and allowances from 1975-76 to 1982-83, apart from the unfruitful expenditure of Rs. 0.49 lakh on their repairs.

The matter was reported to Government in August 1979; their reply is awaited (April 1984).

#### 4.11. Extra expenditure due to defective estimation

An agreement was concluded in January 1978 by the Executive Engineer, Berhampur Irrigation division with a contractor 'D' for the work of raising and strengthening the saline embankment of Chilka from village Prayagi to Sipakud (first sub-reach of second reach from R. D. 00 to R. D. 9,000 from Chilka canal towards Sipakud) at his lowest tendered cost of Rs. 4.39 lakhs (30.12 per cent excess over the estimated cost of Rs. 3.37 lakhs) for completion within 3 months i. e., by April 1978. By a letter dated 24th January 1978 to the contractor, the Executive Engineer indicated that the contractor would have to show uniform progress of 11,190 cu. m. of earthwork for a fortnight and would have to maintain a minimum labour strength of 453 per day. The agreement provided for 67,137 cu. m. of earthwork and also 6,780 cu.m. of rough stone dry packing in aprons and revetments with hard stones, etc. During actual execution within a month after commencement of the work, the quantity of earthwork was reduced to 36,574 cu.m. while the quantity for the rough stone dry packing work went upto 7,664.43 cu.m. After completing earthwork for 35,590 cu.m. and rough stone dry packing for 7,578 cu.m. the contractor left the work in May 1978 and was paid in June 1978 for the said work in his 3rd Running Account Bill (gross amount of bill : Rs. 3.72 lakhs, withheld amount towards rectification of defects and for want of extension of time : Rs. 0.26



lakh and security deposit Rs. 0.17 lakh). Immediately after receiving the payment of 3rd Running Account Bill, the contractor went in for Arbitration in June 1978 claiming compensation of Rs. 4.12 lakhs with interest on account of idle labour charges and temporary shed (Rs. 0.97 lakh), construction and maintenance of approach road (Rs. 0.45 lakh), extra items (Rs. 2.03 lakhs), release of withheld amounts and security deposit (Rs. 0.43 lakh) and interest (Rs. 0.24 lakh). The Arbitrator passed an award in September 1979 in favour of the contractor for Rs. 0.91 lakh (Rs. 0.48 lakh towards idle labour, advances to labourers and construction of hutments due to engagement of 453 labourers per day as per instruction of the department and that becoming surplus to the requirement of reduced earthwork (47 per cent) during execution, Rs. 0.26 lakh towards release of amounts withheld for want of extension of time and rectification of defective work and Rs. 0.17 lakh towards refund of security deposit). The withheld amount and the security deposit aggregating Rs. 0.43 lakh were released in September 1980 to the contractor. The department filed in November 1979 an objection in the Court of Sub-judge, Berhampur against the award of the Arbitrator (for the item involving idle labour, advances to labourers and construction of hutment) on the ground that for curtailment of work, the contractor deserved no compensation under the provisions of the agreement. The Court, however, having found that award as reasonable decreed in October 1981 further payment of interest at the rate of 6 per cent per annum from the date of award till realisation. The award was not contested thereafter in the High Court for not being a fit case as opined in January 1982 by the Advocate General. Rupees 0.57 lakh (Rs. 0.48 lakh plus interest of Rs. 0.09 lakh) was ultimately paid in March 1982 to the contractor with the approval of Government in January 1982.

✱ Thus, due to unrealistic/defective estimation *vis-a-vis* issue of instruction to the contractor to maintain a labour strength in excess of actual requirement, the department had to incur an avoidable expenditure of Rs. 0.57 lakh.

The matter was reported to Government in January 1983; their reply is awaited (April 1984).

WORKS (INCLUDING RURAL ROADS AND BUILDINGS)  
DEPARTMENT

**4.12. Unproductive and avoidable expenditure due to delay in completion of a building work**

Administrative approval for Rs. 2.16 lakhs was accorded in December 1976 by the Board of Revenue for the construction of Tahasil Office Building at Khallikote (Ganjam district). The civil works portion estimated to cost Rs. 1.80 lakhs was entrusted in December 1977 to contractor 'B' by the Executive Engineer, Ganjam Roads and Buildings division for Rs. 1.06 lakhs on the basis of his lowest tender for completion by June 1978. As the progress of the contractor was found to be slow, notices were served between May and June 1978 on him by the Executive Engineer for unsatisfactory progress of work. The contractor abandoned the work in December 1978. The value of work (brick work upto roof level) done by him upto the date of abandonment was Rs. 0.43 lakh. The contractor had been paid Rs. 0.23 lakh in March 1978 and the final bill was kept pending for want of signature of the contractor. As the contractor did not resume further work inspite of several reminders issued by the department his contract was rescinded in December 1979 under instruction of the Superintending Engineer. A notice was also served in January 1980 through publication in the newspaper to the effect that the balance work worth Rs. 0.63 lakh would be taken up through other agency under clause 3 (penal clause) of the agreement.

In the meanwhile cracks were noticed in the plinth masonry and brick walls in the building during inspection by the Superintending Engineer and Additional Chief Engineer. The Additional Chief Engineer issued instruction in February 1981 for certain remedial measures and an estimate for Rs. 0.38 lakh was framed in March 1981. Scrutiny of records of Ganjam Roads and Buildings division No. 11 in audit during August 1983 disclosed that Rs. 0.21 lakh had been spent so far against this estimate.

While reviewing the progress of work, the High Level Monitoring Committee viewed in July 1982 that the work was defective and action should have been taken against the contractor under the



relevant clauses of the contract. The Committee desired that the matter should be investigated and persons responsible be brought to book. In October 1982, the Superintending Engineer called for explanation from the Engineers-in-Charge of the work but explanation was neither received nor was the matter pursued.

In November 1982, the estimate for the work was revised to Rs. 4.40 lakhs (adopting Schedule of Rates 1982 for the balance work) and sent in January 1983 to the Board of Revenue for sanction. A portion of the balance work was tendered in December 1982 and awarded to lowest tenderer 'P' for Rs. 1.11 lakhs (12.11 per cent excess over the estimated cost based on Schedule of Rates 1982) in May 1983 stipulating completion by August 1983. It was decided to take up the remaining portion departmentally at an estimated cost of Rs. 0.69 lakh. The balance work has, however, not yet been started as, according to the Chief Engineer (May 1983), the revised administrative approval has not been accorded by the Revenue department.

The building was again inspected by the Chief Engineer in February-May 1983. He observed that the building had shown cracks at 28 places due to sub-standard quality of bricks used by the contractor (as confirmed by the laboratory testing in December 1982), improper bonding and curing of brick work and improper masonry work done in foundation and plinth. The Chief Engineer reported to Government in June 1983 that the serious defects observed in the building were due to lapses on the part of the Field Officers and the then Superintending Engineer was responsible for having changed the layout of the building from the approved plan. The question of fixing responsibility on officials concerned is under examination (July 1983) by Government. Government also desired the Chief Engineer in July 1983 to work out an alternative proposal of constructing a new building with pile foundation. Further development in the matter is awaited (July 1983) from the Chief Engineer (Buildings).

The Khallikote Tahasil was constituted in January 1977 and since then its office has been functioning in a private building on rental basis. The Tahasildar informed in January 1981 the

Executive Engineer, Ganjam Roads and Buildings division that due to non-completion of the building, Government had to pay house rent at the rate of Rs. 702.30 per month. According to the information furnished by him to Audit in August 1983, the department had already paid Rs. 0.27 lakh towards house rent from July 1978 (due date of completion of the Building being June 1978) to September 1981 and has incurred a liability of Rs. 0.16 lakh for the remaining period from October 1981 to July 1983.

The expenditure of Rs. 2.85 lakhs incurred up to March 1983 on this incomplete work has thus remained unproductive (July 1983). Besides, there has been avoidable payment of Rs. 0.43 lakh (upto June 1983) due to delay in completion of the building work which was stopped in December 1978.

The matter was reported to Government in August 1983; during discussion in December 1983 with the Engineer-in-Chief-cum-Secretary to Government it was explained to audit that a technical committee is to examine afresh and report as to whether the work could be continued by taking further precautionary measures or the work would be abandoned and executed altogether in a new site considered to be technically suitable. Further developments are awaited (April 1984).

#### HOUSING AND URBAN DEVELOPMENT DEPARTMENT

##### 4.13. Unfruitful expenditure on the construction of two overhead towers at Bolangir

The scheme for permanent water supply to Bolangir town (estimated cost : Rs. 47.10 lakhs) envisaged construction of two overhead R. C. C. service reservoirs each of one lakh gallon capacity with 100 feet staging. The work of construction of both the reservoirs was allotted in November 1973 to the lowest tenderer 'A' on *lump sum* contract for Rs. 3.54 lakhs to be completed within twelve and fifteen working months from the date of commencement of work i. e., from December 1973 for the first and the second reservoirs respectively. While the work on the first reservoir commenced in December 1973 was under execution, the contractor expired in December 1974. Construction of the second reservoir



was not started till then. Government decided in February 1976 to entrust the balance works to contractor 'G' son of late 'A' on a fresh *lump sum* contract for Rs. 2.34 lakhs at the same rate and under the same terms and conditions as per the previous contract with late 'A'. The contractor 'G' was to complete the balance work of the first reservoir within 7 months from the date of recommencement of work. In respect of second reservoir, 15 months time was allowed for completion.

The work on the balance portion of the first reservoir, i. e., staircase, water level indicator, etc., was taken up by the contractor 'G' in May 1976. The columns of the tower were defective being out of plumb and the contractor was directed in March 1978 by the Executive Engineer to rectify the defects. But without rectifying the defects, the contractor went ahead with the work and the staircase collapsed on 20th July 1978 and the contractor stopped further work. The reservoir (first one) was, however, put to commission from December 1981 pending rectification/completion of staircase, water level indicator, etc. A notice was issued in October 1982 to the contractor to show cause as to why the liquidated damages of Rs. 0.61 lakh and five times the cost of outstanding materials worth Rs. 0.34 lakh should not be recovered. The reply of the contractor of October 1982 to reconsider the issue of penalty imposed on him, was under consideration of the department till February 1983. During discussion in December 1983 the Secretary and the Chief Engineer, Public Health, indicated that action was taken to penalise the contractor by rescinding his contract and freezing his dues for bad workmanship of the first tower and delay in execution of 2nd overhead tank.

The expenditure incurred on the first tower was Rs. 1.70 lakhs.

\* The contractor took up the work of second reservoir in May 1976 and when he had done work upto 20 feet height out of 100 feet stopped further work in May 1977. In September 1978, the Executive Engineer pointed out to the contractor that the columns of the tower were defective being out of plumb and needed to be dismantled and brought to proper plumb before

going ahead with any further construction. But there was no response from the contractor and the Chief Engineer decided in the review meeting held in July 1981 to rescind the contract and the Executive Engineer communicated this decision to the contractor in February 1982.

In the meantime, the Superintending Engineer, Designs observed in June 1979 that instead of completing the 2nd Reservoir, it would be desirable to have an underground storage tank of one lakh gallon capacity with a pump chamber; Government decided in September 1980 to defer further construction of 2nd Reservoir. In November 1981, the Superintending Engineer, Public Health suggested in his Inspection note the construction of underground sump of one lakh gallon capacity at the same spot where the second tower pillars had already been constructed to the height of 20 feet for taking advantage of the foundation as well as pillars. In the meantime, there has been a proposal to construct the office building of Bolangir Public Health division, utilising the half constructed pillars and foundation in its place at an estimated cost of Rs. 1.21 lakhs which is yet (October 1983) to be sanctioned by Government. Thus, the expenditure of Rs. 0.71 lakh already incurred upto May 1977 on the foundation and pillars (part) of the second tower had been rendered unfruitful so far (October 1983) and the main object of supplying water to Bolangir town from this reservoir could not be achieved despite its pressing need.

The matter was reported to Government in July 1982 and was discussed in February 1983 with the Secretary of the department who assured that the matter relating to lapses in technical supervision resulting in loss of Government funds/property would be examined by Government and necessary action taken against the persons found responsible for the lapses. During subsequent discussion in December 1983, the Chief Engineer, Public Health department indicated that the proposal to utilise the constructed 2nd tower upto 20 feet height as office building was still under consideration of Government. Further developments are awaited (April 1984).



## GENERAL

## 4.14. Issue of materials to contractor

According to Orissa Public Works Code, materials can be issued to the contractor for execution of works, subject to the conditions specified in the code. Some cases where the departmental rules have been violated in the matter of issue of materials or recovery thereof noticed in audit and some other cases where recoveries were outstanding for long periods are given below :

Name of the work	Nature of dues	Amount due (Rupees in lakhs)	Brief particulars
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## WORKS (INCLUDING RURAL ROADS AND BUILDINGS) DEPARTMENT

1. Construction of Residential buildings for Rourkela P.H. division (Rourkela R and B division)	Value of cement, M. S. Rods and bricks	0.41 (at issue rate)	The work was entrusted to contractor 'J' during September 1966 without acceptance of tender and execution of agreement. Materials like cement, M. S. Rods and bricks were issued to the contractor for use in this work. The contractor left the work incomplete in October 1967. The value of unutilised material at that time was Rs. 0.41 lakh but the contractor did not return the materials. Issue of controlled commodities in excess of requirement was fraught with the danger of misuse of controlled materials. There was also other dues amounting to Rs. 4,000 recoverable from the contractor. Recovery of Rs. 0.45 lakh is pending for more than 13 years since December 1969. Against the total dues of Rs. 0.45 lakh, Rs. 0.01 lakh only is available with the department towards his security deposit. The Triangular Committee representing Audit and departmental officers which discussed the point
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Name of the work	Nature of dues	Amount due (Rupees in lakhs)	Brief particulars
2. Construction of submersible bridge across river Sapua at 6th mile of old Cuttack-Sambalpur Road (Charbatia Roads and Buildings division)	Value of Cement and M. S. Rods  Extra cost of work carried out by other agency due to failure of the contractor	0.06 (at issue rate)  0.34	<p data-bbox="699 212 998 386">in July 1982, recommended investigation into the case; further development in the matter is awaited (August 1983) from the Executive Engineer, Rourkela Roads and Buildings division.</p> <p data-bbox="699 412 998 1364">The work was awarded to contractor 'S' by the Executive Engineer, Charbatia Roads and Buildings division in April 1972 for completion by September 1973. The contract was rescinded ( March 1975 ) by Chief Engineer for non-completion of work in time. The balance work was completed in April 1976 (5th and Final Bill of which was paid in May 1976) through another contractor 'A' at an extra cost of Rs. 0.34 lakh recoverable from the 1st contractor. The total recovery from contractor 'S' towards cost of departmental materials issued to him and extra cost on execution of balance work amounted to Rs. 0.40 lakh against which, he has got dues of Rs. 0.20 lakh only ( in shape of security deposit and value of work done) with the department. The Executive Engineer reported (July 1983) to Audit that action would be taken to recover the dues from 'S' after settlement of his final bill although the final bill of the 2nd contractor 'A' for the balance work had been settled as far back as in May 1976. Recovery is still due (September 1983) from the first contractor 'S' due to ineffective action of the division.</p>



Name of the work	Nature of dues	Amount due	Brief particulars
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(Rupees in lakhs)

## IRRIGATION AND POWER (INCLUDING MINOR IRRIGATION) DEPARTMENT

3. Indrajit Nallah Minor Irrigation Project (R. E. division (defunct) Dhenkanal)	Value of cement, etc.  Penalty paid by department due to illegal withdrawal of work from contractor	0.29      1.75	Distribution system of the Minor Irrigation Project was entrusted to contractor 'B' by the Executive Engineer, R. E. division, Dhenkanal (defunct) on tender basis, at a cost of Rs. 3.27 lakhs in August 1974 for completion by August 1975. The work was withdrawn from him and allotted to another agency in order to complete the work in advance by March 1975. The 1st contractor went in for arbitration for illegal withdrawal of work from him and got an award for Rs. 1.75 lakhs which was paid to him in May 1977. The final bill of the contractor was prepared after payment of the award and found to be a <i>minus</i> one for Rs. 0.29 lakh on account of excess issue of materials and excess payments for work done in previous Running Account bills. The <i>minus</i> amount has not been recovered so far (September 1983). The Chief Engineer, during inspection of work in April 1978, observed that the concerned
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Name of the work	Nature of dues	Amount due	Brief particulars
		(Rupees in lakhs)	Executive Engineer and S. D. O. were responsible in the matter and they should be proceeded with; further development in the matter is awaited (October 1983) from the division.
4. Protection to the scoured bank of Kani right near village Brahamachari-patna (Jajpur Irrigation division)	Value of M. S. Rods, W heat and Cement  Arbitration award due to delay in payment of dues to contractor	0.85  2.60  (at issue rate)	The work was awarded (July 1978) to contractor 'K' by the Executive Engineer, Jajpur Irrigation division for Rs. 1.74 lakhs. The work was not completed even by the extended period (June 1979). Due to delay in payment of final bill the contractor went in for arbitration in November 1980 and got payment of Rs. 2.60 lakhs including interest on arbitration award in November 1982. During local audit of the division (July 1983) it was noticed that the departmental materials costing Rs. 0.85 lakh issued in excess to the contractor remained outstanding which has become irrecoverable from him.

The matter was reported to Government in September 1983; their reply is awaited (April 1984).



## CHAPTER V

## STORES AND STOCK ACCOUNTS

## A—PUBLIC WORKS

**5.1. Non-receipt of stores and stock accounts**

Under the codal provisions, divisional officers are required to furnish to Audit every year by 30th June, a consolidated account showing the value of stores purchased during the year, stores issued for consumption and the balance held in stock at the close of the year. Particulars of default on this account are given below:

Year for which consolidated accounts not sent	Number of divisions	Value of stores held (Rupees in lakhs)
1977-78	3	20.11
1978-79	3	12.36
1979-80	18	74.67
1980-81	30	83.10
1981-82	71	8,70.30
1982-83	101	13,46.46

In the absence of proper accounts, there exists possibility of misappropriation, loss and even frauds especially where accounts are overdue for long period.

**5.2. Minus balance in stock accounts**

The accounts of the following 17 divisions showed *minus* balances at the end of March 1983 :

Category of divisions	Number of divisions	<i>Minus</i> balance (Rupees in lakhs)
✓ Roads and Buildings	.. 7	2,42.91
Irrigation	.. 3	98.83
Public Health	.. 4	1,87.19
National Highways and Projects	3	40.66
Total	.. 17	5,69.59

The *minus* balances arise either because the materials received are not taken to account or the value of stores shown as issued is more than the value of receipts due to non-adjustment of difference in value account consequent upon revision of rates at the end of each year. Unless the *minus* balances are reconciled and adjusted, the correctness of the stock account cannot be ensured.

#### WORKS (INCLUDING RURAL ROADS AND BUILDINGS) DEPARTMENT

##### 5.3. Unutilised stores

The departmental rules of Government prescribe procurement of stores in accordance with definite requirement for works taking into account the work-load of the division, the existing stock in-hand and other factors.

Test check of records of two Roads and Buildings divisions (*viz.*, Sundergarh and Charbatia) during local inspection (February 1983/June 1979) revealed that stores worth Rs. 1.86 lakhs purchased (1967/1971) long back (Sundergarh Roads and Buildings division-1967: Rs. 1.40 lakhs comprising cement water proofing compound, coal, M.S. Angle, rods and H. T. wire; Charbatia Roads and Buildings division-1971: Rs. 0.46 lakh of miscellaneous stores) remained unutilised. The unutilised materials included cement water proofing compound valued at Rs. 0.26 lakh which had been rendered unserviceable for further use due to prolonged storage since 1967.

