CHAPTER – IV
AUDIT OF TRANSACTIONS

AGRICULTURE DEPARTMENT

4.1 Irregular utilisation of Central assistance

Diversion of Rs.17 lakh towards procurement of 40 sprinkler sets resulted in 73 beneficiaries not getting the benefit of the sprinkler irrigation system.

According to the norms prescribed by the Government of India (GOI), the assistance to scheduled caste/scheduled tribe/small/marginal and women farmers for procurement of sprinkler sets under Centrally Sponsored Schemes on “Macro Management on Agriculture” and “Oil seed Production Programme” during the years 2001-03 was to be provided by way of payment of subsidy of Rs.15,000 per beneficiary or 50 *per cent* of the cost of each sprinkler set, whichever was less. According to Government sanction (March 2002) each set could cover one hectare area of land under sprinkler irrigation system.

Scrutiny of records (May 2004) of the Director of Agriculture, Arunachal Pradesh, Naharlagun revealed that the State Government released Rs.19.50 lakh for giving subsidy to 130 beneficiaries under the schemes “Macro Management on Agriculture” (Rs.13.50 lakh for 90 beneficiaries) and “Oil Seed Production Programme” (Rupees six lakh for 40 beneficiaries) during 2001-02 and 2002-03. However, the department diverted Rs.17 lakh (March 2002: Rs.11.05 lakh and March 2003: Rs.5.95 lakh) towards procurement of 40 sprinkler sets @ Rs.42,500 per set from two local firms on the basis of spot quotations. All the sets were shown as issued to the District Level Officers for distribution to the beneficiaries. The actual number of beneficiaries and area covered under sprinkler irrigation system was not on record.

According to norm fixed by the Government (GOI), 113 hectares of land could be covered under sprinkler irrigation system through 113 beneficiaries with the assistance of Rs.17 lakh (@ Rs.15,000 per set/beneficiary/hectare), against which 40 sprinkler sets as procured by the department could cover only 40 hectares of land through 40 beneficiaries. Thereby, 73 (*i.e.* 113-40) beneficiaries were deprived of getting the benefit of the schemes and consequently, 73 hectares of land remained out of sprinkler irrigation system. Thus the diversion of Central assistance of Rs.17 lakh frustrated the objectives of the schemes for which the assistance was provided.

On this being pointed out, the Government stated (September 2004) that the rate of subsidy was not sufficient for the farmers to meet the cost of sprinkler sets and as such the sprinkler sets which could cover 3-4 hectares of area each were distributed to a group of 3-4 farmers. The contention is not tenable because the manufacturer while submitting estimate of sprinkler Irrigation System stated that each set costing Rs.42,500 was for one hectare. Moreover, the maximum amount of subsidy per beneficiary as fixed by the GOI was Rs.15,000, and the department, while forwarding the utilisation certificate to the GOI, accordingly projected procurement of 40 sprinkler sets at a cost of Rupees six lakh (@ Rs.15000/- per set), under Oil Seed Production Programme whereas, actually 14 sets were procured at Rupees six lakh under Oil Seed Production Programme. These apart, district-wise distribution of sprinkler sets as furnished by the Government was not in conformity with actual distribution of the sets to districts by the Directorate and was self contradictory.

ANIMAL HUSBANDRY AND VETERINARY DEPARTMENT

4.2 Unproductive expenditure

Lack of proper planning resulted in the infrastructure created at a cost of Rs.2.26 crore for establishment of chilling plant (Rs.49.22 lakh) and dairy plant (Rs.1.77 crore) remaining unutilised.

Scrutiny (December 2002) of records of the Managing Director (MD) Integrated Dairy Development Project (IDDP), Arunachal Pradesh, Nirjuli and subsequent information collected in June 2004 revealed that for implementation of the IDDP in the State, as a *cent per cent* Centrally funded scheme, the Government of India released Rs.4.59 crore during 1993-2000. The scheme, *inter alia*, included construction of one dairy plant at Kharsingsa and one chilling centre at Pasighat. The chilling centre at Pasighat was completed in July 2000 at a cost of Rs.49.22 lakh (plant building – Rs.28.95 lakh plus machinery and equipment – Rs.20.67 lakh) and dairy plant at Kharsingsa was completed in December 2002 at a cost of Rs.1.77 crore (plant building – Rs.41.94 lakh plus machinery and equipment – Rs.1.35.crore). The chilling centre at Pasighat and the dairy plant at Kharsingsa were ready for commissioning in July 2000 and December 2002 respectively, but these were not commissioned till date due to paucity of funds to run the plants as well as restrictions imposed by the Government of India on commissioning of plants without having pollution control device.

