

CHAPTER-V

INTEGRATED AUDIT

Animal Husbandry Department

5.1 Integrated audit of Animal Husbandry Department

Highlights

Animal Husbandry Department is responsible for genetic improvement of milch animals and boosting livestock breeding programmes for improving the living standards of rural masses by supplementing their income. While the Department had been able to check the prevalence of animal diseases, there are several areas where it needs to improve the implementation of programmes. Significant audit findings are as under:

➤ *The achievement with regard to milk production exceeded the target in four out of five years reviewed and the achievement with regard to the production of wool was also satisfactory.*

(Paragraph 5.1.9.1)

➤ *In a span of five years since 2003, the Department could achieve only 35, 27 and 22 per cent levels of exotic inheritance in cattle, buffaloes and sheep respectively, against the objective of achieving 50 per cent in cattle and 75 per cent in buffaloes and sheep.*

(Paragraph 5.1.9.2)

➤ *Though grants aggregating Rs 32.52 crore were paid to the Himachal Pradesh Krishi Vishva Vidyalaya during 2003-08 for research activities, yet no new genetically improved species of animals were developed by the University.*

(Paragraph 5.1.10.6)

➤ *Out of 154 building works taken up during 1994-95 to 2007-08, 96 works costing Rs 2.43 crore had not been started and 58 works costing Rs 3.84 crore were lying incomplete. The delay ranged between two and 14 years.*

(Paragraph 5.1.10.7)

5.1.1 Introduction

The Animal Husbandry Department implements the policies and programmes relating to livestock development aimed at genetic improvement of milch animals and keeping them disease free, providing improved and balanced

feed/fodder for improving the living standard of rural population by supplementing their income.

According to 2003 census, the livestock population in the State was 50.46 lakh, which included 21.96 lakh cattle, 7.73 lakh buffaloes, 9.06 lakh sheep, 11.15 lakh goats, 0.17 lakh horses/ponies and 0.39 lakh other animals. The livestock population as per 2007 census (Provisional) included 22.79 lakh cattle, 7.62 lakh buffaloes, 9.01 lakh sheep, 12.41 lakh goats, 0.13 lakh horses and ponies and 0.30 lakh other animals.

The State Government set up (November 2001) the Himachal Pradesh Livestock and Poultry Development Board (a society registered under the Societies Act) (HPLPDB) with the following objectives:

- improve the genetic level of animals;
- upgrade the local non-descript buffaloes with Murrah breed;
- boost livestock breeding programmes including distribution of semen straws for artificial insemination in cows/buffaloes; and
- production and sale of feed, fodder seeds, etc.

The Department implements 25 schemes, of which, 15¹ are State Plan and the remaining 10² are Centrally Sponsored Schemes (CSSs). Six³ CSSs are funded 100 *per cent* by the GOI while two⁴ are funded on a 50:50 basis and one each on 75:25⁵ and 80:20⁶ cost sharing basis respectively. As of March 2008, there were 2,199 Veterinary institutions (Veterinary Hospitals: 317; Veterinary polyclinics: 7; Veterinary dispensaries: 1,765 and others: 110) in the State.

¹ Headquarter Establishment (Animal Husbandry), Regional Establishment, Hospital and Dispensaries, Cattle Breeding Farms, Semen Laboratories, Sheep Breeding Farms, District Poultry Farms, Horse/Mule Breeding Scheme, Rabbit Breeding Scheme, Development of Fodder and Feed, Headquarters Establishment (Dairy), Dairy Development Training Centre, GIA to Himachal Pradesh Milkfed, GIA to HPKVV and Buildings (Capital works).

² State Veterinary Council, Integrated Sample Survey for estimation of production of Major Livestock Products, Control of Animal diseases, Backyard Poultry Farming, National Project for Cattle and Buffalo Breeding, National Project on Zero Rinderpest, Livestock Census, Feed and Fodder Development Programme, Integrated Dairy Development Programme and Conservation of threatened breeds of Yak/Spiti ponies.

³ National Project for Cattle and Buffalo Breeding, National Project on Zero Rinderpest, Livestock Census, Feed and Fodder Development, Integrated Dairy Development Programme and conservation of threatened breeds of Yak/Spiti ponies.

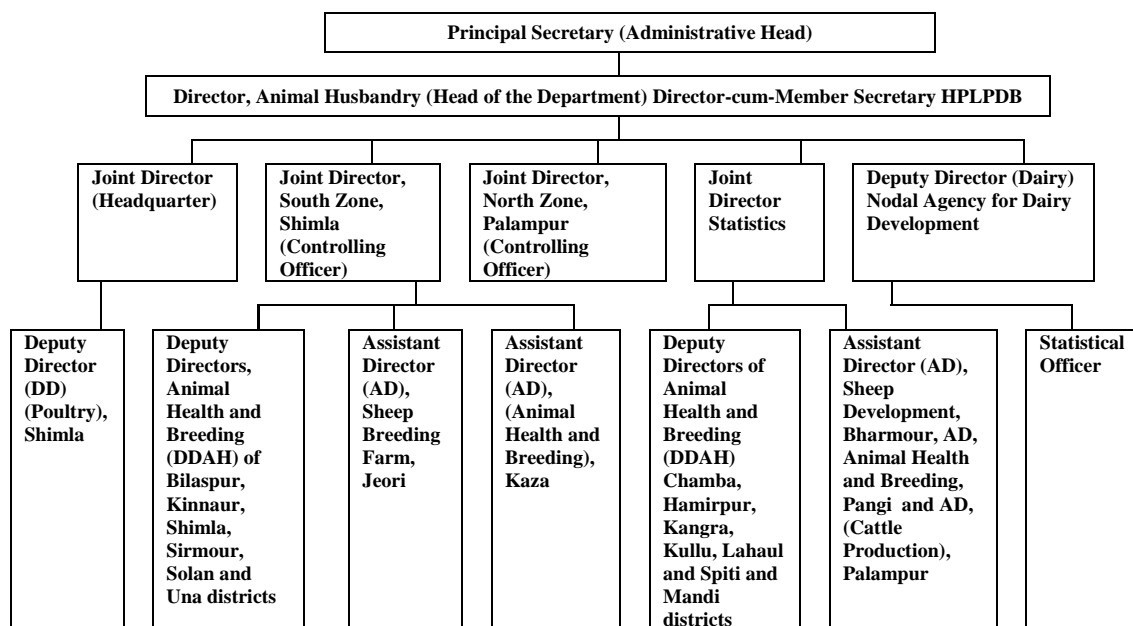
⁴ State Veterinary Council and Integrated Sample Survey for estimation of production of Major Livestock products.