#### HOUSING AND URBAN DEVELOPMENT DEPARTMENT

##### 5.4. Indjudicious procurement of materials

(a) *Berhampur P. H. division*— 3,570 metres of 100 mm. G. I. Pipes costing Rs. 4.30 lakhs were received in July 1982, as per the supply order placed (June 1982) with M/s. 'J' (a rate contract holder) by the Chief Engineer, Public Health. The division intimated (August 1982) the Chief Engineer that the pipes were not required for the works under that division. These pipes are still (July 1983) lying unutilised in the divisional store.

(b) *Rourkela Public Health division*— water supply and sanitary fittings valued at Rs. 4.24 lakhs were purchased during the period from October 1981 to June 1983 as per orders placed

by the Chief Engineer, Superintending Engineer and the Executive Engineer, although huge numbers of such fittings were already lying in October 1981 unused in the divisional stock. The fittings purchased also remained unutilised in October 1983. The purchase of such fittings without ascertaining the stock in hand and without assessing their requirement in the works, was injudicious.

(c) *Balasore Public Health division*— 9,975 Kgs. of bleaching powder was received from M/s. 'K' in June 1980 (as per an order placed by the Chief Engineer, Public Health in September 1979). The division had already a stock of 2,500 Kgs. in June 1980. The utilisation of bleaching powder during the period from June 1980 to October 1982, was 2,150 Kgs. only resulting in a balance of 10,325 Kgs. (value: Rs. 0.43 lakh) lying in stock. The prolonged storage of bleaching powder is likely to render it unsuitable for further use due to deterioration in its quality and may ultimately result in loss to Government.

#### 5.5. Avoidable payment of wharfage charges

In Bhanjanagar Public Health division, 362 pieces of 150 mm. dia G. I. Pipes which arrived at the Railway Station on 5th April 1981, were taken delivery on an indemnity bond as the concerned Railway Receipt was not available in the division only on 12th June 1981 after payment of Rs. 0.43 lakh as wharfage charges to the Railways which was avoidable, as delivery could have been taken immediately on arrival of goods on indemnity bond.

B—CIVIL DEPARTMENT

HOME DEPARTMENT

#### 5.6. Police Motor Transport Workshop

##### (i) Introduction

For attending to repairs of police vehicles, a Police Motor Transport (PMT) Workshop at Cuttack was established (1946). Two zonal workshops (one at Sambalpur in 1949 and another at Berhampur in 1962) and 21 miniature workshops each at



Police District Headquarters/Special Armed Police Headquarters were also established in February 1981 due to increase of fleet strength from 45 numbers in 1946 to 964 numbers in March 1983. Neither any workshop rules were framed nor any norm of work to be done during the year was fixed so far (June 1983). Despite increase of staff varying from 51 numbers to 80 numbers during 1980-81 to 1982-83 and increase of overall expenditure on staff from Rs. 15.09 lakhs (1979-80) to Rs. 25.42 lakhs (1982-83), the number of major/minor repairs undertaken during 1982-83 were only 37,837 (major : 8,701 and minor : 29,136) as against 71,404 numbers undertaken (major : 15,963 and minor : 55,441) in the earlier year 1980-81.

### *(ii) Machinery*

Between 1979-80 and 1982-83, on 1,067 occasions jobs valuing Rs. 4.96 lakhs were undertaken in private workshops on the ground that machinery required was not available in the PMT workshop. It was, however, noticed in audit that on 18th April 1979, machinery valued Rs. 2.06 lakhs (depreciated value) was available in the workshop and additional machinery valued Rs. 2.11 lakhs was acquired for the workshop between 1979-80 and 1982-83. Of this, power driven machinery valued Rs. 2.46 lakhs acquired between June 1973 and March 1974 and in 1980-81 remained uninstalled for want of 3 phase power line. It was stated in February 1984 to audit by the department that though Government approval for revised plan and estimates for Rs. 0.74 lakh (PMT Workshop, Cuttack : Rs.0.25 lakh and PMT zonal workshop at Sambalpur : Rs. 0.49 lakh) for 3 phase power supply was accorded by June 1983, the work remained incomplete mainly due to non-allotment of required funds. As a result, 223 jobs valued Rs. 1.71 lakhs were got done at private workshops during 1981-82 to 1982-83.

### *(iii) Purchases*

A test check in audit of purchases made by the PMT workshop, Cuttack between May and June 1983 revealed that spares worth Rs 20.57 lakhs, tyres and tubes worth Rs. 14.67 lakhs, battery for Rs. 5.47 lakhs and paints for Rs. 0.91 lakh

were procured piecemeal without clubbing them together and without observing the normal procedure of purchase prescribed by Government which includes call of tender or purchase through rate contract firms of D. G. S. D. or through the Director of Export Promotion and Marketing (EPM), Bhubaneswar. This resulted in extra/avoidable expenditure of Rs. 1.47 lakhs besides non-availability of rebate of Rs. 0.77 lakh as dealt in succeeding paragraphs.

(a) All departments of Government are required to effect purchase exclusively from the rate contract holding firm 'L' of Cuttack and firm 'A' of Sambalpur (awarded I. S. I. mark) for supply of batteries approved in October 1980 by the Director (E. P. M.) and renewed from time to time. However, 9 different sizes of batteries were purchased between 1980-81 and 1982-83 from an outside firm 'H' (Cuttack) at higher rates which resulted in avoidable expenditure of Rs. 0.77 lakh. Similarly, paint was purchased during the period 1980-81 to 1982-83 from parties other than the rate contract firm which also resulted in avoidable extra expenditure of Rs. 0.42 lakh. To an audit enquiry in June 1983 it was stated by the Superintendent, PMT workshop that the purchases were made as and when required without purchasing in bulk in order to avoid spoilage, though it is necessary and proper to have bulk purchases and provide storage facilities.

(b) In the absence of any systematic assessment of requirement, certain spares to the extent of Rs. 8.15 lakhs were purchased between 1980-81 and 1981-82 from various local dealers piecemeal at different rates instead of in bulk from manufacturers. This resulted in extra expenditure of Rs. 0.28 lakh compared to the rates of manufacturers.

(c) Certain firms had offered in April 1981 a rebate of Rs. 93 for each old battery returned at the time of purchase of new batteries. It was, however, noticed in audit that during the period from April 1976 to March 1983 out of 1,064 old batteries, advantage of rebate was taken only in the case of 232 numbers leading to a loss of rebate for Rs. 0.77 lakh.



(iv) *Body building of Troop carrier*

(a) Tenders for construction of body building for Troop carrier on 7 numbers of Tata Chassis (purchased during 1980-81) were called for in August 1981 by the Superintendent of Police, PMT Workshop. Of five tenders received in October 1981, the offer of firm 'S' (Cuttack) was the lowest at Rs. 33,951 for each body building. This rate was negotiated in October 1981 for Rs. 33,500. While according sanction, the Inspector General of Police decided in December 1981 to award body building of 5 numbers of Troop carrier to the above firm and ordered that the remaining 2 were to be taken up departmentally at the PMT Training Centre *inter alia* to improve the body construction knowledge of certifiers. The actual cost of body building work of 2 vehicles departmentally was of Rs. 1.24 lakhs (materials: Rs. 0.84 lakh, labour: Rs. 0.40 lakh) which was higher by Rs. 0.57 lakh as compared to the rates paid for the same work in respect of 5 other vehicles.

(b) For body building of 3 numbers of Primer Road Master Chassis, tenders were invited in March 1982 by the Superintendent of Police, PMT Workshop. The lowest tender of the firm 'G' (Sambalpur) for Rs. 38,900 each was accepted in March 1982 by the Tender Committee subject to inspection of the factory of the firm before issue of work order. No inspection was done by the Superintendent of Police, PMT Workshop and no work order was issued to the firm till end of May 1982. The firm increased the rate to Rs. 52,600 against the earlier quoted rate of Rs. 38,900 in June 1982 on the ground of increase in cost of materials. The second lowest tenderer 'K' (Bhubaneswar) was also contacted in July 1982 to take up the job at his quoted rate but, he refused to do that on similar grounds. On further negotiation in October 1982, the work was, however, awarded to 'K' for Rs. 48,500 each. Thus, due to delay in Inspection of Factory and placement of orders immediately after finalisation of tenders, the workshop had to incur an extra expenditure of Rs. 0.32 lakh (Rs. 48,500 less Rs. 38,900 with 12 per cent sales tax).



(v) *Other points of interest*

(a) Though the workshop is to run on commercial principles, *pro forma* accounts were not prescribed by the department as required under the financial rules of Government.

(b) Machinery valued at Rs. 0.55 lakh (12 inch bed Lathe: Rs. 0.47 lakh and 4 numbers of Industrial Sewing Machines: Rs. 0.08 lakh) procured during 1980-81 had not been taken into stock account so far (June 1983).

(c) Machinery valued at Rs. 1.11 lakhs issued between 1977 and 1982 to PMT Workshop and Zonal Workshop, Sambalpur were not accounted for in stock account for the years 1980-81 and 1981-82. In reply to audit the department stated in February 1984 that the defects in the stores and stock account will be rectified in due course.

(d) Hand tools valued at Rs. 3.51 lakhs (583 numbers: Rs. 0.14 lakh and 334 numbers: Rs. 3.37 lakhs) procured between 1980-81 and 1981-82 and issued to Workshop, were treated under the orders of Superintendent, PMT Workshop, Cuttack as consumable articles though these are required to be returned to Tools and Plant account for further issue.

## CHAPTER VI

## COMMERCIAL ACTIVITIES

## 6.1. General

This chapter deals with the results of audit of departmentally managed Government Commercial and *quasi*-commercial Undertakings.

On 31st March 1983, there were six departmental commercial and *quasi*-commercial undertakings in operation. The extent of arrears in submission of *pro forma* accounts in respect of these undertakings is indicated below. The arrears persisted despite the matter being brought to the notice of Government from time to time.

Name of the undertaking	Year from which accounts are in arrears
<b>A. STATE TRADING SCHEME</b>	
(i) Grain purchase scheme	.. 1977-78
(ii) (a) Trading in <i>Kendu</i> leaves	.. 1965-66 to 1972-73 (a)
(b) Nationalisation of <i>Kendu</i> leaves	.. 1975-76
<b>B. TRANSPORT</b>	
(iii) State Transport Service	.. 1972-73 (b)
<b>C. INDUSTRIES</b>	
(iv) K. S. Potteries Development Centre, Jharsuguda	1979-80
<b>D. EDUCATION</b>	
(v) Text Book Press, Bhubaneswar	.. 1966-67

(a) The consolidated *pro forma* accounts relating to *Kendu* leaves scheme prior to nationalisation, for the period from 1965-66 to 1972-73, submitted to audit (March 1978) were not certified as many mistakes were noticed during the course of audit. The revised accounts are awaited (December 1983).

(b) Taken over by Orissa State Road Transport Corporation in May 1974.



Name of the undertaking	Year from which accounts are in arrears
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**E. COLD STORAGE PLANT**

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

**F. OTHERS**

(xii) Scheme for exploitation and marketing of fish	1975-76
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The undermentioned schemes remained inoperative/closed from the year noted against each; their assets and liabilities have not been disposed of/liquidated (December 1983).

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

The summarised financial results of the commercial undertakings to the extent the *pro forma* accounts thereof had been received were already mentioned in paragraph 6.1 of the Audit Report for the year 1980-81 (Civil). The position remains unchanged (December 1983).

Personal ledger accounts have been opened by Government in respect of the schemes mentioned below. Although these schemes are of commercial nature, Government have not prescribed the preparation of *pro forma* accounts for them; the financial results of these schemes have not been worked out.

Undertakings	Year in which personal ledger account was opened	Accounts for 1982-83			
		Opening balance	Credit	Debit	Closing balance
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in lakhs)					
<i>State Trading Schemes</i>					
1. Purchase and distribution of quality seeds to cultivators	1977-78 (Revenue Account)	22.90	15,64.17	18,75.83	(—)2,88.76
2. Poultry Development	1974-75 (Capital Account)	3.02	..	..	3.02
<i>Cold Storage Plants</i>					
3. Cold Storage Plant, Parlakhemundi	1977-78 (Revenue Account)	(—)1.26*	1.33	1.16	(—)1.09
4. Cold Storage Plant, Kuarmunda	1977-78 (Revenue Account)	(—)2.48*	3.79	1.24	0.07

## EDUCATION AND YOUTH SERVICES DEPARTMENT

### 6.2. Text Book Press, Bhubaneswar

#### 6.2.1. Introduction

The Text Book Press at Bhubaneswar started operation in June 1962 and is responsible for printing and marketing of nationalised Text Books for primary and middle standard classes (44 titles up to Class VII). The Press is under the administrative control of Education and Youth Services Department headed by a Manager who is assisted by two Assistant Managers, one Stock Taking Officer, one Assistant Engineer, one Personnel Officer, one Accounts Officer and a Sales Officer.

\*Minus balance is under reconciliation.



6.2.2. Review of accounts records of the Text Book Press conducted (April—August 1983) by Audit disclosed the following points :

(i) Working results

The annual receipts and expenditure of the Press during the year 1978-79 to 1982-83 as per cash book entries were as follows :

	1978-79	1979-80	1980-81	1981-82	1982-83
	(In lakhs of rupees)				
<i>Receipts</i>					
(i) Sale proceeds of Text Books	1,08.55	1,16.19	1,48.37	1,61.72	1,42.93
(ii) Miscellaneous ..	4.87	5.17	16.83	3.09	7.97
Total ..	<u>1,13.42</u>	<u>1,21.36</u>	<u>1,65.20</u>	<u>1,64.81</u>	<u>1,50.90</u>
<i>Expenditure</i>					
(i) Establishment ..	29.35	35.78	37.50	48.51	50.80
(ii) Wages ..	1.20	0.80	0.80	0.99	1.55
(iii) Materials ..	41.91	50.52	48.29	53.59	73.63
(iv) Tools and Plant ..	12.05	1.06	0.65	1.75	1.20
Total ..	<u>84.51</u>	<u>88.16</u>	<u>87.24</u>	<u>1,04.84</u>	<u>1,27.18</u>
Surplus(+) ..	<u>(+)28.91</u>	<u>(+)33.20</u>	<u>(+)77.96</u>	<u>(+)59.97</u>	<u>(+)23.72</u>

The scheme of Nationalisation of Text Books envisages pricing at no-profit/no-loss basis. There was no annual review of prices based on analysis of actual expenditure.

(ii) Operation performance

(a) Machine utilisation

The Press had 27 printing machines as at the end of March 1981. One of the machines was condemned in 1972. Besides one machine remained idle during 1980-81, 3 machines during 1981-82 and 2 machines during 1982-83.

Scrutiny of the machine docket registers in respect of 23 machines for three years from 1980-81 to 1982-83 revealed the position as indicated in the table below:

Year	Target of utilisation of machine hours	Machine hours utilised	Idle hours	Percentage of utilisation to target
(1)	(2)	(3)	(4)	(5)
1980-81	1,27,974	51,103	76,871	39.9
1981-82	1,28,748	52,584	76,164	40.8
1982-83	1,30,158	44,379	85,779	34.1

The machine hours utilised fell short of the targeted hours of utilisation and the press had to get the printing work done through outside agency (National Text Book Press) to the extent of 43.50 lakhs of books (9 lakhs in 1980-81, 16 lakhs in 1981-82 and 18.50 lakhs in 1982-83).

In reply to an audit enquiry regarding under-utilisation of machines and their possible overhauling/replacement, the Manager of the Press attributed it mainly to frequent breakdown of machines (owing to their old age as 21 out of 23 machines commissioned between 1962 and 1976 had outlived their life of utility) and stated in July 1983 that repair of the old machines would be cheaper than their replacement by new machines because of prevailing high price of such new machines. No phased programme was, however, drawn up by the Press authority at any stage for overhauling the machines to utilise them.

*(b) Volume of production and sales turnover*

The Press brought out, at a cost of Rs. 5,14.65 lakhs, 275 lakhs of priced publications during the 3 years from 1980-81 to 1982-83, out of which books worth Rs. 61.64 lakhs remained unsold on 31st March 1983 as indicated below:

Year	Copies printed	Value of production	Sale-proceeds	Value of unsold books
(1)	(2)	(3)	(4)	(5)
	(In lakhs)	(In lakhs of rupees)		
1980-81	89.77	1,52.53	1,48.36	4.17
1981-82	89.30	1,88.91	1,61.72	27.19
1982-83	95.93	1,73.21	1,42.93	30.28
Total	2,75.00	5,14.65	4,53.01	61.64

Though the Manager of the Press is required to receive returns every month from the various sales centres showing particulars of sales and the stock remaining unsold in the centres, it was seen in audit that the Press did not maintain any records indicating the details of unsold stock lying with different sales centres.

Sale fell short of the production apparently because the potential demand was not correctly assessed. It was seen that the number of copies to be printed in respect of each publication was decided on *ad hoc* basis by the State Level Committee consisting of the Minister, Education and Youth Services and other 8 members in consideration of potential demand.

(iii) Consumption of paper

Mention was made in Para 6.3.6 of the Comptroller and Auditor General's Report (Civil) for the year 1975-76 about excess consumption of paper. An analysis of issue of paper against each print order showed excess consumption over estimated quantity of paper valuing Rs. 4.24 lakhs (1980-81: Rs. 2.96 lakhs, 1981-82: Rs. 1.28 lakhs) for printing 1,55.54 lakh books and less consumption of paper worth Rs. 0.21 lakh for printing 77.37 lakh books as indicated below:

Year	Quantity of paper required for actual production as estimated by the Press	Actual consumption	Excess (+)/less (-) consumption	Value of excess (+)/less (-) paper consumed	Percentage of excess/less consumption
(1)	(2)	(3)	(4)	(5)	(6)
		(In reams)		(Rupees in lakhs)	
1980-81	61,711	66,343	(+)4,632	(+)2.96	7.5
1981-82	65,503	67,409	(+)1,906	(+)1.28	2.9
1982-83	62,463	62,030	(-)0,433	(-)0.21	(-)0.7

There was no systematic control over the consumption of paper in the absence of any periodical review. The press also could not state the reasons for such variations in consumption despite audit enquiry (July 1983).



*(iv) Short accountal of printed matter*

During the years 1978-79 to 1982-83, printing of 44 different books was taken up by the press. In the course of test scrutiny, it was noticed that the number of finished books accounted for was short of the printed matter produced treating the difference as waste paper. The table below indicates the year-wise position of shortages during the four years ending 1982-83.

Year	Printed matter in terms of books	Number handed over to finished book store	Difference in books handed over	Value of shortage (Rupees in lakhs)
(1)	(2)	(3)	(4)	(5)
		(Number in lakhs)		
1978-79	67.72	60.91	(—) 6.81	10.87
1979-80	39.78	38.03	(—) 1.75	3.10
1980-81	77.78	73.85	(—) 3.93	7.04
1981-82	77.95	75.56	(—) 2.39	10.03
1982-83	77.43	69.77	(—) 7.66	12.89
Total	3,40.66	3,18.12	(—)22.54	43.93

Reasons for such wide variations in spoilage ranging from 3 to 10 per cent were not on record. The Manager stated in August 1983 in reply to an audit enquiry that some spoilage was due to insufficient floor space in the Press and leakage of rain water.

*(v) Unauthorised retention of undisbursed cash**(a) Cash transactions*

Under the provisions of Treasury Code, withdrawal of money from the Treasury is permissible only if required for immediate disbursement and that the refund of undisbursed pay and allowances of staff shall be made by short drawal from the next months bills. In exceptional cases only, retention of undisbursed pay and allowances is permitted for a period of 3 months.

Scrutiny of the cash book, however, revealed that withdrawal from Treasury was often made without immediate requirement and that the undisbursed amounts were retained in hand for years together.

The following table indicates the extent of cash drawn till March 1983 remaining undisbursed by the end of June 1983.

