SECTION - B – AUDIT PARAGRAPHS

Agriculture Department

3.4 Idle investment on staff quarters

Staff quarters constructed at an investment of Rs 36.74 lakh have remained unutilised for periods ranging from 6 to 11 years.

Financial-Commissioner (Development)-cum-Agriculture Production Commissioner approved the construction of staff quarters of various categories at different places in the State under World Bank Aided Training and Extension Project for Rs 3.32 crore (September 1988) and Rs 3.11 crore (July 1993). These staff quarters were constructed between 1988 and 1996.

Test-check of the records of Deputy Directors of Agriculture, Una and Palampur revealed (March 2001 and December 2001) that 16 quarters (Una district: 10 and Kangra district: 6) constructed between June 1991 and February 1996 at a cost of Rs 36.74 lakh were lying vacant as no staff had been posted at the places where these quarters were constructed. It was noticed in audit that the quarters constructed in Kangra district had never been allotted since their construction. The Additional Director of Agriculture (North Zone) admitted in May 2001 that the condition of these unoccupied buildings was deteriorating.

The Director of Agriculture stated (March 2002) that the residential buildings were constructed as per provision in the training and extension programme and maximum number of posts were filled up during the project period. After completion of the project in March 1994, posts which fell vacant due to repatriation of staff taken on deputation from other departments and promotions/retirements were not filled up. The reply is indicative of the fact that the quarters were constructed without properly assessing the manner of their utilisation on a long term basis.

The investment of Rs 36.74 lakh on the construction of staff quarters has thus remained idle. The department had not taken steps for the utilisation of these quarters.

The matter was referred to the Government in April 2002; reply had not been received (August 2002).

Finance Department (Directorate of State Lotteries)

3.5 Avoidable liability and expenditure due to cancellation of agreement

Injudicious decision to cancel the agreement without following its provisions resulted in avoidable liability of Rs 3.85 crore and expenditure of Rs 79.55 lakh.

With a view to generate revenue, the Himachal Pradesh Government entered into an agreement on 31 January 1995 with a company for setting up an "On-line lottery system". Clause 26 of the agreement envisaged laying of infrastructure for the launch of the on-line lottery system within 18 months from the date of signing of the agreement where after the commercial launch of the lottery was to commence for an initial term of 10 years. Accordingly, the company was required to lay infrastructure by 1 August 1996. Clause 27.2 of the agreement stipulated that either party had the right to terminate the agreement by giving 90 days written notice when the other party failed to perform any material term of the agreement. In terms of clause 4 of the agreement, *ibid*, the company deposited (October 1995) Rs 5 crore with the Government. In November 1995, the department on the request of the company, agreed to modify the period of 18 to 24 months. This modification was to be incorporated in a supplementary agreement at the convenience of the company.

It was noticed (August 2001) in audit that neither had the company turned up to enter into a supplementary agreement nor had the department followed it up with the company. The agreement thus remained in original form according to which the necessary infrastructure was to be ready latest by 1 August 1996. Further, instead of issuing 90 days written notice, the department informed (January 1997) the company that since the Government had decided to float global tenders for its "On-line lotteries", the agreement entered into (January 1995) with the company stood cancelled. It was further stated that the deposit made by the company would be adjusted against the tender deposit as and when the tenders were invited. Aggrieved at the cancellation of the agreement, the company filed (January 1997) a petition before the Hon'ble High Court who, in turn, appointed (May 1997) an Arbitrator. The Arbitrator in his final award announced (April 2001) that the company did not commit any breach of the contract and the termination of the agreement by the Government was illegal. It was also announced that the Government be directed to refund Rs 5 crore alongwith interest to the company and a lump sum of Rs 25 lakh as damages with future interest @ 18 *per cent* per annum from the date of award till date of actual payment. Accordingly, the department deposited (June 2001), Rs 8.85 crore including Rs 5 crore with the registry of the High Court. Besides, a sum of Rs 79.55 lakh representing fees paid to the advocates/Arbitrator and other miscellaneous expenditure, etc., was also incurred. On filing the objections against the award in July 2001, the High Court ordered for depositing the amount as FDR in the Himachal Pradesh State Co-operative Bank till final decision. The amount had not been released to the company and the matter was stated (February 2002) to be under consideration of the Court.