⁵ Control of Animal diseases.

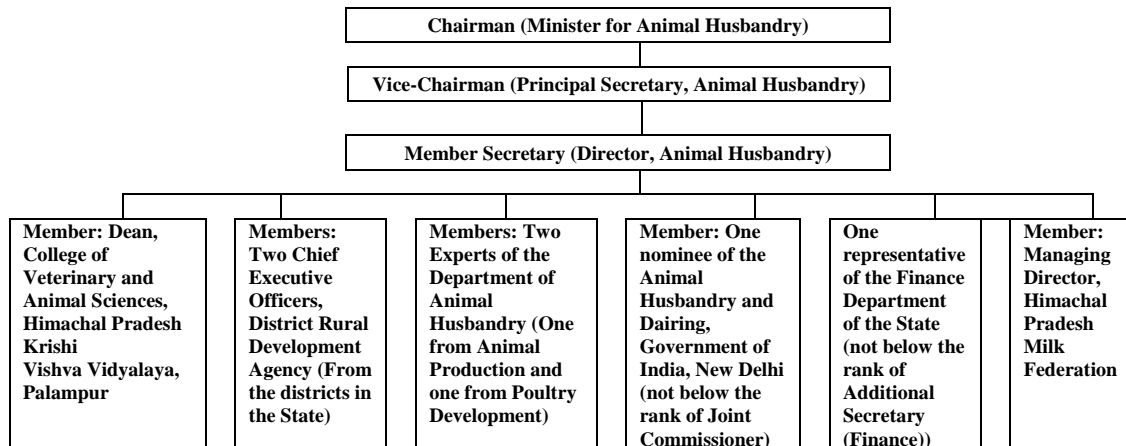
⁶ Development of backyard poultry farming.

5.1.2 Organisational set up

(i) The organisational set up of the Department is as under:



(ii) The organisational set up of HPLPDB is as under:



5.1.3 Scope of audit

The integrated audit was carried out during March-May 2008 and covered the period 2003-08. Records of the Director, Animal Husbandry (Director), 12⁷ out of 19 Drawing and Disbursing Officers (DDOs) situated in five⁸ out of

⁷ Joint Director AH, Palampur, DDAH of Chamba, Kangra, Lahaul and Spiti, Shimla and Solan districts; AD, Sheep Breeding Farm, Bharmour; AD, Sheep Breeding Farm, Jeori; ADAH and Breeding, Kaza, ADAH, Pangi, AD, Cattle Development, Palampur and DD, Poultry, Shimla.

⁸ Chamba, Kangra, Lahaul and Spiti, Shimla and Solan.

12 districts and 17⁹ out of 317 Veterinary Hospitals (VHs), 30¹⁰ out of 1,765 Veterinary Dispensaries (VDs) and five¹¹ out of 10 laboratories, five¹² out of nine wool centres, one¹³ Cattle Breeding Farm (CBF) out of four and two¹⁴ Sheep Breeding Farms (SBFs) out of five falling under the jurisdiction of the above DDOs and the HPLPDB were scrutinised. Out of the total expenditure of Rs 437.18 crore incurred on 25 schemes being implemented by the Department during 2003-08, an expenditure of Rs 259.44 crore (59 per cent) incurred on 14 State Plan Schemes¹⁵ and six CSSs¹⁶ was audited.

5.1.4 Audit objectives

The integrated audit of the Department was carried out with the objective of assessing whether there exists in the Department:

- efficient financial administration with reference to allocated priorities and optimum utilisation of resources;
- efficient management of human resource in terms of recruitment, deployment and training of personnel for skill upgradation;
- effective programme management in terms of delivery of goals of the schemes/programmes; and
- adequate supervision and monitoring.

⁹ Chamba district: Bharmour, Garned, Himgiri and Sahoo.
Kangra district: Chowki, Dadasiba, Dehra, Nagrota Bagwan and Pragpur.
Lahaul and Spiti district: Kirting and Udaipur.
Shimla district: Dutt Nagar, Kumarsain, Theog and Summerkot.
Solan district: Arki and Kunihar.

¹⁰ 1. Majlbeli 2. Taklech 3. Kreathi 4. Kui 5. Sarog 6. Kelvi 7. Karasa 8. Lowerkoti 9. Ghared 10. Palan 11. Bhalla/Ran 12. Sahoo (SCDC) 13. Dhanni 14. Ladori 15. Bathra 16. Chanour 17. Bhatoli Phakurian 18. Dhawala 19. Malan 20. Mumta 21. Sehri 22. Lag Baliyana 23. Batal 24. Manjoo 25. Jabal Jamrot 26. Jubla 27. Jobrang 28. Tezing 29. Chimunt 30. Salgram.

¹¹ 1. Semen Laboratory, Shimla 2. Disease Investigation Laboratory, Shimla 3. Wool Analysis Laboratory, Shimla 4. Semen Laboratory, Palampur 5. Clinical Laboratory, Solan.

