

Chapter 4

Chief Controlling Officer based Audit

FISHERIES AND ANIMAL RESOURCES DEVELOPMENT DEPARTMENT

4.1 Chief Controlling Officer based audit of Animal Resources Development Wing

Executive summary

Chief Controlling Officer based audit of Animal Resources Development wing of Fisheries and Animal Resources Development Department revealed several deficiencies. The Orissa State Livestock Sector Policy 2002 was not operationalised and perspective plans for 2002-07 and 2007-12 were not prepared. Internal Control Mechanism including monitoring of activities were almost absent. Budgetary controls was ineffective and led to saving of ₹ 109.39 crore during 2005-10 of which ₹ 106.47 crore was surrendered only on the last day of concerned financial years. Provisions of Financial rules and Treasury code were not complied with by many Drawing and Disbursing Officers (DDOs) leading to parking of funds in civil deposits and current accounts, diversion and misutilisation of funds etc. Implementation of schemes suffered due to non-achievement of targets fixed in Annual Plans, shortfall in artificial insemination and production of vaccine. Provisions of “Prevention of Cruelty to Animals Act” were not enforced in 23 districts. District Diagnostic laboratories were not made functional; equipments worth ₹ 1.11 crore remained idle since their procurement. Expenditure of ₹ 2.49 crore was incurred on purchase of equipments without adhering to Codal provisions and contract terms. Fifty one *per cent* of the Gram Panchayats of the State did not have any Livestock Aid Centre (LAC). Eighty five Veterinary Dispensaries (VDs) and 1076 LACs did not have their own buildings. Twenty seven VDs were running without regular Veterinary Assistant Surgeons (VAS) and 65 LACs were functioning without Livestock Inspectors (LIs). Large number of posts at the level of VASs and LIs were lying vacant (November 2010) which affected the health delivery services to animals.

The Department largely achieved the targets set for production of milk and frozen semen.

4.1.1 Introduction

The “Fisheries and Animal Resources Development Department” functions as a separate Department from 1991. Major objectives of the department were development of livestock sector, control of animal diseases and providing health cover to livestock.

4.1.2 Organisations structure

The Animal Resources Development wing functions under the administrative control of the Commissioner-cum-Secretary to the Government, who is the Chief Controlling Officer (CCO) of Fisheries and Animal Resources Development (FARD) Department. Director, Animal Husbandry and Veterinary Services (AHVS) is the functional head, who is assisted by one Additional Director, four Joint Directors and 11 Deputy Directors (DDs). The DDs remained in-charge of various functional activities of the department related to Fodder Development, Poultry, Dairy, Disease Control, Planning, Statistics and Frozen Semen etc. The officials in the field included 30 Chief District Veterinary Officers (CDVOs) and 42 Sub-Divisional Veterinary Officers (SDVOs). Besides, 540 Veterinary Dispensaries (VD) and 2939 Livestock Aid Centres (LACs) also functioned to provide health cover to livestock.

The total number of Drawing and Disbursing Officers (DDOs) under the CCO relating to Animal Husbandry (AH) stood at 121 as of March 2010. There was one Frozen Semen Bank (FSB) and 25 livestock breeding/poultry farms in the department. Organisational chart is indicated at *Appendix 4.1*.

The provisions of ‘The Prevention of Cruelty to Animals Act’, ‘The Orissa Prevention of Cow Slaughter Act 1960’ and ‘The Orissa Cattle and Poultry Feed (Regulation) Act 1979’ are administered by the Department through the CDVOs. While Society for Prevention of Cruelty to Animals (SPCA) was set-up for taking measures to prevent animals and birds from cruelty and provide help to distressed animals, Utkal Gomangal Samiti (UGS), an Autonomous Body functioning under the department, was to promote Animal Husbandry (AH) activities in the State by providing good quality bulls in interior areas.

4.1.3 Audit Objectives

The audit objectives were to assess whether:

- there was an effective and efficient system of internal control as well as monitoring;
- there was adequate planning for management of available resources economically and efficiently;
- financial management as well as schemes/programmes were implemented effectively to achieve the mandate/objectives of the department;
- human resource management including skill development training were effective and adequate and achieved the major objective of efficient and effective delivery of services.

4.1.4 Audit Criteria

The criteria used for evaluating the performance of the Department were as under:

- Orissa State Livestock Sector Policy 2002;
- Targets set in Tenth and Eleventh Five year plans and Annual action Plans;
- Provisions of Orissa General Financial Rules, Orissa Treasury Code, Orissa Budget Manual , Orissa Public Works Account Code etc;
- Instructions and circulars issued by the State and Central Government and Scheme guidelines;
- The provisions of ‘The Prevention of Cruelty to Animals Act 1960’, ‘The Orissa Prevention of Cow Slaughter Act 1960’ , ‘The Orissa Cattle and Poultry Feed (Regulation) Act 1979’ and other Laws, Rules and Regulations framed by the Government.

4.1.5 Scope and methodology of audit

Audit of the activities of the Department for the period 2005-10 was undertaken during April to July 2010 through test check of records of the FARD Department, Directorate of AHVS and 40 DDOs of 11 districts¹ out of 121 DDOs of 30 districts of the State. Various aspects including institutional weaknesses, compliance to Laws, Rules and Regulations, management of funds, human resources, assets and stores, internal control system and service delivery with emphasis on achieving the Departments’ mandate/objectives were examined during audit. Besides, the records of Autonomous Bodies like Orissa Livestock Resources Development Society (OLRDS), Orissa State Poultry Products Co-operative Marketing Federation (OPOLFED), Utkal Gomangal Samiti and ‘State Society for Prevention of Cruelty to Animals’ were also test checked.

The selection of sample DDOs was made applying Stratified Random Sampling without Replacement (SRSWOR) method. During sampling, hundred *per cent* of high risk category, 50 *per cent* of medium risk category and 10 *per cent* of low risk units were selected on the basis of our risk perception².

Evidence was gathered through examination of records, questionnaires and audit queries. Joint physical inspection of assets were conducted and photographs taken where found necessary. The audit objectives, criteria as

¹ Angul, Bargarh, Gajapati, Ganjam, Jajpur, Kendrapara, Khurda, Mayurbhanj, Nabarangpur, Rayagada and Subarnapur

² **High risk:** Expenditure of more than ₹ 5 crore, **Medium risk:** Expenditure exceeding ₹ 1 crore but up to ₹ 5 crore, **Low risk:** Expenditure up to ₹ 1 crore as per the treasury database 2009-10

well as scope and methodology of audit were discussed with the CCO, FARD Department in an entry level conference held on 12 July 2010 and the audit findings were discussed with the Commissioner-cum-Secretary during exit conference held on 19 November 2010. Replies (November 2010) of the Director forwarded (December 2010) by the Government have been suitably incorporated in the report at appropriate places.

Audit Findings

4.1.6 Institutional weaknesses

Defined mandate covering the areas of activities with objectives and goals supported by policy framework and planning based on reliable inputs, allocation of budgetary and human resources, internal control and monitoring mechanism are the essential requirements for successful functioning of a department. The institutional arrangements of the ARD Wing of the FARD, Department on the above aspects are discussed in succeeding paragraphs.