Injudicious decision of the department to cancel the agreement without giving 90 days written notice to the company thus resulted in avoidable liability of Rs 3.85 crore and expenditure of Rs 79.55 lakh.

The Deputy Director, Himachal Pradesh State Lotteries had earlier stated in August 2001 that notice under clause 27 of the agreement was not required as the agreement would have expired by efflux of time on 1 August 1996. The reply was not tenable as the provisions of the agreement were not enforced by the department.

The matter was referred to the Government in March 2002; reply had not been received (August 2002).

Forest Farming and Conservation Department

3.6 Avoidable expenditure on payment of excise duty

Ignorance of the provision relating to exemption from payment of excise duty in respect of projects approved by Government of India and financed by international funding agencies resulted in avoidable expenditure of Rs 17.54 lakh.

Central Customs and Central Excise Tariff, 2000-2001 exempts* all goods supplied to projects that are approved by the Government of India (GOI) and financed by international organisations from the levy of excise duty subject to the executive head of the implementing authority furnishing a certificate to the effect that the said goods were required for the execution of the project and that the project had been approved by GOI for implementation by the State Government.

Integrated Water Shed Development Project (Hills-II) known as Kandi Project financed by the International Bank for Reconstruction and Development was implemented from 1999-2000 by the Project Director, Project Management Unit, Solan through its Assistant Project Directors, Nahan, Nalagarh, Nurpur and Una.

Test-check of records of the Assistant Project Directors revealed (June-August 2001) that while making purchases of materials like barbed wire, U-nails, cement, polythene bags, galvanised MS pipes, etc., during 2000-2001, excise duty of Rs 16.57 lakh was paid by Assistant Project Directors Nahan, Una, Nalagarh and Nurpur contrary to above provisions. In addition, Rs 0.97 lakh was also paid as Central Sales Tax/General Sales Tax.

* General Exemption No. 73.

Since the project met the twin conditions of being financed by an international funding agency and approval by GOI, payment of excise duty, etc., should have been avoided after furnishing the prescribed certificate. Failure of the project authorities to do so resulted in avoidable expenditure of Rs 17.54 lakh on payment of Excise Duty and Central Sales Tax/General Sales Tax.

On this being pointed in audit, the department accepted (January 2002) the audit observation and the Project Director attributed the failure to ignorance of the provisions of the Act for excise duty exemption.

The matter was referred to the Government in April 2002; reply had not been received (August 2002).

Health and Family Welfare Department

3.7 Non-utilisation of programme funds

CMO, Bilaspur did not execute the scheme for treatment and rehabilitation of mental patients during 1998-2002 and funds of Rs 40.25 lakh remained unspent in a bank.

Government of India (GOI) launched District Mental Health Programme under the National Mental Health Programme during 1996-97. Bilaspur district was selected by GOI for implementation of this programme on a pilot-basis. GOI released Rs 50 lakh* between 1998-99 to 2001-2002 to the Chief Medical Officer (CMO), Bilaspur through the Principal, Indira Gandhi Medical College, Shimla. This amount was to be spent on staff salaries, medicines/stationery, contingencies, equipment, vehicles and for imparting training and organising workshops.

Audit scrutiny of records of CMO, Bilaspur revealed (October 2001) that only Rs 9.75 lakh had been spent on the execution of this scheme and the balance of Rs 40.25 lakh was lying in savings bank account as of January 2002.

CMO stated (October 2001) that the funds could not be utilised due to non-posting of regular psychiatrist and staff in the hospital. He further intimated (March 2002) the Director of Health Services that the activities of the programme are being hampered due to non-posting of staff. This resulted in blocking of programme funds of Rs 40.25 lakh.

