

## **Chapter –III: CCO BASED AUDIT**

### **ANIMAL SHEEP HUSBANDRY DEPARTMENT**

*The Animal and Sheep Husbandry Department in Jammu & Kashmir is entrusted with the task of genetically improving the livestock of the State by providing exotic variety of bulls and rams to the farmers, increasing production of mutton, milk, egg and other poultry products, and making the State self-sufficient with regard to these products. A CCO based audit of the department covering the period 2005-10 indicated that these objectives had not been achieved in full mainly due to non-utilisation of available funds, non-issuance of adequate number of bulls/rams, and inadequate supply of medicines to farmers for prevention and treatment of diseases to the livestock.*

#### **Highlights**

- *Perspective plan had not been prepared. Persistent savings at the close of financial years had resulted in a loss of assistance amounting to ₹ 2.29 crore to the State.*

*(Paragraphs: 3.9 and 3.11.1)*

- *The department had not improved the quality of indigenous breed to the envisaged exotic level of 70 per cent, as brought out in the Status Report, due to shortage of bulls in the departmental farms for production of semen-straws required for artificial insemination.*

*(Paragraph: 3.11.2)*

- *Due to non-utilisation of the programme funds, the implementation of various centrally Sponsored Schemes had not yielded the envisaged benefits.*

*(Paragraph: 3.11.8)*

- *Inability of the department to utilise programme funds in full had resulted into non-achievement of the goal of making the State self-reliant in milk, poultry and poultry products and increased dependence on imports.*

*(Paragraphs: 3.11.9 and 3.11.10)*

- *Procurement of medicines, particularly the FMD vaccine, had been insufficient to immunize the entire population of the livestock due to which the livestock continued to be exposed to morbidity risks.*

*(Paragraph: 3.11.14)*

- *Internal control mechanism was inadequate and monitoring of programmes non-existent.*

*(Paragraph: 3.14)*

### 3.1 Introductory

Jammu and Kashmir, with a total geographical area of 2.22 lakh square kilometres, is hilly and mountainous. Seventy nine *per cent* of its population reside in rural areas with agriculture and animal/sheep husbandry as their main occupation. Seventy *per cent* of the livestock population exist in hilly and difficult areas and only 30 *per cent* exist in irrigated belt. Cross-bred and improvised livestock is available only in the irrigated and plain belt of the State.

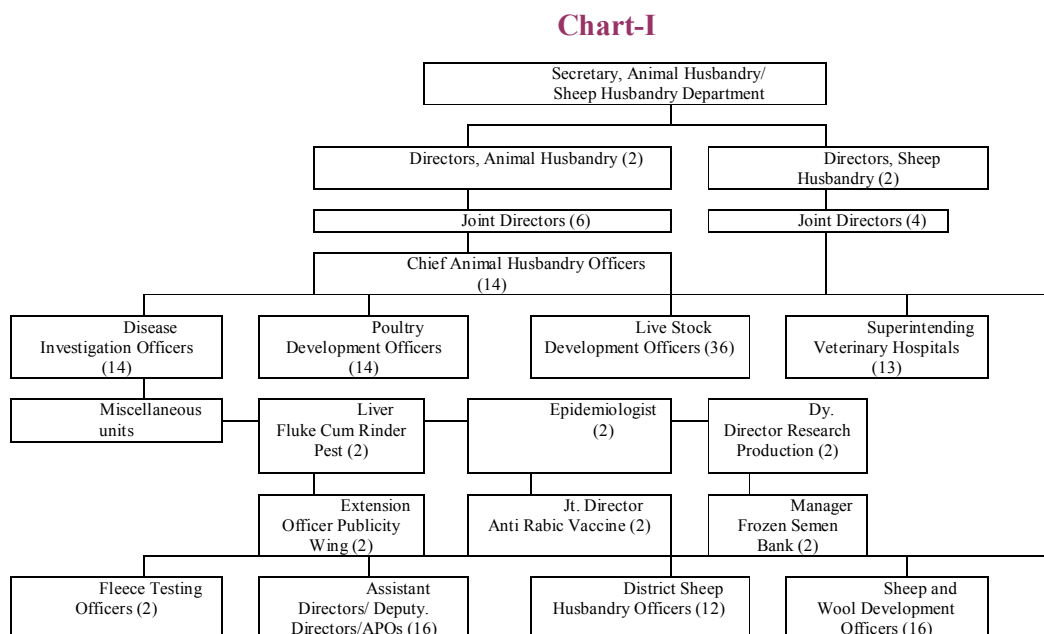
The welfare of the section of society engaged in the rearing of livestock is taken care of by the Sheep and Animal Husbandry Departments.

### 3.2 Overview of the Department

Cattle-rearing, as an ancient traditional activity, is enmeshed in the socio-economic structure and fabric of the rural population of the State, and undertaken not only for production of meat but also for value-added by-products such as wool, skin, hides, milk and manure. Considering the utility of this sector in the overall development of the State, a full-fledged Department of Animal and Sheep Husbandry was established. With the introduction of new schemes under State and Central Sectors, the workload of the Department increased and the Department was bifurcated in 1965 into two separate Departments of Animal Husbandry and Sheep Husbandry.

### 3.3 Organisational set up

The organisational structure of the department is depicted in the following chart:



### 3.4 Scope of Audit

A review of the activities of the Animal and Sheep Husbandry Departments was last conducted in 2004-05 and incorporated in the Comptroller and Auditor General's Audit Report for the year ended 31 March 2005.

The present Chief Controlling Officer (CCO) based audit is the first attempt of its kind and due care has been taken to make it complementary to the conventional review. The audit was carried out during July 2009 to March 2010 and covered the period from 2005-06 to 2009-10.

### 3.5 *Audit objectives*

The focus of the audit has been on assessing the performance of the Departments in discharging their responsibilities with regard to implementation of schemes and to see whether:

- the-schemes were properly planned and efficiently executed;
- poultry backyard/dairy units and sheep and goat farms were established as per the guidelines;
- adequate steps were taken to popularize the rearing of livestock;
- adequate infrastructure was created for preservation, processing and marketing of milk, eggs, meat, mutton and wool;
- the expenditure incurred was reported correctly at all levels; and
- mechanism for effective monitoring, evaluation and reporting existed.

### 3.6 *Audit criteria*

The performance of the departments was benchmarked against the following audit criteria:

- Government notifications and instructions issued from time to time for implementation of the State and Centrally Sponsored Schemes.
- Departmental Manual/Policies /Rules and Regulations.
- State financial rules.
- Budget manual.
- State Government's vision document of 2002.

### 3.7 *Audit methodology*

An entry conference was held with the Secretary, Animal/Sheep Husbandry Departments, J&K in August 2009 wherein audit objectives, criteria and scope of audit were discussed. An exit conference was also held at the conclusion of the audit.

### 3.8 *Audit coverage*

Seventy three units (Jammu: 44; Kashmir: 29) including *inter alia* four Directors, eight Joint Directors, six Deputy Directors, five Assistant Directors and 27 CAHOs/DSHOs out of a total of 163 units were selected for CCO-based audit of Animal and Sheep Husbandry Departments. Out of ₹ 887.57 crore spent during 2005-10, ₹ 141.68 crore was test-checked in audit.