4.1.6.1 Non-preparation of Perspective Plan

The Government framed the Orissa State Livestock Policy in October 2002 for the Department, in order to optimise contribution of livestock sector in the Socio-economic growth of rural population and participation of small producers in the developmental process by increasing milk, meat and egg production through improved livestock quality and higher productivity.

Despite requirement, five year perspective plans for 2002-07 and 2007-12 for implementation of the Orissa State Livestock Sector Policy 2002 was not prepared

As per the said policy, the policy framework was to be translated in to specific action through a 10 years Perspective Plan for implementation in two phases each of five years duration (2002-07 and 2007-12). However, the Perspective Plans were not prepared till March 2010. The Director stated (November 2010) that Perspective Plans for 2002-07 and 2007-12 were not prepared as no instruction was received from the Government for the purpose. In the absence of Perspective Plans, priorities could neither be identified nor suitable milestones could be set. Annual Plans were however, prepared.

4.1.6.2 Allotment of resources for different functions

For three different functions i.e. Animal health care, livestock development and control of animal diseases, financial and human resources were distinctly allocated. While animal healthcare was provided by the department through chain of VDs and LACs under the administrative control of CDVOs of concerned districts, departmental farms headed by Farm Superintendents under the administrative control of Deputy Director (Farm), work for livestock development and the cost was met mainly under non-plan budget. Animal Disease control programmes were also implemented through CDVOs and Animal Disease Research Institute, Phulnakhara with specific earmarking of funds received under the Centrally sponsored plan scheme of 'Assistance to States for Control of Animal Diseases' (ASCAD).

4.1.6.3 *Mechanism for control over various Organisations including ZP/PRI to achieve the departmental goals*

Synergy between FARD Department and Panchayati Raj Department existed. However, mechanism for control over execution of works relating to ARD sector by Gram Panchayats (GPs) and Panchayat Samities (PSs) to ensure timely execution of works was absent as discussed below:

- For creation of 'Grass Land and Grass Reserve' in 32 locations, though ₹ 2.72 crore was released (June 2007) by the Director to 31 GPs yet only ₹ 30.83 lakh (11 *per cent*) was utilised (October 2010) and in none of the GPs the work has been completed (November 2010). In 18 GPs including four GPs of three test checked districts (Jajpur, Kendrapara and Nabarangpur), land has not been allotted by the Revenue authorities and entire fund was lying idle with the GPs (November 2010). The Government admitted (November 2010) that in four out of seven cases where permissive possession of the land was obtained, no work was carried out. The Government also stated (November 2010) that efforts have been made for completion of all works with co-operation of respective GPs as early as possible. The case has been discussed in detail at paragraph 3.4.1.3 of Chapter 3 of the Report.
- Under Rural Infrastructure Development Fund (RIDF), the Director released (November-December 2009) ₹ 20.20 crore to all 314 PSs of the State for construction of 58 VDs and 1060 LACs of which 56 VDs and 1044 LACs were not completed (November 2010). In reply, the Government stated (November 2010) that district level officers are being instructed to co-ordinate with the Panchayati Raj Institutions and expedite completion of the projects.

Thus, intended animal healthcare as well as production of fodder suffered due to inadequate co-ordination.

4.1.6.4 *Monitoring mechanism and internal controls*

As per the Government instructions (August 1983), each CDVO has to inspect all the SDVO offices, VDs, Semen Collection Centres, Milk Unions and other field institutions under his control at least once and 10 *per cent* LACs of the district every year. The objective was to make CDVO aware of the system deficiencies so as to take measures to address the same in a time bound manner. However, the following deficiencies were noticed in inspection and monitoring.

4.1.6.5 *Inspection and Monitoring*

- Monthly/quarterly meetings by the Director/CCO to review performance of the CDVOs were not held.
- None of the offices of the CDVOs and SDVOs were inspected by the Director or CCO even once during 2005-10.

- Inspections of SDVO offices, Departmental farms, VD/LACs by CDVOs were not conducted and workings of farms was also not monitored by the Deputy Director in charge of farms.

On this being pointed out in Audit (June 2010), the Director allotted specific districts to each Joint/Deputy Director for monitoring the Animal Husbandry activities and stated (November 2010) that review meetings of CDVOs and SDVOs were being conducted now.

4.1.6.6 Internal Audit

The Internal Audit cell of the FARD department with a sanctioned strength of one Audit Officer (AO), four Audit Superintendents (AS) and 24 Auditors is functioning with one AO, two ASs and 13 Auditors as on 31 March 2010.

- Out of total 121 DDOs under ARD wing, Internal Audit of 24 DDOs (20 per cent) was in arrears since 2001 and that of 76 units (63 per cent) since 2006.
- Response of the DDOs to Internal Audit Reports was inadequate as 599 Internal Audit Reports (IARs) with 5740 paragraphs involving Audit comments worth ₹ 36.99 crore remained unsettled as on March 2010 and even first compliance reports were not received for 53 IARs issued for over one to three years. Against ₹ 17.34 crore suggested for recovery, ₹ 6.29 crore have been recovered during 2005-10. The Government confirmed (December 2010) the facts.

4.1.6.7 Shortage of qualified personnel

Position of sanctioned strength and men-in-position of technical staff of ARD wing as on 31 March 2010 was critical in cadres as indicated in table below:

Table 4.1: Sanctioned strength and men-in-position as on 31 March 2010 (in numbers)

Cadre	Sanctioned strength	Men-in-position	Vacancy
VAS/ AVAS ³	1017	830	187
Veterinary Technicians (VTs)	668	633	35
Livestock Inspectors (LIs)	3030	2319	711

(Source: Information furnished by the Directorate of AH&VS, Orissa)

Posts of 187 VAS/AVAS and 711 LIs remained vacant as on 31 March 2010

- In eight test checked districts⁴, 36 posts of VAS and 305 posts of LIs /VTs remained vacant as of March 2010. The Government, however, initiated action in September 2010 for filling up the vacancies at the level of LIs on contract basis
- There was a vacancy of 1835 staff (19.5 per cent) in different cadres in the State which included vacancies of 1033 (20 per cent) in technical posts (March 2010).

In reply, the Government assured (November 2010) to fill up the vacant posts and stated that to overcome such a large number of vacancies at VAS/AVAS level, possibility of setting up Veterinary Colleges in both Government and private sector was being explored.

³ Veterinary Assistant Surgeon/Additional Veterinary Assistant Surgeon

⁴ Angul, Bargarh, Ganjam, Gajapati, Jajpur, Kendrapara, Khurda, Mayurbhanj

4.1.6.8 Skill development training and other irregularities

- Out of 1106 working days available during 2005-09 in Veterinary Officers' Training Institute, Bhubaneswar (VOTI), training was imparted for 871 working days (79 per cent). However, there was shortfall in utilising 783 slots during the period. In reply the Principal of the Institute stated that the matter has been brought to the notice of the Director.
- In Animal Disease Research Institute, Phulnakhara against the targeted coverage of 1480 personnel for training, 1129 LIs were imparted training in 74 batches and balance 351 nominated LIs did not turn up. Project co-ordinator assured to ensure full participation in training in future.