¹² 1. Sheep and wool extension centre, Luna (Chamba district) 2. Sheep and Wool Extension Centre, Bharmour 3. Training Centre, Chamba 4. Sheep and wool Extension Centre, Udaipur Lahaul and Spiti district 5. Poly Clinic, Duttanagar.

¹³ Palampur in Kangra district.

¹⁴ Chamba and Jeori.

¹⁵ Scheme not audited: Rabbit Breeding Scheme.

¹⁶ 1. Professional Efficiency Development (setting up of State Veterinary Council) 2. Integrated Sample Survey for Estimation of Major Livestock Products 3. Control of Animal Disease 4. Development of Backyard Poultry Farming 5. Feed and Fodder Development Programme 6. Conservation of threatened breeds of Yak/Spiti Pony.

5.1.5 Audit criteria

The audit criteria used for benchmarking the audit findings were as under:

- Government notifications and instructions issued from time to time for the implementation of State and Centrally sponsored schemes;
- Departmental Manual/Policies/Rules and Regulations;
- State Financial Rules;
- Budget Manual/Subsidiary Treasury Rules;
- Procedures prescribed for monitoring and evaluation of schemes/programmes.

5.1.6 Audit Methodology

An entry conference was held with the Director, Animal Husbandry (May 2008) wherein audit objectives, criteria and scope of audit were discussed. Capital district and four out of the remaining 11 districts were selected for detailed audit based on statistical sampling method of Probability Proportionate to Size With Replacement (PPSWR). All the DDOs falling in these districts were selected for audit whereas VHs, VDs and laboratories were selected by Simple Random Sampling Without Replacement (SRSWOR) method. Audit findings as discussed in the succeeding paragraphs are based on an analysis of records, data, information and replies furnished to the questionnaire/audit memoranda by the above mentioned units. Audit findings were discussed with the Principal Secretary in an exit conference (August 2008) and the views of the Government/Department have been incorporated in the review at appropriate places.

5.1.7 Audit findings

5.1.7.1 Financial management

Funds are provided to the Department through two grants¹⁷. The Director is responsible for preparation and submission of the budget estimates to the Finance Department through the Administrative Department.

¹⁷ Demand No. 14-Animal Husbandry and Dairy Development and Demand No. 31-Tribal Sub Plan (Animal Husbandry) under six major heads of account, namely 2403-Animal Husbandry; 2404-Dairy Development; 2415-Agriculture Research and Education; 2059-Public Works; 2216-Housing and 4403-Capital Outlay on Animal Husbandry.

5.1.7.2 Financial outlay and expenditure

The budget allotment for implementation of various schemes/programmes and expenditure thereagainst by the Department during 2003-08 was as under:

Table: 5.1.1

(Rupees in crore)

Year	Budget allocation			Expenditure			Net
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Excess (+)/ Savings (-)
2003-2004	13.60	57.86	71.46	13.54	57.94	71.48	(+) 0.02
2004-2005	18.22	54.54	72.76	20.03	54.57	74.60	(+) 1.84
2005-2006	20.62	62.86	83.48	21.69	63.65	85.34	(+) 1.86
2006-2007	21.47	65.50	86.97	21.86	69.53	91.39	(+) 4.42
2007-2008	28.97	77.99	106.96	20.83	93.54	114.37	(+) 7.41
Total:	102.88	318.75	421.63	97.95	339.23	437.18	

Source: Departmental figures.

As can be seen from the table above, the Departmental expenditure exceeded the budget allocation every year during the review period. Despite obtaining funds for the vacant posts and diverting plan funds, the non-plan expenditure exceeded the approved outlay by over Rs 20 crore during 2003-08. The excess expenditure has not yet been regularised.

5.1.7.3 Drawal of funds on Abstract Contingent Bills

The Directorate had drawn Rs 2.92 crore¹⁸ on AC bills for various purposes during 2003-08 and debited the expenditure to the respective heads of accounts without adjusting the amounts through the detailed contingent bills (DC bills) with the approval and countersignature of the controlling authority, as required under the rules. Non-submission of DC bills is fraught with the risk of fraud and misappropriations going unnoticed. Moreover, the Department should ensure that amounts for deposit works which would take considerable time for execution should not be drawn on AC bills as these are not of contingent nature and AC bills are required to be adjusted within a month.

¹⁸ 2003-04: Rs 0.03 lakh; 2004-05: Rs 13.69 lakh; 2005-06: Rs 142.45 lakh; 2006-07: Rs 0.57 lakh and 2007-08: Rs 134.91 lakh.

Government assured (August 2008) that necessary action would be taken for adjustment of abstract contingent bills.

5.1.7.4 Establishment and other Administrative costs

The 12th Finance Commission (TFC) recommended that the expenditure on salaries and wages relative to revenue expenditure, net of interest payment and pension should be 35 *per cent*.

The Department had not fixed any norms for expenditure on administrative costs and programme implementation. Staff costs and other administrative expenses were on the high side during 2003-08 resulting in non-availability of sufficient resources for implementation of various programmes/schemes. The ratio of staff costs as compared to other costs on delivery of services during 2003-08 was as under:

Table: 5.1.2

(Rupees in crore)

Year	Total expenditure	Expenditure on salary, wages and other administrative expenses	On programme implementation
2003-2004	71.48	50.30 (70)	21.18 (30)
2004-2005	74.60	52.83 (71)	21.77 (29)
2005-2006	85.34	59.29 (69)	26.05 (31)
2006-2007	91.39	70.98 (78)	20.41 (22)
2007-2008	114.37	81.45 (71)	32.92 (29)

Source: Departmental figures.

Note: Figures in parenthesis indicate percentage of total expenditure.