### 3.9 Planning

Proper planning is essential for success of a programme. A long term perspective plan is an appropriate framework to prioritize funds and multi-year schemes based on base-line surveys and gap analysis. It serves as both a roadmap and a long-term action plan, against which actual transfer of the intended benefits of the schemes to the target groups can be bench-marked during performance evaluation and mid-course corrections should flow from and be consistent with the prioritizations and goals set forth in the Perspective Plan.

It was, however, seen that no long-term perspective plans had been formulated by the departments and Annual Action Plans were not based on inputs from field offices. The fund projection in Annual Action Plans had been made on the basis of 10 per cent escalation over the previous year's expenditure instead of activities to be undertaken during the year.

### 3.10 Project Management

The activities undertaken by the Animal and Sheep Husbandry departments are distinct and different from one another. Accordingly, the audit observations in respect of the two departments have been discussed separately under paras 3.11 and 3.12 below.

### 3.11 Animal Husbandry

The Animal Husbandry Department is mandated with the task of increasing production of milk, eggs, poultry and meat, besides providing employment to the local population through establishment of dairy and poultry backyard units in the private sector. The objectives were to be achieved through cross-breeding of cow with exotic Holstein Frison (HF) and *Jersey* breeds and up-gradation of Buffaloes with *Murrah* and *Neeli Ravi* breeds of buffs of exotic variety through artificial insemination, besides providing health-care and diagnostic facilities to the livestock.

#### 3.11.1 Financial management

Efficient financial management of funds by proper planning of programme activities through timely release of funds from one level to another was imperative. The position of allotment of funds during 2005-10 and expenditure thereagainst is given in the table.

**Table 3.1**

(₹ in crore)

Year	Allotment			Expenditure			Savings
	State budget	GOI***	Total	State budget	GOI	Total	
2005-06	88.15	5.88	94.03	85.57	2.71	88.28	3.17
2006-07	96.08	7.21	103.29	92.98	4.77	97.75	2.44
2007-08	100.89	4.94	105.83	96.96	3.70	100.66	1.24
2008-09	136.80	6.16	142.96	127.20	3.80	131.00	2.36
2009-10	146.46	6.17	152.63	132.82	4.49	137.31	1.68
<b>Total</b>	<b>568.38</b>	<b>30.36</b>	<b>598.74</b>	<b>535.53</b>	<b>19.47</b>	<b>555.00</b>	<b>10.89</b>

\*\*\*.(Indicates the position of availability of funds including revalidated funds out of the unspent balances.)

It is clear, the percentage utilisation of GOI funds was not upto the mark and ranged between 46 and 75 *per cent* during 2005-10. Non-utilization of funds to this extent impacted the overall implementation of the programme as discussed in the subsequent paragraphs under 'implementation' (Para 3.11.2).

Following significant points were noticed.

- Overall administrative expenses during 2005-10 was ₹.505.44 crore which constituted 91 *per cent* of the total expenditure of the Department. This is indicative of the fact that there were very little funds available for development activities in the State.
- Rules provide that expenditure should be evenly distributed over the year. It was, however, observed that there was rush of expenditure at the fag end of the financial year in the offices of the two Directors (Jammu, Srinagar). The percentage of expenditure in the last quarter of the financial year 2008-09, test-checked in audit, was 71 *per cent* of the allotment in these two offices and was largely on purchase of medicines, flow of which to the field functionaries for use should have been regular and throughout the year.
- For nine projects approved (2005-06) for strengthening of poultry/duck farms, the GOI released the first part of the assistance of ₹ 3.83 crore during 2006-09. Out of this, ₹ 1.40 crore was spent by the department during 2006-10 and the balance ₹ 2.43 crore had remained unspent. As the utilisation certificates for the funds were not submitted to the GOI, the second instalment of ₹ 2.29 crore had not been released. The Joint Directors stated (December 2009) that the funds could not be utilised due to non-finalisation of the guidelines/rate contract for the feed mixing plants by the Directors. The reply underscores the lack of seriousness of the department and as a result central assistance could not be availed which would have helped in better implementation of the scheme.
- The department had diverted programme funds to the extent of ₹ 1.11 crore (State plan: ₹ 15.33 lakh and CSS: ₹ 95.83 lakh) to various activities, not related to the programme. The Joint Director, Farms/CEO, NPCBB, Jammu stated that the expenditure was incurred as per the Annual Action Plan. The reply has to be viewed in the light of the fact the Annual Action Plan referred to by the Joint Director was not approved by the competent authorities viz., Director/GOI.

### 3.11.2 Implementation

To increase milk production, an interim cattle breeding policy was formulated (January 2002) wherein an optimum level of 50 to 62.5 *per cent* of exotic breed cattle was to be maintained. The graded bulls to be used were to be locally selected. However, under a subsequent status report (2009) the Government targeted increasing the proportion of exotic breed cattle to 70 *per cent* by introducing *Murrah* or *Neeli Ravi* (exotic) buffalo variety breeds by the end of 11<sup>th</sup> plan. Audit check showed that exotic breed cattle population stood only at 34 *per cent* indicating dismal performance of the department in improving the quality of the breed.

Interaction with 160 livestock owners of four districts of Jammu province showed that approximately 80 *per cent* of cows were cross-bred, which was encouraging.

### **3.11.3 Cattle breeding**

The department was required to explore the possibility of procuring the required breed of bulls to meet the demand of germ plasma of required pedigree for upgrading the local indigenous cattle population to exotic breed.

To achieve the required exotic blood level and number of germ-plasma doses/semens straws for the female breedable population, the department was required to have adequate number of bulls in its farms. Audit observed that a huge gap existed between the requirement of germplasm doses/serum straws for artificial insemination and those produced, as detailed in the following table. This was due to the inadequate number of bulls available in the departmental farms.

**Table 3.2**

*(In number)*

Year	Semen-straws/germ plasma doses		Shortage of doses (percentage)
	Requirement	Production	
2005-06	5,02,714	3,25,803	1,76,911 (36)
2006-07	4,97,104	4,57,930	39,174 (08)
2007-08	5,56,680	4,95,300	61,380 (12)
2008-09	6,03,815	5,70,280	33,535 (06)
2009-10	5,73,641	5,68,730	4,911 (01)

*(Source: Figures provided by JDs Farms)*

As a result the department had to spend ₹ 45.62 lakh on purchase of germ-plasm from outside the State during 2005-09. The Director, AH, Srinagar failed to offer any response.

### **3.11.4 Storage of semen straws**

For storage/preservation of the semen-straws, the department needed to have Liquid Nitrogen Plants (LNP) in adequate number. Out of 13 LNPs (Kashmir: 8; Jammu: 5), five LNPs (Kashmir: 2; Jammu: 3) had become non-functional during 2003-10. The department, to meet its requirement, had to purchase Liquid Nitrogen Gas for ₹ 8.81 lakh from outside the State. When pointed out, the Director, AH, Kashmir stated that storage capacity for semen straws was inadequate as the LNPs at Ranbirbagh - I&II and Jammu were very old and beyond economic repairs. The reply indicated that the department had neither initiated any action to procure new plants nor got the non-functional plants repaired.