4.1.7 Compliance issues

Compliance with Financial rules, Service Codes, Annual Action Plans and other Acts and rules framed for administration by the department are necessary for efficient functioning of a Government department. This helps in fulfilling the mandate of the Department. Cases of non-compliance to Annual Action Plans, financial rules, department specific Acts etc. are discussed in succeeding paragraphs.

4.1.7.1 Activities under Annual Action Plans

As per the Eleventh Five Year Plan document, ARD sector was to become self reliant in livestock vaccines, ensure association of farmers with Livestock Disease Diagnostic services rendered at District Diagnostic Laboratories (DDLs), improve monitoring of Animal Disease control programmes to counter epidemics, establish Livestock Aid Centres (LACs) in every GP of the State for better livestock healthcare and up-grade skill of farmers and unemployed youth in Animal Husbandry related activities.

Targets set in Tenth and Eleventh Five Year Plans as well as Annual Plans and achievements made under major activities of the Department during Tenth Plan period as well as during first three years of Eleventh Plan are indicated in Table 4.2.

Table 4.2: Targets and achievements of major outcomes under ARD sector

Principal activity	Unit	Targets for Tenth plan period	Achievement during Tenth plan period 2002-07	Targets for Eleventh plan period	Targets for 2007-10	Achievements during 2007-10
Production of milk	TMT	5514	5992.31	7000	4590	4869.82
Production of egg	Million	7506	5759.84	8500	6757	5862.00
Production of meat	TMT	294	247.18	304	195	Animal:189.4 Poultry:163.00
Breeding bull in use (AI)	Nos.	1000	394	243	145	204
Production of vaccines (Animal health care)	Lakh doses	1056.12	497.71	1100	886.76	588.54
Up-gradation of skill of farmers (Training)	Nos.	NA	3780	139260	29760	29760
Vaccination of animals (Animal health care)	Lakh	1145.38	569.99	1500	949.69	718.09

(Source: Eleventh Plan document and information furnished by the Director)

Targets set for Tenth Plan period and first three years of Eleventh plan (2007-10) under production of egg, meat, vaccine as well as vaccination of animals remained unachieved

It may be seen from the Table 4.2 that during the Tenth Plan and first three years of Eleventh Plan (2007-2010), achievements under all activities except production of milk were below the targets fixed. During 2007-10, the targets set could not be met under production of egg, meat and vaccination. In test checked districts (Jajpur and Nabarangpur), shortfall in production of meat was 26 and 39 *per cent* respectively. Shortfall in egg production in Nabarangpur district was 59 *per cent*.

Under milk production, though the target was met yet the State *per capita* availability of milk remained between 94 grams (2004-05) to 115 grams (2009-10) as against the National *per capita* availability of 233 grams (2004-05) to 245 grams (2006-07). In test checked districts, shortfall in vaccination of animals during 2007-10 ranged from 27 *per cent* (Bargarh) to 45 *per cent* (Jajpur). Production of vaccine fell short by six to 42 *per cent* during 2005-10 from the State owned Orissa Biological Product Institute, Bhubaneswar. Against the target of producing 970.59 lakh units of vaccine in the State during 2005-10, 737.30 lakh units (76 *per cent*) were produced during the period. Year-wise achievement ranged from 58 to 94 *per cent*.

Targets set for production of vaccines were not met despite purchase and commissioning of a Fermentor at ₹ 2 crore

It was further noticed that in the Annual Action Plan for 2009-10, targets for production of 400 lakh units of vaccine adopting fermentor technology was fixed. But despite commissioning of the Fermentor in January 2009, the achievement remained low with downward revision in targets to 287.44 lakh units (2009-10). One semi-automatic machine “Fermentor” to produce vaccine procured at rupees two crore was installed and used from January 2009 but remained out of order since May 2010.

In reply, the Government stated (November 2010) that the State is not lagging behind in respect of production of egg and milk and fermentor technology is gaining better experience gradually.

Assurance on budget, appropriation audit and financial reporting

4.1.7.2 Inadequate budgetary control

Review of Budgetary Provisions and Actual Expenditure incurred by ARD wing of FARD department during 2005-10 revealed that during the period, out of total budget provision of ₹ 776.14 crore⁵, the department utilised ₹ 666.75 crore resulting in savings of ₹ 109.39 crores during the years 2005-10 as indicated at Table 4.3 below:

Table 4.3: Budget provision, expenditure and savings during 2005-10

(Rupees in crore)

Year	Original provision	Supplementary provision	Total provision	Expenditure	Savings
2005-06	95.19	6.21	101.40	87.54	13.86
2006-07	90.54	15.53	106.07	97.35	8.72
2007-08	114.87	12.36	127.23	111.57	15.66
2008-09	159.76	42.85	202.61	172.53	30.08
2009-10	215.54	23.29	238.83	197.76	41.07
Total	675.90	100.24	776.14	666.75	109.39

(Source: Information furnished by the Director, AH&VS, Orissa)

⁵ Original: ₹ 675.90 crore, Supplementary: ₹ 100.24 crore

It would be seen from the above table that except for 2006-07, the savings were on rise, starting from ₹ 13.86 crore in 2005-06 to ₹ 41.07 crore in 2009-10.

Further scrutiny revealed the following:

During 2005-10 out of total saving of ₹ 109.39 crore, ₹ 106.47 crore was surrendered on the last day of the concerned financial year

Supplementary provision for 2005-06, 2007-08 and 2009-10 was unnecessary

- Despite provisions of Orissa Budget Manual (OBM) to surrender anticipated savings by 10 March of financial year at the latest, the department surrendered ₹ 109.39 crore during 2005-10 of which ₹ 106.47 crore was surrendered on the last day of the financial year⁶.
- Savings during 2005-06, 2007-08 to 2009-10 were more than 10 per cent of total budget provision.
- Supplementary provision during 2006-07 and 2008-09 was unjustified, as only ₹ 19.58 crore⁷ (34 per cent) out of the supplementary provision of ₹ 58.38 crore, could be spent.
- The entire supplementary provision of ₹ 41.86 crore for 2005-06 (₹ 6.21 crore), 2007-08 (₹ 12.36 crore) and 2009-10 (₹ 23.29 crore) was unnecessary and was surrendered.

In reply, the Government stated (November 2010) that supplementary demand could not be expended due to in-correct assessment by field offices and provision for vacant posts. The reply is indicative of unrealistic budgeting.

4.1.8 Compliance with Laws, Rules and Regulations

4.1.8.1 Non-compliance with Treasury and Financial rules

As per the provisions of Orissa Treasury Code (OTC)⁸, no money is to be drawn from the treasury without immediate prospect of expenditure and advances sanctioned to Government servants for departmental and allied purposes are to be adjusted within the month of disbursement. Finance Department also prohibited (April 1983/July 2003) retention of Government cash in shape of Bank Drafts, Deposit at Call Receipts (DCR) and paid vouchers. Diversion of Scheme funds and retention of funds in Non-interest bearing Account is also not permitted.