The matter was referred to the Government in February 2002; reply had not been received (August 2002).

* 1998-99: Rs 15.66 lakh; 1999-2000: Rs 13.50 lakh ; 2000-2001: Rs 0.05 lakh and 2001-2002: Rs 20.79 lakh.

Revenue Department

3.8 Diversion of MPLADS funds

Members of Parliament Local Area Development funds amounting to Rs 30 lakh were diverted by DCs, Kangra and Hamirpur in contravention of the provisions of the scheme.

Members of Parliament Local Area Development Scheme (MPLADS) was implemented in the State from 1993-94. There is no provision in the scheme for release of lump sum amount without specifying the name(s) of work(s) to be taken up. The sanctioned works are subject to inspection/monitoring by a nodal department and normal financial and audit procedure.

Test-check of records of Deputy Commissioner (DC), Kangra and information collected from DC, Hamirpur revealed (September 2000 and April 2002) that on the recommendations of three MPs, the DCs sanctioned (August 2000 and January 2001) Rs 30 lakh out of MPLADS funds for natural calamity in the State and paid (September 2000 and January 2001) this amount into the Chief Minister’s Relief Fund without specifying the nature of works on which it was to be spent. In the absence of details of works there was no way of determining even subsequently that the works were of developmental nature and these were identified as damaged by natural calamity which needed restoration for public utility. MPLADS funds were thus diverted and kept outside Government account in contravention of the provisions of the scheme. Normal financial and audit procedures could also not be applied in this case as envisaged in the scheme.

DCs, Kangra and Hamirpur stated (February 2002 and April 2002) that sanctions were clear that the amounts would be spent on the works defined in the guidelines under MPLADS and the utilisation certificates would be collected for the executed works. The replies are not tenable because the sanction orders showed that the funds were provided for natural calamity in Himachal Pradesh without specifying the identified damaged works to be executed as required under the provisions of the scheme.

The matter was referred to the Government in May 2002; reply had not been received (August 2002).

3.9 Blocking of funds for construction of helipad

Lackadaisical approach to implementation and lack of planning resulted in blocking of funds of Rs 45.79 lakh sanctioned for construction of helipad at Kundi in Chamba district.

The Government accorded (December 1999) administrative approval and expenditure sanction of Rs 45.79 lakh for the construction of helipad at Kundi in Chamba district. The Director, Tourism and Civil Aviation remitted (March 2000) Rs 45.79 lakh to the Deputy Commissioner (DC), Chamba who released (March 2000 to October 2001) the entire amount to the Executive Engineer, Salooni Division for taking up the construction of helipad.

Test-check of records of the office of the DC, Chamba (March 2001) and the information received (April 2002) from Director, Tourism and Civil Aviation revealed that only the construction of the approach road to the helipad was started by Salooni Division in October 2000. Thereafter the work was stopped by the Forest Department due to non-transfer of forest land to Tourism Department. The link road had been constructed over a length of 300 metres and an expenditure of Rs 1.63 lakh had been incurred as of March 2002.

The DC, Chamba while confirming the facts stated (March 2001) that keeping in view the urgency for construction of the helipad, the amount was released to the PWD authorities without transferring the land. The reply is not tenable because Rule 2.10 (b) (3) of Himachal Pradesh Financial Rules provide that all charges incurred are drawn and paid at once and are not held up for want of funds and allowed to stand over to be paid from the grant of another year. Rule 2.10 (b) (5) of the said rules further provide that no money should be withdrawn from the treasury unless it is required for immediate disbursement. However, in the instant case the money was drawn in advance although there was no possibility of spending it within the same financial year in the absence of proper estimates and non-completion of other pre-construction formalities. Thus, the rules had been violated only to show utilisation of the grant instead of following the correct course of surrendering the amount. Further, urgency of taking up a work cannot be an excuse to bypass necessary procedural requirements.