Thus, due to lack of proper planning, the infrastructure created at a cost of Rs.49.22 lakh (chilling plant at Pasighat) and Rs.1.77 crore (dairy plant at Kharsingsa) remained unproductive for a period of four years and one and half years respectively. Because of non-commissioning of the plants, the department failed to achieve the objectives of developing dairying in the State and creating rural employment and increasing income of the backward areas identified under the project.

The matter was reported to Government in February 2003; reply had not been received (October 2004).

ART AND CULTURE DEPARTMENT

4.3 Extra expenditure on procurement of medals

Non-acceptance of lowest offer and procurement of medals at higher rate through re-tender resulted in extra expenditure of Rs.18.43 lakh.

In July 1998, Government of India accorded sanction of Rs.40 lakh to the Government of Arunachal Pradesh for organising the closing events of India's Golden Jubilee Celebration from one to 15 August to commemorate the 50th Anniversary of India's Independence. The State Government, however, decided (July 1998) to spend the amount on procurement of silver plated medals for Gaon Burahs (GBs)[#], Head Gaon Burahs (HGBs)[Ψ] and Priests of Arunachal Pradesh.

Scrutiny (May 2004) of records of the Director of Art & Culture, Naharlagun revealed that based on the tenders (six) received by the Resident Commissioner (RC), Government of Arunachal Pradesh stationed at New Delhi, in response to his tender notice (April 1999) for supply of silver plated medals, a four member board constituted for the purpose recommended (August 1999) the lowest rate of Rs.75 plus four *per cent* CST per medal (silver coating on copper base metal) quoted by a New Delhi based firm. However, the medals were not approved and as desired by the Honourable Chief Minister, the RC invited (January 2000) short-term tender for supply of Electro plated Nickel Silver (EPNS) medals. The lowest rate of Rs.131.50 per medal plus taxes offered by a Delhi based firm was recommended (February 2000) by the board and this was accepted by the Government. Accordingly the department procured 27,652 EPNS medals between January 2001 and July 2001, as against the actual requirement of 13,000 medals (GBs: 6000; HGBs: 2000 and priests: 5000) as assessed (December 1998) by the department, and paid Rs.40 lakh (@ Rs.144.65 per medal) to the firm.

Thus, owing to non-acceptance of the recommendation of the board for acceptance of lowest offer of Rs.78 (Rs.75 plus four *per cent* CST) per medal and subsequent procurement at higher rate of Rs.144.65 per medal through re-tender, the Government incurred extra expenditure of Rs.18.43[β] lakh towards procurement of 27,652 medals.

Out of 27,652 medals procured, the Directorate issued 25,552 medals (8642 for GB/HGBs and 16910 for priests) between June 2001 and November 2001,

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[#] *Gaon Burah : Village Headman*

[Ψ] *Head Gaon Burah : Chief of Gaon Burahs of a cluster of villages*

[β] *Total medals procured 27,652 X Rs.66.65 (Rs.144.65 - Rs.78) = Rs.18.43 lakh.*

to different Deputy Commissioners (DCs) leaving a balance of 2100 medals (meant for priests) worth Rs.3.04 lakh lying in stock with the Directorate till the date of audit (May 2004). Moreover, in the absence of information regarding actual distribution of 25,552 medals by the concerned DCs to the GBs/HGBs/ and priests, the justification for procurement of 14,652 additional medals (GBs: 407; HGBs: 235 and the priests: 14010 medals) valued at Rs.21.19 Lakh (including Rs.3.04 lakh) could not be ascertained in audit.

The matter was reported to Government in July 2004; reply had not been received (October 2004).