However, review of the funds management of DDOs test checked revealed that during 2005-10, ₹ 277.28 crore was available with 40 DDOs of which ₹ 251.82 crore was utilised leaving ₹ 25.46 crore unutilised as on 31 March 2010. Besides, cases of non-compliance with the Treasury and Financial rules noticed were as under:

- In 15 out of 40 DDOs test checked, ₹ 23.53 lakh remained as paid vouchers (*Appendix 4.2*) since May 1991 to March 2010 for the period ranging from one month to 20 years. This expenditure was

⁶ 2005-06: ₹ 13.59 crore on 31 March 2006, 2006-07: ₹ 7.54 crore on 31 March 2007, 2007-08: ₹ 13.99 crore on 31 March 2008, 2008-09: ₹ 30.28 crore on 31 March 2009 and 2009-10: ₹ 41.07 crore on 31 March 2010

⁷ 2006-07: Expenditure: ₹ 97.35 crore – Original provision: ₹ 90.54 crore = ₹ 6.81 crore, 2008-09: Expenditure: ₹ 172.53 crore – Original provision: ₹ 159.76 crore = ₹ 12.77 crore

⁸ SR 242 of Orissa Treasury Code (OTC) Volume I and SR 509 of OTC Volume I

mainly incurred out of available funds on Office contingencies, POLs etc. without any budget provisions.

- In seven out of 40 units test checked, ₹ 38.56 lakh remained in shape of Bank Drafts (*Appendix 4.2*) for the period ranging from one month to 15 years while in one unit (Frozen Semen Bank, Cuttack) ₹ 4.51 lakh remained in shape of DCRs since 2002-03.
- In 20 test checked units, advance of ₹ 3.46 crore was found unadjusted as on 31 March 2010 (*Appendix 4.2*) as per the Cash books of which ₹ 6.63 lakh remained unadjusted for one to 15 years. Besides, ₹ 1.49 lakh remained outstanding against 14 ex-employees for more than a year in two test checked DDOs⁹. Besides, LTC advance of ₹ 2.23 lakh paid during 1998-2000 (SDVO, Puri) and 2007 (CDVO, Nabarangpur) to 20 employees remained unadjusted (July 2010).
- Contrary to the codal provisions¹⁰, Director, AHVS and Project Director, Animal Disease Research Institute (ADRI), Phulnakhara had drawn ₹ 2.54 crore¹¹ from the treasury during 1994-95 to 2001-02 and kept in Civil Deposits. The amount is still lying under civil deposits (November 2010). This included ₹ 1.26 crore drawn during 2001-02 under 'Carcass by-product utilisation Scheme (Central plan)' and ₹ 18.05 lakh drawn during 2001-02 under Special Relief Commissioner Grant, thereby affecting implementation of these programmes. The Director (December 2010) confirmed the facts.
- Funds received under different schemes¹² were credited to the bank account of Orissa Livestock Resources Development Society (OLRDS) on the instruction of the Directorate and interest of ₹ 1.37 crore was earned as of March 2010, though keeping money outside Government account was prohibited under rule. Out of the above, ₹ 8.50 lakh was utilised (September 2009) on purchase of a vehicle. The Director stated that the jeep was purchased for monitoring of civil works in different sites. Reply was however, silent on parking of funds outside the Government Accounts.
- In Rayagada district, out of ₹ 19.32 lakh due for collection on vaccination during 2007-10 the user charges of ₹ 7.52 lakh was collected and deposited. Regarding non deposit of balance ₹ 11.80 lakh, the CDVO stated (July 2010) that the field units were asked to deposit the funds immediately. However, the recovery was awaited (December 2010).
- In the Animal Disease Training Institute (ADRI), Phulnakhara 56 staff quarters were under unauthorised occupation of 46 outsiders, seven Government employees, one private educational institution¹³ and one

₹ 2.54 crore drawn from the treasury was parked in Civil Deposits for seven to 15 years

Forty six quarters were unauthorisedly occupied by outsiders

⁹ CDVO, Baripada (4: ₹ 12,862), SDVO, Baripada (10: ₹ 136340: 18 February 1995 to 15 March 2009)

¹⁰ SR 242 of Orissa Treasury Rules Volume I

¹¹ Director, AH and VS: ₹ 2.44 crore during 1994-95 to 2001-02, Project Director, ADRI: ₹ 10.32 lakh during 31.3.1995-31.3.1999

¹² Rastriya Krishi Vikash Yojana, Rural Infrastructure Development Fund, Swarna Jayanti Gram Swarozgar Yojana, Poultry Development

¹³ Aurovinda School

Contrary to the codal provisions, salary of Government employees deputed to Societies/foreign body were drawn and paid by the DDOs

retired employee. No rent was collected from the said Educational Institution and Government employees as required under Orissa General Financial Rules and Orissa Service Code. In reply, the Government stated (November 2010) that concerned authorities are being instructed to file eviction cases against unauthorised occupants.

- Service Rules¹⁴, provide for payment of salary as well as pension and leave salary contribution of Government employees sent on deputation/foreign service by the foreign body yet in four test checked DDOs of Bargarh, Baripada, Gajapati and Subarnapur, pay and allowances of ₹ 27.90 lakh (*Appendix 4.3*) of five Government employees sent on deputation to Milk Unions and other registered Societies were paid by the DDOs from the State exchequer up to March 2010. The Government stated (November 2010) that in one case; the deployment was made in public interest while no reply was furnished in case of remaining four employees.

4.1.8.2 Compliance with Acts and Rules

- ‘Society for Prevention of Cruelty to Animals Act (SPCA)’ was enforced in only seven¹⁵ out of 30 districts of the State and in remaining 23 districts the impact was negligible. During 2005-10, 13290 instances of violations were detected in the seven districts against which prosecution cases were filed in 5913 cases and in 7377 cases warning has been issued. In 3762 cases, the persons were convicted and penalty of ₹ 4.53 lakh was recovered. Besides, 789 awareness camps, 67 health camps were organised during 2005-10 in these districts. Further, sterilisation of 2852 street dogs was done only in one district (Khurda).

Director while confirming the facts stated (November 2010) that due to lack of manpower, the provision of the Act could not be enforced in remaining 23 districts and that Government had been requested for posting of SPCA Inspectors, which was under consideration. The response of the Government is awaited (December 2010).

- Administration of “The Orissa Prevention of Cow Slaughter Act 1960” and “The Orissa Cattle and Poultry Feed (Regulation) Act 1979” was not being monitored at Directorate level and data on number of inspections conducted, violations detected, prosecution filed, warnings issued and person convicted was neither available at CDVO nor at the Directorate level.