Year	Establishment bills		Contingent bills	
	No. of bills	Amount (Rupees in lakhs)	No. of bills	Amount (Rupees in lakhs)
(1)	(2)	(3)	(4)	(5)
1976-77	..	..	11	0.17
1977-78	1	0.01	11	0.15
1978-79	..		18	0.07
1979-80	2		10	0.47
1980-81	6		18	0.54
1981-82	48	0.26	14	0.53
1982-83	74	1.20	21	8.94
(Up to June 1983)				
Total ..	131	1.47	103	10.87

Contingent charges were drawn against fully vouched contingent bills which covered even withdrawal against *pro forma* bills of suppliers. Delay/default on the part of the suppliers in delivery of indented goods resulted in heavy accumulation of undisbursed cash.

Management stated in July 1983 in reply to an audit enquiry that undisbursed pay and allowances were retained in hand for the sake of payment of dues to workers on demand to avoid labour unrest while, in case of withdrawals towards contingent bills, it was explained that the amounts were mainly drawn against *pro forma* invoices of suppliers and it was considered necessary by the management to retain the amount to ensure quick payment on receipt of goods from them.

*(b) Unauthorised utilisation of undisbursed cash*

Persistent retention of undisbursed cash for years together resulted in unusually heavy cash balance. The accumulated cash balance was utilised for making disbursements towards advances to subordinates as well as for payments of personal claims of Government servants before withdrawal from Treasury. These payments were not recorded in cash book but held as part of cash balance.

The disposition of the cash balance as at the end of 1980-81 to 1982-83 is indicated in the table below :

Particulars	Year ended at 31st March		
	1981	1982	1983
	(In lakhs of rupees)		
(1)	(2)	(3)	(4)
(i) Deposit at call with SBI and Bank drafts	27.95	8.94	14.19
(ii) Advances to subordinates	2.28	11.08	3.86
(iii) Payment against passed bills	0.15	0.54	1.88
(iv) Cash in chest	4.90	2.10	5.09
Total	35.28	22.66	25.02

Withdrawal of money from Treasury and deposit thereof into Bank is specifically prohibited under the provisions of Orissa Treasury Code. The Manager stated in July 1983 in reply to audit that deposit at call in Bank was made from the point of view of safety. Utilisation of money for purposes other than for which withdrawal was made, was attributed by the Management to inadequacy of permanent advance.



*(vi) Purchase of concessional paper*

The Text Book Press is allotted quarterly quota under the Paper Control Order, 1979. Against the quota for the first two quarters of 1982 (January to March 1982 and April to June 1982) orders were placed (January and May 1982) for supply of 109.5 MT of paper (first quarter: 100 MT, second quarter: 9.5 MT) at the rates of Rs. 4,200 per MT for the first quarter and Rs. 4,600 per MT for the second quarter. The suppliers claimed in July and August 1982 (on the basis of High Court decision) that they were entitled to charge higher prices than those notified by the Paper Controller and accordingly indicated that they are usually to supply paper at enhanced prices of Rs. 6,300 per MT for supply against first quarter and Rs. 5,600 per MT for the second quarter. The supply order against the quota for first quarter was cancelled in November 1982 and in respect of allotment for second quarter, instructions were sought in January 1982 by the Press from Government regarding payment at higher rates demanded by the Firm. No instructions were received and the validity period (September 1982) of the offer expired. The allotment of 400 MT of paper for the third quarter was accordingly withdrawn in August 1982 by the Paper Controller.

Due to shortage of paper stock, the Manager placed order in December 1982 for 365 MT of paper on the basis of limited quotation called for and accepted in October 1982 at a rate of Rs. 8,024.88 per MT. Supply was received between December 1982 and May 1983. Computed with reference to the enhanced prices at which the suppliers were willing to supply 109.5 MT of paper during July and August 1982, the extra expenditure due to purchase made from the open market amounted to Rs. 1.96 lakhs.

*(vii) Disposal of waste paper*

(a) The Press generates about 10/15 MTs. of waste paper per month, which is normally sold against annual contract on tender basis. However, the Education and Youth Services department instructed the Manager of the Press in June 1977 to offer waste paper in the first instance to Small Scale Industries (SSI) paper manufacturing units of the State. As the rate at which the waste

paper is to be sold to SSI units were not indicated in Government order, the Manager suggested in February 1978 to Government that open market quotations may be called for to ascertain prevailing market price. This was accepted in April 1978 by Government with a stipulation that M/S 'P' one SSI unit should also be asked to submit offer. Accordingly, tenders were invited (May 1978) by the Manager in response to which altogether 16 tenders were received in June 1978 including that of M/S 'P'. However, without waiting for the finalisation of tender, Government issued order in June 1978 that the sale of waste paper of 1978-79 should be made to M/S 'P' at the rate of Rs. 1,385 per MT by adding 10 per cent over the sale price of 1977-78.

It was noticed in audit that the highest tender was Rs. 3,250 per MT of a private trader who, however, backed out and his earnest money deposit was forfeited. The next acceptable offer was from a private trader 'J' who quoted the rate of Rs. 2,850 per MT which was accepted by the Manager (August 1978) and he lifted 148.438 MT during that year. M/S. 'P' also lifted 153.736 MT up to 15th April 1979. Computed with reference to the valid offer of 'J' at Rs. 2,850 per MT, the sale of waste paper to 'P' resulted in a loss of revenue of Rs. 2.25 lakhs. It would also be interesting to note that the sale price of waste paper for 'P' was fixed at Rs. 1,385 per MT, which was even lower than his own offer (Rs. 1,800 per MT).

(b) No sale was made during 1979-80 and for the year 1980-81 the sale was effected at the rate of Rs. 2,400 per MT on the basis of tender. In March 1981 the Education and Youth Services department issued an order to the Press to sell waste paper of the Press to M/S 'P' against a five-years running contract at prices to be arrived at by increase of 10 per cent each year over the price at which sale was effected in 1978-79.

M/S, 'P' lifted stock of 170.954 MT during the two years 1981-82 and 1982-83. The 10 per cent increase for each year over the price at which sale was effected in 1978-79 was, however, not



given effect to. This resulted in 'P' getting unintended benefit of Rs. 0.57 lakh as detailed below:

Year	Rate that was to be adopted	Price charged as per Government order	Quantity of paper lifted	Amount of difference
(1)	(2)	(3)	(4)	(5)
	(Per MT)	(Per MT)	(In MT)	(Rupees in lakhs)
1981-82	1,843.44	1,523.50	115.319	0.37
1982-83	2,027.78	1,675.85	55.635	0.20
		Total ..	<u>170.954</u>	<u>0.57</u>

The Manager stated (July 1983) in reply to audit enquiry that 10 per cent increase over the price approved for the year 1978-79 was not made for the two years i. e., 1979-80 and 1980-81 as no sale was effected to M/S 'P' during those years.

*(viii) Losses through obsolescence, damage and shortage of Text Books*

*(a) Obsolete books*

Mention was made in para 6.3.12 of the Report of Comptroller and Auditor General of India (Civil) for the year 1975-76 regarding loss on sale as waste paper of 88,600 copies of books which became obsolete due to revision of Texts. 58,449 copies of books valued at Rs. 0.68 lakh which became obsolete due to revision up to 1976-77 academic year were sold as waste paper in 1978-79. During the year 1979-80 to 1982-83, out of 318.25 lakh copies of books printed, 3.12 lakhs (value : Rs. 4.95 lakhs) became obsolete due to revision of 18 text books and were sold between 1980-81 and 1982-83 as waste paper. Test check of the records of Sales Centres between May and July 1983 further disclosed that 33,553 copies of obsolete books valued at Rs. 0.59 lakh were still (September 1981) lying in four different Sales Centres undisposed of. Information was, however, not available in the Press offices regarding the exact extent of obsolete books lying with the other Sales Centres.



The Management stated in July 1983 in reply to an audit query that as decided by the State Level Committee in March 1979 for printing of Nationalised Text Books, all the Text Books were to be revised within a short span of time with a view to introduce the 10+2 system of education. Hence, there was little scope to regulate printing quantity.

*(b) Damaged books*

Test check between May and July 1983 of the records of four Sales centres further disclosed that 9,911 copies of Text Books (value : Rs. 0.18 lakh) were lying in damaged condition (September 1983). Information was not available from the Press office in regard to the exact extent of damaged books lying in the other Sales centres. The Press could not intimate the causes for damages to the books.

*(c) Shortage of Text Books*

Some cases of shortage of Text Books were commented upon in para 6.3.14 of the Report of the Comptroller and Auditor General of India (Civil) for the year 1975-76. Further physical verification of stock by the Manager carried out between December 1977 and December 1982, disclosed another six cases of shortages in five Sales centres involving 1,62,262 copies of Text Books (value : Rs. 2.99 lakhs) as indicated in the table below. Of these five Sales centres, one (Cuttack) is managed by the Press itself, while the other four (Bhawanipatna, Pattamundai, Kendrapara and Nuapara) are being managed by the respective District Inspectors of Schools.

Sl. No.	Name of Sales centres	No. of books found short	Value (Rupees in lakhs)
(1)	(2)	(3)	(4)
1.	Cuttack	65,029	1.23
2.	Bhawanipatna	37,478	0.85
3.	Pattamundai	28,342	0.45
4.	Kendrapara (2 cases)	16,909	0.27
5.	Nuapara	14,504	0.19
	Total	1,62,262	2.99

The District Inspector of Schools, Bhawanipatna intimated the Press Manager in September 1982 that a sum of Rs. 0.62 lakh (out of Rs. 0.85 lakh) was deposited by the Sales Manager of Bhawanipatna Sales Centres between February 1980 and March 1981. Further development in the matter is awaited (July 1983) from the District Inspector of Schools.

Manager of the Press stated in July 1983 that F. I. R. was lodged in respect of shortage in the Cuttack Sales Centre and the case is still (July 1983) under Police Investigation and that the remaining cases were reported to Government.

*(ix) Non-accountal of sale proceeds*

Internal audit of the Press disclosed that sale proceeds of two centres, viz., Nuapara and Bhawanipatna amounting to Rs. 0.58 lakh collected in July 1978 (Rs. 0.36 lakh) and February 1980 (Rs. 0.22 lakh) by the Nuapara and Bhawanipatna Sales centres respectively were not accounted for by these centres and reportedly retained by the Sales Assistants.

Action taken so far by the Press authorities for recovery of the amount from the Sales Assistant was not intimated to Audit.

*(x) Printing of Report*

The Text Book Press printed one thousand copies of the 'Report of the Committee on establishment of new colleges in Orissa—1978-79 to 1982-83' against an order of the Government issued in January 1979. The cost of printing was calculated at Rs. 0.58 lakh. Even though printing was completed in November 1979, delivery of the printed material has not so far (July 1983) been made.

At the instance of Audit the matter in regard to delivery of the publication was taken up with Government in July 1983; further development in the matter is awaited (July 1983) from the Press authorities.

*(xi) Stores Management*

*(a)* Appropriate value accounts of stores were not maintained to exhibit value of annual purchases, annual consumption/issues and the balance of stock in hand at the close of the year.

(b) Maximum and minimum limits of stocks of paper, chemicals, ink, etc., had not been fixed despite earlier audit observation. Twenty two varieties of ink valued at Rs. 0.75 lakh and 45 varieties of chemicals valued at Rs. 0.31 lakh remained unused (July 1983) since 1977-78. The Press reported in July 1983 that the ink could not be utilised due to stoppage of multi-coloured printing. Non-utilisation of chemicals was stated to be due to introduction (1973-74) of a new system of plate making.

(c) A scrutiny of stores ledger relating to paper revealed that 29 varieties of paper (value : Rs. 3.82 lakhs) received between 1976-77 and 1980-81 as indicated in the table below had remained unused (July 1983).

Year	Purchase		UNICEF Gift		Total		
	No. of items	Value	No. of items	Value	No. of items	Value	
		(Value in lakhs of rupees)					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1976-77	9	0.60	1	0.13	10	0.73	
1977-78	1	0.02	..	..	1	0.02	
1978-79	4	0.10	2	0.21	6	0.31	
1979-80	2	0.06	..	..	2	0.06	
1980-81	8	0.13	2	2.57	10	2.70	
Total	24	0.91	5	2.91	29	3.82	

The Press reported in July 1983 that there was no deterioration in quality due to the long storage and assured that steps were being taken to utilise the stock in the current year.

(d) Physical verification of stock and other assets is pending since 1972-73. The Management stated in July 1983 in reply to an audit enquiry that consequent upon posting of a separate stock taking officer in December 1981, the work would be completed within one year.

#### (xii) Debtors balances

The Text Book Press occasionally undertakes printing of extra jobs against orders of different departments of the Government and other public bodies. As on 31st March 1982 a sum of



Rs. 8.59 lakhs was pending realisation. During the year 1982-83 further jobs (value: Rs. 7.70 lakhs) were executed. Realisation during the year amounted to Rs. 5.43 lakhs, leaving a balance of Rs. 10.86 lakhs as on the 31st March 1983 for realisation.

The year-wise break up of the outstanding debt is indicated in the table below:

Year	Opening balance as on 1st April 1982	Realisation during 1982-83	Closing balance as on 31st March 1983
(1)	(2)	(3)	(4)
(Rupees in lakhs)			
Up to			
1974-75	1.06	..	1.06
1975-76	0.30	..	0.30
1976-77	0.02	..	0.02
1977-78	1.99	0.04	1.95
1978-79	0.83	0.22	0.61
1979-80	2.89	0.02	2.87
1980-81	0.50	0.28	0.22
1981-82	1.00	0.06	0.94
1982-83	7.70	4.81	2.89
Total	16.29	5.43	10.86

In reply to an audit query the Management stated in July 1983 that the matter is being pursued by correspondence as well as by personal contact to expedite recovery of the dues.

Out of the total outstanding debt of Rs. 10.86 lakhs a sum of Rs. 7.56 lakhs was due from 'Children Literature Committee'.

#### Summing up

(i) *Ad hoc* revision of prices in 1976-77 generated surpluses over successive years; in the absence of a system of periodical price revision and analysis of actual expenditure of pricing at no profit/no loss basis was not secured.

(ii) the value of unsold stock of books over a period of 3 years ended March 1983 amounted to Rs. 61.64 lakhs and no records were maintained by the Press to show the details of unsold accumulated stock;

(iii) scrutiny of consumption of printing paper for 3 years ended 1982-83 disclosed excess consumption over estimated quantity in 2 years varying from 2.9 to 7.5 *per cent* and saving of 0.7 *per cent* in one year; the value of net loss of wastage of these 3 years amounted to Rs. 4.03 lakhs;

(iv) losses due to spoilage of printed matter in course of finishing the books ranging from 3 to 10 *per cent* over a period of 5 years from 1978-79 to 1982-83 aggregated to Rs. 43.93 lakhs;

(v) non-acceptance of the prices offered against allocations under paper control order of 1979 and purchase of paper against limited tenders resulted in extra expenditure of Rs. 1.96 lakhs;

(vi) sale of waste paper of the press during 1978-79 to one S S I unit at less than the price offered by the highest bidder resulted in loss of revenue of Rs. 2.25 lakhs;

(vii) the press suffered losses to the extent of Rs. 5.63 lakhs through sale of unsold stock of Text Books (3.70 lakhs) which became obsolete and were disposed of as waste paper during 1978-79 to 1982-83;

(viii) stock verification carried out between December 1977 and December 1982 disclosed shortages of Text Books (1.62 lakhs) valued at Rs. 2.99 lakhs in 5 sales centres;

(ix) stores valued at Rs. 3.82 lakhs (purchased between 1976-77 and 1980-81) remained unutilised; and

(x) debtor's balances remaining unrealised as on 31-3-1983 amounted to Rs 10.86 lakhs.

The points mentioned above were reported to Government in September 1983; their reply is awaited (April 1984).

## CHAPTER VII

## FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

## 7.1. General

(a) (i) During 1982-83, Rs. 2,19.33 crores were paid as grants to non-Government bodies/institutions. This formed 26.60 per cent of the Government's total expenditure on revenue account. The corresponding figures for the previous year 1981-82 were Rs. 1,63.91 crores and 28.58 per cent.

The main beneficiaries of the grants were Panchayat Raj institutions which received Rs. 1,25.36 crores during 1982-83 for the purposes shown below:

(Rupees in crores)

1. Education—		
Primary and Secondary Education	..	92.51
2. Community Development and Rural Reconstruction—		
Community Development	..	17.24
3. Planning and Co-ordination Department—		
Rural Works Programme	..	8.40
4. Forest—		
Grant from sale proceeds of <i>Kendu</i> leaves		2.51
5. Revenue Department—		
Repair and Restoration of roads/buildings		4.70
		<hr/>
Total		1,25.36
		<hr/>



*(ii) Utilisation Certificates*

Under the financial rules in all cases in which conditions are attached to grants, utilisation certificates to the effect that the grants have been utilised for the purpose for which they were paid are required to be furnished by the departmental officers to the Accountant General within a reasonable time. Despite mention in para 6.1. (ii) of the Report of the Comptroller and Auditor General of India for the year 1981-82 (Civil) and in the earlier Reports, these certificates still continue to remain outstanding for years together including those for the grants paid during the year 1981-82.

In the absence of such certificates, there is not even *prima facie* evidence of the recipients having spent the grants for the purpose or purposes for which these were given. The departments substantially in default in rendering utilisation certificates to Audit are Education and Youth Services, Community Development and Rural Reconstruction, Agriculture and Co-operation, Harijan and Tribal Welfare and Housing and Urban Development.

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

Mention was made in paragraph 6.1. (b) of the Audit Report (Civil) for 1981-82 about non-receipt of information from departments of Government regarding grants and loans given to various bodies and authorities during 1971-72 to 1981-82 to determine the applicability of Section 14 audit in these cases. The position

did not improve as indicated below. Information for the year 1982-83 has also not been received from the departments.

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

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

## EDUCATION AND YOUTH SERVICES DEPARTMENT

### 7.2. Elementary Education

#### 7.2.1. Introduction

Elementary Education is the first level of educational development and has two stages, namely, primary for the age group 6 to 11 years (in upper primary schools with 5 classes) and middle for the age group 11 to 14 years (in the middle education schools

having 2 to 3 classes). The programme in this sector aims at creating enrolment facilities for all the children in the age group 6—11 and for 40 per cent of the children in the age group 11—14 at the end of the Sixth Plan. According to the department, there were 2,015 primary and 468 middle schools managed by the State Government and 30,882 primary and 6,945 middle schools managed by the local bodies and private agencies as on July 1983. A review of the progress of elementary education from the Fifth Five Year Plan onwards in 9 Educational districts (out of 56) was done under section 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Points noticed in audit are mentioned in the succeeding paragraphs:

### 7.2.2. Target and achievement

(i) The targets and achievements of opening of primary (including upgradation) and middle schools during the Fifth Plan period and subsequent years of the Sixth Plan are indicated below :

Year	Primary/L. P. Schools		Upgradation from L. P. to U. P.		M. E. School (including upgradation)		Teachers appointed	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
	(In numbers)							
Fifth Plan	5,000	2,500	9,900	6,100	2,965	2,101	19,365	13,376
1979-80	1,000	500	2,500	1,000	1,000	500	6,300	2,900
1980-81	1,000	800	3,500	900	1,000	300	7,300	3,212
1981-82	300	300	150	150	115	115	680	600
1982-83	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(ii) One of the objectives in opening new schools and upgradation of existing schools is expansion of enrolment as envisaged in the State Plan. A test check revealed that primary schools were opened/upgraded even when there was no enrolment in the classes/sections and teachers were appointed in excess of requirements. It was noticed that in 5 educational districts (Koraput, Puri, Baripada, Keonjhar and Bolangir) a total grant of Rs. 4.09 lakhs was spent for payment of teachers' salary in 62 upgraded U. P. and M. E. schools including 3 newly opened L. P. schools having no students over a period of years from 1974-75 to 1981-82.



The District Inspector of Schools, Koraput stated in May 1983 that as it was a backward district, people were not conscious of enrolling their children in the schools despite introduction of incentives programme since 1974-75 and therefore, the sanctioned posts of teachers were allowed to continue in the interest of public service.