While staff costs and administrative expenses ranged between 69 and 78 *per cent* of the total expenditure, the expenditure on programme implementation remained at an average of 28 *per cent* during 2003-08. The Government stated (August 2008) that administrative costs increased due to enhancement of dearness allowance, dearness pay, interim relief, etc. The Department needs to conduct performance based appraisal of schemes to reduce its administrative costs.

5.1.7.5 Control over departmental receipts

Audit scrutiny revealed the following instance of poor control over departmental receipts which is fraught with the risk of malpractices/misutilisation, by keeping the money outside the Government account.

Land measuring 17.07 hectares and departmental buildings situated at Sangla in Kinnaur district were sold by the Department to M/s Jai Parkash Company Limited at a cost of Rs 79.62 lakh during 2005-06. Instead of crediting the sale proceeds to Government account, the DDAH, Kinnaur had kept it in a savings bank account. After it was pointed out (May 2008) in audit, the entire amount was deposited (July 2008) with the Executive Engineer, HPPWD Division, Karchham at Bhavanagar in Kinnaur district for construction of sheep shed and other buildings at SBF, Kakshthal. Government stated (August 2008) that sufficient accommodation for sheep was not available at Kakshthal. However, neither the site had been got inspected from the PWD officials as directed by the State Government nor any tendering process had been set in motion (August 2008).

5.1.8 Human resource management

Against 6,394 sanctioned posts of 52 categories of staff as on 1st March 2008, the Department had 5,659 (89 *per cent*) men-in-position leaving 735 posts¹⁹ of various categories vacant (699 functional and 36 non-functional). It was noticed that functional posts like Senior Veterinary Officers, Veterinary Officers (38) (10 *per cent*), Pharmacists (147) (six *per cent*) Chief Veterinary Pharmacists (four) (nine *per cent*), Animal Husbandry Assistants (16) (six *per cent*), Class-I officers (six) (eight *per cent*) and Class-IV staff (488) (17 *per cent*) for handling the animals for treatment were lying vacant for five years or more as of August 2008. While admitting that filling up of posts of class-IV staff is very essential as they are involved in the handling of animals during treatment, Government stated (August 2008) that these posts could not be filled up due to non-availability of trained personnel, ban imposed on new recruitment and also on administrative grounds. Non-filling up of vacant posts of critical functionaries had a significant bearing on the functioning of the Department especially on implementation of schemes, as brought out in the succeeding paragraphs.

5.1.9 Planning and programme management

5.1.9.1 Non-preparation of Annual Action Plans

The office Manual of State Government requires the Directorate to prepare an Annual Action Plan (AAP) for all departmental programmes/schemes in advance in January every year, with month-wise or quarter-wise break-up of targets in respect of each activity to be achieved during the ensuing financial year. Audit scrutiny revealed that:

- AAPs detailing the implementation strategy for various State schemes were not prepared.

¹⁹ Class-I: 35; Class-III: 210; Class-IV: 357 and others: 133.

- Annual identification of livestock for coverage under veterinary services at dispensary/panchayat level was not done for effective implementation of various animal health care schemes.

The targets in respect of the three main livestock products and the achievement thereagainst during 2003-08 is given below:

Table: 5.1.3

Item/Unit	Year	Target	Achievement	Shortfall
Milk (lakh tonne)	2003-04	8.00	7.86	0.14
	2004-05	8.10	8.70	--
	2005-06	8.25	8.69	--
	2006-07	8.40	8.72	--
	2007-08	8.60	8.73	--
Eggs (lakh numbers)	2003-04	920.00	839.86	80.14
	2004-05	940.00	811.38	128.62
	2005-06	960.00	752.67	207.33
	2006-07	990.00	771.98	218.02
	2007-08	1010.00	842.84	167.16
Wool (lakh kilograms)	2003-04	16.20	15.99	0.21
	2004-05	16.30	16.00	0.30
	2005-06	16.40	16.03	0.37
	2006-07	16.50	16.05	0.45
	2007-08	16.55	16.07	0.48

Source: Departmental figures.

As can be seen from the table above, the achievement with regard to milk production exceeded the target in four out of the five years reviewed and the achievement with regard to production of wool was also on course. As for the shortfall in production of eggs, the Department stated (May 2008) that it was due to the impact of bird flu in the neighbouring States/Countries.

Audit scrutiny, however, revealed that there was no case of bird flu in the State during 2003-08.

5.1.9.2 Livestock Breeding Strategy

Breeding Policy of the State envisaged genetic upgradation of indigenous cattle, buffaloes and sheep to ensure higher milk production and other livestock products.

As per the breeding policy of the Department:

- Inheritance of exotic blood i.e. Jersey/Holstein cattle was to be kept at 50 per cent and the remaining 50 per cent was to be contributed by indigenous/hill cattle.
- In case of buffaloes, the genetic makeup of the non-descript buffaloes was to be improved by grading up process using Murrah breed, to achieve an inheritance of 75 per cent.
- In sheep, first progeny (F1) of cross breeding with exotic rams and indigenous inheritance was to be maintained at 50:50 level. In second progeny (F2) and for subsequent generations, the genetic upgradation (exotic and indigenous) level was to be achieved at 75:25 level.

The position of crossbred cattle, buffaloes and sheep as per the 17th census 2003 and 18th census 2007 (Provisional) was as under:

Table: 5.1.4

(In lakh numbers)

Category of livestock	17 th livestock census 2003			18 th livestock census 2007 (Provisional)		
	Crossbred animals	Total animals	Percentage of crossbred	Crossbred animals	Total animals	Percentage of crossbred
Cattle	6.51	21.97	30	8.03	22.79	35
Buffaloes	1.72	7.73	22	2.09	7.62	27
Sheep	1.34	9.06	15	1.99	9.01	22

Source: Departmental figures.