ENVIRONMENT AND FOREST DEPARTMENT

4.4 Extra expenditure on procurement of animal feed

Failure on the part of the department to ascertain the prevailing market rates of animal feed at the time of approval of the rates in May 2000 and continued procurement at the same rate upto March 2003 resulted in extra expenditure of Rs.11.19 lakh.

Scrutiny (September 2003) of records of the Deputy Chief Wildlife Warden (DCWW), Wildlife Sanctuary Division, Naharlagun revealed that in May 2000 the department approved the rates offered by the lowest tenderer for supply of animal feed to the Zoological Park, Ganga, Itanagar for the year 2000-01. While approving the rates, the department had not ascertained the prevailing market rates. In May 2001, the department, without inviting fresh tender, extended the validity period of the rates approved in May 2000 for a further period of one year (May 2002), and continued procurement of animal feed from the same supplier till March 2003. From April 2003, however, the department procured animal feed at the prevailing market rates.

Scrutiny also revealed that the retail prices for beef, banana and cucumber fixed by the Deputy Commissioner (DC), Papumpare District, Yupia in May 2001 and again in January 2002 at Naharlagun market were lower than the rates at which the DCWW, Naharlagun had procured animal feed. Besides, a four member purchase committee of food materials constituted by the department in March 2003 made a comparison of the old supply rates and prevailing market rates of March 2003, from which it was revealed that the prevailing market rates were lower than the rates at which the procurement had been made by the department. Computed with reference to the market rate for retail sale fixed by the DC, the department had incurred an extra expenditure of Rs.11.19 lakh (**Appendix – XXVII**) towards procurement of beef, banana and cucumber during the period from May 2001 to March 2003.

Thus, failure of the department to ascertain the prevailing market rates of animal feed at the time of approval of the rates in May 2000 and continued procurement at the same rate up to March 2003 resulted in an extra expenditure of Rs.11.19 lakh.

The matter was reported to Government in May 2004; reply had not been received (October 2004).

HEALTH AND FAMILY WELFARE DEPARTMENT

4.5 Unproductive expenditure and undue financial aid to a consultancy firm

Due to lack of initiative in establishment of a referral hospital within the stipulated time, the State Government failed to get TFC grants of Rs.44.38 crore and the expenditure of Rs.5.62 crore incurred on the project including an unwarranted payment of rupees three crore to a firm remained unproductive.

The Tenth Finance Commission (TFC) awarded (June 1995) Rs.50 crore to the Government of Arunachal Pradesh for establishment of a 500 bed referral hospital at Itanagar with the stipulation to utilise the grants before 31 March 2000, which was extended up to 31 March 2001.

Scrutiny (November 2003) of records of Director of Health Services, Naharlagun revealed that the Government of India released Rs.5.62 crore to the State Government during 1997-98. The Government spent the amount of Rs. 5.62 crore[#] only between June 1999 and March 2001, though it was known that the entire amount of Rs.50 crore allocated to the State was to be utilised by March 2001. As a result, the Government of India discontinued further funding beyond March 2001 and the State Government also failed to find alternative sources of funding and the project was left incomplete (July 2004).

Scrutiny further revealed that the department engaged (June 1999) a consultant for preparation of Detailed Project Report (DPR) and paid Rs.20 lakh (June 1999) without stipulating any date for submission of DPR and without any formal agreement. The department executed an agreement with the consultant in February 2001 and paid (March 2001) a further amount of Rs.10 lakh for survey and soil testing. Another advance payment of rupees three crore was made to the consultant in March 2001 as revolving deposit to make payment to contractors/suppliers for execution of project work, although there was no such requirement as no work was executed. The consultant submitted the

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Acquisition of land:	*Rs.86.76 lakh*
Advance payment to consultancy firm for preparation of Detailed Project Report and site soil investigation and survey of project site:	*Rs.30.00 lakh*
Construction of approach road to the site:	*Rs.145.24 lakh*
Advance payment to the consultancy firm as revolving deposit:	*Rs.300.00 lakh*
Total:	***Rs.562.00 lakh***

DPR only in November 2003 and the survey and soil investigation report was yet to be submitted (July 2004). No work was executed till July 2004 by the firm out of the amount of Rupees three crore paid in March 2001. Thus, undue financial benefit of Rupees three crore was extended to the consultant for a period of over three years, besides loss of interest (at the average borrowing rate of Rs.12.5 *per cent*) amounting to Rs.1.13 crore.

