Chapter - 2
Performance Audit

Chapter-2

Performance Audit

Animal Husbandry, Dairy Development and Fisheries Department

2.1 Implementation of Schemes in Animal Husbandry Department

2.1.1 Introduction

The Animal Husbandry (AH) Department implements several schemes[1] for development of livestock and providing veterinary healthcare. The activities of the Department are oriented towards improving the production potential of cattle and buffaloes by way of breed upgradation, providing preventive and curative health care to livestock, and spreading awareness among farmers on profitable livestock production/rearing.

2.1.2 Organisational set up

The AH Department is headed by Principal Secretary at Secretariat level. Activities of the Department are overseen by the Director, who is assisted by two Additional Directors and 15 Joint Directors (JDs) (two in the Directorate and 13 at district level). The JDs in the district are supported by Deputy Directors/Assistant Directors, Veterinary Assistant Surgeons and other veterinary/livestock officers to carry out the various activities of the Department at ground level.

2.1.3 Audit objectives

The Performance Audit was aimed to assess whether:

- Planning for execution of the schemes was done effectively;
- implementation of the schemes was based on the scheme guidelines;
- implementation achieved the objectives of the respective schemes; and
- proper internal control system was in place and monitoring was effective.

[1] (a) Economic support schemes like supply of milch animals, sheep, calf feed, etc.; (b) Support schemes to enhance productivity of fodder and feed, silage making units; (c) Animal health and support services like cattle and sheep insurance, veterinary services; and (d) Infrastructure development schemes like strengthening and construction of veterinary institutions

2.1.4 Audit criteria

The Performance Audit was conducted with reference to the following audit criteria:

- Operational Guidelines of the respective schemes
- Government Orders and instructions/circulars issued from time to time
- Departmental Manuals

2.1.5 Scope and methodology of audit

The Performance Audit was conducted on the implementation of (i) Supply of milch animals schemes, (ii) Calf feed/rearing programmes, and (iii) Sheep and goat development schemes covering the five year period 2010-15. During the period 2010-15, total expenditure of ₹ 199.28 crore was incurred on the above schemes.

Table 2.1 – Expenditure incurred on schemes during 2010-15

(₹ in crore)

Year	*Supply of Milch Animals*			*Calf Feed Programme*			*Sheep and Goat Development*			*Grand Total*		
	Budget released	*Budget utilised*	*Balance*	*Budget released*	*Budget utilised*	*Balance*	*Budget released*	*Budget utilised*	*Balance*	*Budget released*	*Budget utilised*	*Balance*
2010-11	36.89	34.32	2.57	0.23	0.14	0.09	1.96	1.86	0.10	39.08	36.32	2.76
2011-12	78.38	39.91	38.47	0.59	0.32	0.27	8.37	8.02	0.35	87.34	48.25	39.09
2012-13	49.71	46.35	3.36	0.30	0.22	0.08	9.71	3.52	6.19	59.72	50.09	9.63
2013-14	26.64	26.22	0.42	25.33	20.07	5.26	0.63	0.47	0.16	52.60	46.76	5.84
2014-15	0.00	0.00	0.00	33.31	17.48	15.83	0.38	0.38	0.00	33.69	17.86	15.83
Total	**191.62**	**146.80**	**44.82**	**59.76**	**38.23**	**21.53**	**21.05**	**14.25**	**6.80**	**272.43**	**199.28**	**73.15**

Note: The above position depicts figures of the combined AP State upto the date of State bifurcation (02 June 2014) and figures of the present AP State thereafter.

(***Source:*** Information furnished by the Department)

Records of the Directorate, four[2] out of 13 district offices (JDs) and two Deputy/Assistant Directors of each selected district selected through random sampling method (on the basis of district wise expenditure) were audited during February to July 2015. In addition, 25 *per cent* Veterinary Institutions in each selected district were also test checked. An Entry conference was held (March 2015) with the Department wherein the objectives, scope and methodology of the Performance Audit were discussed. An Exit Conference was held in December 2015 with the Joint Secretary, Animal Husbandry, Dairy Development and Fisheries Department, Director of AH and other officers of the Department, wherein the audit observations and recommendations were discussed. The replies given during the Exit Conference have been taken into account while arriving at the audit conclusions.

[2] Ananthapuramu, Chittoor, Guntur and Kurnool

2.1.6 Audit constraints

In the district offices and also in the Directorate, proper documentation in respect of implementation of schemes, selection of beneficiaries, beneficiary-wise sanction files, correspondence with banks, outcomes of the schemes, etc. were lacking and scheme-wise registers were not prescribed/maintained. As a result, audit examination was restricted only to the limited files and correspondence available with the test checked district offices.

Audit findings

The deficiencies noticed in implementation of the above mentioned schemes are discussed in the succeeding paragraphs.

2.1.7 Supply of milch animals[3]

To generate regular income among below poverty line (BPL) farmers/Self Help Groups (SHGs), the Department implemented four subsidised schemes with funds received from GoI under Rashtriya Krishi Vikas Yojana (RKVY), Prime Minister (PM)'s Package and Chief Minister (CM)'s Package, as shown below:

Scheme details	Source of funding	Government Subsidy	Years of implementation
Supply of 1+1 milch animal scheme Two milch animals/pregnant cows or buffaloes/heifers are supplied with a gap of six months (first animal is supplied initially and the second animal after six months) to BPL farmers on subsidy.	RKVY, PM package, and CM package	50% of unit cost	2007-08 to 2013-14
Supply of two Milch Animals Two milch animals/pregnant cows or buffaloes/heifers are supplied as a unit to BPL farmers on subsidy.	RKVY	50% of unit cost	2012-13 to 2013-14
Mini Dairy Units Five milch animals are supplied to unemployed youth, experienced farmers and SHGs on subsidy.	RKVY	25% of unit cost	2010-11 to 2013-14
Medium Dairy Units 20 milch animals are supplied to educated unemployed youth and women SHGs on subsidy.	RKVY	₹ 2.5 lakh per unit	2012-13 to 2013-14

[3] Milch animal : Lactating (milk giving) buffaloes/cows

The non-subsidy portion under the above schemes was to be met by the beneficiaries with their own money and/or from bank loans.

2.1.7.1 Inadequate Publicity

As per the scheme Guidelines, the AH Department is the implementing agency and a District Level Committee under the chairmanship of District Collector oversees the scheme implementation at district level. Adequate publicity was to be given by the Department regarding the schemes, eligibility criteria, method of submitting applications, etc. for awareness of the potential/ interested beneficiaries. Beneficiaries were to be selected by Mandal Level Committees (headed by Mandal Parishad Development Officer) by conducting Gram Sabhas in the selected villages. The District Level Committee under the chairmanship of District Collector finally approves the list of beneficiaries selected by Mandal Level Committees. During 2010-15, animals were supplied to 10199 beneficiaries in the test checked districts under different milch animal schemes and subsidy of ₹ 21.83 crore was utilised.