### **3.11.5 Distribution of bulls**

To improve the indigenous breed of cattle, National Project on Cattle and Buffalo Breeding (NPCBB) scheme funded by the GOI was introduced (2005-06) in the State which provided for 100 *per cent* coverage of breedable cows and buffaloes through artificial insemination and natural service. As per the scheme bulls are to be provided free of cost which were to be reared by private farmers for which nominal natural service fee is charged from the farmers. Apart from creation of necessary

infrastructure, the department had to purchase bulls for issuance to farmers and machinery and equipment to make the artificial insemination facility available to farmers at their doorsteps. Despite release of funds by the GOI in 2005-06, the programme was started only in 2006-07 (Kashmir) and 2007-08 (Jammu). Out of ₹ 4.06 crore released by the GOI for strengthening of frozen semen bank, ₹ 2.93 crore had been spent on purchase of 61 bulls (₹. 8.36 lakh) and machinery/equipment (₹ 1.89 lakh) and an amount of ₹ 95.83 lakh had been diverted for purchase of various items not related to the scheme while ₹ 1.13 crore remained un-utilized at the end of March 2010.

Out of 61 bulls purchased (March 2009 and 2010), only 39 bulls purchased in March 2009 had been issued to the farmers while the balance bulls were being kept in the departmental farms. The Joint Director, Farms, Jammu stated (March 2010) that the bulls available with the department would be issued on demand. Audit, however, observed that at no stage had the department worked out the demand of bulls required for issuance.

The purchase/issuance of bulls to farmers was particularly important because 160 farmers contacted by Audit showed preference for natural service method for breeding through issuance of improvised breed of bulls over artificial insemination (AI) method for breeding due to the very low pregnancy rate achieved by AI.

### 3. 11.6 Targets and achievements

Physical targets and achievements in respect of various activities undertaken by the department during the period 2005-10 are given below:-

Table 3.3

(Number in lakh)

Activity	2005-06		2006-07		2007-08		2008-09		2009-10	
	Target	Ach.	Target	Ach.	Target	Ach.	Target	Ach.	Target	Ach.
Artificial Insemination	3.88	4.45	4.40	4.28	4.40	4.77	4.62	4.92	5.45	6.49
Births recorded	1.44	1.69	1.74	1.85	1.77	2.09	1.92	1.58	2.12	2.69
Natural service <sup>1</sup>	0.13	0.16	0.13	0.06	0.03	0.07	0.06	0.02	0.07	0.62
Castration done	1.26	1.21	0.83	1.22	1.20	1.25	0.92	1.26	1.32	1.26
Vaccination done	91.00	117.52	100.28	117.59	103.59	109.77	106.68	115.00	116.53	116.51
Dosing performed	26.81	30.10	28.85	36.14	30.75	39.38	30.80	38.02	32.68	36.86
Cases treated (Need-based)		35.03		39.05		38.62		37.37		35.75

(Source: Directors, AH, Kashmir and Jammu)

It would be seen that the achievements in respect of various activities was invariably more than the target fixed for the respective years which was apparently due to fixing

<sup>1</sup> Information in respect of Kashmir was awaited.



of targets on *ad hoc* basis without taking cognisance of the fact that achievement during the previous years was always more than the target fixed for those years. The Joint Director, Farms stated (March 2010) that the targets were fixed by adding 10 *per cent* to the achievements of the previous year. The reply of the department is acceptance of the fact that targets were fixed in *ad hoc* manner and not based on the actual population of livestock and availability of resources.

### **3.11.7 Fodder production**

To overcome deficiency (which was in the range of 45 to 47 *per cent*) in fodder, the department had distributed 74,707 mini kits, received from GOI during 2007-10, to farmers/cattle growers. However, during audit it was observed that the criteria for distribution of fodder mini-kits to the beneficiaries and the list of beneficiaries were not available with the department. In the absence of the criteria and the list, the genuineness of the beneficiaries to whom the kits had been issued could not be ascertained in audit. It was also observed that no monitoring to assess the impact of the programme on fodder production and economic status of the beneficiaries had been undertaken by the department. The Director, AH, Jammu stated that the kits had been distributed to small and marginal farmers having spare land for growing grass but did not provide reasons for not adopting a prescriptive process for identification or monitoring the progress and impact of the programme.

Following further points were noticed:

- Audit scrutiny revealed that out of ₹ 55 lakh released (2008-09) to the department under 'centrally sponsored scheme for fodder developments', ₹ 7.14 lakh only had been spent (2008-09) on leveling of farm at Lam, Nowshera. The balance ₹ 47.86 lakh had remained unutilized as of 31 March 2010. The JD, did not furnish reasons for non-release of the balance funds to the CAHOs for fodder production.
- To overcome the fodder deficiency and to avoid dependence on private suppliers for the Government livestock, the department had advanced (1989-92), ₹ 66 lakh to the Land Acquisition Officer (LAO), Baramulla for establishment of a fodder farm at Asham, Tehsil Sonawari for which a piece of land measuring 414 *kanal* and 01 *marla* was identified. The LAO had not so far (March 2010) been able to acquire the required land due to non-fixation of the rates with land owners. This had resulted in continued dependence of the department on private suppliers besides locking of funds for over 17 years. The Forage Production Officer, Sheep Husbandry, Kashmir stated that the land for the establishment of fodder farm had been identified at Singhpore, Delina and Baramulla and that acquisition of land would be processed immediately after receipt of the techno-feasibility report.

### **3.11.8 Centrally Sponsored Schemes**

To increase milk production, through genetically improved cattle, other than NPCBB discussed in para 3.11.5 ante, two CSS programmes, viz. Integrated Dairy



Development Programme (IDDP) and Tribal Sub Plan were introduced in the State during 1999-2000 and 2005-06 with 50 *per cent* and 100 *per cent* central assistance respectively. The schemes are discussed hereunder.

*(i) Integrated Dairy Development Programme (IDDP)*

The basic objective of the scheme is to provide better veterinary aid facilities by way of immunization and treatment, strengthening existing infrastructure, creating employment for un-employed youth by establishing dairy units, etc. The IDDP project was launched in six districts<sup>2</sup> of the State. Out of the central assistance of ₹ two crore allotted during 2005-10, ₹ 1.47 crore only, had been utilized, leaving ₹ 52.61 lakh unreleased/unspent with the Directors at the close of March 2010. Following points were noticed:

- Under the scheme, heifers were to be purchased and distributed to beneficiaries selected by the DDCs in four<sup>3</sup> districts. Four CAHOs test-checked in audit showed that ₹ 51.37 lakh drawn (July 2009) by three CAHOs<sup>4</sup> had been kept in banks and no heifers were purchased till March 2010, due to non-identification of the beneficiaries. The CAHOs Baramulla and Budgam stated that funds could not be utilized due to paucity of time. The CAHO Kupwara stated that the matter would be looked into. This was indicative of the casual approach of the department in providing benefits to the rural poor to be covered under the scheme.
- Out of ₹ 70.42 lakh released (1999-2008) for establishment of dairy units, the CAHO, Udhampur spent ₹ 23.93 lakh on establishment of 301 dairy units. Regarding the balance ₹ 46.49 lakh which was shown to have been released by the Director, the CAHO stated that the amount had not been received by him. The reason for the mismatch between the two sets of figures, though called for, was not provided by the Director, AH, Jammu.

*(ii) Tribal Sub Plan Programme.*

The scheme was launched (1999-2000) in the State for establishment of dairy units, creation of infrastructure facilities, fodder production and providing marketing facilities to the rural poor, especially those living in forest villages. The scheme is funded by the GOI and the State on 50:50 sharing basis. Out of a total allotment of ₹ 3.33 crore, an expenditure of ₹ 2.01 crore only was incurred during 2007-10; as a result, unspent balances had accumulated to ₹ 1.32 crore (March 2010).