The District Inspector of Schools, Baripada (Mayurbhanj district) stated in May 1983 that since according to the instructions of Government the schools were upgraded and teachers appointed 4 months after the school session 1979-80 commenced, no students were available on roll and the teachers were engaged in supervising the repair work of the school building and arranging materials therefor. The District Inspector of Schools, Keonjhar explained in May 1983 that as the schools started functioning from the middle of the session, enrolment could not be made. The manner of utilising the services of the teachers in other cases was not on record. The entertainment of teachers when there were no students did not serve the intended purpose and, hence, the expenditure of Rs. 4.09 lakhs towards payment of salaries to teachers was unfruitful.

### 7.2.3. *Extra expenditure on entertainment of teachers*

The norm for teachers in L. P./U. P. schools prescribed by Government was 1 teacher for 40 students. In case of upgradation of single teacher L. P. school (up to Class III) to U. P. school (up to Class V) one additional teacher per school is sanctioned and if the strength of students is more than 40, another teacher is to be sanctioned for every such increase. Two additional teachers (one Headmaster and one Assistant trained teacher) are appointed for M. E. sections (Class VI and VII) when primary school is upgraded to M. E. school. It was seen in audit that teachers were appointed by the District Inspectors in excess of the prescribed norms entailing extra expenditure of Rs. 14.35 lakhs out of grants-in-aid as given in Appendix 7.1.

To an audit query the District Inspector of Schools, Puri stated in June 1983 that the position would be reviewed shortly and the excess regularised. According to District Inspector of Schools, Baripada (Mayurbhanj district), Baripada being a tribal district, the teacher-student ratio of 1:40 could not be adhered to and that

diversion of teachers from one block to the other was being done annually after verification of roll strength. District Inspector of Schools, Koraput explained that 8 such teachers had been attached to the Sub-Inspector of Schools of the respective areas to assist in official work. No steps were taken to utilise the services of these teachers in other schools having less number of teaching staff.

#### 7.2.4. Drop out of students

The major malady that afflicts elementary education is the problem of drop out. The result of a survey conducted (just before the 4th Education Survey Report in September 1978) by the Directorate (Planning Cell) indicated that within the range of 1970-71 to 1977-78 out of 100 children enrolled in Class I, 69 left at the primary level (before completion of Class V) and 84 in all before completing the final stage in Middle schools.

Despite incentives (free text books, writing materials and uniforms to girl students of under-privileged families) granted since 1974-75 at a cost of Rs. 158.10 lakhs to end of 1981-82 for increasing the enrolment, the scheme had not achieved the desired result. No further survey was made by the department but test check between April and June 1983 of the records of the District Inspector of Schools (7 Educational districts) revealed the following points :

(i) In 336 M. E. Schools under the District Inspector of Schools, Balasore there was enrolment of 27,797 students (teachers being 1,302) during 1980-81, during 1981-82 the students' strength came down to 25,911 in 338 schools (with 1,226 teachers) and the strength further dwindled to 22,435 in 356 schools having 1,354 teachers in 1982-83. Significant fall in the strength of students in 3 years as against the increase in number of schools (20) and of teachers (52) was attributed by the District Inspector of Schools, Balasore to poverty of the parents of the students.

(ii) Out of 18,047 students enrolled in Class I of 156 upgraded M. E. Schools of Keonjhar educational district, 5,687 students (32 per cent) dropped out from various classes up to Class VII during



1977-78 to 1982-83. Of 18,854 students enrolled in class I of primary schools in 1978-79, 12,890 students (68 *per cent*) dropped out from various classes up to Class V during 1979-80 to 1982-83.

(iii) Information received from the District Inspector of Schools Balangir disclosed that out of 15,534 students enrolled in Class I during 1978-79 in 649 primary schools (including lower primary), 10,726 had dropped out (69 *per cent*) from Class II to V during 1979-80 to 1982-83. In 8 upgraded M. E. Schools (out of 124 existing) of the 392 students enrolled in Class I during 1974-75, 327 students (83 *per cent*) had dropped out up to Class VII during 1975-76 to 1980-81.

(iv) According to the information furnished (May 1983) by the District Inspector of Schools, Berhampur (Ganjam district), out of 15,723 students enrolled in classes I to III during 1974-75 to 1976-77 in 106 upgraded M. E. and 753 primary schools, 10,359 students (66 *per cent*) dropped out from classes IV to VII during 1977-78 to 1980-81.

(v) No survey was conducted by the District Inspector of Schools, Puri to find out the position of drop out. Attendance registers of 20 upgraded M. E. Schools (out of 58 schools functioning under the Inspectorate) scrutinised in audit revealed that out of 701 students admitted in Class I (1974-75) only 83 could continue up to Class V during 1978-79 and 50 up to Class VII (1980-81).

Poverty of the parents, existence of more number of 3 class primary schools and anti-literary beliefs among certain sections of the community were stated by the District Inspectors/Headmasters of schools to be the reasons for heavy drop out in all the cases cited above.

#### 7.2.5. *Non-formal facilities*

The Sixth Plan Working Group on universalisation of Elementary Education (Ministry of Education and Culture) in its Interim Report has recommended that the children who have never gone to schools or have dropped out from schools should be offered a special



programme of education in the form of part-time classes of non-formal education and should be helped to become at least functionally literate or even to reach the level of Class V. Following this it was programmed (1980-81) to start 8,000 Prathamik (for the age group 6—11) and 5,600 Madhyamik Chatsalies (for age group 11—14) in Orissa during the Sixth Plan period with 50 per cent Central assistance.

Rupees 1,01.01 lakhs (1980-81: Rs. 10.17 lakhs, 1981-82: Rs. 38.56 lakhs, 1982-83: Rs. 52.28 lakhs) were sanctioned by the State Government for opening and continuance of 1,220 Prathamik and 1,140 Madhyamik Chatsalies by the District Inspectors of Schools and 700 Prathamik and 140 Madhyamik Chatsalies by the State Council of Educational Research and Training (SCERT). The Director of Public Instruction (D. P.I.), Schools released Rs. 69.60 lakhs during 1980-81 to 1982-83 to the District Inspectors of Schools and Rs. 31.41 lakhs to SCERT for opening 2,400 Prathamik and 1,600 Madhyamik Chatsalies (instead of 1,920 Prathamik and 1,280 Madhyamik originally sanctioned by the Government) by reducing the quantum of expenditure prescribed by Government (Prathamik from Rs. 1,610 to Rs. 1,288 per centre, Madhyamik from Rs. 1,670 to Rs. 1,336 per centre) and disbursements were made to the centres according to the reduced rate by the District Inspectors. No records were maintained by the DPI (S) about the number of centres actually opened and those continuing during 1982-83.

The following points were noticed during test check (June 1983) of the records of 9 District Inspectors of Schools:

(i) In addition to 50 per cent cash assistance, the Government of India allotted during 1980-81 to 1982-83, free of cost, 2,055 MT (1980-81: 600 MT, 1981-82: 710 MT, 1982-83: 745 MT) of paper to the State Government from Swedish India Development Authority for implementation of the Programme. The paper (598.217 MT) received by the Text Book Press, Bhubaneswar was stored (October 1981 to May 1982) with the Orissa State Warehousing Corporation and lying unutilised (July 1983); storage charges paid (June 1983) to the Corporation by the DPI (Schools) amounted to Rs. 0.51 lakh, besides payment of Rs. 0.23 lakh made (June 1983) to the Orissa

Text Book Press towards transportation and handling charges of paper. The Government of India were intimated in March 1982 by the State Government that this paper would be utilised for bringing out 5 lakh copies of 4 titles of books to be distributed free of cost in the non-formal centres; the department intimated in June 1983 during discussion that all the quantity is being lifted by the Manager, Text Book Press to be utilised for printing.

(ii) The scheme envisages enrolment of 25 pupils in each Chatsali. The State Government, however, allowed in October 1980 opening of Chatsalies with 10 pupils each on condition that if the optimum enrolment of 25 pupils is not reached by the end of third year, the centre has to be closed. 49 Madhyamik Chatsalies which were opened initially with even less than 10 pupils in four districts (4 in Mayurbhanj during 1980-81, 17 in Bolangir, 23 in Ganjam and 2 in Mayurbhanj during 1981-82) were continued even though the optimum enrolment was not reached by end of third year.

(iii) 45 Madhyamik Chatsalies in two districts (20 in Puri and 25 in Cuttack district) opened during 1981-82 were converted into Prathamik ones during 1982-83 and 1983-84 reportedly due to inadequacy of roll strength.

(iv) Out of Rs. 5.34 lakhs of grants-in-aid released, the District Inspectors of Keonjhar, Khurda and Baripada surrendered Rs. 1.20 lakhs received by them during 1980-81 to 1982-83.

#### 7.2.6. Grants-in-aid

(i) The bulk of the expenditure on elementary education was by way of grants-in-aid to local bodies and private institutions which constituted over 90 per cent of the total expenditure. The amount of grant progressively increased from Rs. 26.47 lakhs in 1974-75 to Rs. 71.56 lakhs in 1982-83.

(ii) (a) Large amounts of grants as indicated below were drawn for primary schools by the Director of Public Instruction (Schools) under special instructions of Government in the month

of March each year to avoid lapse of budget provision, in contravention of financial rules.

Month of drawal	Amount drawn (In lakhs of rupees)
March 1975	44.66
March 1976	24.41
March 1977	24.05
March 1978	55.78
March 1979	1,13.22
March 1980	42.95
March 1981	5,69.36
March 1982	94.16
March 1983	8,39.69

(b) Rupees 2,73.52 lakhs were drawn by the Director between 26th and 31st March 1981 of which Rs. 2,37.14 lakhs was disbursed to various Block Development Officers and District Inspectors of Schools in April 1981; the balance amount (Rs. 36.38 lakhs) was disbursed by September 1981. The Director replied in May 1981 to an audit enquiry that due to late sanction of the grant by the Government, the amounts were drawn to avoid lapse of funds.

(c) The District Inspector of Schools, Koraput paid a total amount of Rs. 0.66 lakh to the Notified Area Council (NAC) aided school, Dumuripal (Koraput district) during the years 1974-75 to 1978-79 (though NAC managed schools were not entitled to any such grant). The irregular payment had not been recovered from the NAC (July 1983).

### 7.2.7. Grants for construction of school buildings

(i) During 1974-75 to 1982-83, non-recurring grants totalling Rs. 5,15.09 lakhs (1974-75 to 1980-81: Rs. 4,93.24 lakhs; 1981-82: Rs. 19.85 lakhs; 1982-83: Rs. 2 lakhs) were released to the District Inspectors of Schools for construction of primary school



buildings (4,405), lady teachers quarters (240), additional rooms for upgraded U. P. and M. E. schools (5,114) and non-Government M. E. schools (249) of which Rs. 3,05.66 lakhs remained unutilised (May 1983) reportedly due to non-availability of people's contribution (in cash or in the form of labour) and local building materials. The DPI stated in November 1983 that the concerned D.I.S. of 56 education districts have been requested to utilise the unspent amount of Rs. 3,05.66 lakhs available with them for construction work.

(ii) The Fourth State Educational Survey (September 1978) showed that out of 32,000 primary schools 14,000 had no school buildings. No specific programme has been drawn up to clear the backlog in the matter of construction of these buildings.

(iii) The District Inspector of Schools, Baripada placed Rs. 0.72 lakh in July 1982 with the Block Development Officers for construction of 3 primary school buildings, 4 additional class rooms of upgraded M. E. schools and repair of 22 primary school buildings. Neither the construction nor repair works have been started till now (July 1983).

(iv) An amount of Rs. 0.24 lakh was released by the District Inspector of Schools, Balasore to the Block Development Officer, Soro, in June 1979 for construction of 5 school buildings (2 each of M. E. and L. P. schools and 1 U. P. school) though the schools were stated by the B. D. O. (November 1979) to be functioning in their own buildings.

(v) In Koraput district, grants aggregating Rs. 4.50 lakhs (1974-75: Rs. 1.42 lakhs; 1975-76: Rs. 1.28 lakhs; 1976-77: Rs. 0.25 lakh; 1977-78: Rs. 0.50 lakh; 1978-79 Rs. 1.05 lakhs) were released to 9 Blocks for construction of 72 schools (1974-75: 19; 1975-76: 17; 1976-77: 5; 1977-78: 10; 1978-79 : 21). The District Inspector of Schools replied in May 1983 to an audit enquiry that only 10 such buildings (1974-75: 5, 1976-77 to 1977-78: 1 each; 1978-79: 3) relating to one Block were in foundation level and that no information was available regarding the remaining 62 buildings.

(vi) In Puri district, building work in respect of 18 U. P. schools and 11 M. E. schools involving a grant of Rs. 1.27 lakhs (1978-79 to 1982-83) was not started (May 1983). Rupees 20,000 released in favour of District Inspector of Schools, Puri for construction of 4 M. E. schools also remained unutilised.

### 7.2.8. Incentive grants

(i) In order to encourage enrolment, the incentive schemes namely (a) free supply of text books and writing materials and (b) uniforms to girl students from under-privileged sections of the society were introduced (1974-75) during the Fifth Five Year Plan. The DIS were to purchase text books from Orissa Government Press and uniforms from Orissa Khadi and Village Industries Board/M/s Mayurbhanj Textiles and distribute them to the deserving students selected by him as per the ascending orders of income of the parents as recommended by the Headmasters of the respective schools limited to the rate fixed by Government from time to time. It was noticed that a total amount of Rs. 1,58.10 lakhs was spent by the DIS for free supply of text books and writing materials (Rs. 1,09.02 lakhs) and free supply of uniforms (Rs. 49.08 lakhs) during 1974-75 to 1981-82. Grants were also seen to have been released annually by the department without assessing the requirement and without ascertaining the position of utilisation of previous year's grant. The D.P.I. stated in November 1983 that the incentive scheme was dropped by the Government from the financial year 1982-83 due to paucity of funds in the Plan budget.

(ii) Out of Rs. 7.40 lakhs released during 1976-77 to 1981-82 on lump-sum basis to 4 District Inspectors of Schools as incentive grants, Rs. 2.65 lakhs were surrendered as the allotments received were stated by the concerned DIS to be in excess of requirements.

(iii) Incentives worth Rs. 6.51 lakhs were distributed during 1975-76 by 3 District Inspectors of Schools (Baripada : Rs. 1.48 lakhs; Bolangir : Rs. 1.11 lakhs; Keonjhar : Rs. 3.92 lakhs) amongst 47,079 students (Baripada : 13,250; Bolangir : 12,552; Keonjhar : 21,277) of which acknowledgements from 32,852 students (Baripada : 7,575; Bolangir: 4,000; Keonjhar: 21,277) were wanting (May 1983).



(iv) 2,360 numbers of Oriya—Oriya Dictionaries costing Rs. 0.16 lakh were purchased in 1980-81 and distributed by the District Inspector of Schools, Khurda from out of incentive grant meant for procuring nationalised text books and uniforms for girl students. Non-availability and change of text books were the reasons given (June 1983) by the DIS, Khurda for purchase of dictionaries. The Government approval for such diversion of fund was not obtained (July 1983).

(v) No attempts were made by the District Inspectors to assess the achievement of the desired objective of increasing the enrolment consequent upon implementation of the incentive schemes. After spending one and half crores over a period of eight years, the scheme was discontinued.

#### 7.2.9. *Utilisation certificates*

(i) Financial Rules provide for maintenance of a grants-in-aid register by the countersigning authority to ensure expenditure on the intended purpose. The Director of Public Instructions and the 9 District Inspectors (whose records were test checked) did not maintain the prescribed registers to watch the receipt and submission of utilisation certificates. The quantum of utilisation certificates pending for submission on a particular date along with the year-wise break up was, therefore, not available for check. From the various reports made available by the District Inspectors, the position of outstanding utilisation certificates is given in Appendix 7.2.

(ii) A departmental review in August 1980 on utilisation of funds provided between 1975-76 and 1978-79 under Advance Plan Assistance given for repairing and reconstructing school buildings damaged by floods, tornadoes, etc., indicated that out of Rs. 66.57 lakhs (1975-76 : Rs. 30.38 lakhs; 1977-78 : Rs. 36.19 lakhs) released by the Government for the purpose, utilisation certificates to the tune of Rs. 47 lakhs were pending (November 1983).

#### 7.2.10 *Internal Audit and Administration*

Though, according to Government resolutions of February 1966 the accounts of all primary and M. E. schools were to be audited internally once in three years, none of the primary schools was



audited during the period from 1974-75 to 1980-81; out of 6,500 M. E. schools which existed during 1978-79 to 1979-80, only 800 schools had been covered under internal audit. Records of 7 District Inspectors of Schools showed that none of the primary schools existing in 1981-82 (5,388) and 1982-83 (5,608) had been internally audited. Of the 1,116 M. E. schools existing in 1981-82 and 1,136 in 1982-83, only 84 and 13 respectively were covered under internal audit.

The District Inspector of Schools is required to inspect each M. E. school once a year and as many primary schools as possible during a year. The records of 9 District Inspectors showed (April to June 1983) position of inspection as indicated in Appendix 7.3.

### *Summing up*

The following are the main points:

Financial rules were not observed while sanctioning grants to private institutions. In 62 schools including 59 upgraded M. E./U. P. schools covering 5 districts there was no enrolment during 1974-75 to 1981-82 even though grants to the extent of Rs. 4.09 lakhs were spent. The teachers appointed for the schools were mostly utilised otherwise. Teachers were entertained in excess of the prescribed norms in 6 districts; salary paid in respect of teachers entertained in excess of norms worked out to Rs. 14.35 lakhs. Survey conducted by the Directorate showed that out of 100 students admitted in Class I, 69.4 *per cent* dropped out before completion of fifth class and 84.2 *per cent* before completion of eighth class during 1970-71 to 1977-78.

8,000 Prathamik (for the age group 6-11) and 5,600 Madhyamik Chatsalies (for age group 11-14) were proposed to be opened to provide non-formal education. 45 Madhyamik Chatsalies (20 in Puri and 25 in Cuttack districts) opened during 1981-82 were converted to Prathamik ones during 1982-83 and 1983-84 reportedly due to inadequacy of roll strength. Grants-in-aid amounts were continued to be drawn in the month of March in advance of requirement to avoid lapse of budget allotment.

Out of Rs. 5,15.09 lakhs released during 1974-75 to 1982-83 as building grant to different institutions Rs. 3,05.66 lakhs remained unutilised reportedly due to non-availability of people's contribution.

▲ The District Inspector of Schools, Baripada placed (July 1982) Rs. 0.72 lakh with Block Development Officers for construction of 3 primary school buildings, 4 additional class rooms and repairs to 22 primary school buildings, but no work had started (July 1983); in Koraput district grants aggregating Rs. 4.50 lakhs were released to 9 Blocks for construction of 72 school buildings but none of the buildings was taken up for construction during these years and after spending one and half crores over a period of eight years (1974-75 to 1981-82), the incentive scheme was dropped without fulfilling the desired objective.

The points mentioned above were reported to Government in August 1983; Government intimated in April 1984 that the factual position as brought out by Audit is correct except in respect of non-formal education for which their detailed reply is awaited (April 1984).