4.1.9 Proper utilisation and maintenance of assets

Review of Assets management revealed absence of monitoring leading to unfruitful expenditure on idle assets as under:

¹⁴ Rule 226 of Orissa Service Code

¹⁵ Balasore, Bhadrak, Cuttack, Khurda, Mayurbhanja, Nayagarh and Puri

4.1.9.1 Idle buildings and equipments for DDLs

One of the objectives of the Eleventh Plan was to achieve association of farmers with the Livestock Disease Diagnostic Services available in District Diagnostic Laboratories (DDLs). For this purpose 26 DDLs and four Regional Diagnostic Laboratories were sanctioned (18 October 2008) under Rastriya Krishi Vikash Yojana (RKVY) and ₹ 6.24 crore was released (December 2008) by Agriculture Department for construction of DDL buildings (₹ 2.34 crore) and purchase of equipments (₹ 3.90 crore). Though 21 DDL buildings were completed at a cost ₹ 1.44 crore and 16 were handed over to the CDVOs between May 2009 and April 2010



Idle DDL building at paralakhemundi

and all equipments worth ₹ 3.90 crore issued (May to November 2009) to the concerned CDVOs, yet none of these DDLs became operational as of August 2010 due to non-posting of staff and non-availability of other basic facilities like electricity etc. As a result, entire expenditure of ₹ 5.34 crore incurred on establishment of DDL buildings and procurement of equipment was rendered unfruitful. In reply, the Government stated (November 2010) that 22 DDLs were made operational up to November 2010. The reply appears to be not correct as subsequent physical verification (December 2010) of three (Bhadrak,

₹ 5.34 crore spent on construction of 16 DDL buildings and purchase of equipments was rendered unfruitful as the DDLs were not made operational due to non-posting of staff and other facilities



Idle equipments at DDL, Bhadrak noticed on 9 December 2010

Kendrapara and Puri) out of 22 DDLs indicated as operationalised by the Government revealed that in all the three cases, DDLs were not made functional and equipments were lying in packed condition.

4.1.9.2 Non-disposal of plants and equipments of defunct nitrogen plants

Liquid Nitrogen Plants (10) and its assosories worth ₹ 2.88 crore in the State remained idle after the plants became defunct (1996-2005). Similarly, 26 acres of land (cost not assessed) as well as buildings constructed in 1998 at ₹ 6.96 lakh for Goat Breeding Farm at Godia remained unused from June 2005.

In reply, the Government assured (November 2010) to initiate action for disposal of the plants and machineries with due permission of the High Level Committee. Action in this regard is awaited (December 2010).

4.1.10 Materials and Stores management

Review of materials and stores management revealed unplanned procurement and unfruitful expenditure on idle stores and equipments as under:

4.1.10.1 Idle equipments

Equipment costing ₹ 1.11 crore remained idle due to want of technical manpower and unplanned procurement

One Computer Assisted Semen Analyser (Hamilton Throne make) purchased (July 2009) by the Director at a cost of ₹ 54.08 lakh out of RKVY¹⁶ fund and supplied to the FSB, Cuttack was not put to use due to non-posting of a technician. Similarly, 11 items of store and equipments costing ₹ 1.06 crore purchased between March 2007 and March 2008 under the scheme “Strengthening of Poultry and Duck Breeding Farm” remained idle and lying unused at the Central Store of the Directorate for the last 24-36 months (July 2010). The Government stated (November 2010) that some materials have been issued in the meantime leaving equipments worth ₹ 57.08 lakh idle in the central store indicating lack of planning in the procurement system.

4.1.10.2 Avoidable extra cost on purchase of stores

The Panchayati Raj (PR) Department placed (2007-08) ₹ 9.60 crore with the Director under SGSY¹⁷ (Infrastructure) for setting-up of 48 hatcheries (Civil works: ₹ 14 lakh and equipments: ₹ 6 lakh per hatchery). Though civil works of 47 hatcheries were completed and handed over to the concerned CDVOs (September 2008 to April 2010), yet not a single hatchery was made operational (August 2010). The Director stated (November 2010) that one hatchery started functioning from September 2010 and equipments for 39 hatcheries were purchased and in 18 cases, the same were installed and these would be made functional in phases.

Avoidable expenditure of ₹ 1.99 crore was incurred alongwith creation of liability for ₹ 68.62 lakh due to acceptance of part supply and non-inclusion of liquidated damage clause in the purchase order

It was however noticed that for purchase of 48 hatchers and setters for these hatcheries, the Director placed (July 2008) a repeat purchase order on a firm approved for supply of hatchers and setters in the Annual tender 2006-07 at the approved rate of ₹ 2.17 lakh per hatcher and ₹ 2.49 lakh per setter inclusive of Value Added Tax. The purchase order specified supply of goods in one lot within 30 days of issue of the order and non-acceptance of part supply under any circumstances. No liquidated damage clause was included in the said purchase order to safeguard the interest of the Government. Audit observed that the supplier did not supply any material within the stipulated date but supplied (November 2008) four units each at the agreed rate, which was accepted by the Director, violating the terms of the purchase order. The firm after eight months declined (July 2009) to supply further hatchers and setters on the ground of increase in rate. The Director invited fresh tender and issued (March 2010) purchase order on another agency for supply of remaining 44 hatchers and setters at higher price of ₹ 5.82 lakh per hatcher and at ₹ 5.98 lakh per setter of the same capacity. The firm supplied 35 sets and payment of 26 sets was released up to the September 2010. On this being pointed out in audit (May 2010), purchase of remaining nine sets was stopped. This resulted in avoidable extra expenditure of ₹ 1.99 crore (26 sets) and creation of liability for ₹ 68.62 lakh (nine sets).

In reply, the Government stated (November 2010) that the cost of parts and components substantially increased due to global recession and the supplier

¹⁶ Rastriya Krishi Vikash Yojana

¹⁷ Swarna Jayanti Gram Swarozgar Yojana

did not agree to supply remaining 44 units at the agreed price of 2006-07. The Government also stated that the extra expenditure was unavoidable and rather it was essential in true sense of plan and project. The reply was not tenable as prices are expected to come down during recession. Besides, only two firms including the previous supplier participated in the fresh tender. Further, cross verification of records of Sales Tax authorities revealed that the proprietors of both the past and subsequent supplier were not only found to belong to the same family but also were the only bidders in the subsequent tender. Hence, collusion in this case can not be ruled out. The matter needs to be looked into.

4.1.10.3 Irregular procurement of Stores

Extra expenditure of ₹ 49.91 lakh was incurred due to rejection of lowest valid offer of one EPM rate contract firm

Codal provisions¹⁸ prescribed for purchasing articles from the firms having rate contract with the Director, Export Promotion and Marketing (EPM) and no tender was required to be invited in such cases. However, in case of purchase of 1024 ‘Tubular Travis’¹⁹ by the Director during February 2009 to March 2010, avoidable expenditure of ₹ 49.91 lakh was incurred due to purchase of the same at ₹ 8100 per unit against ₹ 3226 offered by one firm having rate contract with Director, EPM, Orissa. The offer of the EPM rate contract firm was not considered on the ground that it did not have five years experience in dealing with veterinary equipments as well as minimum turnover of ₹ 2 crores.