The position of allotment, expenditure, targets fixed and those achieved thereagainst in respect of five (out of 20 test-checked) CAHOs is given hereunder:

<sup>2</sup> Jammu, Udhampur, Rajouri, Budgam, Baramulla and Kupwara

<sup>3</sup> Baramulla, Kupwara, Badgam and Udhampur

<sup>4</sup> Baramulla: ₹ 17.44 lakh; Budgam: ₹ 17.68 lakh; Kupwara: ₹ 16.25 lakh

Table 3.4

(₹ in lakh)

District	Allotment/Release	Expenditure	Targets	Achievement	Percentage Shortfall
			In number		
Kupwara	19.86	19.40	199	194	3
Budgam	3.10	3.10	31	31	-
Pulwama	3.58	2.16	36	21	42
Baramulla	12.67	12.67	126	126	-
Kathua	43.81	37.30	438	373	15
<b>Total</b>	<b>83.02</b>	<b>74.63</b>	<b>830</b>	<b>745</b>	

(Source: CAHOs)

Above table shows shortfalls in the achievement of targets by 42 and 15 per cent in CAHOs, Pulwama and Kathua, respectively. Non-achievement of targets and accumulation of balances was attributed by the CAHOs to non-identification of beneficiaries (Kathua) and non-acceptance of cows for purchase by the committee (Pulwama). It indicates that release of funds to the CAHOs by the Director was not based on the requirement and was a mere formality in the absence of finalisation of the list of targeted beneficiaries.

### 3.11.9 Milk production

The main objective of investment by the Government was to increase milk production in the State. Although targets fixed were achieved in full yet the increase in milk production had not reduced the dependence of the State on imports from other states which had increased from 78,016 tons in 2008-09 to 78,126 tons in 2009-10. In view of the ever-increasing dependence of the State on imports, making the State a milk-surplus, as brought out (2009-10) in the Vision document on the Sector, was yet a remote possibility.

Following further points were noticed:

To enhance availability of milk to the consumers, three Milk Chilling Plants (MCPs) had been established. The status of the plants as on date is given in the table below.

Table 3.5

(₹ in lakh)

Name	Status	Date of completion	Amount spent	Remarks
Sudhra, Rajouri	Non-functional	April 2007	63.70	Against the requirement of 10,000 litre of water per day, availability was found to be in the range of 2000 litre only.
Pulwama	Work yet to commence	-	10.05	Land for the project has not been identified. ₹. 6.05 lakh advanced to LAO. and Rs four lakh advanced to Milk Federation for procurement of machinery diverted to Pulwama Municipality .
Datyal, Kathua	Completed	2003	67.80	The plant has been made functional in May 2009.

Out of three plants, only one plant at Datyal, Kathua had been made functional, after a time overrun of over six years. The MCP at Rajouri constructed at a cost of ₹ 63.70 lakh did not have adequate quantity of water required to run it properly. To get the problem solved, a detailed estimate for ₹ 66.67 lakh was received from PHE Division,

Rajouri which had been forwarded (November 2007) to the Director, Animal Husbandry, Jammu had not been approved. In view of the magnitude of the cost involved, the department contemplated transfer of the plant to J&K Milk Federation. Investment of substantial funds without ascertaining the availability of water which was a pre-requisite for running the plant satisfactorily indicated improper planning.

### 3.11.10 Poultry production

The Animal Husbandry Department is also mandated with increasing production and quality of poultry meat and eggs by providing day-old chicks to farmers, supply of chicks to various poultry demonstration centers for distribution to the progressive farmers, after rearing them for 2-3 months, providing health coverage facilities to the poultries and setting up new poultries and backyard poultry units.

Following points were noticed:

- To provide day-old chicks (DOC) to the farmers, nine<sup>5</sup> hatcheries had been established in the State. Out of nine<sup>6</sup>, only five hatcheries were functional as of March 2010. The dates from which the hatcheries had become non-functional and the reasons put forth by the department thereof are given in the table.

**Table 3.6**

Sl. No.	Name of the Hatchery	Year since non-functional	Reasons
1.	Sumbal	2000-01	Occupation of the poultry building by security forces.
2.	Mattan	May 1997	Hatchery closed due to non-providing of running cost by the Government
3.	Poonch	2006-07	Closed due to depleted rearing space.
4.	Doda	2007-08	Production affected due to unsafe building since 2005 and production ultimately stopped in 2007-08.

The Poultry Project Officer, Mattan stated (September 2009) that the hatchery had been made functional during 2009. Action taken to make the closed/non-functional hatcheries, shown in the above table, functional was not intimated.

To boost production of poultry mutton, eggs, day-old chicks and establish backyard poultry units, the GOI launched (2005-06) a CSS 'Assistance to Poultry/Duck farms' with 80 *per cent* central assistance for completion in five years. The programme was to be implemented through JDs of Kashmir and Jammu who were to act as nodal officers.

Nine projects (Kashmir: 5; Jammu:4) were approved (2006-07) at a total project cost of ₹ 7.65 crore (Centre share: ₹ 6.12 crore; State share: ₹ 1.53 crore) for seven components<sup>7</sup> to be undertaken under each project. The projects were to be undertaken with defined amount earmarked for each component. Against the total project cost,

<sup>5</sup> Including one hatchery under CSS established in November 2009 at Hiranagar

<sup>6</sup> Jammu, Udhampur, Kathua, Doda, Poonch, Rajouri, Mattan, Sumbal and Hiranagar

<sup>7</sup> Revolving Fund: ₹ 15 lakh, Marketing infrastructure: ₹ 8 lakh, Strengthening/training: ₹ 5 lakh, Strengthening poultry/duck farms: ₹ 5 lakh, Poultry demonstration centre: ₹ 19.10 lakh, Strengthening hatcheries ₹ 8.50 lakh and Strengthening of poultry farms: ₹ 24.40 lakh.

the GOI released only ₹ 3.83 crore. The State Government also allotted only ₹ 59.70 lakh out of its share. Even the funds released by the GOI had not been utilised in full and the unspent balances at the close of financial year 2009-10 was ₹ 2.43 crore which constituted 63 *per cent* of the funds released by the GOI. Likewise, only ₹ 44.12 lakh out of the funds allotted under State share had been spent.

The position of funds allotted to each project and expenditure incurred are given in the table below:

**Table 3.7**

(₹ in lakh)

Project	Allotment			Expenditure			Period
	SS	GOI	Total	SS	GOI (percentage)	Total	
Belicharana	21.36	72.32	93.68	21.34	58.71 (81)	80.05	2005-10
Kathua	15.41	42.44	57.85	8.92	25.88 (61)	34.80	2005-09
Udhampur	-	65.29	65.29	-	3.99 (06)	3.99	2005-10
Doda	-	65.18	65.18	-	20.23 (31)	20.23	2005-10
Hariparbat	12.93	70.82	83.75	6.12	10.33 (15)	16.45	2005-09
Mattan	10.00	20.38	30.38	7.74	5.89 (29)	13.63	2005-09
Athwajan	-	27.83	27.83	-	0.20 (01)	0.20	2005-09
Achabal	-	9.50	9.50	-	7.50 (79)	7.50	2008-09
Sumbal	-	9.25	9.25	-	7.50 (81)	7.50	2008-09
<b>Total</b>	<b>59.70</b>	<b>383.01</b>	<b>442.71</b>	<b>44.12</b>	<b>140.23 (37)</b>	<b>184.35</b>	

(Source: Figures collected from the two Directors.)