## FOREST, FISHERIES AND ANIMAL HUSBANDRY DEPARTMENT

### 7.3. Assistance for development of dairy

The assistance in the form of grants-in-aid towards purchase and maintenance of half-bred bull calves, purchase of chilling plants, loans for construction of building, managerial subsidy and purchase of dairy equipments, etc., was provided by Government to non-Government institutions during the year 1979-80 to 1981-82 for dairy development as follows:

Year of sanction	Amount	
	Grant (Rupees in lakhs)	Loan
1979-80	24.30	4.45
1980-81	14.37	..
1981-82	11.92	..
	<u>50.59</u>	<u>4.45</u>



Some of the salient points noticed during scrutiny of records of the department conducted in November 1982—January 1983 under section 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 are mentioned below:

*7.3.1. Grants to Utkal Gomangal Samity for purchasing and rearing of cross-bred bull calves for natural breeding*

A scheme to intensify the natural breeding programme in the State during the 6th Plan period (1978-79 to 1982-83) was approved by Government in April 1978. Under the scheme half-cross-bred bulls will be supplied one in each village in inaccessible areas with the object of increasing the milk production in the area. The scheme envisaged purchase of 900 half-cross-bred bull calves (one year old) during the Sixth Plan period (100 during 1978-79 and at the rate of 200 each year during the rest of the Plan period) at a cost of Rs. 250 per calf. They were to be purchased from the private local breeders immediately after their weaning and kept for a period of 10 months (estimated cost of maintenance Rs. 75 p. m. per calf) by which time they attain serviceable age after which they will be distributed free of cost in villages of inaccessible areas for natural breeding.

As the department had no facilities of rearing bull calves received from State farms and other sources, the scheme was entrusted as in the past to a semi-Government organisation i. e., Utkal Gomangal Samity (UGS) during 1978-79. A sum of Rs. 6.79 lakhs (1978-79: Rs. 1 lakh, 1979-80: Rs. 2 lakhs, 1980-81: Rs. 1.79 lakhs and 1981-82: Rs. 2 lakhs) was paid to the Samity towards purchase of bull calves (Rs. 1.75 lakhs) and maintenance cost (Rs. 5.04 lakhs). The Samity procured 287 bull calves (1978-79: 100, 1979-80: 57, 1980-81: 90, 1981-82: 40) at a cost of Rs. 0.72 lakh though they received grants (Rs. 1.75 lakhs) for procurement of 700 calves. The shortfall of 413 in the procurement of bull calves had resulted in less coverage of 25,300 cows for the period ending 1980-81. The shortfall was explained in January 1983 by the Director, Animal Husbandry to be due to accommodation difficulty at the rearing farm of the Samity. It may be mentioned that this difficulty was known to the



department in June 1980 before release of grant in September 1980 to Utkal Gomangal Samity for the year 1980-81.

The scheme contemplated maintenance of the bull calves for a period of 10 months only. It was noticed in December 1982 that 134 calves out of 287 purchased upto March 1982 were maintained beyond 10 months during the period of four years from 1978-79 to 1981-82 for varying periods ranging upto 24 months which entailed an extra expenditure of Rs. 1.78 lakhs (1978-79: Rs. 0.81 lakh, 1979-80: Rs. 0.33 lakh, 1980-81: Rs. 0.64 lakh) upto March 1982. To an audit enquiry as to why the bull calves were not transferred to the field centres soon after 10 months of rearing, the UGS authorities stated in December 1982 that the Samity was forced to rear the calves beyond the stipulated period for want of demands by the field centres for bulls reportedly due to lack of interest by the hosts to maintain the bulls without any subsidy. It was noticed that the Samity had spent Rs. 2.29 lakhs between 1979-80 and 1981-82 on items (purchase of Jersey and Haryana bulls: Rs. 1.04 lakhs, feeding of exotic and Jersey bulls: Rs. 0.77 lakh, construction of roads: Rs. 0.28 lakh, wages of attendants: Rs. 0.14 lakh and transportation of bulls: Rs. 0.06 lakh) which were not covered by the scheme but no action was taken to recover this amount from the Samity (May 1983). Despite the expenditure incurred on release of funds, the objective of supplying bull calves to the inaccessible centres was not fully achieved.

*7.3.2. Grant of loans to farmers other than small/marginal farmers and agricultural labourers through Bharatiya Agro Industries Foundation (BAIF) to provide breeding cover by artificial insemination*

Government in Animal Husbandry Department introduced a scheme in 1978-79 to provide breeding cover through artificial insemination to non-descript breedable cows belonging to farmers other than small/marginal farmers and agricultural labourers. The scheme was to be executed through Orissa Agro Industries Corporation (OAIC) acting as an agent of the State Government in collaboration with the Bharatiya Agro Industries Foundation (BAIF), a private organisation. The scheme was designed to cover 500 cows per year through 5 BAIF centres in Phulbani

(2 centres), Kalahandi (2 centres) and Sundergarh districts (1 centre). It envisaged payment by the Government of Rs. 150 through OAIC to BAIF as service charge in respect of each such identified cow which is artificially inseminated and gets impregnated. Such payment to BAIF would be treated as loan paid to the beneficiaries who availed of insemination services from BAIF.

Though the scheme was scheduled to be completed in a year, the same was implemented through BAIF during the 2 year period 1979-80 and 1980-81. A sum of Rs. 0.75 lakh was sanctioned and paid in March 1979 to OAIC by the Government for eventual disbursement to BAIF to cover 500 cows (100 per centre for 5 centres) after successful insemination. During the 2 years only 534 cows were covered and pregnancy was confirmed only in 297 cases (against 500 targeted) of which only in 123 cases calves were born. The department could not attribute any reason for the shortfall even in respect of confirmed pregnancy since it had not exercised any effective control on the performance of BAIF to whom the money was paid in lump before successful breeding of cows. Further, out of 297 cases of confirmed pregnancy, only 79 farmers were eligible to get the assistance under the scheme and the remaining 218 farmers (who were small/marginal farmers) were not eligible and hence an amount of Rs. 0.63 lakh (out of Rs. 0.75 lakh advanced to BAIF) was spent outside the scope of scheme and is, therefore, recoverable. No action for recovery has yet (May 1983) been taken.

The scheme remained inoperative after March 1981 due to withdrawal of the implementing agency from the field.

### *7.3.3. Financial assistance to the Milk Producers' Co-operative Societies and District Milk Producers' Co-operative Unions*

To improve the technical and financial aspects of the Milk Producers' Co-operative Societies (MPCS), affiliated to District Milk Producers' Co-operative Unions (MPCU), Government decided in July 1975 to render assistance to them by way of release of subsidies for managerial expenses including house rent and



payment of grants-in-aid for installation of Chilling Plant, marketing of surplus milk and purchase of milk vans, etc. By the end of 1981-82, Rs. 24.09 lakhs were sanctioned by Government in favour of Milk Producers' Co-operative Societies (MPCS) and Rs. 24.63 lakhs in favour of District Milk Producers' Co-operative Unions (DMPCU). The amounts drawn against the sanctions are indicated below:

Year	Assistance to MPCS	Assistance to DMPCU
	( Rupees in lakhs )	
Up to 1977-78	2.25	11.50
1978-79	1.51	8.72
1979-80	10.00	0.58
1980-81	6.75	1.90
1981-82	3.49	1.43
	24.00	24.13

The amounts released till end of March 1982 in favour of MPCS (205 to 838 numbers) were Rs. 24.00 lakhs and DMPCU (13 numbers) Rs. 24.13 lakhs.

Test check during November 1982 to January 1983 of the records of the sanctioning authority disclosed the following :

(i) Managerial and House rent subsidies were payable to the MPCS for the second year, only after receipt of the performance report and annual accounts of the previous year. However, it was noticed that the subsidies were released during 1981-82 to 6 societies who did not furnish the performance report for 1980-81 and who were either defunct or had not started functioning. The amount of subsidy involved was Rs. 0.12 lakh.

(ii) During the review of performance of the scheme conducted in October 1982 by the Director of Animal Husbandry in respect of 74 MPCS, it was noticed that 28 MPCS operating in 6 A. H. districts (Jajpur: 2, Keonjhar: 5, Koraput: 2, Rayagada: 2, Sundergarh: 9, Bolangir: 8) which had received grants-in-aid of



Rs. 1.38 lakhs in shape of subsidy had already become defunct due to scarcity of milk and non-co-operation of members etc. No action was taken by the department to revive these units (January 1983).

(iii) The departmental rules provided that within one month from the receipt of the subsidy/share capital, the concerned Co-operative Society and union should furnish to the Director of Animal Husbandry the actual payees' receipt duly countersigned by the concerned officer. No such receipt was furnished by any society and union so far (January 1983) though amounts of Rs. 24.00 lakhs/Rs.24.13 lakhs were released to societies/unions respectively during 1975-76 to 1981-82.

(iv) Grants-in-aid of Rs. 0.11 lakh sanctioned by the Government during 1977-78 to 1980-81 were drawn but not released by the District Veterinary Officers to the MPCS concerned in the respective years on various grounds (diversion proposal not approved, societies becoming defunct etc.). The amount of Rs. 0.11 lakh had not been refunded to Government till January 1983. Besides grants-in-aid to the extent of Rs. 0.59 lakh sanctioned by Government during 1980-81 and 1981-82 in favour of one DMPCU and 9 MPCS was neither drawn nor surrendered to Government by the District Veterinary Officers (DVO) Mayurbhanj (Rs. 0.50 lakh), Puri (Rs. 0.06 lakh) and Sambalpur (Rs. 0.03 lakh).

(v) Cuttack and Koraput DMPCU to whom assistance to the extent of Rs. 3.43 lakhs and Rs. 0.68 lakh respectively were given to end of March 1982 did not function during 1981-82 for want of milk to be supplied by the Milk Producers' Co-operative Societies (MPCS). The DMPCU at Cuttack was able to collect 400 litres of milk a day on the average between July 1979 to June 1980 and according to the report (July 1980) of the Director A. H. and V. S., the Union became defunct and milk collection was stopped from March 1982 as the Milk Producers' Co-operative Societies were mostly supplying milk to Orissa Milk Producers' Federation at Phulnakhara (Cuttack district). In Koraput, the MPCS were located at far off places and

had no surplus milk with them for supply to DMPCU; the entire amount of grant received by the union was deposited in the Bank and remained unutilised till January 1983. Thus, availability of the source of milk was not assessed before setting up those DMPCU and the grant of Rs. 4.11 lakhs thus proved unfruitful.

(vi) 13 District Milk Producers' Co-operative Unions were set up one in each district during 1975-76 to 1981-82 with a view to marketing milk surplus to the societies by creating facilities for its collection, transportation and marketing in consumption centres. During the period from 1977-78 to 1978-79, Rs. 13.50 lakhs (milk vans : Rs. 4.50 lakhs, Chilling Plant : Rs. 9.00 lakhs) were released in favour of six milk unions (Puri, Sambalpur, Dhenkanal, Cuttack, Balasore and Ganjam) for purchase of milk van and purchase and installation of chilling plants of 2,000 litres capacity. These chilling plants were to be installed only where the Milk Unions would be in a position to collect 3,000 to 4,000 litres per day of surplus milk. Besides, a loan of Rs. 1.20 lakhs was also disbursed in October 1980 to District Milk Producers Co-operative Union at Cuttack for construction of building for installing a chilling plant.

It was noticed during audit that though acquisition of site was the precondition for release of grants-in-aid for chilling plant, the grants-in-aid of Rs. 13.50 lakhs was released during 1977-78 (three unions at Puri, Sambalpur and Dhenkanal : Rs. 6.75 lakhs) and 1978-79 (three unions at Cuttack, Balasore and Ganjam : Rs. 6.75 lakhs) though the required sites were not acquired by them. Three DMPCUs (Dhenkanal, Sambalpur and Ganjam) acquired the sites subsequently while the other 3 DMPCUs did not acquire the site so far (January 1983). Further, without ascertaining the availability of site for installation of chilling plants on behalf of the DMPCUs, orders were placed by the Director of Animal Husbandry with a Calcutta firm 'A' (without calling for open tender) for purchase and installation of chilling plants in 6 DMPCUs in July 1978 (Puri, Dhenkanal and Sambalpur) and January 1979 (Cuttack, Balasore and Ganjam) each at the rate of Rs. 1.56 lakhs per plant as quoted by the firm (Rs. 1.48 lakhs for purchase and Rs. 0.08 lakh for installation).



As per the conditions of sale (stipulated by the supplier) 50 per cent of the cost of plant is payable as advance on placement of indent by the milk unions and accordingly an amount of Rs. 4.57 lakhs (50 per cent of the cost of the plant) was paid as advance to the firm 'A' during the period July 1978 and March 1979. The firm was required to supply the plant within 4 months from the date of indent and to install the same within 1 month thereafter. The supply and installation of the chilling plant was completed at Dhenkanal Centre by May 1981 (after a delay of 20 months). In respect of Milk Unions at Ganjam and Sambalpur centres, the plant was supplied by June 1982 (after delay of 42 months) but it had not been installed still (January 1983). In respect of other centres (Puri, Balasore and Cuttack), full supply has not yet been done (January 1983) even though Rs. 8.45 lakhs were paid to the firm after adjustment of the advance. A sum of Rs. 1.40 lakhs is lying with the firm since August 1980 and the firm has not yet supplied balance items of the plant nor has it refunded the money. In the absence of a penal clause, no penal action was taken on the firm for late delivery and non-installation of chilling plants within the stipulated periods.

Even in respect of 6 milk unions for which chilling plant was supplied by the firm, all were lying idle (for varying periods) for want of a building for installation. In respect of Dhenkanal DMPCU the plant was idle from August 1980 (date of supply) to April 1981 (date of installation) while in respect of 5 other DMPCUs (Puri, Cuttack, Balasore, Ganjam and Sambalpur) the plants are idle from January 1980 till date (January 1983).

It was further noticed that a loan of Rs. 1.20 lakhs released in October 1980 to DMPCU at Cuttack for constructing a building for installing the chilling plant remained unutilised (May 1983) due to non-acquisition of land. The instalments of loan repayable on October 1981/October 1982 have not yet been paid (May 1983).

As the control mechanism of the department was not effective, two DMPCUs (Cuttack and Koraput) who were provided with managerial and house rent subsidy (Rs. 0.36 lakh) did not function since 1978-79; twenty eight MPCs operating in 6 A. H. districts



which received grant of Rs. 1.38 lakhs had already become defunct and no action was taken to revive them; availability of source of milk was not assessed before releasing the grant of Rs. 3.75 lakhs to DMPCU at Cuttack and Koraput and the facilities for marketing of surplus milk at the rate of 18,000 litres per day envisaged in the programme could not be achieved due to non-functioning of 5 out of 6 chilling plants even after an investment of Rs. 8.45 lakhs.

The above points were reported to Government in July 1983; their reply is awaited (April 1984).

## HARIJAN AND TRIBAL WELFARE DEPARTMENT

### 7.4. Financial assistance to Integrated Tribal Development Agencies

7.4.1. The Tribal Development Agency (T.D.A.) and the Integrated Tribal Development (I.T.D.) Programmes implemented in the State during the Fifth Five Year Plan covered 118 blocks (9 districts) having 50 *per cent* or more of tribal population. For better execution of development works in the Sub-Plan areas, the erstwhile 4 TDA and 19 ITD Agencies were registered in 1979-80 as 21 Integrated Tribal Development Agencies (ITDA) and functioned under the administrative control of Harijan and Tribal Welfare Department. The Sub-Plan is basically a Plan for the tribal areas with emphasis on tribal development, the main features of which are (i) to cater to the special needs of the area having 50 *per cent* or more tribal population and (ii) to promote the core programme of economic development and provide infrastructure facilities and services.

7.4.2. The ITDAs were mainly financed out of special Central assistance. The assistance received and expenditure incurred by the Agencies during 1979-80 to 1982-83 are indicated below :

Year	Grants received	Expenditure (Rupees in lakhs)	Unutilised grants
1979-80	2,02.04	2,00.28	1.76
1980-81	1,72.54	1,67.48	5.06
1981-82	2,62.83	1,91.96	70.87
1982-83	3,88.72	2,43.48	145.24
	<u>10,26.13</u>	<u>8,03.20</u>	<u>2,22.93</u>

Rupees 2,22.93 lakhs remained unutilised (May 1983) with the Agencies of which Rs. 31 lakhs were lying (November 1983) with the executing agencies and the balance with various ITDAs in shape of cash and bank deposits.

7.4.3. Test check in audit (July—October 1983) of the records of 11 Agencies with reference to the grants-in-aid received to end of 1982-83, under Section 14 and 15 of the Comptroller and Auditor General's D. P. C. Act revealed the following points :

(a) *Diversion of grants*

(i) The ITDA, Baliguda (Phulbani district) received grant of Rs. 6.55 lakhs as subsidy for dugwells during 1979-80. After utilising Rs. 4 lakhs during 1979-80 and 1980-81 towards subsidy, the balance amount of Rs. 2.55 lakhs was diverted (October 1980 to February 1982) by the Agency for construction of mini-minor irrigation projects (Rs. 0.80 lakh) and construction and special repairs to sevashram building (Rs. 1.75 lakhs). The Government in Tribal and Rural Welfare department did not approve the programme and observed (December 1980) that such diversion was irregular.

(ii) Out of the lump sum grant (Rs. 9.38 lakhs) received by the Agency for various sectoral development programmes at Baliguda during 1980-81, the Project Administrator had released (October 1980) Rs. 0.50 lakh in favour of General Manager, District Industries Centre, Phulbani for establishment of a saw mill at Baliguda following a decision of the project level Committee of June 1980. Government in Harijan and Tribal Welfare Department observed (January 1981) that it was not desirable to utilise the money out of Central assistance for establishment of a saw mill. To an audit enquiry the Project Administrator stated in September 1983 that the Industries department was being moved to reimburse the expenditure. Further developments are awaited from the Project Administrator.

(iii) According to the decision of September 1980 of the Governing Body, Project Administrator ITDA, Parlakhemundi (Ganjam district) diverted in September 1980 Rs. 2 lakhs out of the lump sum grants for 1980-81 to the trade deposit of the



wholesale co-operative stores, Parlakhemundi for six months at 7 per cent interest per annum without Government approval. The co-operative stores defaulted in repayment of Rs. 1.50 lakhs (Rs. 0.50 lakh repaid in March 1982) and intimated in March 1982 the Agency its inability to repay since the Large Size Multipurpose Co-operative Society to which credit facilities were extended by it defaulted in repayment of their credit dues.

(iv) Out of a grant of Rs. 3.95 lakhs received by the ITDA Malkangiri during 1981-82 and 1982-83 towards individual/family oriented schemes under scheduled caste component, the Agency diverted Rs. 1.67 lakhs between October and November 1982 for electrification of Harijan colony (Rs. 0.49 lakh) and tubewells (Rs. 1.18 lakhs) not covered by the sanctions. Government disallowed in July 1983 such infrastructural expenditure and directed the Collector, Koraput to fix responsibility for the irregular expenditure incurred. Further action in the matter is awaited by November 1983 from the Government department. Due to diversion of fund, the scheduled caste individuals/families were deprived of the benefit under the income generating scheme.

(v) Government instructed in February 1981 the ITDA, Panposh (Rourkela) to release Rs. 1 lakh out of the unspent balance of Nucleus Budget for 1979-80 and 1980-81 in favour of General Manager, District Industries Centre (DIC), Sundergarh to enable the SC/ST people to purchase shares in the Mahavir Handmade Industrial Co-operative Society Limited, Jabaghat (Rourkela). The Agency issued in March 1981 a cheque for Rs. 1 lakh from out of the lump grants for 1980-81 without obtaining approval of Government. As the industry did not start and consequently the Society did not function, Government instructed in August 1982 the Agency to utilise the money for other purposes with the approval of the governing body. Without obtaining such approval, the Chairman released between March-June 1983 drafts for Rs. 1 lakh in lieu of the earlier time barred cheque in favour of the same DIC without ascertaining whether the industry had started or not. The amount remained unutilised with the DIC and the Agency stated in September 1983 to an audit enquiry that *ex post facto* approval of Government is being sought.



*(b) Under utilisation of grants*

(i) For construction of 447 low cost (estimated cost not exceeding Rs. 45,000 per building) hostel buildings (1981-82: 136 and 1982-83: 311) under the education programme, a total grant of Rs. 1,21.30 lakhs (Rs. 1,03.10 lakhs from out of special Central assistance and Rs. 18.20 lakhs out of State Plan) was released in favour of 21 ITDAs. It was noticed in audit that till August 1983, only 25 buildings (estimated cost: Rs. 11.25 lakhs) relating to 1981-82 grants were completed, 76 buildings were in progress and work on 346 buildings (1981-82: 35 and 1982-83: 311) were not started at all. Though the sanction orders (1981-82) stipulated that expenditure should not be incurred until guidelines were issued by the Government, it was seen that the entire grant was drawn in March 1982 much before issue of guidelines in July 1982. Government formed in August 1982 a Committee to review the reasons for delay in construction, the results of which are awaited (September 1983).