As can be seen above, in a span of 5 years since 2003, the Department could achieve only 35, 27 and 22 per cent of exotic inheritance in cattle, buffaloes and sheep respectively, against the objective of achieving 50 per cent in cattle and 75 per cent in buffaloes and sheep.

The slow pace in achieving the goals was due to the non-formulation of a livestock breeding strategy by the Department, laying out annual targets for each category of livestock and a road map to achieve the goals. The Department admitted (August 2008) the facts.

5.1.10 Implementation of Schemes

5.1.10.1 Control of Animal Diseases

Government of India provided (2003-08) assistance to the State for control of contagious diseases under 'Assistance to State for Control of Animal Diseases (ASCAD)' on 75:25 sharing basis. Of Rs 5.49 crore provided by the GOI (Rs 4.47 crore) and the State Government (Rs 1.02 crore) during 2003-08, the Department expended Rs 5.48 crore.

Under this scheme, Haemorrhagic Septicaemia (HS) disease was to be eradicated from the State during the 10th Five Year Plan period. Free vaccination was provided to livestock owners for Foot and Mouth Disease (FMD), Black Quarter, Pestestes Petitis of Ruminants (PPR), Enterotoxaemia, Ranikhet, Marek's and Rabies.

5.1.10.2 Targets and achievements under ASCAD

The Department has been able to keep the prevalence of animal diseases under control in the State during 2003-08 as is evident from the table below:

Table: 5.1.5

(Number of cases)

Name of disease	Areas of out break/animals affected				
	2003-04	2004-05	2005-06	2006-07	2007-08
FMD	114/5126	5/126	12/350	2/50	Nil
HS	7/388	6/170	2/92	Nil	1/14
Enterotoxaemia	Nil	Nil	Nil	Nil	Nil
PPR	102/11018	13/2885	5/131	10/3291	7/4280
Ranikhet	Nil	Nil	Nil	Nil	Nil
Mareks	Nil	Nil	Nil	Nil	Nil
BQ	1/17	Nil	Nil	Nil	Nil

Source: Departmental figures.

The position relating to targets and achievements for vaccination of animals under the scheme during 2003-08 was as under:

Table: 5.1.6

(Cases in lakh)

Name of the disease	2003-04			2004-05			2005-06			2006-07			2007-08		
	T	A	S/P	T	A	S/P	T	A	S/P	T	A	S/P	T	A	S/P
FMD	8.50	8.15	0.35 (4)	7.50	10.65	-	8.00	9.91	-	10.00	12.36	-	11.20	12.67	-
HS and BQ	9.50	8.14	1.36 (14)	6.60	10.24	-	7.40	8.83	-	8.08	11.27	-	10.13	9.71	0.42 (4)
Enterotoxaemia	2.00	0.76	1.24 (62)	2.00	2.11	-	2.00	1.59	0.41 (21)	2.00	1.50	0.50 (25)	2.15	2.07	0.08 (4)
PPR	4.00	1.26	2.74 (69)	4.00	3.91	0.09 (2)	4.00	4.17	-	4.00	4.30	-	5.00	8.12	-
Ranikhet	2.00	0.50	1.50 (75)	2.00	1.01	0.99 (50)	1.00	0.79	0.21 (21)	1.00	1.29	-	3.40	1.47	1.93 (57)
Marek's	2.00	0.98	1.02 (51)	2.00	1.59	0.41 (21)	2.00	1.83	0.17 (9)	2.00	2.07	-	2.00	2.24	-
T=Target A=Achievement S/P=Shortfall/Percentage															

Source: Departmental figures.

Note: Figures in parenthesis indicate percentage.

While there was over achievement of targets in many cases, especially FMD, HS and BQ during 2004-06 and vaccinations in respect of other diseases like Enterotoxaemia, PPR, Ranikhet and Marek's in other years, the shortfall in vaccination of animals by veterinary institutions ranged between two and 75 per cent in many cases during 2003-08. Government stated (August 2008) that it had been able to contain all the major diseases due to its efficient vaccination programme and its effective implementation. While there were nil cases under Enterotoxaemia, Ranikhet and Marek's, it was, however, seen that the number of cases affected by PPR had increased during 2006-07 and 2007-08. In the test-checked districts²⁰ the shortfall in achievement of vaccination targets ranged between one and 96 per cent in respect of Enterotoxaemia, Ranikhet, FMD, PPR and HS and BQ. The DDOs concerned furnished no reasons for shortfall in achievement.

5.1.10.3 Poultry Development

There are 14 poultry farms and two hatcheries in the State which cater to the demands of poultry farmers for supply of chicks.

(i) Assistance to State for Poultry Farms

To strengthen and renovate the poultry farms, a CSS, 'Assistance to State Poultry Farms' is funded by the Central and State Governments on a 80:20

²⁰ Chamba, Kangra, Lahaul and Spiti, Shimla and Solan.

basis. The State's share was to be contributed in kind i.e. land, staff, existing infrastructure, etc.

The following points were noticed:

➤ For construction of sheds at departmental poultry farms in the State, GOI released Rs 2.13 crore²¹ during 2004-08 for five²² farms and the Department released Rs 1.82 crore between May 2005 and February 2008 to HPKVV Palampur (Rs 0.52 crore) and HIMUDA (Rs 1.30 crore) respectively. Rupees 31 lakh remained unutilised with the Director as of May 2008. While construction of sheds at only one farm (Chauntra) was completed, the works were still (August 2008) in progress in the remaining four cases. The Director, however, reported full utilisation of funds to the GOI in the years in which funds were released.

The Department had not prescribed any timeframe for completion of the works. It did not also ensure constant monitoring of the physical progress of works. Consequently, the executing agencies commenced works late, involving delays ranging between two and 12 months.