In reply, the Government stated (November 2010) that the offer of the rate contract firm was not considered as it was an unsuccessful bidder. The reply was not tenable as Codal provision provided for purchase from EPM rate contract firms even without inviting tender. Besides, the reason for huge difference in the cost between the rate contract firm and the other firm (Supplier of the Tubular Travis) was not analysed by the Directorate.

4.1.11 Service delivery

Efficient functioning of a department depends on the quality and effectiveness of service delivery which is possible through successful implementation of schemes for achieving the targets set. Instances of shortcomings in implementation of schemes and achieving the targets under three main objectives of the department like livestock development, animal healthcare and control of diseases are discussed in succeeding paragraphs.

4.1.12 Schemes under operation

Release of fund for implementation of CP/ CSP scheme was meagre

Funds under various Central Plan (CP) and Centrally Sponsored Plan (CSP) schemes in the State were found to be meagre and during 2007-10, only ₹ 58.57 crore including Central share of ₹ 51.44 crore (*Appendix 4.4*) was made available by the Government. Average Annual receipt of funds under CP and CSP was only ₹ 19.51 crore during the period.

¹⁸ Rule 2 of Appendix 6 of Orissa General Financial Rules Volume II

¹⁹ A livestock aid equipment (partial cage like structure made up of iron tubes to control the animal for easy handling, specifically for the purpose of treatment)

Following five major schemes were implemented during 2007-10 by the department incurring expenditure of ₹ 33.36 crore during the period.

Table 4.4 - Major schemes implemented

(Rupees in crore)				
Scheme	Category	Objective	Total receipts	Total expenditure
Assistance to States for Control of Animal diseases	CSP (State share: 25 per cent)	Mass vaccination and diagnosis of diseases in diagnostic centers	22.23	22.23
Strengthening of poultry and duck breeding farms	CSP (State share: 20 per cent)	Strengthen poultry and duck breeding farms for production of day old chicks and duckling for sale to farmers for backyard poultry	3.89	3.89
Development of grass land and grass reserve	CP	Fodder Resources development in the State	2.72	0.18
Strengthening of livestock service infrastructure and modernisation of offices	State Plan (SP)	Construction of VD and LAC buildings in non-KBK districts	3.60	3.60
Livestock census	CP	Conducting quinquennial census	8.34	7.15
Total			40.78	37.05

(Source: Annual plan 2007-08 to 2009-10, Information furnished by the Director)

Utilisation *percentage* under first three schemes was 100 per cent; however, in rest of the schemes the funds allotted could not be utilised fully.

4.1.13 Delivery of services

Achievement of the department under three major objectives of development of livestock, animal healthcare and control of animal diseases are discussed in succeeding paragraphs:

4.1.13.1 Development of livestock

It was seen that between 2003 and 2007, the population of cattle and buffalo decreased by 14 and 17 per cent respectively while that of poultry increased by eight per cent and pig increased by 60 per cent as indicated at **Table 4.5**.

Table 4.5 - Livestock population as per 2003 and 2007 livestock census

Type of livestock	Population 2003 census	Population as per 2007 census	Percentage of Shortfall(-)/ excess (+)
Cattle (Cross breed and indigenous)	14280559	12309973	(-)13.79
Buffalo	1438875	1189731	(-)17.31
Ruminant	7732619	8945243	(+)15.68
Pig	569533	911610	(+)60.06
Poultry	18994753	20596006	(+)8.42

(Source: Information furnished by the Directorate of AH&VS, Orissa)

Population of Cattle and buffalo decreased by 14 and 17 per cent as per 2007 livestock census in comparison to 2003 census. The population of poultry marginally increased by 8 per cent during this period.

Cross Breed and exotic cattle increased by 49.90 per cent

- Decrease in cattle population in four test checked districts²⁰, ranged between two and 23 *per cent* while in other three districts, the same increased between seven and 31 *per cent* during 2007 over 2003 census. But the population of cattle in the State as a whole decreased by 14 *per cent*.
- Similarly, in four test checked districts²¹, the population of the buffalos decreased between 38 and 50 *per cent* where as the population of buffalos in the State decreased by 17 *per cent* during the period.
- There was little increase in population of poultry (8 *per cent*), ruminant (16 *per cent*) and pig (60 *per cent*).
- NPCBB²² programme envisaged genetic up-gradation and development of indigenous breeds. Though cattle population fell by 14 *per cent*, cross breed and exotic cattle population increased by 49.90 *per cent* indicating improvement in cattle breeding programme through artificial insemination.
- In the backward districts of Gajapati, Kandhamal, Nawarangpur, Nuapada, Rayagada, Subarnapur, the fall in cattle population ranged between 16 and 66 *per cent* during the years 2003-07 and in 11 test checked districts, the decline ranged between 0.30 and 94 *per cent*. *However, declining cattle population and increasing milk production during 2005-10 indicates increase in milk yield through cross breed and exotic cattle.*
- There was increase of 15.68 *per cent* in small animal (ruminant) population (Goats, sheep and pig) as per 2007 census and 60 *per cent* in pig population. The meat production during 2005-06 to 2009-10 also could not meet the target while showing marginal increase in 2009-10.
- Poultry population increased by only 8.42 *per cent* during 2003-07 as per the Livestock census data of 2003 and 2007. The egg production target could not be met during 2005-06 to 2009-10, though *per capita* availability of egg in the State remained more than the National average as per the Director.

The Government confirmed (November 2010) the facts.

4.1.13.2 Performance of Poultry farms

Two poultry farms incurred a net loss of ₹ 1.08 crore during 2005-10

Out of 10 poultry farms set-up for poultry development, two remained defunct. Of remaining eight farms, following two farms were running uneconomically and incurred a net loss of ₹ 1.08 crore during 2005-10 and revolving fund of ₹ 15 lakh had already been eroded in one farm (Poultry Breeding Farm, Angul) as indicated in Table 4.6 below:

²⁰ Gajapati, Jajpur, Rayagada and Subarnapur

²¹ Gajapati, Jajpur, Rayagada and Subarnapur

²² National Project for Cattle and Buffalo Breeding

Table 4.6 - Loss making farms where revolving funds were eroded

(Rupees in lakh)

Name of the poultry farm	Expenditure during 2005-10	Income during 2005-10	Profit (+)/ loss (-)	Cumulative loss	Revolving Fund balance
Angul	79.78	21.43	(-)58.38	58.38	(-)2.55 (out of ₹ 15 lakh)
Balangir	63.27	13.27	(-)50.00	Not available	2.77 (out of ₹ 15 lakh)

(Source: Deputy Director, Angul and ADVO, Balangir)

Test check of records of Regional Poultry Farm, Sundargarh and Special Poultry Unit, Chiplima revealed the following deficiencies.

- Though rate of poultry products were increased from November 2004 by the Director but the same was charged by RPF, Sundargarh only from February 2008 (for one day chicks) and from April 2010 for other chicks. This resulted in loss of revenue of ₹ 2.68 lakh on sale of 1.06 lakh chicks during 2005-10. Besides, verification of Production-cum- Sales register revealed that there was shortage of 1415 mother birds and 4879 chicks between the book balance (after considering quantity of sales and death) and physical balance. Cost of shortage worked out to ₹ 2.30 lakh. The Officer-in-Charge of the Farm assured (November 2010) to look in to the matter.
- Low capacity utilisation²³ and shortfall in production of eggs was noticed in two test checked units of RPF, Sundargarh and Special Poultry Unit, Chiplima.