Further, scrutiny of the implementation process of the project revealed that the first meeting of the State level Empowered Committee, constituted (August 1995) for the purpose of monitoring the progress and ensuring utilisation of funds, took place only in June 1998 and the time consumed for site selection and completion of land acquisition process was more than three years (February 1996 – June 1999). This indicated lack of effort on the part of the Government in implementation of the project within the time frame (1996-2001) set by the Government of India.

Thus, due to lack of initiative in implementation of the project, the State was deprived of the balance of TFC grants amounting to Rs.44.38 crore (Rs.50 crore – Rs.5.62 crore) and the expenditure of Rs.5.62 crore incurred on the project remained unproductive. Besides, non-completion of the project deprived the people of the State of the intended advanced medical facilities.

The matter was reported to Government in May 2004; reply had not been received (October 2004).

PUBLIC WORKS DEPARTMENT

4.6 Wasteful expenditure on construction of bridge

An expenditure of Rs.38.44 lakh incurred on execution of work for construction of bridge was rendered wasteful due to selection of site without ascertaining technical viability.

The work “Construction of a motorable bailey type suspension bridge over river Subansiri near Taliha” at an estimated cost of Rs.3.20 crore was administratively approved by the Government in March 1998. The estimate was subsequently revised to Rs.5.20 crore and the revised administrative approval was accorded by the Government in March 1999. Technical sanctions to the original and revised estimates had not been accorded.

Scrutiny (February 2003) of records of Daporijo Public Works Division and information collected subsequently (June 2004) revealed that after a site inspection in June 1999, the Additional Chief Engineer directed the division to stop the execution of the work and to shift the site of the bridge 30 meters upstream. The change of site of the bridge was necessitated due to technical shortfall related to the selection of site, especially on the left bank of the river. It was, however, noticed in audit that before selection of original site and taking up of the work of construction of bridge, sub-soil investigation was not done. The consultancy firm engaged for preparation of drawing and design of the bridge had also emphasized (March 1998) the necessity to carry out sub soil investigation to assess the bearing capacity of soil and to ensure a stable foundation for the anchor blocks particularly in view of the 'ordinary soil' encountered on the left bank of the river. However, the Department without giving any cognizance to the consultant's advice went ahead with the site development and foundation works. Consequently the original site had to be abandoned (July 1999). The bridge was completed in May 2002 at an expenditure of Rs.4.59 crore. However, prior to shifting the site of the bridge, the division had already incurred a total expenditure of Rs.43.64 lakh on the original site. Of this, Rs.38.44 lakh incurred towards execution of site development on both banks (Rs.29.44 lakh), tower foundation (Rs.0.75 lakh), earth work for anchor block on the left bank (Rs.0.43 lakh) and tools and plant which became unserviceable during use in the original work (Rs.7.82 lakh) had become wasteful.

Thus, due to selection of site for construction of bridge without ascertaining technical viability, the expenditure of Rs.38.44 lakh incurred on execution of the work at the original site was rendered wasteful.

The matter was reported to Government in July 2004; reply had not been received (October 2004).

4.7 Extra expenditure due to excess execution of earthwork

Excess execution of 1,33,277.78 cum earthwork in formation cutting resulted in an excess expenditure of Rs.30.61 lakh.

The work "Construction of fair weather road from Daporijo to Mona, Phase IV (13-16 km), Formation cutting" at an estimated cost of Rs.17.02 lakh was administratively approved by the Government in February 1990. The estimate of the work *inter alia* provided for execution of 1,04,984.48 cum earth work in formation cutting for three km length of the road with five metres width and an average height of seven metres. The estimate was subsequently revised (November 2001) to Rs.58.38 lakh mainly on the ground of increase in the quantities of earthwork in formation cutting and revised administrative approval was accorded in November 2001. The formation cutting was started in March 1990 through local contractors by issue of 170 work orders and completion of the work was reported by the Executive Engineer (EE), Public Works Division (PWD) Daporijo in November 1995. Scrutiny of records of execution as well as payments, however, revealed that work in certain stretches (13.8575-13.865; 13.100-13.115) of the road was completed in March 2001 and payments released in March 2003 and the formation cutting for a length of 2.895 km was completed at a total cost of Rs.54.48 lakh.