The expenditure pattern indicates the tardy implementation of the project.

The JD/CAHOs attributed non-utilisation of funds to hatcheries having been occupied by the security forces (Sumbal), shortage of funds (Achabal), inadequate funds having been released for each activity (Udhampur) and money having been advanced to the executing agencies for construction of poultry sheds (Kathua). This indicated that funds had been released by the Directors to the subordinate offices without taking cognizance of the ground realities.

The data collected from the two projects showed discrepancies between the figures of releases made by the Director, Jammu with those actually shown to have been received by the Project Officers.

**Table 3.8**

(₹ in lakh)

Project	Amount released by the Director	Amount received by the Project	Excess (+)/less(-)
Kathua	42.44	21.25	(-) 21.19
Udhampur	65.29	10.01	(-) 55.28

Probability of fraud/embezzlement could not be ruled out unless the discrepancies are reconciled at the earliest. Further, CAHO, Udhampur indicated the expenditure from Central funds as ₹ 1.66 lakh which was far less than that shown by the Director to have been expended by the CAHO. The above variations indicated that the progress reports maintained by the Director, Jammu were not based on the inputs from the subordinate offices.

### 3.11.11 Mortality

Success of a poultry project, besides depending on the physical existence of birds and their rearing, also depends upon the maintenance of the livestock. It was seen in audit that against the prescribed mortality rate of 5 per cent, huge mortality of day-old chicks (DOC) ranged from 16 to 50 per cent (Jammu: 16 – 30 per cent; Kashmir: 26 - 50 per cent) had been recorded in the two regions during 2006-09. This translated into a loss of ₹ 33.94 lakh<sup>8</sup> (after excluding the acceptable 5 per cent mortality) during 2006-09. The Joint Director, Poultry (JDP), Kashmir stated that the mortality of poultry stock in recent years was due to ever increasing human population around the farm area. The PDO, Poonch (Jammu) attributed the mortality to unfriendly climatic conditions and carriage of DOC to the far-flung areas. The reply is not acceptable as the prescribed mortality rate is expected to have factored in various operational hazards including distances to travel and climatic conditions.

### 3.11.12 Targets and achievements

The Department had not fixed the targets for production of Eggs and DOCs in departmental farms. It was noted that the production of Egg had decreased from 11.14 lakh (2005-06) to 7.69 lakh (2009-10). Similarly, the production of DOC had also decreased from 3.87 lakh (2005-06) to 3.01 lakh (2009-10). As a result the State had to rely on import of poultry products. The JDs attributed decrease in production to closure of hatcheries due to unsafe buildings and lack of infrastructure. The reply of the Director should be viewed in the light of the fact that the department had failed to plan things properly by utilising funds provided under the programmes so that production could be improved.

### 3.11.13 Medicines

To provide medicines/vaccines to the farmers to reduce mortality of animals, the GOI introduced (2003-04) a CSS, 'Assistance to States for Control of Animal Diseases (ASCAD)' on 75:25 sharing pattern for implementation in both the Animal and Sheep husbandry sectors. The position of funds allotted during 2005-10 and expenditure incurred thereagainst is given below.

**Table 3.9**

(₹ in lakh)

	2005-06	2006-07	2007-08	2008-09	2009-10
<b>(A) Funds released</b>					
Centre Share	180.24	187.31	156.16	170.86	299.37
State Share	60.31	38.02	28.45	12.00	3.66
<b>Total</b>	<b>240.55</b>	<b>225.33</b>	<b>184.61</b>	<b>182.86</b>	<b>303.03</b>
<b>(B) Expenditure</b>					
Central Share	110.52	153.46	134.05	151.49	189.98
State Share	33.69	37.83	28.45	12.00	3.64
<b>Total</b>	<b>144.21</b>	<b>191.29</b>	<b>162.50</b>	<b>163.49</b>	<b>193.62</b>
<b>Savings (%age)</b>	<b>96.34 (40)</b>	<b>34.04 (15)</b>	<b>22.11 (12)</b>	<b>19.37 (11)</b>	<b>109.41 (36)</b>

(Source: Directors AH, Kashmir and Jammu)

<sup>8</sup> (67,873x 50) mortality multiplied by approximate cost

The table indicates that the department had failed to utilise the funds in full with savings ranging between 11 *per cent* and 40 *per cent*. The savings were particularly high at 40 *per cent* and 36 *per cent* during 2005-06 and 2009-10, respectively. The Director, Animal Husbandry, Kashmir (April 2010) attributed the savings to late receipt of funds/central share.

### **3.11.14 Purchase and distribution**

Medicines were purchased by the department from the authorized dealers at rates approved by the State Level Purchase Committee (SLPC) and were verified by the technical committee before inventoring them to the central store. Audit check showed that no reconciliation was ever conducted between central store, district officers and the Block Veterinary Officers (BVOs).

Audit further found that the basic data of age-wise population of cattle, number of male/female cattle, pregnant animal and morbidity patterns were not available in any of the 21 test-checked block level centers. This indicated that the requirements of vaccines had been worked out tentatively at the block/centre level and forwarded to the district officers for consolidation.

This was illustrated by the fact that the department had not procured the actual quantity of vaccines required by it to control the foot mouth disease (FMD). Audit check showed that shortfalls in requirement and purchase/issue to farmers had ranged between 38 and 52 *per cent* during 2005-10 which meant that a very high proportion of the animal population of the State was at risk of contracting the disease. The Director, Animal Husbandry, Kashmir (April 2010) attributed shortfall in purchase of medicines to non-availability of sufficient funds which was not true as the department had sufficient funds (Table-3.9) at its disposal to meet its requirements.

144 of the 228 livestock owners interviewed expressed unhappiness over this issue saying that the drugs/medicines demanded were not available in the BVOs.

Following significant points were also noticed:

- Medicines are issued by the department to the farmers at subsidized rates through Block Veterinary Centres. It was seen that the recoverable cost had accumulated to ₹ 57.97 lakh (Jammu: ₹ 18.67 lakh, Kashmir: ₹ 39.30 lakh) at the close of the financial year 2009-10. The reply of the department that it was a continuous process could not be confirmed in audit because the department had not done any age-wise analysis of recoverable cost of the drugs/vaccines issued by it.
- The vaccine Lasota required for treatment of poultry birds is manufactured and supplied to the departmental farms by the Government-owned Anti-rabic Vaccine Laboratory, RS Pura. For other vaccines, two laboratories established (2003-04), one each at Srinagar and Jammu, at a cost of ₹ 24.37 lakh could not be made functional due to non-availability of technical staff, with the result the requirement was met during 2006-10 by procurement from outside sources at a cost of ₹ 5.34 lakh.

### 3.11.15 *Veterinary Hospitals*

Thirteen Veterinary Hospitals are functioning in the State. The main objectives of these Hospitals is to provide on-spot treatment / artificial insemination facilities, create awareness among the farmers/livestock owners about various developmental schemes of the Central and the State Governments, and make elaborate arrangements for the disposal of bio-medical wastes.

Only three, out of 13 Veterinary Hospitals, test-checked had their own buildings and sufficient infrastructure/equipments to execute the assigned job, viz. providing dozes, artificial insemination, dosing castration and providing on-spot treatment to the animals.

Audit noticed the following discrepancies.