Audit noticed that despite availability of funds, the Director of AH had not released any funds to the test checked districts for providing publicity. No records about conducting Gram Sabhas for selection of beneficiaries, applications received/rejected and publicity given by the Department for generating awareness among potential beneficiaries were found either in the Directorate or in the test checked districts. Paragraphs 2.1.10.1 and 2.1.11 of this Report bring out the issues of some of the schemes not attracting adequate response from potential beneficiaries.

Though the Department replied that publicity was given through pamphlets, local print media, radio, etc., Audit noticed that no expenditure was incurred towards publicity and no records were available in support of the reply. The Department accepted that no expenditure was incurred on publicity and that documentation was lacking.

2.1.7.2 Selection of beneficiaries

Though the guidelines of milch animals schemes stipulated selection of beneficiaries in Gram Sabhas, in Anantapuramu, Chittoor and Kurnool districts, no record/information about conducting Gram Sabhas for selection of beneficiaries was available either with the JDs or with the test checked ADs/DDs/veterinary institutions.

Further, the details of applications received, accepted and rejected during selection of beneficiaries were not available in any of the four test checked districts, due to which there is no assurance that the selection of beneficiaries was done in a transparent manner.

2.1.7.3 Procurement and supply of milch animals

For supply of milch animals to the beneficiaries selected under various schemes, the Department procured milch animals like cows/buffaloes/heifers from other States by concluding Rate Contract (RC) with supply firms selected after tender process. Audit observed the following deficiencies in procurement and supply of milch animals:

(i) Procurement of over-aged animals: The Scheme guidelines prescribed that age of the milch animals at the time of supply should not be more than 60 months in case of buffaloes and 48 months in case of cows. A condition to this effect was also included in the RCs concluded with animal supply agencies. This was to ensure that the inducted animals give assured yield of milk for longer duration. Audit noticed that 773 out of 6347 buffaloes and 430 out of 7722 cows supplied in test checked districts during 2010-15 were overaged, age of these animals ranging from 65 to 93 months in case of buffaloes and 53 to 78 months in case of cows. Thus, the guidelines in this regard were not followed and assured milk yield for maximum period was not ensured.

During the Exit Conference, the Department replied that over-aged animals were procured in some cases as the beneficiaries choose over-aged animals. The reply is not acceptable since the scheme guidelines and terms of RCs were specific about the age criteria, the Department should not have allowed the supply agencies to offer/supply over-aged animals to beneficiaries.

(ii) Transportation of animals: As per guidelines and the terms and conditions of RCs concluded with the suppliers, it is the responsibility of the supplying agencies to arrange transportation of animals from source point to the beneficiary village by train/trucks. The Department pays transportation charges to the suppliers at the rates stipulated in the guidelines/RCs from time to time. The charges payable depends on the type of animal[4], actual distance and mode of transport (train or truck). As per the RC for the period 2010-12, the rates fixed for transportation of a milch animal by rail was ₹ 2.80/Km and by road was ₹ 3.50/Km. RCs concluded with supply firms stipulated that in case of transportation of animals by trucks the firm should submit way bills, a route map, details of truck number and meter readings along with invoice as proof of transportation. In case of transportation by rail, the firm should submit copies of railway receipts.

During 2010-15, the Department inducted 14069 animals in four test checked districts and paid ₹ 3.09 crore towards their transportation. A test check of 286 invoices/delivery challans (selected randomly) revealed that in all these delivery challans, transportation charges (₹ 9.35 lakh) were claimed and paid

[4] Milch animal, pregnant milch animal, heifer or pregnant heifer

at rates applicable for transportation by trucks, but way bills were not enclosed in any of them. Truck numbers were noted in only 59 (20 *per cent*) delivery challans and meter readings were not noted in any of them. Despite non-submission of way bills/railway receipts, bills were passed and transportation charges paid based on road transportation rates, without verifying actual mode of transportation used and the distance covered.

The Department replied that transportation charges were paid based on the distance as per Google maps and that their staff was not aware of the stipulation relating to way bills. The reply is not acceptable since Google maps show only the distance but cannot be taken as proof of actual transportation or for the mode of transport. Payment of transportation charges without proof of transportation indicates lack of transparency and possibility of fraud.

(iii) Non-establishment of display centres: After finalisation of tenders for supply of milch animals and placing the supply orders on supplier firms, a committee of technical experts of the Department visits the place of procurement along with supplier firms to choose the breed and also to examine the biological features like health, milk yield, etc. The beneficiaries may accept the breed supplied by the Department or accompany the committee, at their own cost, to choose the animals of their choice either personally or through their representative. The Government instructed (May 2012) the Department to call for tenders from milch animal supplier firms to establish display centres in the State to enable the farmers choose the breed of their choice instead of travelling to other States, thereby reducing the financial burden on them. Audit noticed that even after three years, display centres were not established (June 2015) due to non-finalisation of modalities of tendering process.

The Department stated that display centres were not beneficial either to the suppliers or to the farmers and hence not implemented. The reply is not acceptable since non-setting up of display centres was in contravention of Government orders and the benefits of display centres would be known only after their setting up. The Department neither set up display centres nor explored other methods to facilitate beneficiaries in selection of appropriate breed. It is pertinent to note that only 30.87 *per cent* and 25 *per cent* targets were achieved in Mini Dairy Units and Medium Dairy Units schemes respectively, as discussed in subsequent Paragraphs 2.1.10.1 and 2.1.11.

***(iv) Acknowledgements from beneficiaries*:** Test check of 286 delivery challans revealed that in 112 cases, though the animals were shown as handed over to beneficiaries, acknowledgement (signatures/thumb impression) of beneficiaries in token of receipt of the animal were not obtained, in the absence of which actual delivery of animals to the selected beneficiaries could not be established.

During the Exit Conference, the Department accepted the audit observation and stated that acknowledgements would be obtained in future.

(v) Lack of follow-up on inducted animals: As per the guidelines of milch animal schemes, the Department shall give technical guidance required by the beneficiaries on the follow-up measures to be taken after induction of animals to ensure that all the inducted milch animals conceive within three-four months by making frequent visits to the beneficiaries. Guidelines prescribed maintenance of a 'follow up register', for recording details of follow up action taken in respect of each inducted animal. However, no follow-up registers were maintained in any of the test checked districts. Thus, there was no effective monitoring by the Department over the outcomes of the milch animal schemes.