Test check (June 2004) of records of the EE, PWD, Daporijo revealed that the total quantum of earth excavated during formation cutting was 2,37,208.28 cum as against 1,04,984.48 cum provided in the original estimate. The

Division while forwarding (October 1995) the proposal for revision of the estimate stated that the excess execution of earth work in formation cutting was due to increase in average height of road formation cutting from seven metres to 14.36 metres according to the actual execution. The revised estimate (RE) of the work was, however, returned (October 1995) by the Chief Engineer (E/Z) questioning the abnormal increase in quantum of earthwork. The Division while re-submitting (November 1995) the RE stated that due to the difficult terrain, the quantity of earthwork could not be assessed accurately at the time of preparation of the original estimate. The clarification put forward by the Division was not tenable because even considering the formation cutting work executed for an increased height of 14.36 metres with a formation width of five metres and a triangular cross section, the maximum quantity of earth that could be excavated for the entire length of 2.895 km road could not exceed 1,03,930.50 cum (2895 × 5.00 × 14.36 × 0.5). Though the CE had raised doubts about the abnormal increase (126 *per cent)* in quantum of earthwork over the original estimate, the matter was never investigated.

Thus, the excess execution of 1,33,277.78 cum (2,37,208.28 m^3 – 1,03,930.50 m^3) earthwork in formation cutting resulted in an extra expenditure of Rs.30.61 lakh[#].

The matter was reported to Government in July 2004; reply had not been received (October 2004).

4.8 Extension of financial benefit to a firm

Injudicious action of the division in execution of agreements and payment of interest free mobilisation advances before finalising location of the bridges led to extension of financial benefit of Rs.41.60 lakh to a firm and loss of interest of Rs.5.20 lakh on such advances.

According to para 32.7 of the CPWD Manual Volume II, mobilisation advance paid to contractors shall be interest bearing and shall be limited to a maximum of 10 *per cent* of the estimated cost put to tender or Rupees one crore whichever is less.

Scrutiny (December 2003) of records of Pasighat Public Works Division revealed that the Chief Engineer (CE), Eastern Zone, PWD awarded (August 2002) the work of construction of two steel truss girder bridges over rivers Tara Tamak and Seram on the Mebo-Dholla road to a Mumbai based firm at the negotiated amount of Rs.4.16 crore (@ Rs.2.08 crore each). The work was to commence on 10 October 2002 and was to be completed by 9 October 2004. However, in September 2002, the Superintending Engineer (SE), Boleng Civil Circle proposed that the location of the bridge over river Seram

[#] *Actual expenditure for excavation of 2,37,208.28 m^3 :Rs.54,48,000.00*
Cost for excavation of 1,33,277.78 m^3 :Rs. $\dfrac{54,48,000.00 \times 1,33,277.78}{2,37,208.28}$
= Rs.30,61,011.80 i.e. Rs.30.61 lakh

should be moved 60 meters downstream due to diversion of the flow of river during the monsoons. He also suggested that the bridge construction work should be deferred by a year so that the behaviour of the river flow could be observed during the next monsoon. Though the above fact was communicated to the Executive Engineer (EE) of the Division in September 2002, the EE, in violation of SE's instructions executed two agreements on 1 October 2002 with the said Mumbai based firm for construction of two bridges though a final decision about the location of the bridge had not been taken. The division also paid 10 *per cent* interest free mobilisation advance of Rs.41.60 lakh (December 2002: Rs.20.80 lakh; January 2003: Rs.20.80 lakh) to the firm in terms of the agreement though there was no evidence of movement of plant and machinery or materials to the site.