(ii) For implementing income generating individual benefit scheme in respect of scheduled caste persons, a total grant of Rs. 51.70 lakhs was released during 1981-82 and 1982-83 to 21 ITDAs of which only Rs. 19.82 lakhs could be spent by the Agencies leaving a balance of Rs. 31.88 lakhs remaining unutilised (June 1983). The Project Administrator ITDA Rairangpur explained that the percentage of scheduled caste population was 6 per cent in the sub-Plan area and difficulties were experienced in granting loans in favour of scheduled caste defaulters.

(iii) Government fixed in July 1982 the target of family oriented schemes at 250 scheduled Caste families per block per year without correlating it with the sanctioned amount; even the sanctions accorded during 1982-83 did not specify the target fixed. As per the guidelines issued in May 1980 by Government, the Agencies were asked to submit the action programmes to Government for information by April of that year. The adequacy of physical targets indicated in the action programme was not subjected to any technical scrutiny at Government level. A review conducted in June 1983 by Government in respect of family oriented

schemes revealed that as against the target of 25,250 ST families relating to 19 ITDAs, the coverage was 17,023 families (68 per cent); Government observed in June 1983 that 16 Agencies failed to reach the target but the reasons for shortfall in the utilisation of grant were not investigated so far (September 1983).

(c) *Activities not covered under guidelines*

(i) According to the guidelines issued by the Government of India from time to time, special Central assistance should normally be utilised for family oriented schemes intended to create economic impact while State Plan funds are to be utilised for infrastructural activities. It was noticed in audit that out of a special Central assistance of Rs. 1,81.18 lakhs released to 8 ITDAs between 1980-81 and 1982-83, an amount of Rs. 87.22 lakhs (48 per cent) was only utilised towards family oriented schemes and Rs. 93.96 lakhs (52 per cent) were utilised by these Agencies with the approval of governing body for infrastructural activities like construction of buildings, roads, wells, electrification of buildings and purchase of equipments and sports articles etc. During 1981-82, the Government released in March 1982 a grant of Rs. 19 lakhs out of Central assistance to the Orissa Industrial Infrastructure Development Corporation ( IIDCO ) for improvement of a road to be a vital link with a Sponge Iron Factory (Keonjhar) though the Finance department observed in December 1981 that utilisation of the Central assistance for infrastructural development might be objected to by the Government of India. Later during 1982-83, the Central assistance of Rs. 1 lakh released to ITDA Keonjhar was paid to IDCO for the same purpose. Approval of the Government of India was not obtained for incurring expenditure on infrastructural activities.

(ii) Government issued in May 1980 guidelines that 30 per cent of the lump sum allocation of grants should be utilised for the benefit of small and marginal farmers of Scheduled caste and other communities and the balance 70 per cent for the eligible scheduled tribe; 50 per cent of the amount earmarked for each category of beneficiaries should be utilised for individual/family oriented schemes.



Scrutiny during July to August 1983 of the records of the Agencies revealed that out of the total expenditure of Rs. 83.18 lakhs incurred by 6 Agencies during 1980-81 and 1981-82, expenditure towards individual/family oriented schemes was Rs. 27.67 lakhs (33.27 per cent) of which Rs. 23.60 lakhs (85.29 per cent) were spent for 8,982 ST beneficiaries and Rs. 4.07 lakhs (14.71 per cent) for 1,620 SC and other beneficiaries. No proper allocation was made between the ST, SC and other beneficiaries.

(iii) The guidelines for nucleus budget (September 1978) stipulated that no scheme should be undertaken out of nucleus budget (lump grant) for which there was provision of funds in the normal budget and that no scheme should be undertaken out of such grants which would create recurring liability for Government unless the concerned department gave an undertaking to run such schemes or projects and to meet its recurring liability after completion of the project. Contrary to these instructions, the ITDA Baliguda spent a sum of Rs. 1.28 lakhs out of nucleus funds during 1979-80 to 1980-81 on construction of Assistant Engineers' quarters (Rs. 0.22 lakh), compound wall to staff quarters and residence of Project Administrator (Rs. 0.17 lakh); septic latrine in staff quarters (Rs. 0.07 lakh); supply of diesel pump set to the High School (Rs. 0.08 lakh); electrification of high schools (Rs. 0.26 lakh), etc., which should have been met out of normal budget allotment of the department. In reply to an audit query the Project Administrator stated in April 1982 that these works were executed as per the verbal instructions of the Commissioner, Harijan and Tribal Welfare department. Similarly ITDA Baripada spent Rs. 0.61 lakh for construction of Mini Health Centre (Rs. 0.29 lakh) and improvement to Road during 1980-81; ITDA Phulbani incurred an expenditure of Rs. 0.59 lakh during 1980-81 and 1981-82 for expansion of Adivasi boys' hostel buildings of Government College (Rs. 0.31 lakh) and construction of agency ministerial staff quarters (Rs. 0.28 lakh); ITDA Rayagada spent Rs. 0.50 (upto July 1983) from out of the nucleus funds for 1979-80 towards construction of additional class room at Ambadola in excess of the ceiling of Rs. 0.30 lakh prescribed by Government. Thus the beneficiaries in the tribal sub-Plan areas were deprived of



the benefit since the funds available under lump grant (nucleus funds) were diverted to objects which should have been met out of the normal budgetary allocation.

(d) *Unfruitful outlay*

(i) For providing communication facilities (by running a ferry service on collection of hire charges) to more than 15,000 marooned tribal families residing in 60 villages of Koraput district, Government sanctioned Rs. 1.80 lakhs out of nucleus funds (1978-79: Rs. 1 lakh; 1979-80: Rs. 0.80 lakh) to ITDA Koraput towards cost of boat (Rs. 0.87 lakh), cost of engine (Rs. 0.64 lakh) and transportation and other unforeseen charges (Rs. 0.29 lakh). The Project Level Committee decided to supply the power boat to Padwa Gram Panchayat. Even though an expenditure of Rs. 1.89 lakhs was incurred on the construction of boat including the diesel engine, the boat could not be put to use by October 1983 since the power boat was not found suitable for small ferry ghat at Padwa. The proposal to transfer the boat to some other Agency is yet (March 1984) to take shape.

(ii) Out of the lump grants sanctioned by Government during 1979-80 to 1982-83, Rs. 6.26 lakhs were spent (June 1983) for training of 639 persons (ST, SC and others) in various programmes like tailoring, carpentry, spinning etc., for subsequent rehabilitation in relevant trades or in self employment. It was noticed that only 114 persons (ST: 99; SC: 11; Others: 4) trained upto June 1983 at a cost of Rs. 0.92 lakh were rehabilitated in respective trades. To an audit inquiry the Project Administrators stated (August 1983) that 525 persons for whom training was imparted upto March 1983 at a cost of Rs. 5.34 lakhs have not yet been rehabilitated (August 1983).

(iii) Out of the grants received by the I T D A Keonjhar during 1980-81, Rs. 2.16 lakhs were placed with the District Agricultural Officer, Keonjhar for conducting 1,112 agricultural demonstrations of which only 937 demonstrations were done; 188 such demonstrations conducted in the *ayacut* of Machhkundana Minor Irrigation Project of Keonjhar Block were a total failure (as intimated

by District Agricultural Officer) due to constraints of water supply involving an unfruitful outlay of Rs. 0.32 lakh. The results of the field demonstrations conducted were not received by the Agency.

*(e) Inadmissible expenditure*

As per the instructions of Government, 50 per cent of the cost of plantation (cashew) should be borne by the beneficiaries but it was noticed that the entire cost (Rs. 1.30 lakhs) incurred by the Assistant Soil Conservation Officer (ASCO) for cashew plantation was met out of nucleus funds for 1979-80 without approval of Government. This plantation was done in 500 acres of private holdings belonging to 276 SC/ST beneficiaries following a decision of the Project Level Committee. The ASCO also spent Rs. 1.39 lakhs out of lump grant (Rs. 1.91 lakhs) for 1982-83 towards maintenance of such plantations out of the agency fund, instead of meeting the same out of funds of Soil Conservation department.

*(f) Incomplete and failed dugwells*

In regard to the execution of dugwells in the block areas under ITDA, Nawarangpur (Koraput), the Project Level Committee (PLC) noted in June 1980 that in respect of 2,242 dugwells targeted for the year 1979-80, first instalment of loan was disbursed by the financing institutions in 1,255 cases, second instalment in 891 cases and third instalment in 393 cases. The PLC observed in May 1981 that dugwells were being imposed on unwilling beneficiaries and after receiving the first instalment of loan, the beneficiary used to abandon the well and the *ayacut* of dugwells was lying fallow. It was seen during audit that no records were maintained by the Agency to show that the claims for subsidy in respect of second and third instalments were received. In 130 cases subsidy (Rs. 0.91 lakh) was released during 1979-80 but in 93 cases (subsidy: Rs. 0.71 lakh) the dugwells remained incomplete. Work on 6 wells (subsidy : Rs. 0.02 lakh) had not started at all; 31 wells (subsidy : Rs. 0.18 lakh) had



either collapsed, or were abandoned or left half done. No further action was taken since detailed information was awaited since September 1981 from the Block Development Officers (August 1983).

◆ (g) *Advance Plan assistance*

Advance Plan assistance of Rs. 2,14.87 lakhs (on 50:50 Central and States shares) was distributed by the Government (Agriculture and Co-operation department) among 21 ITDAs during 1980-81 with instructions (February 1981) for payment of subsidy to the small, marginal and tribal farmers at the rate of 25, 33 $\frac{1}{3}$  and 50 *per cent* respectively on the purchase value of inputs (seeds, fertilisers and pesticides) subject to a maximum of Rs. 250 per hectare of land in the possession of the individual farmer in the affected areas of 1979-80 drought in 9 districts where crop loss was more than 50 *per cent*. The amount was to be utilised by end of March 1981. Scrutiny of the records of selected ITDAs revealed the following :

(i) Subsidy was released in excess of entitlement of the individual farmer without scrutiny at ITDA level of admissibility of subsidy amounts to farmers based on land holdings indicated in the claim statements furnished by the Co-operative Banks in the following cases :

Name of the ITDA	No. of farmers covered	Amount of subsidy admissible	Amount of subsidy released (March 1981)	Excess subsidy released
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(Rupees in lakhs)

Keonjhar	78	0.09	0.20	0.11
Phulbani	125	0.15	0.35	0.20
Baliguda	21	0.04	0.08	0.04

(ii) ITDA Phulbani paid in March 1981 Rs. 4.42 lakhs to Regional Co-operative Marketing Society (RCMS) Boudh towards subsidy claims of 1,444 farmers in Boudh Block even though the subsidy claims preferred by the Society were certified in March 1981 by the Assistant Registrar Co-operative Societies, Phulbani to be Rs. 3.61 lakhs resulting in an excess payment of Rs. 0.81 lakh. On a suggestion by audit to effect recovery, the Agency stated in August 1983 that steps would be taken to move RCMS for recovery.

(iii) Out of Rs. 21 lakhs placed in March 1981, the ITDA Nawarangpur (Koraput district) utilised only Rs. 3.06 lakhs for payment of subsidy claimed by Large Size Multipurpose Co-operative Society and the remaining amount of Rs. 17.94 lakhs was kept in the Bank account of the Agency unutilised since March 1982. The Agency instead of refunding the amount stated (June 1983) that the Director of Agriculture had been moved in January 1982 for permitting utilisation of the amount by diversion for lift irrigation points and the Director's reply was awaited.

(iv) The ITDA Rayagada utilised Rs. 2.26 lakhs upto April 1981 out of the assistance of Rs. 7 lakhs placed with it during 1980-81 for payment of subsidy to farmers. The balance amount of Rs. 4.74 lakhs was placed with the financing bank, Koraput (Central Co-operative Bank, Rayagada) instead of being refunded to Government. Consequently, the financing bank credited the entire balance amount against the loan account of 4 credit societies (LAMPCS Rayagada: Rs. 2.29 lakhs; Kalnara Co-operative Society: Rs. 0.95 lakh; K. Singpur Society: Rs. 1 lakh and MPCS Rayagada: Rs. 0.50 lakh) which was not authorised by the Agency. The Agency stated in May 1983 that the amount will be refunded to Government after realisation from the societies concerned.

*(h) Outstanding utilisation certificates*

According to the conditions stipulated in the orders sanctioning the grants, utilisation certificates were required to be furnished by the Agencies to Government for transmission to the Accountant



General by 30th June. The records of the department (Harijan and Tribal Welfare Department) revealed that utilisation certificates for Rs. 6,63.64 lakhs (1979-80: Rs. 1,97.76 lakhs; 1980-81: Rs. 94.58 lakhs; 1981-82: Rs. 1,12.77 lakhs; 1982-83: Rs. 2,58.53 lakhs) were outstanding for submission (August 1983). In the absence of certificates, it is not possible to state even in a broad way that the recipients spent the grants for the purpose or purposes for which they were given.

Physical and financial targets were not fixed by the department since inception (1979-80) of the ITDAs; achievement both physical and financial reported by the Agencies through periodical progress reports were not scrutinised at the departmental level to check diversion of funds, under-utilisation of Central assistance and activities not covered under the guidelines. Due to lack of proper monitoring and follow up action, no effective control could be exercised over the unutilised funds.

(i) *Arrears in audit*

(i) Orders sanctioning the grants stipulated that the accounts of the grants should be subjected to audit by the staff of the Harijan and Tribal Welfare department. The frequency of such audit had not, however, been fixed by Government. The information furnished by the department was that out of 21 ITDAs, accounts of 13 ITDAs were internally audited for 1979-80 to 1981-82 and no such audit was conducted for the year 1982-83.

(ii) The rules and regulations of the Government (March 1979) required that the accounts of the Agencies were to be audited once in a year by Chartered Accountants to bring out the exact state of financial affairs of the Agency for submission to the governing body. Though audit of accounts of all the 21 ITDAs were already due upto 1982-83 it was noticed that accounts of 5 Agencies (Parlakhemundi, Rayagada, Jeypore, Koraput and Keonjhar) only were audited by the Chartered Accountants upto 1980-81 (August 1983),

*Summing up*

(i) Out of the total special Central assistance of Rs. 10,26.13 lakhs received to end of 1982-83, Rs. 2,22.93 lakhs remained unutilised and were not refunded to the Government of India.

(ii) Rs. 2.55 lakhs were diverted from the subsidy account for dugwell scheme to the normal programme executed during 1979-80; of the lump grants received (1980-81), two Agencies diverted Rs.2.50 lakhs for purposes unconnected with the schemes; grant of Rs.3.95 lakhs received by one Agency during 1981-82 and 1982-83 was diverted for infrastructural activities. None of the diversions was approved by Government.

(iii) Rs. 1,10.05 lakhs released by Government during 1981-82 and 1982-83 for construction of hostel buildings remained unutilised; Rs. 31.88 lakhs released during 1981-82 to 1982-83 to the Agencies for the benefit of scheduled caste persons also remained unutilised.

(iv) Programmes not contemplated in the Government guidelines were implemented by the ITDA authorities to the extent of Rs. 1,16.50 lakhs during 1979-80 to 1982-83.

(v) Works to the extent of Rs. 1.28 lakhs were executed between 1979-80 and 1980-81 from out of special Central assistance instead of from normal budgetary allocation.

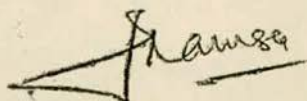
(vi) Out of 639 persons (ST, SC and Others) imparted training during 1979-80 to 1982-83 for subsequent rehabilitation in different trades, only 114 persons were rehabilitated; 525 persons trained at a cost of Rs. 5.34 lakhs were not rehabilitated.

(vii) Out of Advance Plan Assistance given during 1980-81 for the benefit of small, marginal and tribal farmers through Co-operative Societies, excess subsidy paid amounted to Rs. 5.90 lakhs which awaited recovery.



(viii) Out of total grants of Rs. 10,26.13 lakhs released to the Agencies till end of 1982-83, the utilisation certificates for Rs. 6,63.64 lakhs were outstanding submission to Government.

The matter was reported to Government in October 1983; their reply is awaited (April 1984).



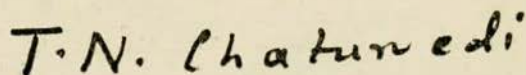
( J. K. SARMA )

*Accountant General (Audit), Orissa*

BHUBANESWAR,

The

*Countersigned*

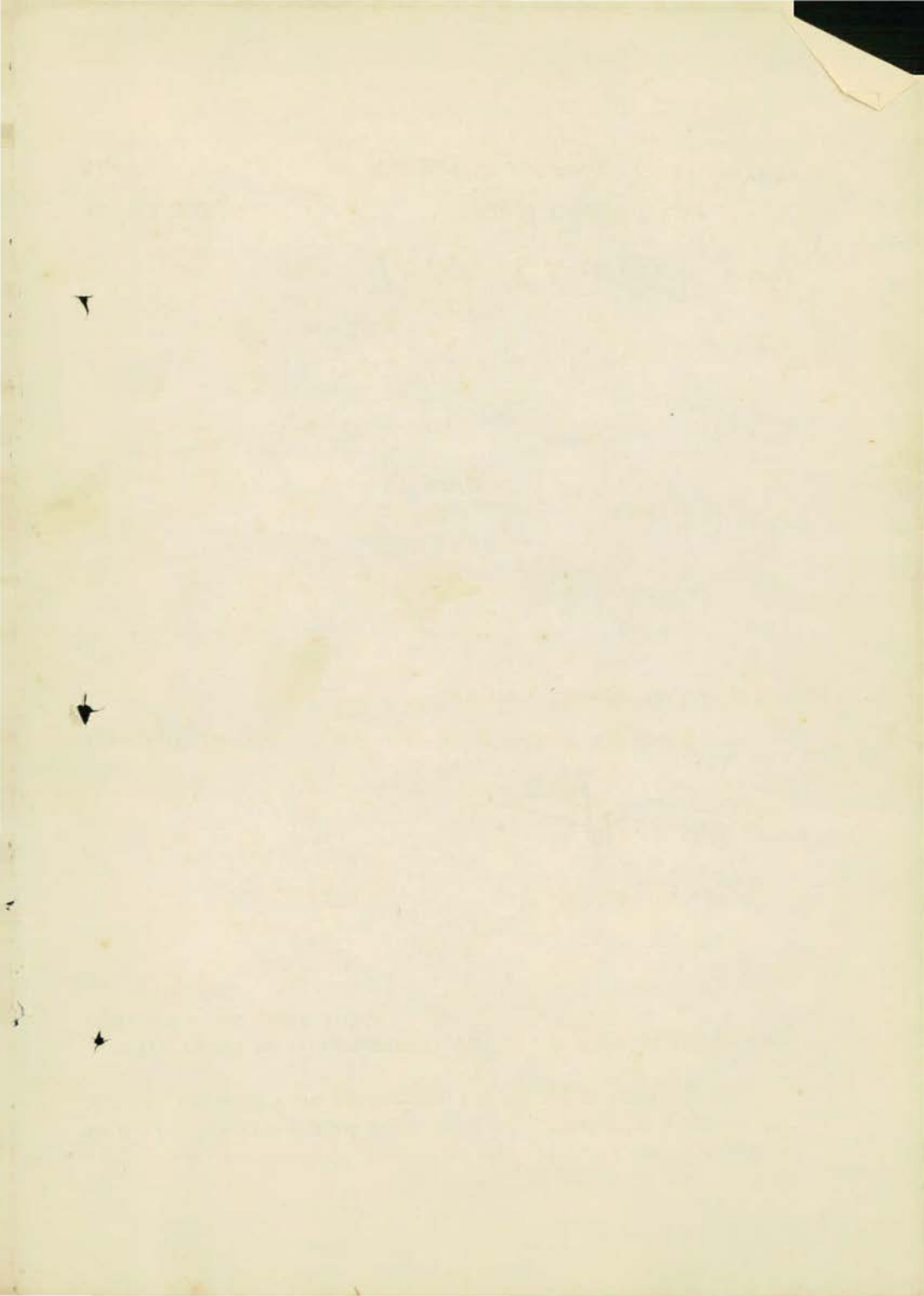


(T. N. CHATURVEDI)