2.1.8 Supply of 1+1 Milch Animals Scheme

The 1+1 milch animals scheme was being implemented since 2007-08. Under this scheme, beneficiaries from BPL families are selected and supplied with two milch animals with a gap of six months at 50 *per cent* subsidy. The beneficiaries were to bear the remaining cost on their own or from bank loans for each animal at the time of supply.

In the four selected districts, as against a total target of 6770 milch animals, the Department had supplied 9219 animals during 2010-15.

Audit noticed the following deficiencies in implementation of this scheme:

- The scheme guidelines stipulated supply of two animals to each beneficiary since maintenance of one milch animal was not considered economically viable. Thus, supply of two animals was key to provide sustainable income generation to beneficiaries. From the '45 column register of inducted animals' maintained by the Department, Audit noticed that though the Department supplied 9219 animals under 1+1 milch animals scheme during 2010-15, out of the 8450 beneficiaries covered under the scheme, second animal was not supplied to 7681 (91 *per cent*) beneficiaries. There was no monitoring over this issue either at the Directorate level or at the District Office level, as no returns/reports were prescribed/maintained to watch the supply of second animal. The reasons for non-supply of second animal were not forthcoming from the records of the Department. Instead of supplying second animal to the enrolled beneficiaries, the Department identified new beneficiaries and supplied a single animal to them.

  While accepting the above audit observation, the Department stated that the beneficiaries did not come forward to procure second animal. However, no documentation was found in the Department's records about the efforts made by the District offices/Veterinary Institutions to encourage the enrolled beneficiaries to take the second animal.

Thus, due to non-supply of second animals to majority of beneficiaries, the intention of the scheme to provide sustainable income generation to the BPL beneficiaries by supplying two animals was not fulfilled.

- The fact that the test checked districts were able to exceed the targets during 2010-14 indicates that there was good response from the BPL beneficiaries for enrolment in the scheme. However, Audit noticed that the Directorate gradually reduced the targets during the above period. No fresh targets were fixed for the year 2014-15 and no further funds were released for continuation of this scheme for reasons not on record. As a result, no new beneficiaries were enrolled under 1+1 milch animals scheme during 2014-15 (except in Guntur, where animals were supplied to new beneficiaries with left over funds).

  The Department replied that the scheme was not continued due to non-allocation of funds. However, as seen from the budget proposals submitted by the Department to GoAP and GoI, the Department did not seek budget allocations for continuation of this scheme.

2.1.9 Supply of two Milch Animals Scheme

While the 1+1 Milch Animals scheme was still under implementation, the Department came out (November 2012) with a new scheme of 'Supply of two milch animals' to BPL farmers with RKVY funds. Under this scheme, both the animals were to be supplied at a time to the beneficiaries at 50 *per cent* subsidy.

The Department initially set a target of 368 units for the four test checked districts and released funds accordingly. It later set additional targets of 210 units (in March 2013) and 646 units (February 2014) by diverting unutilised funds under other schemes. As against the total target of 1224 units given to the test checked districts, 1249 units were established in these districts by the end of 2013-14.

Audit observed that at the time of introducing the scheme, no long term goals/targets were set by the Department. The fact that the test checked districts could establish 1249 units against the target of 1224 units indicates that there was demand for the scheme from BPL farmers. Despite this, the scheme was not implemented after 2013-14. The reasons for discontinuation of the scheme were not forthcoming from Department's records. Discontinuation of the scheme within two years of its launching indicates that the Department was devising and implementing schemes on ad-hoc basis without any long term objective.

2.1.10 Mini Dairy Units Scheme

To encourage rural unemployed youth to take up dairying activities on fulltime basis and augment milk production in the State, Government accorded (May 2010) administrative approval for ₹ 23.45 crore for implementation of a new scheme of 'Mini Dairy Units' (MDU) with funds received from GoI under RKVY. The scheme targeted 4400 MDUs of three sizes viz., six (3+3), 10 (5+5) and 20 (10+10) milch animals by providing 75 *per cent* 'interest subsidy'[5] to beneficiaries. The Department did not furnish any records/details of interest subsidy paid to the beneficiaries.

Later, the structure of the scheme was revised (June 2011) and it was decided to establish MDUs (each unit consisting of five milch animals)[6] by providing 25 *per cent* of the unit cost as front end subsidy. The balance 75 *per cent* was to be borne by beneficiaries as cash contribution/bank loan.

2.1.10.1 Non-achievement of objectives of MDUs Scheme

Under the scheme, the Department proposed to sanction 8945 MDUs in 22 districts in the State with RKVY funds and 704 MDUs with funds received under National Mission on Protein Supplements (NMPS) Scheme. During 2011-13, the Director released ₹ 34.84 crore to 22 districts.

As against 9649 MDUs targeted, despite availability of funds, the Department was able to sanction only 2979 units (30.87 *per cent*) by utilising a subsidy amount of ₹ 15 crore. In test checked Districts, the targets and achievements are as shown below:

Table 2.2 – Targets and achievement of Mini Dairy Units

(No. of units)

Year	Ananthapuramu		Chittoor		Guntur		Kurnool		Total	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
2011-12	500	96	523	120	452	80	428	101	1903	397
2012-13	20	10	31	6	26	29	20	38	97	83
2013-14	Nil	Nil	Nil	2	Nil	5	Nil	7	Nil	14
Total	**520**	**106**	**554**	**128**	**478**	**114**	**448**	**146**	**2000**	**494**

(***Source:*** Information furnished by JDs)

As against the total target of 2000 MDUs stipulated by Director for the four test checked districts, only 494 units (i.e. only 24.7 *per cent*) were sanctioned.

[5] Under this scheme, 75 *per cent* amount of the interest paid by the beneficiary (on the loan taken by him/her for establishing Mini Dairy Unit) to the bank would be reimbursed by the Department on quarterly basis

[6] Beneficiaries to be selected from experienced farmers, unemployed rural youth and members from Self Help Groups

Of this, 397 units were sanctioned in 2011-12. The number of units sanctioned declined to 83 in 2012-13 and 14 units in 2013-14.