- Surveillance Report provided by the department indicated that symptoms of animal disease like Foot and Mouth disease (FMD), Black Quarter (BQ), Fowl Duck cholera (FDC), Anthrox, Rani-khet disease (RKD), etc. had persisted in the livestock resulting in the mortality of the livestock.

On being pointed out, the department stated that the organisms usually undergo genetic re-assortments which makes the control of the disease difficult. The department, however, failed to clarify as to why immunisation of the entire susceptible livestock population could not be made in a phased manner so as to eradicate the disease completely despite the fact that sufficient funds had been made available to the department under ASCAD.

- The FMD vaccines are required to be stored within a temperature range of 0 to 8 degree Centigrade. It was seen that the Directorate had issued F.M.D vaccines costing ₹ 13.43 lakh in the off season and that BVO, Baramulla had stored the vaccines where no cold storage system was available which meant that the efficacy of these vaccines for further use was doubtful.

### 3.12 *Sheep Husbandry*

The main function of the department is to increase mutton and wool production, both qualitatively and quantitatively, through various programme activities as detailed below.

#### *Financial Management*

##### 3.12.1 *Allotment and Expenditure*

The position of allotment and expenditure for the Sheep Husbandry during the period 2005-10 is given in the table.



Table 3.10

(₹ in crore)

	Allotment			Expenditure			Savings
	State budget	GOI***	Total	State budget	GOI	Total	
2005-06	57.14	3.00	60.14	53.25	1.61	54.86	1.39
2006-07	59.90	4.41	64.31	56.29	1.63	57.92	2.78
2007-08	64.81	3.73	68.54	59.95	0.93	60.88	2.80
2008-09	79.52	4.68	84.20	75.41	1.34	76.75	3.34
2009-10	89.27	8.51	97.78	79.03	3.12	82.15	5.39
<b>Total</b>	<b>350.64</b>	<b>24.33</b>	<b>374.97</b>	<b>323.93</b>	<b>8.63</b>	<b>332.56</b>	<b>5.39</b>

\*\*\* (Indicates the position of availability of funds which include revalidated funds out of the unspent balances)

Audit scrutiny showed that only 7 per cent of the expenditure had been incurred on developmental activities for increasing mutton and wool production out of the total amount of ₹ 323.93 crore spent during 2006-10, the balance being administrative expenditure.

### 3.12.2 Programme implementation

The main activities of the department are to undertake extensive cross-breeding, open Sheep Extension Centres (SECs), provide adequate health coverage by way of dosing, vaccination, dipping and castration, and generate employment opportunities by establishing sheep and goat units. This is being done in sheep farms and facilities are also being provided through various extension centres of the department.

#### 3.12.2.1 Targets and Achievements

As per the records of the department, there was no overall shortfall in achievement of targets under mutton, wool production, dosing, vaccination, dipping, castration and breeding coverage. However, information available in six<sup>9</sup> test-checked units of the department revealed that there were overall shortfalls in the achievement of targets ranging between four and 32 per cent during 2005-10 as indicated in the following table. As such, the records of the department does not reflect the true picture:

Table 3.11

Nature of the activity	Targets	Achievements	Shortfall	Percentage Shortfall
Vaccination (In lakh)	61.94	42.17	19.77	32
Progeny born (in number)	10.79	8.80	1.99	18
Mutton Production (In tons)	437.48	391.83	45.65	10
Wool Production (In quintals)	95.98	86.04	9.94	10
Breeding coverage (in lakh)	12.84	11.30	1.54	12
Dosing (in lakh)	119.91	105.88	14.03	12
Dipping (in lakh)	65.05	62.59	2.46	4
Castrations (in lakh)	3.21	2.82	0.39	12

The reasons for shortfall was attributed by the DDOs to re-organisation of the district (DSHOs Jammu and Udhampur), poor nutritive value of pastures (DSHO Poonch),

<sup>9</sup> District Sheep Husbandry Officers: Jammu, Udhampur, Rajouri, Poonch; B.V.O Reasi A.P.O. Migratory Project Jammu

the targets having been fixed by higher authorities (BVO Reasi) and shortage of finance and manpower (DSHO Rajouri). The replies furnished by the DSHOs were indicative of the fact that the targets had been fixed by the department without taking into account all these factors.

### 3.12.2.2 Extension centres

Extension centres are the primary windows of the department for extending benefits of artificial insemination and providing medicines under the programmes, especially in far-flung areas. Against the requirement (based on live-stock population) of 2,874 extension centres for sheep and goat population of 57.49 lakh (sheep 36.80 lakh: goat: 20.69 lakh) in the State, only 870 centres (30.3 *per cent*) were functioning (March 2010). The Assistant Project Officer, Sheep Husbandry Department, Kashmir stated that creation of sheep extension centres as per sheep population norms had been proposed to the Government. Since the extension centres constitute a vital link in providing facilities to the breeders, shortage of 2004 centres was bound to hamper dissemination of information regarding incentives available under sheep and wool development programmes for the intended beneficiaries.

### 3.12.2.3 Goat farm

Only one goat farm at Rajbagh, Kathua, existed in the State, which had distributed 271 bucks during 2006-10. It was seen in audit that against the requirement of 41,380 bucks<sup>10</sup>, the department had distributed only 587 bucks since 1991. In view of the huge gap between the requirement and the distribution, improvement in the genetic breed of the goat in the State was not possible. It was stated that purchase of Beetal bucks was underway and 76 Beetal bucks were distributed during 2005-10 in Jammu division. Due to limited availability, bucks could not be provided to each extension centre.

Interaction with 68 breeders revealed that the breeders were generally satisfied with the performance of ram distribution. The breeders, however, complained about the non-availability of doctors in any of the sheep extension centres.

### 3.12.2.4 Breeding

According to the prescribed norms, 80 out of 100 ewes put to breeding, should lamb. Records showed that lambing *percentage* ranged between 15 and 85 during 2005-10 in Kashmir division. In Jammu division, the percentage of lambing remained more than 80 *per cent*, which was encouraging, except in sheep breeding farm, Panthal, where the lambing *percentage* was 63 during 2007-08. The reasons for low lambing in Kashmir Division were attributed (March 2010) by the AD, Dachigam to spread of disease at the sheep breeding farms. The Deputy Director, Sheep Breeding Farm, Daksum stated that efforts had been made to achieve the breeding performance as per norms. However, specific action contemplated to control the disease was not intimated.

<sup>10</sup> Calculated at the rate of one buck per 50 goats

### **3.12.2.5 Distribution of rams**

Sheep breeding farms, being reservoirs of exotic germ plasm, rams produced at these farms were required to be distributed to the field for mating with local ewes for genetic improvement of livestock. However, a few rams were to be retained in the farms for maintaining the prescribed ratio for in-house breeding. Records of 12 sheep farms revealed that out of 6,529 rams produced during 2005-10, 3,651 rams were distributed in the field for providing breeding coverage and 2,901 were retained which was in excess of requirement<sup>11</sup>. This resulted in substantial reduction in propagation of exotic germ plasm.

The Deputy Director, Sheep Breeding Farm, Daksum stated that during 2005-10, the rams were not up to mark for breeding purposes due to which the department was not in a position to distribute such rams. The Deputy Director, Sheep Breeding Farm, Dachigam stated that due to disease, the lifting/transportation of these animals to other places was temporarily suspended and non-availability of transport and often rigid selection adopted by breeders were the reasons for not lifting the full consignment of rams. The Deputy Director, Sheep Breeding Farm, Billawar stated that one ram was not sufficient for performing natural service to 50 ewes whereas the Deputy Director, Sheep Breeding Farm, Reasi stated that the rams were retained on the advice of the veterinary doctors. The replies of the officers are indicative of deficiencies in the department and non-uniform policy regarding distribution, etc.