(ii) Supply of Chicks to Poultry Farmers under backyard poultry farming

The main objective of the scheme was to supply disease resistant low input technology chicks of 2-3 weeks age to poultry farmers. The position of targets set for supply of chicks to poultry farmers and achievements thereagainst during 2003-08 was as under:

Table: 5.1.7

(Numbers of chicks)			
Year	Targets	Achievements	Shortfall
2003-2004	--	89,669	--
2004-2005	--	1,74,564	--
2005-2006	1,98,900	1,78,927	19,973
2006-2007	2,26,800	2,05,493	21,307
2007-2008	2,18,200	2,13,138	5,062
Total:	6,43,900	5,97,558*	46,342

Source: Departmental figures.

*Excluding achievements for years 2003-05.

Government attributed (August 2008) the shortfall to hatching of fewer eggs and non-working of hatching machines and stated that the machines have since been overhauled.

²¹ 2004-05: Rs 0.27 crore; 2005-06: Rs 1.53 crore and 2007-08: Rs 0.33 crore.

²² Chamba (Chamba district), Chauntra (Mandi district), Jalgran (Una district), Kamlahi (Shimla district) and Palampur (Kangra district).

(iii) 200 chicks scheme

Under the scheme, subsidy at the rate of 30 per cent of the project cost with a maximum limit of Rs 10,000 was to be provided in kind like chicks, equipment, feed, medicines, training, transportation, etc., to Scheduled Caste (SC) beneficiaries with an annual income of less than Rs 24,000. These beneficiaries were also to be provided six days training.

Against the target of 647 units²³ to be supplied to SC farmers, 657 units were supplied during 2003-08 but six days training as required was not provided. No reasons were furnished (September 2008) by the Director for not imparting the requisite training.

5.1.10.4 Sheep Breeding Farms

The main objective of SBFs was to maintain pure bred flock of sheep of exotic origin and to sell the pure bred and crossbred sheep/rams/lambs to the private sheep breeders for upgrading their indigenous sheep. Livestock was required to be maintained as per the rearing capacity prescribed by the State Government on the basis of infrastructural facilities in the farms.

It was noticed that:

(i) In three SBFs (Chamba, Jeori and Tal) against the revised (June 2006) rearing capacity of 250 to 400 sheep, the average number of sheep reared/maintained ranged between 365 and 476 as shown in the table below:

Table: 5.1.8

(In numbers)

Name of SBFs	Existing strength/capacity	Revised capacity	Average number of sheep reared during 2003-08
Jeori	200	400	476
Tal	200	250	365
Chamba	200	400	446

Source: Departmental figures.

Rearing of sheep over and above the prescribed capacity overburdened the existing infrastructural facilities in the farms.

Government stated (August 2008) that from January to May each year, the number of sheep temporarily rises due to addition of new born progeny and accepted that delay in culling of unserviceable/surplus livestock also leads to temporary rise in sheep strength.

(ii) In SBF at Tal (Hamirpur district) full demand of breeders was not met, as against the demand of 309 rams, only 218 were supplied to the breeders

²³ Unit: 200 chicks, equipments, feed, medicines, training, transportation, etc.

during 2003-08. While data regarding demand for supply of pure bred/crossbred rams and rams actually supplied during 2003-08 was not maintained at SBFs Chamba and Jeori.

Government stated (August 2008) that whatever progeny is available from the parent stock after keeping provision for farms replacement, is sold to the sheep breeders and hence demand assessment could not be maintained. The reply confirms that programme management has to be strengthened to meet the objectives of the schemes.

5.1.10.5 Cattle Breeding Farms

(i) Four cattle breeding farms (CBFs) were set up during 1957 to 1967 in Bilaspur, Kangra, Mandi and Sirmour districts. Livestock in the CBFs was required to be maintained within the rearing capacity prescribed by the Department on the basis of infrastructural facilities available in the farms.

The State Government revised (June 2006) the existing rearing capacity of animals of four livestock farms as under:

Table: 5.1.9

(In numbers)

Name of CBF	Existing strength/capacity	Revised capacity	Number of cattle reared during 2003-08
Bagthan (Sirmour district)	15	40 (167)	25 to 30
Kamand (Mandi district)	80	150 (88)	162 to 189
Kothipura (Bilaspur district)	75	80 (7)	79 to 101
Palampur (Kangra district)	80	100 (25)	87 to 103

Source: 1. Departmental figures.
2. Figures in parenthesis indicate percentage.

While the rearing capacity was revised from seven to 167 *per cent*, the infrastructural facilities at these farms were not correspondingly enhanced. Scrutiny of records of the Directorate revealed that 58 cattle were declared uneconomical by the Department at three CBFs (Bagthan: 8; Kamand: 13, Palampur: 37) during 2003-08 but disposal thereof by auctioning was not done. These animals continued to be retained at the farms and Rs 8.02 lakh were spent during the above period on their upkeep.

While admitting the facts the Government stated (August 2008) that new born progeny and some delay in culling of unserviceable/surplus stock led to temporary rise in the farm strength and that these CBFs are being strengthened and modernised according to the need of the Department.

Action to strengthen and modernise these farms should have been taken by the Department before increasing the rearing capacity and timely action should have been initiated to cull unserviceable/surplus stock to avoid overcrowding.

(ii) 245 bulls were supplied by HPLPDB to private breeders/panchayats during 2003-08. Of the 74 calves (male) born at test-checked CBF Palampur during 2003-08, two died; 14 were supplied to the private breeders; 50 were supplied for departmental use at sperm stations/semen banks and eight bulls remained at the CBF as of March 2008. Action to supply these bulls to private breeders or auction these had not been initiated (September 2008).

(iii) As per guidelines, sperm stations, farms, field performance recording units, etc., were to be computerised and a management information system (MIS) was to be created. Rupees 20 lakh was provided for the purchase of 31 computers under the project during 2002-06.