In reply, the Government confirmed (November 2010) that 'Revolving Fund' of PBR Farm, Angul has already been eroded. However, action taken for economical running of these farms was not indicated.

4.1.13.3 Duck breeding Farm

Duck Breeding Farm, Cuttack sustained a cumulative loss of ₹ 29.74 lakh during 2005-10 as the income during this period remained at ₹ 9.73 lakh against expenditure of ₹ 39.47 lakh and capacity utilisation remained between 17 to 36 *per cent* during the period. The revolving fund of ₹ 15 lakh released by Director in April 2008 had already been reduced to ₹ 0.24 lakh as of March 2010. One feed mixing plant purchased (October 2009) at ₹ 3.47 lakh remained (November 2010) idle. Non-availability of hatchery operator and regular Farm Superintendent were cited as reasons for uneconomic performance of the farm.

²³ RPF Sundargarh : 548/1000 (55 *per cent*) during 2005-08, 2008-10: 960/3700 (26 *per cent*), Special Poultry Unit, Chiplima: 2537/4000 (63 *per cent*)

4.1.13.4 Fodder Development Farms

Fodder development was an important priority for Eleventh Plan period. It was noticed that the department was having 20 fodder farms of which 12 sustained overall loss during 2005-10. During the period, total expenditure incurred by 20 farms was ₹ 51.98 lakh (excluding administrative cost) while income generated was ₹ 37.93 lakh indicating an overall loss of ₹ 14.05 lakh. The, State Fodder Seed Farm, Panchamahala, Angul alone sustained a loss of ₹ 32.77 lakh during 2005-10 (*Appendix 4.5*). In addition, ₹ 16.83 lakh drawn by the Director during 1995-96 under a Centrally Sponsored scheme of 'Assistance to States for strengthening fodder seed production farm' remained parked in civil deposits. In reply, the Government attributed (November 2010) the reason for poor performance to non-availability of adequate infrastructure, technical manpower and scanty allotment of funds.

4.1.13.5 Livestock breeding and Dairy Farms

Eight functional Livestock Breeding Dairy/Exotic Cattle Breeding farms of the State sustained a loss of ₹ 6.58 crore during the last five years (2005-10) as indicated at *Appendix 4.6* due to low capacity utilisation and high establishment costs. The following irregularities were also noticed:

Eight functional Livestock Breeding Dairy/Exotic Cattle Breeding farms of the State incurred a loss of ₹ 6.58 crore during 2005-10

- **Blockage of funds meant for purchase of milch cows:** In LBD Farm, Remuna and Khapurua, out of ₹ 8.11 lakh released (February/March 2005) for purchase of 50 cows, only 16 were purchased at ₹ 3.22 lakh during July 2005 to January 2009 and remaining ₹ 4.89 lakh remained unutilised (November 2010) even though targets for milk production remained largely unachieved being 52 to 81 *per cent* in these two farms. Even wet average of Haryana cows remained 0.8 to 2.6 litre per day against the norm of 5 litre per day prescribed by the Director.
- **Non-setting-up bull mother farm:** In August 2005, ₹ 10 lakh was released by Director to LBD Farm, Khapurua under NPCCB to set-up a Bull Mother Farm by procuring 20 female calves from Central Cattle Breeding Farm, Sunabeda. However, no bull mother was purchased so far and ₹ 1.35 lakh was utilised irregularly on purchase of Chaff cutter of LBD Farm, Khapurua while ₹ 8.65 lakh remained unutilised (November 2010).
- One of the major objectives of Livestock Breeding and Dairy (LBD) farms was to produce genetically superior bull calves of high pedigree. These bull calves after testing in State Progeny Centre about their quality, were to be reared up and raised to bulls and sent to Frozen Semen Bank, Cuttack for collection and preservation of semen required for Artificial Insemination Programme. It was observed that LBD, Remuna produced 26 bull calves during 2005-10 but 25 were sold in auction without sending to FSB. In reply, it was stated that the bulls were not of high pedigree. However, no test report of State Progeny Centre certifying the facts could be produced to audit.

4.1.13.6 Goat breeding Farms

Government in Panchayati Raj Department released (June 2008) ₹ 2.60 crore under SGSY in favour of the Director, for establishment of goat breeding farm in five locations at ₹ 52 lakh²⁴ for each farm. Though ₹ 1.55 crore was spent till July 2010 yet none of the goat farm could be made operational even after a lapse of two years of receipt of funds. It was also noticed that ₹ 65 lakh was spent in excess of norm for infrastructure development as ₹ 1.55 crore was spent against permissible ₹ 90 lakh on this account.

4.1.14 Artificial insemination

Artificial insemination per AI Centre/Gomitra ranged from 232 to 264 per annum against the norm of 800. Out of 142.80 lakh cattle in the State, 45.50 lakhs (31 per cent) were inseminated during 2005-10

The average number of cattle inseminated per AI centre/Gomitra²⁵ during 2005-10 in the State ranged from 232 to 264 and was below the GoI norm of 800 per each AI/ Gomitra. Against capacity of inseminating 148.91 lakh cattle by Government AI centres and Gomitra during 2005-10 and availability of 226.43 lakh cattle, 45.50 lakh (20 per cent) cattle were inseminated in the State as indicated at Table 4.7 below:

Table 4.7 - Artificial insemination to be conducted during 2005-10 as per GoI norm and that conducted in the State

Year	Number of AI Centers (VDs & LACs)	Number of Gomitra	Total	GoI norm for AI per centre/Gomitra	Capacity of AI as per norm	(In numbers)		
						AI done	Average of AI done per AIC/ Gomitra	Shortfall
2005-06	2310	467	2777	800	2221600	654404	235	1567196
2006-07	2668	556	3224	800	2579200	812847	252	1766353
2007-08	2884	977	3861	800	3088800	894003	232	2194797
2008-09	2947	1388	4335	800	3468000	1023247	236	2444753
2009-10	2988	1429	4417	800	3533600	1165679	264	2367921
Total					14891200	4550180		

(Source: Information furnished by the Director, AH and VS, Orissa)

- In one sample district Rayagada, number of cattle inseminated ranged from 86 to 138 in case of each AI centre. The Director stated (November 2010) that GoI norm of 800 AI per AI centre is based on an anecdotal data and so the achievement needs further analysis.
- In test checked units, percentage of short fall in achievement under AI ranged between 11 per cent (Subarnapur) and 46 per cent (Rayagada). The Director attributed (November 2010) this to difference in farmers adoptability in these districts.
- The Frozen Semen Bank (FSB), Cuttack produced 40.01 lakh units of semen during 2005-10 against the target of 42.19 lakh units and thus achieved the target substantially.