NEW DELHI,

The

*Comptroller and Auditor General of India*

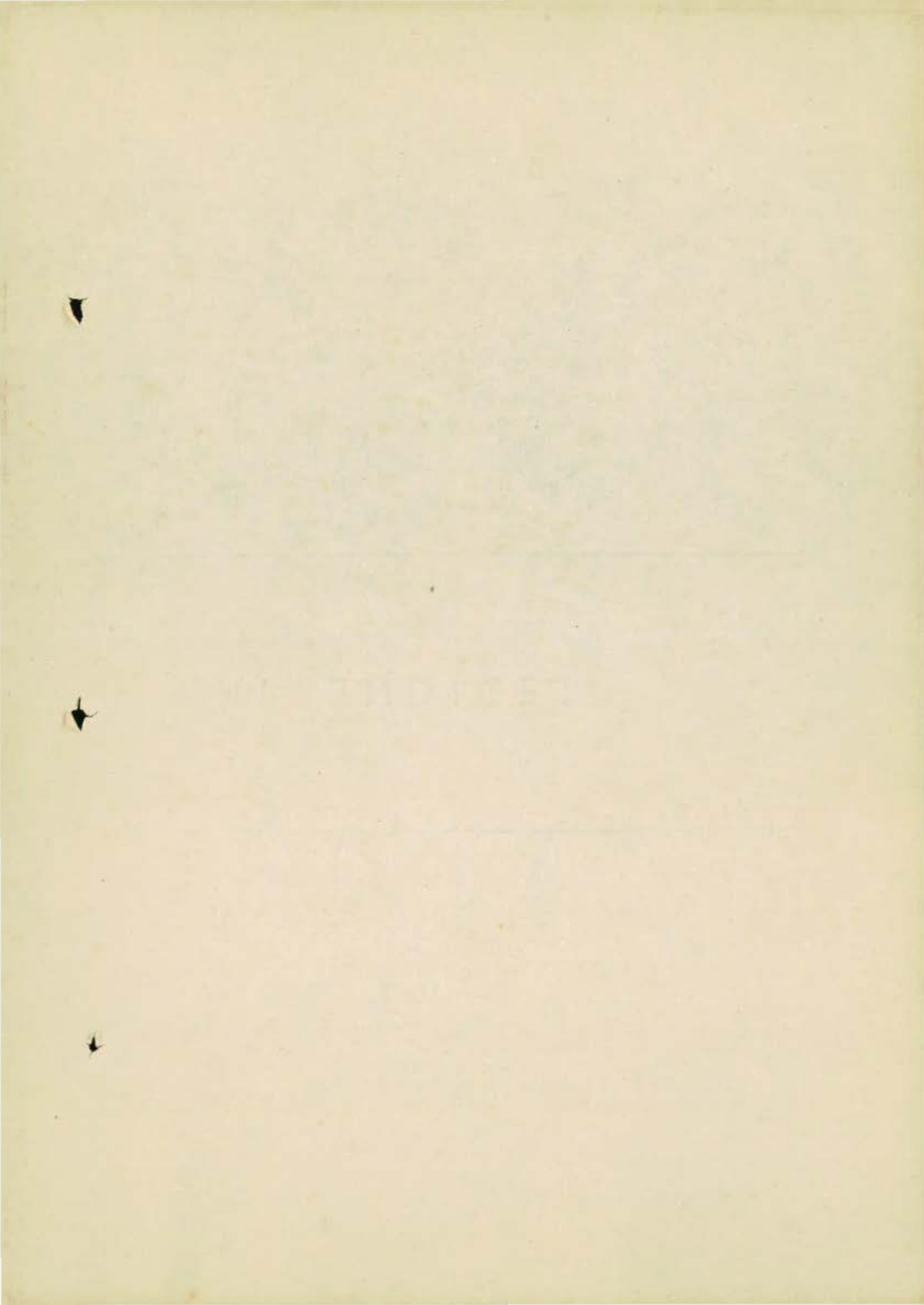




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APPENDICES

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## APPENDIX 2.1

(Reference: Paragraph 2.4, Page 24)

Grants where savings (more than Rs. 50 lakhs in each case) were more than 10 per cent of the total provision

Sl. No.	Number and name of grant	Total Provision	Expenditure	Saving	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
<i>Revenue Section</i>					
1.	5—Expenditure relating to the Finance Department	41.22	18.46	22.76	55
2.	12—Expenditure relating to the Health and Family Welfare Department	64.82	56.66	8.16	12
3.	16—Expenditure relating to the Planning and Co-ordination Department	24.19	15.67	8.52	35
4.	19—Expenditure relating to the Industries Department	19.99	17.24	2.75	14
<i>Capital Section</i>					
1.	5—Expenditure relating to the Finance Department	1,36.30	96.51	39.79	29
2.	9—Expenditure relating to the Food and Civil Supplies Department	80.02	14.54	65.48	81
3.	13—Expenditure relating to the Housing and Urban Development Department	6.85	5.36	1.49	22
4.	21—Expenditure relating to the Transport Department	3.05	2.23	0.82	27
5.	22—Expenditure relating to the Forest, Fisheries and Animal Husbandry Department	26.24	21.03	5.21	19
6.	23—Expenditure relating to the Agriculture and Co-operation Department	24.01	20.24	3.77	15



## APPENDIX

(Reference : Paragraph 3.1.3.1,

## Statement showing production of spawn during four years ended

Year	Target (In lakhs)	Riverine sources		
		Collection (In lakhs)	Expenditure (Rupees in lakhs)	Cost of collection per lakh (In rupees)
1979-80	28,00	4,42.75	1.12	253
1980-81	33,70	9,85.75	1.00	101
1981-82	37,15	9,14.00	1.02	112
1982-83	47,00	9,51.25	NA	NA

\*In respect of 10 districts other than

## APPENDIX

(Reference : Paragraph 3.1.3.2,

## Statement showing production of fish in

Year	Tank area (in hectare)	Targeted production per hectare (In MT)	Actual production	Expenditure	Percentage of shortfall in production
(Rupees in lakhs)					
Departmental Farms					
1975-76	13.00	32.50	7.10	0.97	78
1976-77	13.00	32.50	9.07	1.23	72
1977-78	13.00	39.00	7.00	2.45	82
				4.65	

## 3.1

Page.....34.....)

1982-83

Production (In lakhs)	Induced breeding		Total production (In lakhs)	Percentage of achievement
	Expenditure (Rupees in lakhs)	Cost of production per lakh (In rupees)		
10,76.13	40.81	3,792	15,18.88	54
16,78.25	44.64	2,660	26,64.25	80
19,97.38*	54.21	3,285	25,63.94	69
20,25.39	NA	NA	29,76.64	63

Sundergarh, Kalahandi and Bolangir.

## 3.2

Page....35)

## departmental and private fish farms

Year	Tank area (in hectare)	Targeted production per hectare (In MT)	Actual production	Expenditure  (Rupees in lakhs)	Percentage of shortfall in production
Private Farms					
1978-79	28.00	140.00	NA	2.66	
1979-80	62.50	312.50	NA	5.84	
1980-81	44.00	220.00	NA	3.90	
1981-82	44.00	220.00	NA	3.82	
				16.22	
			Total	20.87	

## APPENDIX

(Reference : Paragraph

## Statement showing excess payment of subsidy

District	Block	Name of beneficiary and category	Tank area in acre
(1)	(2)	(3)	(4)
		1979-80	
Koraput	.. Boriguma	.. Basa Naik of Ukoboliguda (B) ..	1.00
	Do.	.. Sadasiva Bhumia Sauroguda (B)	1.00
	Do.	.. Sadasiva Bhumia Lokiguda (B)	1.00
	Jeypore	.. Urdhaba Godaba (A) ..	0.50
	Do.	.. Raghunath Amanatya (A) of Jayantagiri	0.50
	Do.	.. Liba Soura (A) of Baminiput ..	0.50
		1978-79 since all old tanks were renovated, beneficiaries	
Balasore	.. Nilagiri	.. Laxmidhar Singh (B) ..	0.60
		Sukara Singh (B) ..	0.40
		Nata Singh (C) ..	1.00
		Raghunath Singh (B) ..	1.00
		Chanei Majhi (D) ..	0.60
		Kalia Majhi (D) ..	0.40
		1979-80	
		Raghunath Singh (B) ..	0.50
		Sonia Singh (B) ..	0.50
		Sunakar Majhi (C) ..	1.00
		Semakar Singh (D) ..	1.00
		1978-79	
Phulbani	.. Phulbani	.. S. Kanhar (A) ..	0.60
		F. Kanhar (A) ..	0.50
	Balliguda	.. N. Pradhan (A) ..	0.35



## 3.3

3.1.3.8, Page 42 )

## under special Central assistance programme

Expenditure on		Subsidy admissible as per prescribed norm		Subsidy paid	Difference
Constn. Repair	Input and other charges	Constn. Repair	Input, etc.		
(5)	(6)	(7)	(8)	(9)	(10)
2,860.00	2,591.00	1,800.00	2,591.00	5,000.00	609.00
2,512.00	2,841.00	1,800.00	2,841.00	5,000.00	359.00
2,200.00	2,716.00	1,800.00	2,716.00	5,000.00	484.00
4,020.00	1,000.00	4,020.00	1,000.00	6,250.00	1,230.00
4,556.00	1,000.00	4,556.00	1,000.00	6,250.00	694.00
4,087.00	1,000.00	4,087.00	1,000.00	6,250.00	1,163.00
are to be categorised as 'B', 'C', 'D'.					
2,500.00	987.50	1,080.00	987.50	3,487.50	1,420.00
1,800.00	525.00	720.00	525.00	2,325.00	1,080.00
4,000.00	1,812.50	1,350.00	1,359.40	5,812.50	3,103.00
4,000.00	1,812.50	1,800.00	1,812.50	5,812.50	2,200.00
2,500.00	987.50	900.00	493.75	3,487.50	2,083.70
1,800.00	525.00	360.00	262.50	2,325.00	1,702.50
5,000.00	1,000.00	900.00	1,000.00	6,000.00	4,100.00
5,000.00	1,000.00	900.00	1,000.00	6,000.00	4,100.00
2,800.00	3,200.00	1,350.00	2,400.00	6,000.00	2,250.00
2,800.00	3,200.00	900.00	1,600.00	6,000.00	3,500.00
9,043.00	1,000.00	6,000.00	1,000.00	10,043.00	3,043.00
7,212.00	1,000.00	5,000.00	1,000.00	8,212.00	2,212.00
9,500.00	800.00	3,600.00	800.00	10,300.00	5,900.00

Rs. 41,233.20

## APPENDIX

(Reference : Paragraph 3.1.4.4,

## Statement showing catch statistics

Name of M. F. C. S.	No of boats operated	Anticipated catch	
		Quantity (in M. T.)	Value (Rupees in lakhs)
(1)	(2)	(3)	(4)
Kirtania	.. 23	575	17.25
Ma-Dhamarai	.. 7	329	8.47
Rajalaxmi	.. 40	1,000	30.00
Gangadevi	.. 15	702	28.08
Total	. 85	2,606	83.80

## 3.4

Page....51)

of M. F. C. S. during 1981-82

Actual catch		Shortfall		Remarks
Quantity (in M.T.)	Sale value (Rs. in lakhs)	Quantity (in M.T.) (percentage in bracket)	Value (Rupees in lakhs)	
(5)	(6)	(7)	(8)	(9)
59	3.15	516 (90)	14.10	Project Officer attributed (April 1983) the shortfall mainly to bad weather and break down of boat engines.
74	0.73	255 (78)	7.74	Project Officer attributed (April 1983) the shortfall to bad weather and poor knowledge of trawling by fishermen.
126	6.89	874 (87)	23.11	Project Officer attributed (June 1983) the shortfall to ecological change in Balasore coast, condemnation of 26 fishing nets and increase in operational cost.
142	5.61	560 (80)	22.47	Project Officer attributed (July 1983) the shortfall to poor catch, frequent loss of accessories, strike by fishermen against outside trawlers and non-availability of infrastructure facility.
401	16.38	2,205 (85)	67.42	



## APPENDIX

(Reference :

## Plant-wise details of investment and their

Sl. No.	Name of the plant	Capacity of the plant		Capital cost of	
		Ice plant	Cold storage	Building	Machinery
(1)	(2)	(in mt.)		(Rupees in lakhs)	
		(3)	(4)	(5)	(6)
1.	Ice-cum-cold storage plant, Balugaon	5	5	0.40	1.25
2.	Ice-cum-cold storage plant, Laxmisagar	2	5	0.82	1.09
3.	Ice-cum-cold storage plant, Majhidia) near Paradip) Marine Fisheries	5	5	0.70	1.13

## 3.5—Contd.

Paragraph 3-1.4.7, Page 56 )

## working condition of Ice-cum-cold storage plants

Equipment	Electrical installation	Total	Remarks
(Rupees in lakhs)			
(7)	(8)	(9)	(10)
..	0.01	1.66	The plant was commissioned in November 1960 but it remained idle from June 1974 to March 1976 due to break down of the compressor. The total expenditure on operation and maintenance of the plant and establishment charge upto 1982-83 was Rs. 18.65 lakhs against which the total receipt was Rs. 13.97 lakhs.
0.37	0.19	2.47	The plant was commissioned in December 1966 but it remained idle for most of the period (viz., November 1968 to February 1970, February 1972 to October 1972, December 1973 to January 1974 and March 1974 to February 1976). This was stated to be mainly due to breakdown of the compressor. The total receipt up to 1982-83 was Rs. 6.68 lakhs as against direct expenditure of Rs. 10.36 lakhs. The department attributed the shortfall to the poor demand of ice, lack of marketing facilities and also to insufficient surplus fish for marketing after meeting the demand of local consumers.
..	0.31	2.14	The plant was commissioned in July 1965 but it remained idle during February 1978 to November 1980 reportedly due to failure of electricity and breakdown of the plant

## APPENDIX

Sl. No.	Name of the Plant	Capacity of the plant		Capital cost of	
		Ice plant	Cold storage	Building	Machinery
(1)	(2)	(3)	(4)	(5)	(6)
		(In mt.)		(Rupees in lakhs)	
4.	Ice-cum-cold storage plant, Chandbali (Marine Fisheries)	2	5	0.72	1.41
5	Ice-cum-cold storage plant, Chandipur (Marine Fisheries)	5	2	0.92	1.26



## 3.5—Contd.

Equipment	Electrical installation	Total	Remarks
(7)	(8)	(9)	(10)
(Rupees in lakhs)			
			and machinery. The total receipts during the period up to 1977-78 was Rs. 3.97 lakhs as against the direct expenditure of Rs. 5.35 lakhs. The plant had been disposed of by auction in February 1981 at Rs. 45,000.
	0.02	2.15	The plant was commissioned in February 1966. It remained idle from April 1972 to January 1973 and again from June 1977 to February 1982. After repair it started functioning since 19th March 1982 reportedly with some mechanical defects. Total expenditure on operation and maintenance of the plant and establishment charges up to the end of 1982-83 was Rs. 5.27 lakhs against which total receipts realised was Rs. 1.24 lakhs. The low outturn was attributed by the department to frequent break down of the machinery, non-utilisation of the storage, defective ice-candy and high cost of maintenance of the plant and establishment.
	0.06	2.24	The plant was commissioned in March 1973. The operation expense during the period (up to 1982-83) was Rs. 6.45 lakhs against the receipt of Rs. 3.76 lakhs realised during the period. The poor outturn was attributed by the department to high cost of establishment, poor demand of ice and storage except on peak fishing season.

## APPENDIX

Sl. No.	Name of the Plant	Capacity of the Plant		Capital cost of	
		Ice plant	Cold storage	Building	Machinery
(1)	(2)	(3) (in mt.)	(4)	(5) (Rupees in lakhs)	(6) (Rupees in lakhs)
6.	Ice-cum-cold Storage plant, Hirakud (power fishing in Hirakud reservoir)	2	1	0.33	0.66
7.	Ice-cum-cold storage Plant, Jeypore (development of inland fisheries in interior district)	2	5	1.20	1.09
8.	Ice-cum-cold storage plant, Bhawanipatna (development of inland fisheries in interior district)	2	5	1.50	1.09

## 3.5—Concl'd.

Equipment	Electrical installation	Total	Remarks
(7) (Rupees in lakhs)	(8)	(9)	(10)
0.03	0.22	1.24	The plant was ready by May 1967. But it was not commissioned. On the recommendation (October 1976) of the Director of Fisheries, Orissa, the Government decided (January 1980) to dispose of the plant at the offset price of Rs. 0.91 lakh. It had actually been disposed of in September 1980 at Rs. 0.37 lakh.
0.08	0.20	2.57	The plant was installed in 1969 but it has not been commissioned so far (June 1983) due to poor demand of ice.
0.02	0.02	2.63	The plant was installed during 1968-69 but it could not be commissioned for want of water supply and electrification.
		17.10	
		Total	



## APPENDIX

Reference : Paragraph 3.7.2. (A) (6) (vii).

## Shortage of Nationalised

District	Name of the book	Class	Balance of books as arrived at by audit
(1)	(2)	(3)	(4)
Puri	1. Chabi Bahi (Part I)	I	811
	2. Chabi Bahi (Part II)	I	2,111
	3. Anka	I	1,722
	4. Anka	II	24
	5. Mo Patha Bahi	II	300
	6. Nua Patha Bahi	II	1,145
	7. Anka	III	94
	8. Sahitya	III	112
	9. Samajika	III	100
	10. Anka	IV	44
	11. Sahitya	IV	100
	12. Science	IV	250
	13. Samajika	IV	58
	14. English	IV	200
	15. Anka	V	110
	16. Sahitya	V	39
	17. Science	V	865
	18. Samajika	V	1,570
	19. Thik Padha Thik Lekha	IV and V	413
	20. Oriya Grammar	VI	189
	21. Anka	VI	51
	22. Geometry	VI	138
	23. Oriya Suppl. Reader	VI	223
	24. K. Bigyan	VI	115
	25. Hindi	VI	171
	26. Anka	VII	171

3.6—Contd.

Page..81....)