### **3.12.2.6 Mortality**

The mortality rate should be low in departmental livestock keeping in view the availability of healthcare facilities. 10 *per cent* mortality of the livestock has been fixed as a permissible limit. Mortality was in excess of permissible limit in sheep breeding farms at Daksum (11.60 *per cent* in 2005-06), Kralpatheri (15.74 *per cent* in 2005-06 and 11.43 *per cent* in 2006-07), Poshnar (14.92 *per cent* in 2005-06 and 37.47 *per cent* in 2006-07) and Kewa (17.64 *per cent* in 2005-06, 11.54 *per cent* in 2006-07 and 16.52 *per cent* in 2008-09). It also exceeded the permissible limit during some years during 2005-10 in departmental extension centres in the Districts of Pulwama, Budgam, Baramulla, Anantnag, Kupwara and Srinagar.

Director, Sheep Husbandry, Kashmir stated (February 2010) that the mortality at sheep breeding farms was due to emergence of an obscure disease with symptoms of abortion, still birth, neo-natal deaths, etc. and sudden onset of an unexpected hailstorm. The mortality at sheep breeding farm Kralipathri during 2005-06 was observed by the Investigation Committee to be a result of lackadaisical approach of some officials towards their duties.

### **3.12.2.7 Medicine**

The department had spent ₹ 5.78 crore on purchase of medicines under ASCAD at the approved rates of SLPC during 2005-10. Audit check showed shortfall (29-76 *per cent*) in availability of doses as tabulated below:

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<sup>11</sup> One ram for 50 ewes.

Table 3.12

Name of the vaccine	Year	Minimum requirement	Doses administered	Percentage shortfall
Sheep pox	2005-06	17.00 lakh doses	4.09 lakh	76
	2006-07	20.00 lakh doses	8.62 lakh	57
	2007-08	20.00 lakh doses	9.50 lakh	52
	2008-09	25.00 lakh doses	17.70 lakh	29

Sources: Departmental figures

The DSHOs stated that enough quantity of medicines was not supplied to them. Against the average requirement of ₹ 30 per animal for medicine fixed under the vision document (2009-10), the department was receiving just ₹ 4.18 per animal. The reply was unacceptable as the department had enough funds to purchase medicines which are borne out by the fact that the department had unspent balances at the close of each year which had accumulated to ₹ 1.09 crore at the end of 2009-10 (Table-3.10).

Audit scrutiny further revealed that the cost of medicines issued to the breeders through the BVOs at the subsidized rates of 25 per cent, 50 per cent and 75 per cent amounting to ₹ 13.72 lakh in respect of nine test-checked units of Jammu division had not been recovered in full. It was stated by the auditees that recovery of the cost of medicines was a continuous process and at no point of time the balance could be 'nil'. Recoverable cost of medicine had, however, not been worked out in the absence of which the year to which the recoverable cost pertained could not be ascertained in audit.

The general complaint of the breeders/ultimate beneficiary, however, was that they were not receiving medicines as per their requirement and instead medicines were issued to them as per the availability of medicines in the store. During interaction with 68 breeders of four DSHOs, it was seen that the breeders were not receiving any medicines even after repeatedly visiting the sheep extension centres. Medicines were not being made available to them at the doorsteps as envisaged; instead they had to go to main office at district headquarters to collect medicines defeating the purpose of creation of extension centres.

The Government stated (October 2010) that the complaints received from the breeders would be in isolated cases.

#### 3.12.2.8 Wool production

As per norms fixed by the department, the annual average of wool yield per sheep should be 2.50 to 3.50 kg. Out of 13 farms where exotic breed of sheep is being maintained, the average wool yield per animal per annum during 2005-06 to 2008-09 in 14 farms was only 1.60 kg. The percentage shortfall of wool yield ranged between 26 and 59 per cent during 2005-09. The Director, Kashmir stated that the quantitative and qualitative wool yield and average have declined gradually during the last two decades due to non-import of superior germplasm for the last seven years which adversely affected breeding and production of wool.

### ***Integrated Wool Improvement Programme under Technology Mission***

Integrated wool improvement programme under the Prime Minister Special Package was launched (2002-03) in the State with 100 *per cent* central assistance to improve the healthcare, nutritional improvement, establishment of multipurpose sheep and wool extension centers, etc.

Out of ₹ 8.02 crore allotted/released during 2002-09, ₹ 4.08 crore were spent on the relevant activities and ₹ 3.94 crore remained unspent at the end of March 2010 indicating inability of the department to utilize the funds in full. The scheme was discontinued in the 11<sup>th</sup> FYP and unutilized funds remained parked with the Finance Department. Therefore, the intended benefits of the scheme could not be derived in full.

### ***Wool Board***

The Wool Board was constituted with the objective of procuring Wool and Pashmina from primary growers and sale thereof after grading, combing, spinning, etc. Audit check showed that out of the wool valued at ₹ 19.54 lakh produced at the Government farms and sold to the Board during 2006-10, ₹ 8.12 lakh was still outstanding (March 2010) against it. Low performance of the Board was attributed in vision document, to recession in the wool trade, nationally and globally, with the result the Board could not sell wool as per its envisaged objectives. The Director, Sheep Kashmir stated that the matter was under active follow-up action.

#### ***3.12.2.9 Fleece Testing Laboratory***

There are two fleece testing laboratories one each at Srinagar and Jammu, to monitor the improvement in wool. It was seen that in 7671 wool samples randomly selected from Government sheep farms for fleece testing at Jammu, no quality-wise improvement had been noticed. The wool tested revealed that clean wool yield remained at 54 to 55 *per cent* only and objective of the department to improve wool production qualitatively had failed to yield the intended results. The Director, Sheep, Kashmir stated that poor nutrition and non-availability of vaccines/medicines and non-import of germ-plasm from outside the country had hampered production of quality wool. Failure of the department in procuring quality sheep/germ-plasm to maintain the quality of the local breed in the farms had resulted in non-achievement of the objectives for which the laboratories had been established.

### ***3.13 Infrastructure***

Out of the total allotment of ₹ 17.32 crore (2005-10), ₹ 14.71 crore had been spent on construction of 94 (out of projected 99) buildings. Five incomplete works taken up in 2003-04 had not been completed despite spending ₹ 88.96 lakh thereon upto March 2007. The works had remained incomplete for non-release of the balance funds to the extent of ₹ 25.32 lakh, which had been demanded by the executing agencies<sup>12</sup> from

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<sup>12</sup> PWD, Horticulture and Sericulture

time to time. Due to non-release of funds, ₹ 88.96 lakh spent on the works had proved unfruitful.

Funds did not seem to be a constraint as demanded by the agencies for completion of these works as ₹ 2.61 crore had been lying unspent with the executing agencies as against ₹ 24.95 crore advanced during 2005-10, works costing ₹ 14.71 crore only had been executed by the executing agency. Audit has seen that funds were being released to the executing agencies work-wise but no details thereof were available with/maintained by the Directors of the two departments. The Directors stated that the agencies were being requested to complete the works which indicated lack of monitoring mechanism in the department over the assets being created.