It was noticed in audit that the location of both the bridges were changed from their original site and a decision was taken (July 2003) by the CE to change the scope of work on both the bridges from open foundation to well foundation. Accordingly drawing and design of the bridges had to be changed. The revised drawing and design of both the bridges were not approved and as a result construction works could not taken up by the firm till the date of audit (December 2003). Information about approval of the revised drawings and designs and taking up of the construction work of both the bridges by the firm is awaited (July 2004).

Thus, the undue haste by the division in execution of agreements and payment of interest free mobilisation advances in contravention to manualised provision even before a final decision was taken about location of the bridges led to an undue benefit of Rs.41.60 lakh to the contractor and consequential loss of interest (at the average Government borrowing rate of Rs.12.5 *per cent*) amounting to Rs.5.20 lakh to the Government on the advances.

The matter was reported to the Government/department in April 2004; reply had not been received (October 2004).

4.9 Stores and Stock

There was shortage of materials worth Rs.10.32 lakh resulting in loss to the Government.

Consequent upon closure of Nirjuli Public Works Division in August 1998 stock materials worth Rs.2.17 crore were transferred to Naharlagun division in September 1998. The transferred materials were, however, accounted for by the division in their stock account only in March 2002 and thus kept out of accounts for a period of over three years.

Scrutiny (June 2004) revealed that from 21 May 2001 physical balances of 24 items of materials had been reduced recording a remark ('physical balance as on 21 May 2001') in the bin cards and the reduced balances were carried forward till the date of audit. The value of the reduced quantity of materials amounted to Rs.10.32 lakh (at the price recorded in bin cards). The details of such shortages are indicated in **Appendix – XXVIII**. The division, however, did not conduct annual physical verification as required under Rules from the date of receipt of materials till the date of audit. The division had neither investigated the shortage of materials worth Rs.10.32 lakh nor was any responsibility fixed. Thus, shortage of materials resulted in loss to the Government to the tune of Rs.10.32 lakh.

Test check further revealed that as on March 2004, the stock balance of the division as per book value (Form 73 of accounts) was Rs.2.28 crore, while the ground balance of stock held as per stock balance reports of March 2004 was Rs.1.65 crore. The overall discrepancy of Rs.0.63 crore (Rs.2.28 crore *minus* Rs.1.65 crore) between the book balance and ground balance also had not been reconciled (June 2004).

The matter was reported to the Government in July 2004; reply had not been received (November 2004).

GENERAL

4.10 Follow up action on Audit Reports

As per the instructions issued by the Finance Department (June 1996), the concerned administrative departments are required to prepare an explanatory note on the paragraphs/reviews included in the Audit Reports indicating the action taken or proposed to be taken and submit the 'Action Taken Note' to the Assembly Secretariat with a copy to (1) Accountant General (Audit) and (2) Secretary, Finance Department within three months from the date of receipt of the report.

Reviews of outstanding explanatory notes on paragraphs included in the Report of the Comptroller and Auditor General of India for the years from 1986-87 to 2001-02 revealed that the concerned administrative departments were not complying with these instructions. As of September 2004, *suo motu* explanatory notes on 99 paragraphs of these audit reports were outstanding from various departments as detailed in **Appendix – XXIX**.

The administrative departments were required to take suitable action on the recommendations made in the Reports of the PAC presented to the State Legislature. Following the circulation of the Reports of the PAC, the departments were to prepare notes on action taken or proposed to be taken on the recommendations of the PAC and submit the same to the Assembly Secretariat. The PAC specified the time frame for submission of such ATN as one month up to the 48^{th} Report. Review of seven reports of the PAC containing recommendations on 28 Audit Reports, paragraphs in respect of nine departments as detailed in **Appendix – XXX** presented to the Legislature between September 1994 and March 2000 revealed that none of these departments sent the ATNs to the Assembly Secretariat as of September 2004. Thus, the fate of the valuable recommendations contained in the said reports of the PAC and whether they were being acted upon by the administrative departments could not be ascertained in audit.

The matter was reported to Government in (November 2004); reply had not been received (December 2004).