While 31 computers were purchased (Rs 18.06 lakh) under the project, 17 had been provided to officials not connected with the activities of the HPLPDB and the MIS had not been created as envisaged in the project.

5.1.10.6 Research in Animal Husbandry

During 2003-08, grant-in-aid aggregating Rs 32.52 crore was released to Himachal Pradesh Krishi Vishva Vidyalaya (HPKVV), Palampur for activities relating to research and education in the field of animal husbandry. The university had not carried out any research relating to evolution of genetically improved animals or new varieties of fodder seeds during the review period.

Government stated (August 2008) that the University had done some studies in poultry, infections among dogs, jungle fowl, mirror carp fish, mineral deficiency, etc. The reply is not tenable as despite expending Rs 32.52 crore, nothing concrete in the form of new species of cows, buffaloes, poultry, piggyery, rabbits, mules and horses, etc., was developed by the university.

5.1.10.7 Building infrastructure for Animal Husbandry

Building infrastructure for animal husbandry network is essential for providing better services to the livestock rearing farmers. To ensure timely execution of works, the State Government had issued (November 2003) instructions for ensuring coordination between user Department and the executing agencies to eliminate time and cost overrun.

Scrutiny of records in the Directorate revealed that 154 building works like construction of dispensaries, veterinary hospitals, etc., were sanctioned during 1994-95 to 2007-08 for an amount of Rs 6.27 crore and were stipulated to be completed within a period ranging between six months and three years. The amount was released to the PWD for deposit works. Of these, 96 works costing Rs 2.43 crore had not been started yet and 58 works for which Rs 3.84 crore had been deposited with the executing agencies were lying incomplete as of May 2008. The delay in completion of these works ranged between two and 14 years. Non-completion and non-commencement of building works had resulted in blocking of Government money to the extent of

Rs 6.27 crore. Besides, an avoidable expenditure of Rs 46.27 lakh was also incurred during 2003-08 on account of rental charges of hired buildings.

The non-commencement/completion of the buildings was due to shortage of funds (2 works), non-handing over of site (20 works), delay by executing agency (8 works) and non-finalisation of tenders (6 works). No specific reasons were evident from the records in case of the remaining 118 works.

The concerned Deputy Directors²⁴ stated (May 2008) that the works could not be started due to non-availability of land and paucity of funds.

5.1.10.8 National Project for Cattle and Buffalo Breeding

The GOI launched (October 2000) a CSS “National Project for Cattle and Buffalo Breeding (NPCBB)” on 100 *per cent* funding basis to restructure and implement the cattle and buffalo breeding operations effectively. The project was to be spread over a period of 10 years and completed in two phases each of five years duration. The scheme was sanctioned for implementation in the State from 2002-03. The HPLPDB was designated as the State Implementing Agency (SIA). The project aimed at strengthening the following:

- Liquid Nitrogen storage, transport and distribution system;
- Sperm stations, Semen Banks and Artificial Insemination (AI) centres;
- Acquisition of high pedigree bulls for Sperm Stations and for Natural Service in remote areas;
- Training facilities; and
- Computerisation.

Funds amounting to Rs 12.68 crore were released by GOI during 2002-08 direct to the HPLPDB through bank drafts in three installments.

Audit scrutiny revealed that out of Rs 12.68 crore released by GOI during 2002-06, Rs 12.58 crore were utilised by the HPLPDB on the project activities and Rs 10 lakh were lying unspent in a bank for a period of about two years as of May 2008. Government stated (August 2008) that Rs 10 lakh has been kept for organising a seminar during 2008-09.

5.1.10.9 Production of Liquid Nitrogen Gas (LN₂)

To meet the requirement of semen banks for preservation of frozen semen straws, seven²⁵ LN₂ gas plants were installed in the State between June 1998

²⁴ Bilaspur, Chamba, Hamirpur, Kangra, Kinnaur, Kullu, Lahaul and Spiti, Mandi, Shimla, Sirmour, Solan and Una.

²⁵ Chamba: one; Mandi: one; Palampur: two; Shimla: two and Solan: one.

and September 2002 at a cost of Rs 2.81 crore (Rs 2.48 crore out of GOI grants and Rs 0.33 crore out of State funds). All the plants functioned below the installed production capacity during 2003-08. Against the plant capacity of production of 20.05 lakh litres of LN₂, the Department had fixed 13.50 lakh litres as target for production in these plants during 2003-08. The actual LN₂ produced in these plants during the above period was 11.55 lakh litres. The Department, therefore, purchased 5.92 lakh litres LN₂ gas costing Rs 72.89 lakh during 2003-08. Government stated (August 2008) that the plants had outlived their life and are being phased out.

5.1.10.10 Artificial Insemination in cows/buffaloes

Artificial insemination (AI) is aimed at improving the breed of cows and buffaloes with a view to achieving higher milk yield.

In Himachal Pradesh 2,199 veterinary institutions under the Department undertook insemination in cows/buffaloes. No norms for success rate for calves born against AIs were fixed by the Department. However, the actual success rate for AI in the State ranged between 38 and 41 *per cent* for cows and 37 and 43 *per cent* for buffaloes during 2003-08 against the 35 *per cent* success rate for cows and buffaloes at national level as per the information supplied by the State Government.

Essential equipment for carrying out AIs were not provided to the veterinary institutions in the test-checked districts, as detailed below:

Table: 5.1.10

(In numbers)

Name of district	Total number of veterinary institutions providing AI	Number of institutions provided with renoscopes	Number of institutions having microscopes only	Number of institutions having neither microscopes nor renoscopes	Number of institutions not provided with temperature maintenance kits
Chamba	201	91	56	54	39
Kangra	402	150	28	224	119
Lahaul and Spiti	57	7	11	39	26
Shimla	303	212	91	--	248
Solan	155	57	96	2	96
Total:	1118	517	282	319	528

Source: Departmental figures.