The JDs attributed the reasons for shortfall mainly due to lack of response from beneficiaries and launching (November 2012) of a new '2-milch animals' scheme by the Department with 50 *per cent* subsidy, which was more attractive than the MDUs scheme which offered only 25 *per cent* subsidy. The reply is not tenable, for the following reasons:

- The '2-milch animals' scheme was limited only to BPL farmers whereas the MDUs scheme was open to all farmers especially to unemployed youth and Self Help Groups.
- Further, Audit also noticed that though 1461 beneficiaries were approved for sanction by the District Level Committees in test checked districts during 2011-14, only 494 beneficiaries (i.e. 34 *per cent* of total selected) were sanctioned MDUs. The reasons for non-establishment of units by the other selected beneficiaries were not documented/analysed by the Department.
- In Ananthapuramu district, Audit noticed 17 cases where the Department collected contribution from beneficiaries but refunded the same after retaining it for three months. Of these, in 11 cases, the beneficiaries sought refund of their contribution on the ground that the animal prices were found to be high at the procurement point. This indicates that the Department/animal supply agencies failed to supply animals to the selected beneficiaries as per the agreed rate contract. This could be one of the reasons for non-establishment of MDUs by the selected beneficiaries.
- Under this scheme, the unit cost works out to ₹ 2 lakh for buffaloes and ₹ 1.75 lakh for cows. The Department gives 25 *per cent* of the unit cost as subsidy and the balance amount of ₹ 1.5 lakh / ₹ 1.31 lakh was to be met by the beneficiary with his/her own money or from bank loan. Thus, financial capacity of the beneficiaries and sanction of loans by banks was a vital element for the success of the scheme. Audit observed that though the beneficiaries were selected/finalised by the Mandal and District Level Committees where the bank representative was a member, non-sanction of loans to the selected beneficiaries by banks was also a factor for non-achievement of targets under the scheme. The Department did not take up the matter with the banks and no correspondence in this regard was available in the records.

While accepting the audit observations, the Department replied that bankers were reluctant to give loans to beneficiaries and were demanding collateral security. The issue had been discussed in the State Level Sanctioning Committee (SLSC) meetings. However, Audit verified the minutes of the 16 SLSC meetings conducted during 2010-15, and found that the above discussion in SLSC meeting (June 2012) was with respect to a different scheme and not Mini Dairy Units scheme. No correspondence with banks was available in the Departmental records in this regard. The steep decline in the number of MDUs sanctioned during 2012-13 and 2013-14, indicating failure of the Department in selecting beneficiaries with adequate financial capacity and in convincing bankers to sanction loans to selected beneficiaries.

The MDUs scheme was launched for experienced farmers, unemployed rural youth and members of women SHGs to take up dairying as full time activity and to augment milk production in the State. While the MDUs scheme was a partial success (2979 units sanctioned in the State during 2011-14), the Department did not set further targets after 2012-13 and no further funds were released.

2.1.10.2 Health and nutritional support for female calves

Guidelines of MDUs scheme stipulated that milch animals are to be procured, within 30 days from calving and supplied to beneficiaries along with their calves. It was further stipulated therein that the female calves supplied to each beneficiary shall be registered (upto two calves per beneficiary) by the Department for extending health and nutritional support, worth ₹ 150 and ₹ 1500 respectively, to each female calf so as to bring in early maturity/ calving in the enrolled female calves.

Audit noticed that while allocating funds to district offices, the Director had released the funds based on the physical targets of MDUs and cost per unit. However, the cost towards health and nutritional support to female calves was neither included in the unit cost nor sanctioned separately to district offices. A total of 2465 milch animals along with their calves were supplied to the beneficiaries of 494 MDUs set up in the test checked districts. Out of these, 1052 were female calves. However, none of these female calves were enrolled and health and nutritional support was not provided to them as stipulated in the scheme guidelines, as no funds were sanctioned/released for implementation of this component of the scheme.

The Department accepted the audit observation and assured that female calves would be enrolled in future.

2.1.10.3 Supply of cattle feed

The scheme guidelines contemplated supply of 450 kg of cattle feed for the first 100 days of lactation at 25 *per cent* subsidy to each animal inducted under MDUs scheme (estimated cost at 2011-12 rates: ₹ 4500 out of which ₹ 1125 was subsidy). The balance 75 *per cent* non-subsidy portion was to be collected from the beneficiary before supply of the cattle feed to ensure supply of 100 *per cent* (450 kg) feed to them.

In test checked districts, as the beneficiaries did not contribute non-subsidy portion, the Department, instead of ensuring collection of beneficiary contributions from beneficiaries, supplied only 110 kg of feed per animal (as against 450 kg) with the 25 *per cent* subsidy amount (₹ 1125) during 2011-12 and 2012-13. During 2013-14, when the market rates of cattle feed increased, the Department further reduced the feed quantity and supplied only 83 kg per animal to limit the cost of the feed to the subsidy amount of ₹ 1125, instead of increasing the allocation.

Thus, there was no assurance that the objective of increasing the milk yield by supplying 450 kg of nutritious feed to inducted animals was achieved.

The Department replied that the beneficiaries did not come forward as they were accustomed to the traditional system of feeding their milch animals. However, the Department could not show any record regarding their efforts to create awareness among beneficiaries about the benefits of concentrated feed which was crucial in achieving the maximum milk yield from the inducted animals.

2.1.11 Medium Dairy Units Scheme

To develop model dairy farms/commercial dairy enterprises and to increase milk production in the State, the Department introduced (November 2012) another scheme of 'Medium Dairy Units' with RKVY funds. Under this scheme, 20 animals in two spells (10+10) were to be supplied to each selected beneficiary (educated unemployed youth/women Self Help Groups). Unit cost[7] was fixed at ₹ 11.41 lakh for cows and ₹ 13.50 lakh for buffaloes out of which ₹ 2.5 lakh per unit would be given as subsidy. Out of the non-subsidy portion, 10 *per cent* was to be contributed by beneficiary and balance amount from bank loan. The Department had targeted establishment of 400 Medium Dairy Units across the State and ₹ 10 crore was allocated towards subsidy.

For 13 districts of present AP State, the Department had initially set a target of 233 units with total subsidy of ₹ 5.88 crore. There was poor response to the scheme and the Department reduced (March 2013) the target to only 72 units and allotted ₹ 1.8 crore towards subsidy while converting the remaining 161 Medium Units to 576 units of '2-milch animal' scheme at 50 *per cent* subsidy to utilise the remaining subsidy amount of ₹ 4.08 crore.