²⁴ Strengthening of Farm: construction and repair : ₹ 10 lakh, Parent stock induction (identified breed): ₹ 14 lakh at ₹ 3250 per female, ₹ 5000 per male (400 female + 20 male), Fodder Cultivation 10ha: ₹ 20 lakh, Construction of one training hall for 25 farmers with facilities: ₹ 8 lakh

²⁵ A private person trained in livestock care

4.1.15 Animal health care

As on 31 March 2010, 540 VDs and 2939 LACs were operating in the State to provide livestock healthcare. However, numbers of LACs were less than the target (6234) fixed and both VDs and LACs were handicapped for want of adequate physical and human infrastructure as discussed below:

3295 GPs, around 51 per cent for the State do not have any LAC

- Gram Panchayats numbering 3295 (51 per cent) of the State do not have any livestock Aid Centers (LAC) though each GP is authorised for one LAC as per norm. The last new LAC was set-up in 2006 and no new LAC was set-up during 2007-10. The Government stated that new LACs would be opened in a phased manner at 300 per annum from 2010-11.

15 VDs and 385 LACs were housed in rented buildings

- Veterinary dispensaries (85) and LACs (1076) did not have their own building of which 15 VDs and 385 LACs were functioning from Community Centres/Gram Panchayat buildings etc.

27 VDs in the State did not have any regular VAS

- The Government sanctioned (2008-10) ₹ 55.62 crore for construction of buildings of 85 VDs and 1076 LACs under Rural Infrastructural Development Funds (RIDF) but only 26 VDs and 27 LACs buildings were completed and ₹ 47.45 crore remained unutilised (March 2010). The Director confirmed (November 2010) the same. In 11 test checked districts, out of 38 VDs and 434 LACs buildings taken up, buildings for only 13 VDs and 14 LACs were completed as of November 2010. The Government assured (November 2010) to pursue the matter with PRIs.

- Twenty seven VDs (out of total 540) were running in the State without any regular Veterinary Assistant Surgeon (VAS). In one test checked district (Rayagada) in three VDs²⁶, fulltime VAS/AVAS were not available. No reply was however, furnished by the Director (December 2010).

65 LACs were functioning without any LI

- In nine sample districts²⁷, 65 LACs (out of total 901) were functioning without any Livestock Inspector (LI) (August 2010).
- In Angul district, user charges of ₹ 9.69 lakh required to be utilised for Animal health care were credited to the accounts of the District Livestock Resources Development Society (DLRDS) during 2007-10.

²⁶ Dhepaguda, Gudari, Muniguda

²⁷ Anugul, Baragrah, Berhampur, Gajapati, Jajpur, Kendrapara, Khurda, Nabarangpur, Rayagada

4.1.16 Control, containment and eradication of animal diseases

One of the major objectives of the department was to control, contain and eradicate animal diseases and timely intervention in case of outbreak of epidemics. The incidences of diseases, animals affected and died etc. are indicated in **Table 4.8**.

Table 4.8 - Statement showing details of outbreaks, animal affected, animal died, village affected in the State during the period from 2005-06 to 2009-10

(In number)

Year	Outbreaks	Diseases	Animals affected	Animals died	Villages affected	Districts affected	Diseases with more than 25 per cent fatality rate
2005-06	480	25	23123	2471	58	10	9
2006-07	604	19	57711	5250	84	9	6
2007-08	377	25	12375	1410	58	14	11
2008-09	405	25	14180	10160	83	15	10
2009-10	307	17	5238	1011	109	21	9
TOTAL	2173	111	112627	20302			

(Source: Information furnished by Animal Disease Research Institute)

During 2005-10, 20302 animals died due to various epidemics. The incidence of diseases where the degree of fatality was more than 25 per cent is indicated in **Table 4.9**.

Table 4.9 - Statement showing major outbreaks, animal affected and died in the State during 2005-10 with fatality more than 25 per cent

Name of the disease	No. of outbreak	Animal affected	Animal died	Fatality rate (percentage)				
				2005-06	2006-07	2007-08	2008-09	2009-10
PPR	140	3771	1090	32.04	22.04	17.31	28.90	70.49
ANTHRAX	43	355	290	67.56	82.60	66.12	93.97	92.22
B.Q	61	467	245	29.45	54.54	49.32	81.92	75.00
H.S	56	1280	871	81.03	54.24	49.78	54.50	79.23
CCPP	2	66	45	75.75	0.00	0.00	0.00	60.60
TRYPANOSOMIASIS	159	616	89	38.09	0.00	3.77	22.76	8.94
TOTAL	461	6555	2630					

(Source: Information furnished by Animal Disease Research Institute)

Department succeeded in containing the animal diseases through timely intervention in case of outbreak of epidemics

Audit scrutiny further revealed that:

- Timely intervention had reduced the mortality and training of VAS in animal disease was satisfactory.
- During 2005-10, animal diseases of 111 types occurred in 2173 outbreaks (instances) which affected 1.13 lakh animals leading to death of 20302 animals.
- There was absence of monitoring of disease control trainings conducted at district levels. In Mayurbhanj district, though fund (₹ 2.08 lakh) was released in January 2009 for organising training for 'Avian Influenza' at block levels by March 2009, however, the training programme was conducted only on 23 September 2009 i.e after the outbreak.
- Under 'Foot and mouth disease', though ₹ 76 lakh was drawn by the Director during 1997-98 (₹ 29 lakh) and 2001-02 (₹ 47 lakh), but the same still remained blocked under Civil deposits.

4.1.17 Conclusion

The Department largely achieved the targets set for milk production and in producing frozen semen. However, targets set in the Tenth Plan period as well as in Annual Plans for 2007-10 for meat, egg and vaccine production remained unachieved. Despite requirement no Perspective Plan was prepared under the Orissa State Livestock Sector Policy 2002. Budgetary control was inadequate leading to persistent savings and non-surrender of anticipated savings in time. There were instances of non-compliance with Treasury, Financial rules and Service Code as well as provisions of PCA Act. Financial management was characterised by instances of parking of funds in civil deposits and current accounts, diversion of funds and mis-utilisation of interest. Programme management suffered due to non-achievement of targets fixed in Annual Plans, shortfall in Artificial Insemination and production of vaccine, uneconomical functioning of Livestock breeding farms, delay in establishing District Diagnostic Laboratories, Idle Assets, unplanned procurement of equipments, shortage of technical manpower and absence of monitoring and inspections.

4.1.18 Recommendations

- The Department needs to take a holistic view of the Animal Husbandry sector and take policy initiatives to involve locally elected representatives and users in planning, implementation process as well as monitoring;

- Financial management needs improvement. Cases of parking of funds into civil deposit accounts, current accounts, non-utilisation and heavy surrender of funds should be avoided;
- There is need to overcome the shortage of technical manpower, non-utilisation of equipment, non-operationalisation of District Diagnostic Laboratory buildings etc.

Bhubaneswar

(S K Mishra)

The

**Principal Accountant General (Civil Audit)
Orissa**

Countersigned

New Delhi

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The

Comptroller and Auditor General of India