Targets for carrying out AIs in buffaloes were not achieved during 2003-04 and 2005-08 and the targets for carrying out AIs in cows were not achieved during 2003-05 and 2006-08. While shortfall both in respect of cows and buffaloes ranged between two and nine *per cent* in the State, in 47 veterinary institutions of five²⁶ test-checked districts, the shortfall of AIs in cows ranged

²⁶ Chamba, Kangra, Lahaul and Spiti, Shimla and Solan.

between 15 and 88 *per cent* and in buffaloes, it ranged between four and 91 *per cent* during the same period. The success rate for AIs done in cows ranged between seven and 62 *per cent* and in buffaloes, it ranged between three and 67 *per cent* in the test-checked units.

The Heads of the test-checked veterinary institutions attributed (April-May 2008) the shortfall to shortage of trained staff, equipment, etc. Government stated (August 2008) that Microscope is a casualty equipment and, as such, it is being ensured that Renoscopes are provided to veterinary institutions providing AI facilities. However, out of 1,932 veterinary institutions providing AI facilities in the State, only 1,411 institutions had been provided with Renoscopes and 521 institutions were still (September 2008) using Microscopes.

5.1.10.11 Evaluation of milk yield and genetic potential of cattle

The GOI sanctioned Rs 6 lakh in 2002-03 as support to State Implementing Agency (SIA) for field recording of 13,000 cattle to evaluate the milk yield and genetic potential, as part of the 'National Project for Cattle and Buffaloes breeding'. Against this, the SIA spent Rs 12.37 lakh in October 2003 for carrying out the evaluation of 40,000 elite cows and buffaloes. The excess expenditure of Rs 6.37 lakh was met by diverting savings under other components of the scheme. However, no field recording of milch animals had been done as of May 2008.

Government stated (August 2008) that it is a long duration process and the animals selected have to be recorded for ten months and if it qualifies only then incentives like mineral mixture, de-warmer, ectoparasiticidle, iron chains, cattle feed, milk bucket, etc., are given. No efforts were made to evaluate milk yield and genetic potential by initiating the selection process of animals even after acquisition of equipment and stationery in October 2003.

5.1.11 Inventory management

Audit scrutiny revealed the following shortcomings with regard to inventory management.

- Three DDOs²⁷ purchased 10 sheep shearing machines for Rs 20.40 lakh during 2006-08. The machines had, however, not been put to use as the Department had no trained personnel to use the machines.
- Cryocan cylinders and other equipment valued at Rs 14.06 lakh meant for storing and transportation of semen straws purchased between 1995-96 and 2005-06 for use by Semen Banks were lying unutilised in the stores since their receipt.

²⁷ Deputy Director, Animal Health and Breeding, Lahaul and Spiti at Keylong, Assistant Director, Sheep Development, Bharmour and Assistant Director, Animal Health and Breeding, Pangi at Killar.

Stores like LN₂ containers, closed water chilling machine, dehorner, etc., valuing Rs 36.90 lakh were lying unserviceable with 10 institutions²⁸ since September 1984. The Department did not take any action for repair/disposal of the unutilised equipments.

5.1.12 Internal audit

One post of Assistant Controller (F&A) and two posts of Section Officers (F&A) exist in the Directorate for internal audit. One post of Section Officer is lying vacant for the last more than one year. However, Annual Audit Plan for conducting internal audit of the units was not framed during 2003-08. Only nine out of 95 units (nine *per cent*) were covered by internal audit during 2004-06 and no internal audit was conducted thereafter. In the case of nine units where internal audit was conducted, no follow up action was taken to ensure the required compliance to audit notes. Government stated (August 2008) that internal audit was being conducted whenever it is felt pragmatic and that it is not practically possible to fix year-wise targets for conducting regular internal audit of the field units of this Department.

5.1.13 Monitoring, inspection and evaluation

The Director was responsible for monitoring, inspection and evaluation of the implementation of programmes, schemes and other activities of the Department.

Out of 109 units, only 35 (32 *per cent*) were inspected by the Director. However, neither the inspection note nor any records of follow up action were produced for audit verification. In the case of units inspected, no follow up action was taken to ensure the required compliance. No evaluation of schemes/programmes was done. Audit review of the functioning of the Department revealed that the implementation of several schemes had suffered due to lack of adequate monitoring at various levels.

5.1.14 Conclusion

The Department has done well in controlling animal diseases by ensuring timely vaccinations. However, the objectives of improving genetic level of animals and boosting livestock breeding programmes had not been achieved as the targeted levels of exotic inheritance in cattle, buffaloes and sheep were not achieved. The efforts of the Department proved inadequate as Annual Action Plans for State Plan schemes were not prepared and programme implementation, especially relating to CSSs was not effective.

²⁸ Deputy Director, Animal Health and Breeding Shimla, Assistant Director, Sheep Breeding Farm, Jeori, Assistant Director, Animal Production and Liquid Nitrogen Plant Chamba, Assistant Director, Cattle Production Palampur, Veterinary Hospitals Kumarsain, Theog and Rampur and Veterinary Dispensaries, Kui and Karathi.

5.1.15 Recommendations

- Budgetary and financial controls should be improved by instituting an online budget monitoring system to avoid persistent excesses.
- The State Government should draw up a road map and fix year-wise targets for upgradation of indigenous cattle, buffaloes and sheep for achieving the exotic levels prescribed in the Breeding Policy.
- Research needs to be monitored closely for evolution of genetically improved animals and developing improved varieties of fodder seeds.
- The sperm stations, semen banks, farms, field performance recording units, etc., need to be computerised.
- The monitoring mechanism at various levels should be strengthened to achieve the objectives of various animal healthcare schemes.

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