[7] This includes cost of animals, transportation, insurance, construction of shed, milking machine, cost of fodder cultivation, chaff cutter (3 HP) and cost of feed for one month (4 kg per animal per day)

The Director of AH did not furnish the details of Medium Diary Units established in the State. In the test checked districts, audit noticed that even the reduced targets were not achieved so far, as shown below:

Table 2.3 – Targets and achievement of Medium Dairy Units in test checked districts

District	Original target	Revised target	Achievement
Ananthapuramu	22	6	4
Chittoor	23	7	1
Guntur	20	6	1
Kurnool	19	5	0
Total	**84**	**24**	**6**

(***Source:*** Information furnished by JDs)

Audit noticed the following:

- The scheme was launched at a time when the Department was finding it difficult to implement even the Mini Dairy Units scheme which involved lower investment by beneficiaries (discussed in paragraph 2.1.10.1).
- To set up a Medium Dairy Unit under this scheme, the beneficiary was to bring in substantial investment of his own (including loan) ranging from ₹ 8.9 lakh to ₹ 11 lakh, which could possibly lead to lack of adequate response from beneficiaries.
- Further, though sanctioning of loans by banks to the selected beneficiaries was vital for the success of the scheme and bank representatives were members of the Mandal and District level selection committees, no correspondence/record was available with the Department regarding the efforts made to encourage/convince the banks to sanction loans to the selected beneficiaries for the success of the scheme.
- Though in test checked districts the failure of the scheme was attributed by the Department to poor response from beneficiaries, there was no evidence that it was adequately publicised among potential beneficiaries. No records regarding selection of beneficiaries were available with the districts. Chittoor and Kurnool district offices did not furnish the details of beneficiaries selected in these districts. In Ananthapuramu and Guntur districts, Audit noticed that only five units were sanctioned against 24 beneficiaries selected by Mandal Level Committees.
- Since the beneficiary's contribution under this scheme was high (₹ 8.91 lakh to ₹ 11 lakh), it was essential that beneficiaries with adequate financial capacity are selected for sanction of units. As per guidelines, the scheme was not exclusively for BPL families. However, Audit observed that in Ananthapuramu District, all the 18 beneficiaries

selected by the Department had low annual incomes of less than ₹ 50000. This indicates that beneficiaries having adequate financial capacity were not selected. Out of the 18 beneficiaries selected, only four beneficiaries were finally able to set up the units.

Thus, due to not selecting the beneficiaries keeping in view the requirements of the guidelines and failure of the Department to facilitate bank loans to the selected beneficiaries resulted in non-achievement of targets. As a result, the Medium Dairy Units scheme was largely a failure.

The unspent balance of ₹ 0.44 crore (out of the total allotment of ₹ 0.58 crore) under the Medium Dairy Units scheme was not surrendered, even though no units were set up during 2014-15. The amount was lying in the bank savings accounts of the district offices (July 2015).

The Department stated that the scheme failed as it was not attractive to the farmers. As regards selection of low income beneficiaries, it was stated that there was no clarity in the guidelines whether to select BPL beneficiaries or APL beneficiaries. However, there was no ambiguity in selection criteria in the guidelines and if there was doubt, the same should have been sorted out by the Directorate which had formulated and issued the guidelines.

Thus, gaps in planning of the scheme combined with ineffective implementation resulted in its failure and non-achievement of intended objective.

2.1.12 Calf Rearing (Sunandini) Programme

To increase the number of lactations and milk production by bringing early maturity in female calves through supply of nutritional feed, the Department launched (June 2013) 'Calf Rearing Programme', also known as 'Sunandini'. The scheme contemplated enrolling cross breed and graded murrah female calves (up to two calves per each BPL family) born out of artificial insemination (AI) at the age of three-four months and supply feed to them up to 24 months and 28 months of age respectively, with 75 *per cent* subsidy, besides providing healthcare and insurance with 100 *per cent* subsidy. The scheme was being implemented with GoAP funds[8] as well as RKVY funds.

Under this scheme, 260 kgs of feed (worth ₹ 3900), mineral supplementation and healthcare (worth ₹ 500) and insurance (premium: ₹ 600) was to be provided in the first year to each calf at a total cost of ₹ 5000 (Government subsidy: ₹ 4025 and beneficiary contribution: ₹ 975). In the second year, 610 kgs of feed worth ₹ 10000 (Government subsidy: ₹ 7500 and beneficiary contribution: ₹ 2500) was to be given to each calf. The feed was to be

[8] Normal State Plan funds and Special Component Plan for Scheduled Castes

supplied on quarterly basis and medicines and insurance immediately on enrolment.

The deficiencies noticed in implementation of Sunandini scheme are discussed below:

2.1.12.1 Targets and achievement

On launching of the scheme, the Department fixed a target of covering 82346 calves under the scheme in the 13 districts of the State during 2013-14. The targets were fixed based on the district wise data of number of calves born out of artificial insemination (9.07 lakh in 13 districts) during the previous year.

The targets fixed consisted of only nine *per cent* of total calves born from artificial insemination and the Department successfully achieved the target in the same year. Despite the success in enrolment in the first year, no further targets were fixed for 2014-15 and no fresh enrolments were made to cover the remaining 91 *per cent* calves born from artificial insemination in the State. The reasons for discontinuation of fresh enrolments were not forthcoming from the Department's records. Audit noticed that while submitting budget proposals for 2014-15, the Department included proposals for second year's feed supply for already enrolled calves and did not propose allocation of funds for fresh enrolments.

In the test checked districts, 36270 calves were enrolled under Sunandini scheme. As per the scheme Guidelines, a selection committee consisting of local Veterinary Assistant Surgeon (VAS) and Divisional Assistant Director (AH) would select the beneficiaries in Gram Sabhas. Audit noticed that Gram Sabhas were not conducted in any of the test checked districts for selection of beneficiaries. The JDs accepted the fact and stated that selection was done based on records of AI calves available with them. However, selection of beneficiaries through Gram Sabhas would have ensured transparency in selection process and accrual of scheme benefits to the most deserving BPL beneficiaries.

2.1.12.2 Supply of feed to enrolled calves

Since, the objective of the scheme was to achieve early maturity of the enrolled calves, timely supply of the stipulated quantities of nutritional feed to the calves was the key for its achievement.

- As per guidelines, the quantum of feed was to be supplied during the first year depending on the age of the enrolled calf, as shown below:

Age of the calf	Feed requirement per calf per day
4 to 6 months	500 grams
7 to 9 months	One Kg
10 to 12 months	1.5 Kg

Audit noticed that in the test checked districts, the JDs supplied feed to beneficiaries at uniform quantities, without assessing the quantum of feed to be supplied considering the age of calves. Though the quantum of feed was to be supplied at the rate of one Kg per day per calf of seven-nine months of age and at the rate of 1.5 Kg per day per calf of 10 to 12 months age, the Department during first quarter supplied feed at 500 grams per day per calf irrespective of its age which was only half/one-third of the actual requirement. This resulted in short supply of 846 MT of feed in the first quarter to the enrolled calves due to not considering the age of calves (details in ***Appendix-2.1***), though funds were available.