4.11 Failure to respond to audit objections and compliance thereof

Four hundred twenty two paragraphs pertaining to 100 Inspection Reports involving Rs.23.87 crore concerning Irrigation & Flood Control, Public Works and Industries Departments were outstanding as on June 2004. Of these first replies to eight Inspection Reports containing 62 paragraphs had not been received.

Principal Accountant General (Audit) conducts periodical inspection of Government departments to test check transactions and verify maintenance of important accounting and other records as per prescribed rules and procedures. When important irregularities detected during inspection are not settled on the spot, these are included in the Inspection Reports (IRs) that are issued to the Heads of the offices inspected with a copy to the next higher authorities. Government orders provide for prompt response by the executive to the IRs to ensure rectificatory action in compliance with the prescribed rules and procedures and to fix responsibility for the deficiencies, lapses, *etc.*, noticed during inspection. Serious irregularities are also brought to the notice of the Heads of the departments by the office of the Principal Accountant General (Audit). A half-yearly report of pending inspection reports is sent to the Secretary of the department (in respect of pending IRs) to facilitate monitoring of the audit observations in the pending IRs.

Inspection Reports issued from 1991 upto March 2004 pertaining to 100 offices of three departments disclosed that 422 paragraphs relating to 100 IRs involving an amount of Rs.23.87 crore remained outstanding at the end of June 2004. Of these, 12 IRs containing 21 paragraphs had not been settled for more than 10 years. Even the initial replies, which were required to be received from the Heads of offices within six weeks from the date of issue of IR were not received in respect of 62 paras in eight IRs pertaining to eight offices issued between 1994-95 and 2003-04.

As a result, some of the important irregularities pertaining to 189 paragraphs involving an amount of Rs.15.50 crore commented upon in the outstanding Inspection Reports of the three departments have not been settled as of June 2004 as per details given below:

Table 4.1

Sl. No.	Nature of Irregularities	Irrigation and Flood Control Department		Public Works Department		Industries Department	
		No of paras	Amount (Rs. in lakh)	No of paras	Amount (Rs. in lakh)	No of paras	Amount (Rs. in lakh)
1.	Delay in recovery or non-recovery of department receipts, advances and other recoverable charges	-	-	-	-	33	959.34
2.	For want of DCC bills	-	-	-	-	1	53.51
3.	Payees receipts not received	-	-	-	-	1	1.21
4.	Extra avoidable expenditure	1	0.95	-	-	-	-
5.	Irregular and unauthorised expenditure	7	37.86	23	64.03	-	-
6.	Excess/Extra expenditure	4	52.28	40	88.56	-	-
7.	Locking up of Government funds/Idle Outlay	9	71.51	14	59.17	-	-
8.	Wasteful expenditure	1	12.08	20	57.20	-	-
9.	Expenditure in excess of sanction	-	-	27	85.10	-	-
10.	Injudicious expenditure	-	-	8	7.20	-	-
	Total	**22**	**174.68**	**132**	**361.26**	**35**	**1014.06**

(Source: Department)

The Secretaries of the concerned departments, who were informed of the position through half-yearly reports, failed to ensure that the concerned officers of the departments took prompt and timely action. No action was taken against the defaulting officers.

It is recommended that the Government look into this matter and ensure that (a) action is taken against the officials who fail to send replies to IRs/Paras as per the prescribed time schedule, (b) action is initiated to recover losses/outstanding advances/overpayments pointed out in audit in a time bound manner and (c) there is a proper system of expeditious compliance to audit observations.

The matter was reported to the Government (November 2004); reply had not been received (December 2004).

4.12 Write-off of losses, *etc*.

Fourteen cases of misappropriation of funds, losses, *etc*., involving an amount of Rs.8.24 crore were awaiting orders for recovery or write-off as on 30 June 2004. Department-wise break-up is given below:

Table 4.2

Sl. No.	Departments	Cases awaiting orders for recovery or write-off	
		Number of cases	Amount (Rupees in lakh)
1.	Education	1	0.29
2.	Forest	6	822.60
3.	Public Works	4	0.85
4.	Supply and Transport	3	0.34
Total :		**14**	**824.08 i.e. Rs.8.24 crore**