Thus, the lackadaisical approach to implementation of the scheme, scant respect for rules and procedures and lack of planning resulted in blocking of Rs 44.16 lakh.

The matter was referred to the Government in May 2002; reply had not been received (August 2002).

3.10 Drawal of funds in advance of requirement

Out of Rs 70 lakh drawn for construction of Zonal Hospital, Solan and development of artificial lake at Sadhupul Rs 63.33 lakh was lying unutilised.

Rules 2.10 (5) and 2.10 (11) of Himachal Pradesh Financial Rules stipulate that no money should be drawn from the treasury unless it is required for immediate disbursement or for recoupment of funds disbursed out of any permanent advance. It is also not permissible to draw advances from the treasury for execution of works, the completion of which is likely to take considerable time. Any unspent balance is required to be refunded promptly into the treasury.

(a) Test-check (June 2001) of the records of the Deputy Commissioner (DC), Solan and information obtained in March 2002 revealed that administrative approval and expenditure sanction was accorded (March 1999) by the Government for development of a lake at Sadhupul for Rs 20 lakh. Accordingly the District Planning Officer deposited (November 1999 to April 2000) Rs 45 lakh with the Executive Engineer, Irrigation and Public Health (I&PH) Division, Solan for execution of the work.

The Executive Engineer assigned (January 2001) the geological studies for the construction of a dam on river Ashwani for development of a lake to the University of Roorkee for Rs 0.32 lakh. The University recommended (February 2001) a site for detailed investigation. Thereafter the work for preparation of detailed project report was assigned (March 2001) to the Regional Engineering College, Hamirpur who submitted their report in June 2001. Meanwhile, the work for construction of exploratory temporary earthern dam as a part of preliminary survey and investigation of the project had been taken up by Solan division in February 2001. An expenditure of Rs 6.67 lakh was incurred on survey and investigation including cost of temporary water body. The balance amount of Rs 38.33 lakh returned by the Executive Engineer, I&PH Division, Solan had been deposited (March 2002) by DC, Solan in a saving bank account.

In response to the audit enquiry regarding development of a lake at Sadhupul, the Additional Deputy Commissioner (ADC), stated (April 2002) that there was a proposal for the construction and maintenance of artificial lake through a farmers society of the area but there were no clear instructions in this regard from the Government. Thus, the drawal of Rs 45 lakh in 1999-2000 without immediate requirement had resulted in blocking of Rs 38.33 lakh.

(b) Administrative approval for construction of Zonal Hospital, Solan was accorded (April 2000) for Rs 25 lakh by DC, Solan. Accordingly Rs 25 lakh was remitted (April 2000) to the Executive Engineer, Buildings and Roads, Division, Solan for construction of the building. Audit scrutiny revealed (April 2002) that construction of the building has not been started as of April 2002 and the amount of Rs 25 lakh was lying unutilised with the Public Works Department.

The ADC, Solan stated (April 2002) that the sketch drawings have been evolved and the construction work would be started within three months. The reply is not tenable as the drawal of funds in advance of requirement is in contravention of the financial rules besides blocking the funds of Rs 25 lakh since April 2000.

The matter was referred to the Government in May 2002; reply had not been received (August 2002).

3.11 Misutilisation of funds

Relief funds of Rs 18.81 lakh were utilised to meet expenditure on works not relating to natural calamities in Una district.

According to the guidelines issued (September 2000) regarding utilisation of Chief Minister's Relief Fund and also in order to supplement the gratuitous relief being granted under the Himachal Pradesh Emergency Relief Manual, financial assistance was to be released to meet expenditure on items like construction of *Jhullas*, pedestrian paths, mule tracks, fully damaged houses, etc. The Himachal Pradesh Emergency Relief Manual further provided that all cases of damages above Rs 10,000 each caused due to natural calamity were required to be inspected by the Revenue Officer.