- In all four test checked districts, though the Department supplied feed for the first and second quarters in time, the third quarter feed was supplied belatedly due to non-release of funds in time by Government. The delays ranged from one to eight months as shown in ***Appendix-2.2***.
- In Ananthapuramu district, the third quarter feed was not supplied fully. As against 125 Kg of feed per calf to be supplied in the third quarter, only 50 Kg of feed per calf was supplied to the 2982 calves enrolled in the district. While the short supply in respect of 2382 calves enrolled under State Plan was due to non-release of adequate funds, there was short supply in respect of 600 calves enrolled under RKVY also despite availability of funds.
- In Chittoor and Guntur districts, 4285 and 3000 beneficiaries respectively were selected (January-March 2014) under Normal State Plan as per the additional targets fixed by the Director of AH. However, the Director of AH did not release funds in respect of these additional enrolments. Audit could not analyse the reasons for non-release of funds due to non-production of relevant records by the Director of AH. While JD-Guntur extended the benefits to these beneficiaries by utilising the leftover funds under other schemes (with the permission of Director), JD-Chittoor supplied only 120 Kg of feed per calf (as against 260 Kg contemplated) to the 4285 calves due to non-availability of funds.
- Scheme Guidelines contemplated supply of 260 kgs of feed to each enrolled calf in the first year of enrolment. The cost of feed was initially worked out at ₹ 3900 at a rate of ₹ 15 per Kg and funds were released accordingly. However, by the time of actual supply, the feed rate had increased to ₹ 16.4 per Kg, but Department did not increase the allocation to meet the additional cost. As a result, the Department supplied only 237 Kg - 240 Kg of feed in the test checked districts as against 260 Kg to be supplied in the first year of enrolment.

- Though the scheme contemplated supply of calf feed up to the age of 24 months/28 months, detailed guidelines regarding implementation of the scheme for the second year were issued belatedly in November 2014 and necessary subsidy funds were not released by Government as of July 2015. Resultantly, feed for the second year was not supplied to any of the beneficiaries in the three test checked districts (Ananthapuramu, Chittoor and Kurnool). In Guntur district, the JD collected beneficiary contribution of ₹ 2500 from 2066 (out of a total of 11884) beneficiaries and supplied (June 2015) feed to them for the first quarter of the second year within the amount so collected. No feed was supplied to the remaining 9818 beneficiaries due to non-release of subsidy funds by Government.

The Department accepted the short supply of feed due to enhancement of rate, belated issue of guidelines and non-release of funds for second year.

Thus, supply of feed without considering the age of the enrolled calves, delayed-supply of quarterly feed, short-supply of feed in the first year and non-supply of feed in the second year of enrolment, resulted in non-supply of the stipulated feed within 24 months/28 months of age to the enrolled calves, defeating the very objective of the scheme.

2.1.12.3 Non-supply of calf card to the beneficiaries

Scheme guidelines stipulated maintenance of two calf cards in the prescribed format for each enrolled female calf. One card should be with the beneficiary and the other one with the Veterinary Assistant Surgeon (VAS) concerned. These cards were to contain the details of beneficiary, details and dates of supply of feed and medicines/vaccinations and also acknowledgements of the beneficiary in token of receipt of the supplies. However, Audit noticed that in Chittoor district, calf cards were not supplied to the beneficiaries and only departmental copies were maintained. The stipulation of issuing calf cards to the beneficiaries was to ensure transparency in distribution of calf feed and this was not achieved due to non-issuance of calf cards to them.

Audit further noticed that though the calf cards were required to be printed in Telugu as per instructions issued (July 2013) by the Directorate, in three out of four test checked districts, the calf cards were printed in English (except Kurnool where the cards were in Telugu). Since majority of the beneficiaries are rural farmers, obtaining acknowledgements of beneficiaries on cards printed in regional language was necessary to ensure transparency in supply of feed, medicines, etc.

The Department accepted the above observations and assured remedial action.

2.1.12.4 Non-extension of calf feed benefit to second calf in the case of death of enrolled calf

As per scheme guidelines, enrolment of calves should be limited to two calves per beneficiary. Guidelines further stipulated that in case of death of enrolled calf, the benefit of calf feed supply for the remaining period shall be extended to the other calf born out of artificial insemination available, if any, with the same beneficiary. Audit noticed that in Kurnool district, though 270 calves died after enrolment, no new calves of the beneficiaries were identified for extending scheme benefits. The JD replied that new calves were not enrolled as clarification in this regard was not received from the Directorate. The reply is not acceptable since the scheme guidelines are self-explanatory.

2.1.12.5 Deficient provision of healthcare to enrolled calves

The total cost of implementation of the scheme for the first year of enrolment was ₹ 5000 (Government subsidy: ₹ 4025 and beneficiary contribution: ₹ 975) per beneficiary. Out of this, an amount of ₹ 1100 was to be utilised for mineral supplementation and healthcare (₹ 500) and insurance (₹ 600) of the enrolled calf.

Audit noticed that in respect of calves enrolled under Normal State Plan (NSP) and Special Component Plan for SCs (SCP), no separate Head of Account was created for release of funds required for insurance and healthcare. The Director was releasing the entire subsidy amount (of ₹ 4025 per calf) under the head of account titled 'Material and Supply (M&S)'. As a result, the test checked JDs were not utilising the subsidy amount for insurance premium and healthcare since M&S head of account could not be operated for this purpose and were using the beneficiary contribution for the same. Out of the beneficiary contribution of ₹ 975 collected for each calf, the JDs of Chittoor, Guntur and Kurnool utilised an amount of ₹ 588 towards insurance of calf and used the balance amount of ₹ 387 for supply of mineral supplementation/ medicines (as against ₹ 500 contemplated in guidelines). As a result, mineral supplementation/medicines worth ₹ 113 were short supplied to each calf enrolled under NSP and SCP.

Audit noticed that the JDs restricted supply of mineral supplementation/ medicines to ₹ 387 in respect of calves enrolled under RKVY also, despite availability of RKVY funds for reasons not on record. Thus, all the 33288 calves enrolled in these three districts were deprived of mineral supplementation/medicines worth ₹ 113 each.

In Ananthapuramu district, mineral supplementation/medicines were not supplied to any of the 2982 calves enrolled under RKVY, NSP and SCP due to non-release of adequate funds by the Director of AH under the scheme.

The Department accepted the above audit observations and assured that remedial action would be taken.