## Text Books

Balance as per stock register	Difference (No.)	Rate (Rs.)	Value (Rs.)
(5)	(6)	(7)	(8)
Nil	811	1.25	1,013.75
Nil	2,111	0.95	2,005.45
Nil	1,722	1.60	2,755.20
Nil	24	1.55	37.20
Nil	300	1.35	405.00
Nil	1,145	1.35	1,545.75
Nil	94	1.30	112.20
Nil	112	1.35	151.20
Nil	100	1.60	160.00
Nil	44	1.60	70.40
Nil	100	1.60	160.00
Nil	250	2.25	562.50
Nil	58	1.60	92.80
Nil	200	2.50	500.00
Nil	110	1.85	205.50
Nil	39	1.85	72.15
Nil	865	1.85	1,600.25
Nil	1,570	1.90	2,983.00
Nil	413	0.90	371.70
165	24	1.40	33.60
41	10	2.05	20.50
116	22	1.45	31.90
102	121	1.45	175.45
67	48	0.85	40.80
135	36	1.20	43.20
101	70	2.05	143.50

District	Name of the book	Class	Balance of books arrived at by audit
(1)	(2)	(3)	(4)
	27. Geometry ..	VII	227
	28. Itihas (Part I) ..	VII	357
	29. Itihas (Part II) ..	VII	173
	30. Science ..	VII	131
	31. Hindi ..	VII	227
Mayurbhanj ..	1. Chabi Bahi (Part I) ..	I	110
	2. Chabi Bahi (Part II) ..	II	268
	3. Anka ..	II	81
	4. Science ..	IV	180
	5. English ..	IV	520
	6. English ..	V	48
	7. Anka ..	V	134
	8. Oriya Grammar ..	VI	16
	9. Anka ..	VI	3
	10. Geometry ..	VI	3
	11. Science ..	VI	3
	12. Hindi ..	VI	11
	13. Geometry ..	VII	36
	14. English ..	VII	163
	15. English Suppl. Reader ..	VII	13
	16. Sahitya ..	VII	6
	17. Oriya Grammar ..	VII	31
	18. Itihas (Part II) ..	VII	145
	19. Oriya Suppl. Reader ..	VII	45
		Total	



Balance as per stock register	Difference (No.)	Rate (Rs.)	Value (Rs.)
(5)	(6)	(7)	(8)
207	20	1.45	29.00
Y 239	118	0.85	100.30
153	20	1.95	39.00
129	2	1.45	2.90
184	43	1.20	51.60
10	100	1.25	125.00
228	40	0.95	38.00
78	3	1.55	4.65
177	3	2.25	6.75
Nil	520	2.50	1,300.00
27	21	1.45	30.45
132	2	1.85	3.70
Nil	16	1.40	22.40
Nil	3	2.05	6.15
Nil	3	1.45	4.35
Nil	3	1.45	4.35
Nil	11	1.20	13.20
30	6	1.45	8.70
150	13	1.85	24.05
7	6	0.85	5.10
2	4	2.05	8.20
27	4	1.40	5.60
135	10	2.05	20.50
41	4	1.45	5.80
	<u>9,394</u>		<u>17,195.95</u>

## APPENDIX 3.7

(Reference : Paragraph 3.9.2 (A) (5) (ii), Page 101)

## Short/non-accountal of medicines

Sl. No.	By whom medicines were purchased/ issued	Year of purchase/ issue	Purpose for which medicines purchased	Value (Rs. in lakhs)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1.	Chief District Medical Officer, Cuttack	1977-78	Issue to Barachana PHC for issue to 12 sub-centres	0.11	34 items of medicines issued in January 1978 were neither accounted for by the PHC nor the acknowledgements of the sub-centres obtained.
2.	Principal, Health and Family Welfare Training Centre, Cuttack	1977-78 to 1980-81	For supply to Raghunathpur PHC	0.05	Not accounted for in the stock ledger of the Training centre.
3.	Principal, Health and Family Welfare Training Centre, Cuttack	1978-79 to 1980-81	For issue to Raghunathpur PHC	0.12	Not accounted for in the stock ledger of PHC.
4.	Chief District Medical Officer, Cuttack	1981-82	Issue to Tangi PHC for distribution to sub-centres	0.07	28 items of medicines though supplied in June 1981 were neither accounted for in the stock ledger nor distributed by the Medical Officer to the sub-centres.
5.	Chief District Medical Officer, Cuttack	1981-82	Issue to Tangi PHC for distribution to sub-centres	0.05	Injections issued to the PHC in September 1981 and February 1982 were not accounted for by the PHC nor their consumption shown to audit.

## APPENDIX 3.7—Concl'd.

Sl. No.	By whom medicines were purchased/issued	Year of purchase/issue	Purpose for which medicines purchased	value (Rs. in lakhs)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
6.	Chief District Medical Officer, Cuttack	1982-83	Issue to Barachanna PHC	0.06	The medicines issued in June and July 1982 were neither accounted for by the PHC nor evidence of their consumption shown to audit.
	Ditto	1982-83	Issue to Barachanna PHC for cyclone emergency	0.01	Entries in the stock ledger of 4 items out of 23 items of medicines received in June 1982 could not be shown in the PHC as the ledger page was removed.
7.	Barachanna PHC	1982-83	Issue to Public Health Section	0.09	38 items of medicines issued in June 1982 were neither acknowledged nor accounted for by the Public Health section.
8.	Chief District Medical Officer, Cuttack	1982-83	Issue to Barachanna PHC	0.04	Medicines issued in September 1982 were not accounted for by the PHC.

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 0.60
 

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## APPENDIX

(Reference: Paragraph 3.11 (a),

## Misappropriations, losses, etc., reported up to 31st March 1983

Sl. No.	Name of the Department	Cases in which criminal/departmental proceedings have not been instituted due to non-receipt of detailed reports from sub-ordinate authorities		Cases in which departmental action started but not finalised	
		No. of cases	Amount	No. of cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)
					(Rupees in
1	Revenue and Excise ..	27	2.41	66	10.91
2	Forest, Fisheries and Animal Husbandry	191	1,21.01	56	8.09
3	Agriculture and Co-operation ..	18	2.08	73	14.43
4	Health and Family Welfare ..	18	1.07	38	6.39
5	Education and Youth Services ..	18	6.46	23	5.90
6	Community Development and Rural Reconstruction	20	5.98	16	9.37
7	Harijan and Tribal Welfare ..	3	0.45	29	2.62
8	Industries ..	9	0.53	23	2.32
9	Home ..	4	0.83	22	4.03
10	Commerce and Transport ..	1	0.74	1	0.03
11	Finance ..	4	0.32	10	2.16
12	Food and Civil Supplies ..	1	0.09	2	0.13
13	Information and Public Relations ..	3	0.09	5	0.40
14	Labour and Employment ..	3	0.80	5	0.41
15	Law ..	4	0.35	3	1.74
16	Mining and Geology ..	..	..	..	..
17	General Administration ..	..	..	1	0.93
18	Tourism, Sports and Culture ..	..	..	..	..
19	Planning and Co-ordination ..	1	0.85	..	..
20	Irrigation and Power (including Minor Irrigation)	86	44.84	106	21.53
21	Works (including Rural Roads and Buildings)	22	8.96	82	1,07.71
22	Housing and Urban Development ..	5	3.38	60	7.40
	Total ..	438	2,01.24	621	2,06.56

3.8

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## pending finalisation at the end of September 1983

Cases in which criminal cases were finalised but execution/certificate cases for recovery of the amount are pending

Cases awaiting Government orders for recovery or write-off

Cases in Courts of Law

Total

Cases in which criminal cases were finalised but execution/certificate cases for recovery of the amount are pending		Cases awaiting Government orders for recovery or write-off		Cases in Courts of Law		Total	
No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
lakhs )							
34	4.62	7	0.46	10	0.73	144	19.13
1	0.11	18	2.12	11	12.94	277	1,44.27
..	..	22	1.09	10	1.44	123	19.04
..	..	13	0.54	6	4.66	75	12.66
..	..	5	1.82	6	2.14	52	16.38
6	0.98	2	0.41	7	0.79	51	17.53
3	0.06	5	0.39	7	3.83	47	7.35
..	..	1	0.09	4	0.06	37	3.00
..	..	5	0.30	2	0.04	33	5.20
1	0.14	..	..	..	..	3	0.91
..	..	4	0.25	5	2.88	23	5.61
3	2.95	1	0.04	1	0.03	8	3.24
..	..	..	..	..	..	8	0.49
..	..	1	0.02	..	..	9	1.23
..	..	1	0.01	5	3.68	13	5.78
..	..	2	0.06	1	0.47	3	0.53
..	..	1	0.31	..	..	2	1.24
..	..	1	0.16	..	..	1	0.16
..	..	1	0.05	..	..	2	0.90
3	0.12	26	12.02	10	0.21	231	78.72
2	0.03	2	12.15	..	..	108	1,28.85
..	..	2	0.03	5	0.35	72	11.16
53	9.01	120	32.32	90	34.25	1,322	4,83.38

## APPENDIX 4.1

(Reference : Paragraph 4.1.4(E)(iii), Page 138)

## Statement showing under-utilisation of machinery

Name of the machine	Source from which procured with date or month of procurement	Total working hours available for the division @ 2,000 hrs. per year	Total No. of hours worked as per log book	Shortfall in hours	Percentage of under utilisation
(1)	(2)	(3)	(4)	(5)	(6)
D 4 Tractor	.. 4/78	10,000	1,685	8,315	83.15
D 7 Tractor	.. Chikiti Irrigation division 10/75	11,800	394	11,406	96.6
D 8 Caterpillar Dozer	Pilasalki Project 2/77	12,000	87	11,913	99.27
Bharat Dozer No. 2	.. 4/78	10,000	3,903	6,097	60.97
Komatsu Dozer No. 2	5/75 Chikiti Irrigation division	16,000	4,668	11,332	70.82
Komatsu Dozer No. 3	23-2-1976 Chikiti Irrigation Project	14,000	7,104	6,896	49.25
Komatsu Dozer No. 4	19-3-1976 Chikiti Irrigation Project	14,000	7,033	6,967	49.76
Russian Shovel No. 1	4/76 Chikiti Irrigation Project	14,000	1,885	12,115	86.5
Russian Shovel No. 2	13-2-1977 S a l i a Project	12,000	2,660	9,340	77.83
Tata PH Shovel No. 1	6/76 Chikiti Irrigation division	14,000	2,374	11,626	83.04
Tata PH Shovel No. 2	6/76 Chikiti Irrigation division	13,000	2,091	10,909	83.91
Mack dumper No. 11	Chikiti Irrigation division 6/76	13,800	100	13,700	99.27
Mack dumper No. 14	Chikiti Irrigation division 6/76	14,000	2,215	11,785	84.27
ORG 7485 Euclid dumper No. 24	Chikiti Irrigation division 7/75	12,800	4,480	8,320	65.00
ORG 7487 Euclid dumper No. 26	Chikiti Irrigation division 7/75	12,600	1,477	11,123	88.27
ORG 7486 Euclid dumper No. 25	Chikiti Irrigation division 12/75	11,800	3,238	8,562	72.55
ORG 7483 Euclid dumper No. 23	Chikiti Irrigation division 12/75	12,000	3,498	8,502	70.85



## APPENDIX 4.1—Contd.

Name of the machine	Source from which procured with date or month of procurement	Total Working hours available for the division @2,000 hrs. per year	Total No. of hours worked as per log book	Shortfall in hours	Percentage of under-utilisation
(1)	(2)	(3)	(4)	(5)	(6)
ORG 7482 Euclid dumper No. 22	Chikiti Irrigation division 1/77	9,600	3,588	6,012	62.62
ORG 6398 Tripper..	New purchase 31-3-1978	10,000	2,374	7,626	76.26
ORG 6299 Tripper	Ditto ..	7,400	2,696	4,704	63.5
ORG 6301 Tripper	Ditto ..	10,000	2,289	7,711	77.11
ORG 6296 Tripper..	Ditto ..	7,600	3,247	4,353	57.2
ORG 6297 Tripper	Ditto ..	7,800	2,133	5,667	72.65
ORG 6302 Tripper	Ditto ..	10,000	2,351	7,649	76.49
ORG 6303 Tripper	Ditto ..	10,000	2,671	7,329	73.29
Concrete Mixture No. 6	Bhanjanagar Irrigation division 9/77	11,400	222	11,178	98.00
Concrete Mixture No. 7	New Purchase 1/80	6,600	1,095	5,505	83.4
Concrete Mixture No. 8	New Purchase 6/80	5,600	145	5,455	97.4
Concrete Mixture No. 9	Bhanjanagar Irrigation division 7/81	3,600	1,156	2,444	67.89
Concrete Mixture No. 10	Bhanjanagar Irrigation division 2/82	2,400	186	2,214	92.2
Concrete Mixture No. 11	Ditto ..	2,400	123	2,277	94.87
Concrete Mixture No. 12	Ditto ..	2,400	729	1,671	69.6
Concrete Mixture No. 13	Bhanjanagar Irrigation division 3/82	2,200	241	1,959	89.00
Concrete Mixture No. 14	Chikiti Irrigation division 3/82	2,200	586	1,614	73.36
Concrete Mixture No. 15	Bhanjanagr Irrigation division 5/82	2,000	54	1,946	97.3

Name of the machine	Source from which procured with date or month of procurement	Total working hours available for the division @ 2000 hrs. per year	Total No. of hours worked as per log book	Shortfall in hours	Percentage of under-utilisation
(1)	(2)	(3)	(4)	(5)	(6)
Atlas copes Compressor VT 5 No. 1	Chikiti Irrigation division 9/77	11,400	369	11,031	96.7
Atlas copes Compressor VT 5 No. 2	Ditto	11,400	974	10,426	91.4
Bromade Compressor No. 1	Bhanjanagar Irrigation division 9/77	11,400	1,795	9,605	84.2
Bromade Compressor No. 2	Chikiti Irrigation division 1/82	2,600	885	1,715	66.3
Bromade Compressor No. 3	Chikiti Irrigation division 1/82	2,600	34	2,566	98.6
Atlas Copes VT. 4 No. 1 Compressor	Bhanjanagar Irrigation division 3/81	4,200	1,033	3,167	75.4
Diesel Vibrator No. 1	Not known 2/80	6,400	203	6,197	96.82
Diesel Vibrator No. 2	Not available 3/82	2,200	440	1,760	80
Diesel Vibrator No. 3	Ditto	2,200	200	2,000	90.9
Diesel Vibrator No. 4	Ditto	2,200	117	2,083	94.6
ORG 6294 Tripper	New purchase 3/78	8,600	3,703	4,897	56.94
ORG 6295 Tripper	Ditto	6,000	2,898	3,102	51.7
ORG 9464 Tripper	Ditto 25-3-1981	4,000	593	3,407	85.7
ORG 9465 Tripper	Ditto	4,000	534	3,466	86.6
ORG 9466 Tripper	Ditto	4,000	524	3,476	86.65

## APPENDIX 7.1

(Reference : Paragraph 7.2.3, Page 189)

## Statement showing extra expenditure on entertainment of teachers

Name of the District	Number of Schools	Academic Session	Teachers entertained in excess of norms	Extra expenditure on salary	Salary of teachers entertained in excess
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in lakhs)					
Keonjhar ..	2 Upgraded M.E. School	1979-80	3	0.14	Salary of 1 to 2 teachers in each school both in primary and M. E. Sections
Puri ..	1 to 7 Panchayat Samiti M. E. School	1979-80 to 1982-83	16	0.83	Salary of 1 to 3 teachers in each school both in primary and M.E. Sections
Puri ..	14 to 33 (U. P. Schools and L. P. Schools)	1979-80 to 1982-83	73	3.61	Salary of 1 to 2 teachers in each school
Ganjam .. (Berhampur)	1 Upgraded M. E. School	1977-78 to 1982-83	11	0.55	Salary of 1 to 3 teachers in M.E. Section
Ganjam .. (Berhampur)	9 (U.P. Schools and L. P. Schools)	1978-79 to 1981-82	17	1.02	Salary of 1 to 5 teachers in each primary school
Bolangir ..	6 Upgraded M. E. School	1982-83	6	0.36	Salary of 1 teacher in each school in M.E. Sections
Bolangir ..	4 (3 U. P. Schools and 1 L. P. School)	1982-83	4	0.42	Salary of 1 to 3 teachers in each school



## APPENDIX 7.1—Concl'd.

Name of the district	Number of Schools	Academic Session	Teachers entertained in excess of norms	Extra expenditure on salary	Salary of teachers entertained in excess
(1)	(2)	(3)	(4)	(5)	(6)
(Rupees in lakhs)					
Mayurbhanj (Baripada)	17 (14 U. P. Schools and 3 L. P. Schools)	1980-81	23	1.10	Salary of 1 to 3 teachers in each school
Mayurbhanj (Baripada)	29 (24 U. P. Schools and 5 L. P. Schools)	1979-80	31	1.86	Salary of 1 to 2 teachers in each school
Koraput ..	2 to 8 Panchayat Samiti M. E. Schools	1976-77 to 1982-83	51	2.68	Salary of 1 to 3 teachers in each School both in primary and M. E. Sections
Koraput ..	12 (11 U. P. Schools and 1 L. P. School)	1977-78 to 1982-83	18	1.78	Salary of 1 to 2 teachers in each school
				14.35	

Utilisation  
Certificate

## APPENDIX 7.2

(Reference: Paragraph 7.2.9 (i) Page 197)

## Statement showing position of outstanding utilisation certificates

District Inspectors	Particulars of grant	Period	Amount	Amount for which UCs. were pending for submission to A. G.
(1)	(2)	(3)	(4)	(5)
		Between	(In lakhs of rupees)	
Bariapada ..	Salary ..	1974-75 to 1982-83 ..	15,29.17	745.71
	Building ..	1974-75 to 1982-83 ..	13.70	12.65
Balasore ..	Salary ..	1975-76 to 1982-83 ..	8,81.45	7,92.69
	Building ..	1975-76 to 1982-83 ..	10.08	10.06
	Incentive ..	1975-76 to 1981-82 ..	4.74	3.44
Keonjhar ..	Salary ..	1981-82 to 1982-83 ..	6,30.70	94.82
	Building ..	1978-79 to 1982-83 ..	12.89	8.23
Bolangir ..	Salary ..	1974-75 to 1982-83 ..	8,86.51	3,97.60
	Building ..	1974-75 to 1982-83 ..	7.89	7.89
Berhampur ..	Salary ..	1982-83 ..	34.18	34.18
	Building ..	1971-72 to 1982-83 ..	9.28	9.28
Koraput ..	Salary ..	1974-75 to 1982-83 ..	3,84.17	85.42
	Building ..	1974-75 to 1981-82 ..	33.70	33.70
	Incentive ..	1974-75 to 1981-82 ..	3.34	3.34
Puri ..	Salary ..	1974-75 to 1982-83 ..	8,55.97	2,98.66
	Building ..	1974-75 to 1982-83 ..	9.03	9.03
	Incentive ..	1981-82 ..	0.84	0.84
Khurda ..	Salary ..	1981-82 to 1982-83 ..	1,95.80	1,95.80
	Building ..	1975-76 to 1982-83 ..	3.96	3.96
Cuttack ..	Salary ..	1974-75 to 1982-83 ..	15,60.54	15,60.54
	Building ..	1975-76 to 1982-83 ..	13.59	11.97
	Incentive ..	1976-77 to 1981-82 ..	2.19	2.19

## APPENDIX 7.3

(Reference : Paragraph 7.2.10, Page 198)

## Statement showing position of Inspection

Name of the District Inspector	Year of Inspection	M. E. Schools		Primary	Schools
		No. of existing schools	No. of schools inspected by the DIS	No. of existing schools	No. of schools inspected by the DIS
(1)	(2)	(3)	(4)	(5)	(6)
Baripada	1979-80	262	34	915	28
	1980-81	269	41	948	27
	1981-82	296	36	946	27
	1982-83	296	39	946	35
Balasore	.. up to 1979-80 position is not available				
	1980-81	218	71	854	15
	1981-82	229	66	863	12
	1982-83	242	48	863	10
Keonjhar	1976-77	152	92	659	68
	1977-78	160	103	656	75
	1978-79	166	124	656	82
	1979-80	176	108	673	93
	1980-81	184	105	708	85
	1981-82	186	98	699	72
	1982-83	186	109	713	89
Bolangir	.. 1974-75 to 1981-82 Not available				
	1982-83	133	20	641	4
	Berhampur	1977-78	106	34	753
1978-79		125	46	743	39
1979-80		127	69	754	44
1980-81		144	45	748	51
1981-82		147	47	747	37
1982-83		147	24	748	23
Koraput	1980-81	59	13	913	8
	1981-82	79	33	938	5
	1982-83	80	38	945	5
Khurda	1981-82	98	33	497	27
	1982-83	100	45	497	27
Puri	.. up to 1980-81 position not available				
	1981-82	152	67	553	72
	1982-83	155	53	552	65
Cuttack	.. Records not available				