Test-check of the records (September-October 2001) of the Deputy Commissioner (DC), Una, revealed that out of Rs 50 lakh released (December 2000) by the Government from Chief Minister's Relief Fund to the DC, Rs 18.81 lakh was given between March 2001 and September 2001 to 29 executing agencies for renovation of Government buildings/residences, levelling of play grounds, construction of water tanks, scooter/cycle stand, upgradation of dental clinic, providing of car parking/car garages, etc., which were not covered under the guidelines. It was also noticed in audit that out of 52 works for which funds were released, 49 works were estimated to cost Rs 10,000 and more. Inspection of these works to assess the damages was not conducted by the Revenue Officer, as required.

DC stated (October 2001) that these works were not original works but were damaged due to heavy rains/floods. The reply is not tenable as there was nothing on record to indicate that these works were damaged in floods/rains. Moreover, the nature of the works did not suggest that these were damaged works.

Thus, the execution of works, which were not covered under the guidelines for utilisation of Chief Minister's Relief Fund, resulted in misutilisation of funds amounting to Rs 18.81 lakh.

The matter was referred to the Government in March 2002; reply had not been received (August 2002).

3.12 Sanction of funds without demand for District Hospital, Nahan

Surplus funds of Rs 62.48 lakh were released without demand which resulted in keeping funds out of Government account and consequent loss of interest of Rs 14.81 lakh.

Construction of additional accommodation in District Hospital, Nahan was administratively approved (June 1997) by the Health and Family Welfare Department for Rs 1.04 crore. The budget allotment for 1998-99 to 2000-2001 was Rs 25.50 lakh. Additional funds of Rs 1.50 crore were provided by the Planning Department (March 1999) to Deputy Commissioner (DC) Nahan under Sectoral Decentralised Planning with the condition to release funds to the implementing agency keeping in view the pace of work, etc., and the name of the work was changed to construction of Swaran Jayanti Hospital, Nahan.

Test-check of records (December 2001-January 2002) of DC, Nahan revealed that the DC drew Rs 1.50 crore (March 1999) and deposited the same in the bank and subsequently released Rs 86.63 lakh out of Rs 1.50 crore between April 1999 and September 2000 to the executing agency. The work was in the final stages (January 2002) and an expenditure of Rs 98.56 lakh had been incurred and Rs 14.44 lakh retained for electric lift facility, etc., leaving a surplus of Rs 62.48 lakh.

DC, Nahan stated (January 2002) that demand for funds was not made by his office and the allocated funds were drawn to avoid lapse of budget grant. The reply is not tenable since financial rules stipulate that money should not be drawn from the treasury unless it was required for immediate disbursement and unspent balance of Rs 62.48 lakh was required to be refunded forthwith into the treasury. Obviously, the funds were released without demand from the DC, Nahan and the executing agency which resulted in loss of interest of Rs 14.81 lakh[*] by keeping surplus funds of Rs 62.48 lakh out of Government account from April 1999 to March 2002.

The matter was referred to the Government in April 2002; reply had not been received (August 2002).

---

* Average rate of interest of 12.40 *per cent* on which HPRID raised non-SLR bonds for Government minus 4.5 *per cent* rate of interest on savings bank account on Rs 62.48 lakh.

Transport Department

3.13 Fictitious revenue and concealment of revenue deficit

Crediting of funds accumulated in Personal Ledger Account of Passengers Insurance Scheme Fund unauthorisedly to receipt head of account resulted in fictitious revenue of Rs 70.04 crore

The State Government introduced (November 1977) Passengers Insurance Scheme (PIS) for payment of ex-gratia to passengers becoming victims of accidents while travelling in stage carriages and contract carriages, registered and/or licenced in the State to carry passengers for hire or reward. A PIS fund, to be administered by the Commissioner (now Director), Transport, was created and a surcharge at the rate of 20 *per cent* of the passengers and goods tax was to be levied on travelling passengers. Payment was to be made from the fund to the victims of accidents or their dependents at the rates prescribed from time to time.