2.1.12.6 Evaluation of scheme outcomes

The main objective of the Sunandini Calf Rearing Programme was to ensure early attainment of maturity of enrolled calves and decrease the age at first calving by providing concentrated feed supplementation and healthcare to them.

Under the programme, enrolment of calves began in October 2013 and 48 *per cent* of calves were enrolled at the age of five-ten months. Thus, as of June 2015, most of the enrolled calves in the test checked districts would have reached the age of 24 months. However, the details of maturity/first calving of the enrolled calves were not being monitored and recorded in three test checked districts.

Further, the scheme guidelines stipulated that growth pattern of the enrolled calves shall be recorded periodically by assessing their body weight, coat, texture and health. The Department also instructed the district offices to upload the growth pattern in a dedicated website. Audit observed that in Ananthapuramu and Kurnool districts, the periodical growth patterns of calves were not being recorded/monitored. In Chittoor district, though the JD stated that the records of growth pattern were being maintained by VASs, the same were not produced to Audit. In Guntur district, only the weights of the calves were being recorded in the calf cards at the time of supply of feed but details of health conditions were not noted therein. None of the district offices was uploading the growth pattern in the Department's website.

Due to non-recording/monitoring of growth pattern and the details of maturity/first calving, there was no assurance about the outcomes of the scheme, despite spending ₹ 12.08 crore on the scheme in test checked districts.

While accepting the above audit observation, the Department replied that it was planning to develop a software application to monitor the growth pattern of enrolled calves and outcomes of the scheme.

2.1.12.7 Delay in settlement of insurance claims

As per the scheme guidelines, all the enrolled calves are provided insurance cover. In the event of death of the calf, the beneficiary has to submit a claim with necessary endorsements from the Department to the Company within seven working days and the Insurance Company was to settle the claim within 15 days of its receipt.

Out of the 2854 insurance claims made (November 2013 to July 2015) across the State, 670 claims were pending with the Insurance Company/Department as of July 2015. Of these, 261 claims were pending due to non-endorsement of claims by VASs and the remaining claims were pending for other reasons like incorrect bank account details, improper filling of claim documents, etc. The oldest pending claim pertained to January 2014.

In the test checked districts, 309 claims were pending settlement as of July 2015. There was no monitoring/pursuance by the Department over this issue and reasons for non-settlement of claims were not documented in the records of District Offices. Abnormal delays in endorsing the insurance claims and in rectifying the defects in the claims by the Department were leading to delayed settlements, thereby putting the beneficiaries to hardship.

While accepting the above audit observation, the Department replied that action would be taken for early settlement of insurance claims.

2.1.13 Sheep and Goat development schemes

Sheep and Goat rearing is an income-generating activity for weaker sections of the society. With a view to uplift the economic status of shepherds, the Department has been implementing various Sheep and Goat Development schemes, as shown below:

Name of the Scheme and unit details	Source of funding	Government subsidy	Year of implementation
Sheep & Goat Units (Supply of 20 ewes and one ram)	State Plan	50%	2010-11 to 2014-15
Ram Lamb Units (Supply of 20 Ram Lambs)	RKVY and State Plan	50%	2010-11 to 2014-15
Mini Sheep/Goat Units (Supply of five ewes/doe and one ram/buck)	NMPS component under RKVY and State Plan	50% in extremist affected areas 33% in non-extremist areas 90% in under Tribal Areas Sub-Plan	2013-14 to 2014-15
Ram Lamb rearing units (Supply of 50 Ram lambs and providing feed/health care/mineral supplementation)	RKVY	25%	2012-13
Intensive Goat Production (Supply of 47 ewes/doe and 3 rams/bucks and providing feed, medicines/vaccines, shed, silage pit and insurance)	NMPS component under RKVY	100%	2012-13
Improving productivity of goats under conventional small holder/pastoral system (Goat Cluster scheme) (clusters with 2000 goats are identified and provided feed and medicines/ vaccines)	NMPS component under RKVY	100%	2011-12 to 2012-13

The non-subsidy portion is to be met from beneficiary's contribution/bank loan. As per the information furnished by DAH, an amount of ₹ 21.05 crore was released for the above schemes during 2010-15, out of which an expenditure of ₹ 14.25 crore was incurred so far (over and above funds released/spent on Mini Sheep/Goat Scheme in 2014-15 under RKVY the details of which were not furnished by the Department).

2.1.13.1 Selection of beneficiaries

As per the guidelines issued by the Department for the above schemes, the beneficiaries were to be selected in Gram Sabhas, after giving adequate publicity about the schemes. Audit noticed that no funds were released/spent towards publicising these schemes. No records/information about conducting of Gram Sabhas, number of applications received/rejected/accepted and copies of resolutions of Gram Sabhas were available with the test checked District JDs.

2.1.13.2 Improper implementation of Goat Cluster scheme

In 2011-12, GoAP introduced a scheme called 'Improving productivity of goats under conventional small holder/pastoral system' (Goat Cluster scheme) to be implemented with funds received from GoI under the "National Mission on Protein Supplements (NMPS)" component of RKVY. Under this scheme, clusters having flock of 2000 goats are identified from habitations within a radius of 10 Km. Concentrated feed mix and health care (medicines/ vaccinations) are provided to the clusters to decrease mortality rate and increase body weights of the goats as well as to increase the weight of young ones at birth, so as to generate additional income to goat rearers.

In the test checked districts 16 goat clusters[9] were identified under the scheme by the District Level Selection Committees during 2011-13. Audit noticed that:

- As per the scheme guidelines, a minimum of 2000 goats should be identified in each cluster and concentrated feed mix at the rate of 250 Grams per goat per day was to be supplied for 60 days. In Ananthapuramu district, six clusters of 2000 goats each were identified. As against the total quantity of 1.8 MT of feed to be supplied to these clusters, the Department supplied only 1.5 MT of feed, despite availability of funds. Thus, there was a shortfall of 0.3 MT in feed supply.
- In Kurnool district, 7641 goats were registered in the three goat clusters[10] covered under the scheme. However, the Department

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9 Ananthapuramu: 6, Chittoor: 4, Guntur: 3 and Kurnool: 3
10 Mangampeta: 2340, Seethamma Thanda : 2849 and Gudembai Thanda: 2452

supplied only 0.60 MT of feed (i.e. for 40 days considering 2000 goats in each cluster) to these clusters as against the total requirement of 1.15 MT, resulting in short supply of 0.55 MT of feed. Even this quantity was supplied in two spells (June 2012 and December 2012) with an abnormally long gap of six months, despite availability of funds.