### 3.14 Internal control

Internal control system is a management tool used to provide assurance that the objectives are being achieved as planned. The main objective of the internal control system is to establish adequate and effective procedures, supervisory controls and management information system in the organization so as to insulate it from financial irregularities and frauds and help it achieve its targets and goals efficiently. Effective internal controls include financial and operational controls including periodic review of internal control to ensure its adequacy. Audit observed that the controls though in place were not being adhered to as discussed below.

The department had been slow in responding to the audit objections/queries. The Director, Animal Husbandry, Jammu had not furnished the reply to the audit observations till date (April 2010). The latest position of outstanding paras/inspection reports is as under:-

Table 3.13

Outstanding at the beginning of the year		Settled during the year		Outstanding as of March 2010	
IRs	Paras	IRs	Paras	IRs	Paras
455	1,343	71	280	384	1,063

At the close of March 2010, 384 Audit Inspection Reports involving 1063 paragraphs were pending settlement. Lack of response to Audit indicated inaction on the part of the departments concerned which resulted in recurring of irregularities and consequent loss to the Government.

- Progress reports of achievements of targets vis-a-vis expenditure incurred on account of SCA to TSP<sup>13</sup> were not being submitted to the Directorate by the respective District Officers on the plea that funds on this account were directly received from the respective District Development Commissioners.
- No assets register was maintained in any of the test-checked units. On this being pointed out by audit it was stated that the register would be maintained in future.

<sup>13</sup> Special central assistance to Tribal Sub plan.

- Tender sale register/tender select register, agreement register, comparative statements, CDR register, equipments history sheet, etc. were not maintained in respect of the National Project on Cattle and Buffalo Breeding in the JD/CEOs Jammu.
- To ensure proper accountal of all monetary transactions, the totals of the cash book maintained in each office were to be verified by a responsible officer other than the cashier. A certificate to this effect was to be recorded on the cash book. The procedure was not followed in any of the test-checked units. No cash security or personal sureties were obtained from the officials entrusted with the job of cashier in all the test-checked units.
- Advance payment register was not maintained in the office of the Director, Animal Husbandry Department, Jammu. As a result, the funds released to the executing agency could not be watched. Against ₹ 25.56 lakh released to the Executive Engineer, Construction Division-I, for the construction of veterinary building at Kangrail, ₹ 23.56 only were shown to have been received by the executive agency.
- Budget control register was maintained by all the auditees but monthly progress of available funds and expenditure incurred, were not indicated in the drawal registers.
- Annual physical verification of store stock, in respect of 18 (out of 73) auditee units, was not conducted. Reconciliation of the Divisional store with the subordinate store was not conducted.
- Unserviceable articles ought to be disposed off/written off/auctioned. It was observed that unserviceable articles were lying un-disposed, in most of the test-checked auditee units. On being pointed out all the auditee units replied that needful was being done and compliance would be shown to audit.
- Annual Administrative Inspection required to be conducted by the higher authority, had not been conducted in 55 out of the 73 auditees.
- The Environment Act 1986 and Bio-management Handling Rule 1998 envisage that the veterinary hospitals have to ensure that bio-medical waste is handled without any adverse effect to the human health and environment. The hospitals were required to keep record of generation, collection, storage and disposal of bio-medical waste and a detailed report on this account was to be submitted to the concerned authority on 1<sup>st</sup> January each year showing the category and quantity, of bio-Medical waste, handled during the year. No record and arrangement for bio-medical waste were maintained in all the three auditee units.

The Superintendent, Veterinary Hospital, Jammu stated that the matter had been taken up with the Government for providing excavator. The Superintendent Veterinary Hospital, R.S. Pura and Poonch stated that bio-medical waste was of very small magnitude and the same were being buried underground. In respect of non-fixation of



targets it was stated by all the three auditees that the number of animals coming, for getting on-spot treatment, could not be ascertained in anticipation.

### 3.15 Manpower management

The department had a sanctioned strength of 11,088 posts in various cadres, Gazetted (1,006) and Non-gazetted (10,082) and 1,633 posts were lying vacant constituting about 12 per cent of the sanctioned posts.

Instances of poor manpower management are given as under.

- Despite shortage of staff in the field offices, the Director, Animal Husbandry Kashmir attached eight Veterinary Assistant Surgeons posted in far-flung area of Kupwara with the Directorate.
- Hatching activity in Sumbal, Doda and Poonch were stopped in 2000-01, 2007-08 and 2006-07, respectively. It was however, seen that the staff deployed in the hatcheries at Sumbal and Doda had not been re-allocated to some other place where their services could have been utilized profitably. This resulted in payment of idle wages of ₹ 56.80 lakh<sup>14</sup>.
- The production of Neural Tissue Anti-Rabies Vaccine had been completely stopped since April, 2008 but three doctors including one Assistant Director Production were continued to be posted. ₹ 13.31 lakh was incurred on salary from May 2008 to March 2010 even though no duty was performed by them. It was stated that the matter had been taken up with the higher authorities for appropriate action.
- Idle wages amounting to ₹ 25.99 lakh had been paid to the four drivers attached with four offices as no vehicle was allotted to these offices. It was stated that the salary of the drivers was released against the sanctioned strength because against the availability of one vehicle there were three sanctioned posts.
- At the end of March 2009 there were about 100 departmental cases pending settlement in the Hon'ble court on account of various pay and seniority anomalies.

### 3.16 Monitoring

Monitoring is an effective tool to ascertain the affects and impact of schemes/programmes undertaken for implementation by the departments.

Audit observed that no physical progress reports were maintained at any level, which was indicative of a non-existent monitoring mechanism in the department. Neither any committee to monitor the progress of the CSSs like IDDP 'Strengthening of Poultry Infrastructure', NPCBB and SCA to TSP was formulated nor any midway appraisal of these schemes ever conducted.

<sup>14</sup> Baramulla, Kupwara, Budgam, Pulwama and Doda, Duck Farm Sumbal, Kashmir=₹ 43.23 lakh  
Doda hatchery = ₹ 13.57 lakh

Internal Audit Inspection, which serves as a guiding principle for the officers to assess its achievements, has not been conducted by the finance department in respect of all the auditees except the Directorate Offices.

### **3.17 Conclusion**

Perspective plans were not prepared nor was any phasing done. Year-wise targets were not realistically fixed. Production of milk, poultry meat, mutton and wool had not increased to the required levels. Mortality rate of livestock had increased in Kashmir division. Mid-term appraisal of the ongoing CSSs had not been conducted. Cases of financial irregularities, like advance drawal of funds without requirements, incurring of expenditure without sanction and diversion of funds were noticed. CSSs like Strengthening of Poultry/Duck Farms, National Project on Cattle and Buffalo Development, Integrated Diary Development Programme, Special central assistance to Tribal Sub plan were not implemented as per guidelines. Effective internal control mechanism was not in place.

### **3.18 Recommendations**

- Perspective plan, based on baseline surveys and gap analysis, for various activities should be drawn up and implemented in letter and spirit.
- The State Government should draw up a road map and fix year-wise targets for up-gradation of indigenous cattle, buffaloes and sheep for achieving the exotic levels prescribed in the Breeding Policy.
- Infrastructural facilities including office buildings, liquid nitrogen plants, sample testing laboratory, etc. needs to be created for effective discharge of the mandate of the department.
- Adequate number of sheep extension centres need to be established and sheep population may be covered under Sheep and Wool Development Programme.