The surcharge on passenger tax is collected from the passengers and credited to the receipt head "0042-Taxes on Goods and Passengers 02-Surcharge on Passenger tax". Funds are subsequently allocated/transferred to the PIS fund under head "8448-Deposits of Local Funds 01-Passenger Insurance Scheme" at the close of each financial year from the service head "2235-Social Security and Welfare 60-Other Social Security and Welfare Programme 01-Insurance Scheme 01-Surcharge on passenger tax". A total amount of Rs 70.39 crore had accumulated under the fund as of January 2002. In February 2002, the Commissioner-cum-Secretary, Transport directed the Director Transport to retain Rs 25 lakh as imprest to defray immediate liabilities on account of ex-gratia payments. It was noticed in audit that the Transport Department deposited (February 2002) Rs 70.04 crore under the head "0041-Tax on vehicles" after retaining Rs 25.34 lakh as imprest.

Since the amount of surcharge collected from passengers from time to time had already been taken as revenue during the respective years, deposit of Rs 70.04 crore under receipt head resulted in fictitious revenue of Rs 70.04 crore.

Director Transport stated (May 2002) that the amount lying in the PLA was diverted to the Government receipt head as per direction of the Special Secretary (Transport) to Himachal Pradesh Government.

The matter was referred to the Government in July 2002; reply had not been received (August 2002).

Miscellaneous Departments

3.14 Double/unauthorised payment of pensionary benefits

Double payment of Rs 14.50 lakh on account of pensionary benefits was made by nine DDOs in seven departments during October 1999 and December 2000.

Financial rules provide that the drawer of a bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriations. He should, therefore, thoroughly acquaint himself with various financial checks which he is expected to exercise so that he could be in a position to detect immediately any attempt at defalcation and should pay special attention to those points where leakage was likely to occur. To enable the head of office to see that all amounts drawn from the treasury have been entered in the cash book, he should obtain from the Treasury Officer by the 15th of every month a list of all bills drawn by him during the previous month and trace the amounts in the cash book.

During posting of vouchers of Death-cum-Retirement Gratuity and commutation of pensions in the office of the Senior Deputy Accountant General (Accounts and Entitlement), it was noticed (October 1999-August 2002) that Rs 14.50 lakh on account of pensionary benefits had been drawn in excess of the amount authorised in the Pensions Payment Orders by nine Drawing and Disbursing Officers (DDOs) in seven departments as per details given in Appendix-XII. The amount was drawn by preparing duplicate bills/bill for the same amount.

On this being pointed out in audit (October 2001), Rs 3.72 lakh was deposited (March 2002) in the Government account by Indira Gandhi Medical College branch of State Bank of India. Non-adherence to the prescribed financial procedure by the DDOs had resulted in double/unauthorised drawal of Rs 14.50 lakh to the retirees.

The matter was referred to the Government in July 2002; reply had not been received (August 2002).

3.15 Failure to respond to Audit objections and non-compliance

Inadequate response to Audit findings and observations resulting in erosion of accountability.

Accountant General (AG) (Audit) arranges to conduct periodical inspection of Government departments to test-check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with Inspection Reports

(IRs). When important irregularities, etc., detected during inspection are not settled on the spot, these IRs are issued to the Heads of offices inspected with copy to the next higher authorities. The Financial rules/orders of Government provide for prompt response by the executive to the IRs issued by the AG to ensure corrective action in compliance with the prescribed rules and procedures and enforce accountability for the deficiencies, lapses, etc., noticed during his inspection. The heads of offices and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report their compliance to the AG. Serious irregularities are also brought to the notice of the Head of the Department by the office of the AG. A half yearly report of pending reports is sent to the Principal Secretary (Finance) in respect of pending IRs to facilitate monitoring of the audit observations in the pending IRs.