While JD-Ananthapuramu did not furnish any reply, JD-Kurnool replied that balance feed could not be supplied due to expiry of the Rate Contract (RC) for supply of feed. However, Audit observed that the Department had released funds for this scheme in January/April 2012 itself and RC was in operation at that time. There was no justification for short/belated supply.

2.1.13.3 Deficient implementation of Intensive Goat Production scheme

The Department introduced (2012-13) 'Promoting Intensive Goat Production' scheme with funds received from GoI under NMPS component of RKVY. Under the scheme, SC/ST/BPL goat rearers who already had ten or more goats, would be selected and be supplied with 47 female and 3 male goats as a unit with 100 *per cent* subsidy. This would be followed up by providing feed, medicines/vaccines, construction of shed, silage pit, metal feeders and insurance. The objective was to inculcate the habit of intensive system of rearing among goat rearers and to showcase these units as demonstration units for other goat rearers.

In the four test checked districts, though the Department fixed a target of 39 units, only 28 units were identified and sanctioned under the scheme, with a shortfall of 11 units (10 in Kurnool and one in Chittoor). In Kurnool district, as against a target of 10 units, the achievement was nil. Keeping in view non-achievement of targets in Kurnool district, the Department reduced (March 2014) the targets to five units (by transferring five units to another district). However, no units were sanctioned in the district during 2014-15. Non-achievement of targets even in respect of this 100 *per cent* subsidy scheme indicates failure of the district offices in identifying beneficiaries.

The Department replied that the reasons for non-achievement of targets would be analysed and remedial action would be taken.

2.1.14 Internal Control and Monitoring

2.1.14.1 Internal Audit System

The Department had an Internal Audit (IA) wing, consisting of three officers headed by a Senior Accounts Officer. Out of 52 field offices in the 13 districts of the present AP State, the IA wing audited only 24, 7 and 12 units during 2011-12, 2012-13 and 2013-14 respectively and none of the units were audited in 2010-11 and 2014-15 for reasons not on record. The Department replied that the shortfall was due to staff shortage.

None of the 175 observations in audits conducted during 2011-14, had elicited any response, indicating a lack of seriousness on part of the field offices.

2.1.14.2 Absence of vigilance mechanism

Milch Animals Scheme Guidelines stipulated that a Vigilance Committee should be formed at Directorate level for conducting surprise checks of all the beneficiary oriented programmes. However, no such Committee had been formed by the Director so far.

2.1.14.3 Submission of incorrect Utilisation Certificates

The RKVY funds released by GoI are received by the State Agriculture Department, which in turn releases the allocated funds to the AH Department. States are to furnish Utilisation Certificates (UCs) for the RKVY funds released. Director of AH is required to furnish UCs to the Agriculture Department for submission of consolidated UCs to GoI. The UCs furnished by the Director of AH did not reflect correct expenditure details on the date of submission of UCs as shown below:

Table 2.4 – Details of incorrect Utilisation Certificates furnished by the Directorate

(₹ in crore)

Year	Date of furnishing of UC	Expenditure shown in the UC	Actual expenditure	Difference between UC amounts and Expenditure
2010-11	04-08-2011	40.58	36.82	3.76
2011-12	26-11-2011	35.35	21.19	14.16
2012-13	02-05-2013	46.75	4.94	41.81

The Department replied that due to release of funds at the fag end of the year, UCs were given for the full amounts. The reply is not tenable since UCs are to be given only for actual expenditure and issuing UCs without actual expenditure indicates incorrect reporting.

2.1.14.4 Non-remittance of unspent balances to GoI

GoAP received ₹ 242.16 crore from GoI during the period 2006-11 under PM package for implementation of livestock development schemes for vulnerable farmer families or families where a suicide had taken place. The scheme was closed by September 2011 requiring the unspent funds to be remitted back to

GoI. However, an amount of ₹ 3.10 crore[11] available with the Directorate was yet to be remitted to GoI as of June 2015.

Similarly, in Kurnool district, an unspent balance of ₹ 1.4 crore was lying in bank accounts without remittance to GoI.

2.1.15 Shortage of manpower

Audit noticed that there were 31 *per cent* vacancies in the field staff like Veterinary Assistant Surgeons, Veterinary Livestock Officers, Livestock Assistants and Veterinary Assistants, as shown below:

Table 2.5 – Cadre wise vacancy position in test checked districts

	Name of the Post	Sanctioned Strength	Men in Position	Number of Vacancies	Percentage of vacancies
1	Veterinary Assistant Surgeons	531	449	82	15
2	Veterinary Livestock Officers	107	64	43	40
3	Junior Veterinary Officers	217	202	15	7
4	Livestock Assistants	345	267	78	23
5	Veterinary Assistants	440	148	292	66
	Total	**1640**	**1130**	**510**	**31**

(***Source:*** Information furnished by JDs)

The Director accepted that shortage of manpower was adversely affecting the functioning of the Department and implementation of schemes.

2.1.16 Conclusion

Schemes like 'Supply of 1+1 Milch Animals' and 'Supply of two Milch Animals' which were aimed at BPL beneficiaries and 'Mini Dairy Units Scheme' which was aimed at promoting entrepreneurship in rural youth and augmenting milk production were discontinued after 2013-14, despite good response from beneficiaries. In implementation of milch animal schemes, deficiencies like lack of publicity, lack of documentation about selection of beneficiaries, payment of transportation bills without details, non-obtaining of acknowledgements from beneficiaries, non-supply of stipulated number of animals, etc. were noticed. In implementation of 'Calf Rearing (Sunandini) Programme', deficiencies like delayed/short supply of feed in the first year and non-supply of feed in second year, non-recording of growth pattern of enrolled calves, etc. defeated the objective of the scheme. There was shortage

[11] Principal: ₹ 0.74 crore and interest: ₹ 2.36 crore

of veterinary staff which is detrimental to efficient implementation of live stock schemes at ground level.

2.1.17 Recommendations

Audit recommends that:

- ***Department should give adequate publicity about the schemes to bring in awareness among the potential/interested beneficiaries and it should maintain proper documentation on selection of beneficiaries to ensure transparency.***

- ***Department should ensure timely and adequate release of funds to field offices since timely supply of feed, medicines, etc. to enrolled animals is vital for the success of livestock development schemes.***

- ***In 'Sunandini Calf Rearing Programme', Department should supply feed to the enrolled calves, duly considering their age and ensure timely and adequate supply of feed so as to achieve the intended objective of the scheme, and also ensure monitoring of growth pattern of enrolled calves to assess the outcomes of the scheme implementation.***

- ***The vacant posts in field staff be filled at the earliest to improve efficiency in implementation of schemes.***

During the Exit Conference, the Department accepted the above recommendations.