

TABLE OF CONTENTS

	Paragraph Number	Page Number
Preface		iii
Chapter 1 – Introduction		
About this report	1.1	1
Auditee Profile	1.2	1
Authority for Audit	1.3	2
Organisational structure of the Office of the Accountant General (E&RSA), Karnataka	1.4	3
Planning and conduct of Audit	1.5	3
Significant audit observations	1.6	3
Responsiveness of Government to Audit	1.7	6
Response of departments to the Draft Paragraphs	1.7.1	6
Follow-up on Audit Reports	1.7.2	6
Paragraphs to be discussed by the Public Accounts Committee	1.7.3	6
Chapter 2 – Compliance Audit		
COMMERCE AND INDUSTRIES DEPARTMENT		
Loss due to injudicious decision to refund deposited amount	2.1	9
Loss due to allotment of industrial land at lower rate	2.2	11
Loss due to allotment of alternate land at reduced price	2.3	13
FOOD, CIVIL SUPPLIES AND CONSUMER AFFAIRS DEPARTMENT		
Unfruitful expenditure on installation of EWPOS machines	2.4	14
FOREST, ECOLOGY AND ENVIRONMENT DEPARTMENT		
Short assessment of Net Present Value and penalty	2.5	17
PUBLIC WORKS, PORTS AND INLAND WATER TRANSPORT DEPARTMENT		
Planning and execution of works under Central Road Fund	2.6	19
Irregular payment	2.7	33
Avoidable expenditure and excess payment	2.8	34
Excess payment to contractors	2.9	37
Extra expenditure due to incorrect specifications	2.10	38
Inadmissible payment towards price adjustment	2.11	39
Unwarranted expenditure and loss of functional area	2.12	41

WATER RESOURCES DEPARTMENT (MINOR IRRIGATION)		
Providing Solar Pumps for irrigation under Special Component Plan/Tribal Sub Plan	2.13	43
Mismanagement of contract	2.14	57
Unproductive expenditure on Lift Irrigation Scheme at Ballari	2.15	59
Avoidable expenditure on flood protection works	2.16	61
Improper evaluation of tender	2.17	62

LIST OF APPENDICES

Appendix No.	Details	Page No.
1.1	Statement showing details of Departmental Notes pending as of December 2016	69
1.2	Statement showing number of paragraphs/Performance Audits yet to be discussed by PAC as of December 2016	70
2.1	Statement showing execution of CRF works of less than 10 km road length	71
2.2	Statement showing cost overrun	71
2.3	Statement showing status of CRF works as on December 2015	72
2.4	Statement showing extra expenditure due to providing unnecessary overlay with BM	72
2.5	Statement showing extra cost due to construction of GSB by adopting 'Mix in Place' method	73
2.6	Statement showing excess payment due to repetition of compaction item	73
2.7	Statement showing avoidable extra expenditure due to non-utilisation of excavated soil for embankment	74
2.8	Statement showing payment made without measuring the work done	74
2.9	Statement showing extra cost incurred	75
2.10	Statement showing adjustment cost for bitumen consumption	76
2.11	Statement showing short recovery on account of incorrect base percentage of bitumen	78
2.12	Statement showing avoidable expenditure due to incorrect adoption of technical specification for primer coat	79
2.13	Statement showing star rates payable	80
2.14	Statement showing deficiencies in selection of beneficiaries	81
2.15	Statement showing installation in non-feasible cases	82