A review of the IRs issued to 163 DDOs during 1965-66 to December 2001 pertaining to Primary Education (130 DDOs), Co-operation (23 DDOs) and Home Guards, Civil Defence and Fire Services (10 DDOs) departments disclosed that 2014 paragraphs relating to 613 IRs remained outstanding at the end of June 2002. Of these, 297 IRs, containing 613 paragraphs had not been settled for more than 10 years. Year-wise position of the outstanding IRs and paragraphs is detailed in the Appendix-XIII.

Though initial replies were required to be received from the heads of offices within six weeks from the date of issue, such replies were not received in respect of 69 offices (Primary Education: 68 and Co-operation: 01) for 69 IRs issued between October 1999 and December 2001. As a result, action taken on the serious irregularities commented upon in the outstanding IRs of Primary Education, Co-operation and Home Guards, Civil Defence and Fire Services departments as detailed in Appendix-XIV is not known to audit.

A review of the pending IRs in respect of Primary Education, Co-operation and Home Guards, Civil Defence and Fire Services departments revealed that the concerned heads of the offices and the heads of the department viz. Director of Primary Education, Registrar of Co-operative Societies and Commandant General of Home Guards, Civil Defence and Fire Services did not send complete replies to a large number of IRs/Paragraphs indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out in the IRs and thus failed to discharge their due responsibilities. Half yearly reports of outstanding IRs/Paragraphs were being sent to the Principal Secretary (Finance) invariably but no concrete steps were taken by the Finance Department.

The above failure also indicated lack of action against the defaulting officers thereby facilitating the continuation of serious financial irregularities and loss to the Government though these were pointed out in Audit.

It is recommended that Government look into this matter and ensure that procedure exists for (a) action against the officials who failed to send replies to IRs/Paragraphs as per the prescribed time schedule, (b) action to recover losses/outstanding advances/overpayments in a time bound manner, and, (c) revamping the system to ensure proper response to the audit observations in the Department.

The matter was referred to Government in June 2002; reply had not been received (August 2002).

3.16 Irregular drawal of advances on Abstract Contingent Bills

To avoid delay in the discharge of claims, advances for countersigned contingencies are required to be drawn on 'Abstract Contingent bills' (AC bills) by the Drawing and Disbursing Officers (DDOs) subject to presentation of 'Detailed Contingent bills' (DC bills) to the Controlling Officers (COs) for countersignature and for onward transmission to the Accountant General. Further, no fresh AC bill can be drawn by the DDOs until the AC bills drawn during the previous month are adjusted by submitting DC Bills to the COs.

Test-check of the records of five DDOs of Food and Supplies Department and Tourism and Civil Aviation Department revealed (June 2002) that these DDOs drew Rs 37.70 crore through 211 AC bills during 1999-2002 by debiting the expenditure to the final heads of account to meet land compensation, expansion of airports, construction of helipads, *Sarain**, toilets, beautification of tourist complexes, arranging fairs and festivals, procurement of wheat, food storage and warehousing and disbursement of subsidy, etc.

The details of such drawals and their adjustment as on 30 June 2002 are given below:

Table: 3.12

(Rupees in crore)

Sr. No.	Name of department	Number of DDOs	AC bills drawn		DC bills submitted		DC bills awaited	
			Number	Amount	Number	Amount	Number	Amount
1.	Tourism	2	189	31.27	55	1.56	134	29.71
2.	Food and Supplies	3	22	6.43	14	0.64	8	5.79
	Total	**5**	**211**	**37.70**	**69**	**2.20**	**142[1]**	**35.50**

Non-adjustment of AC bills was attributed (June 2002) by the Deputy Director, Tourism and Civil Aviation and the Deputy Controller (F&A), Food and Supplies departments to non receipt of accounts/utilisation certificates from the executing agencies. It was further stated (June 2002) by the Deputy Director, Tourism and Civil Aviation that no officer was declared as DDO to draw advances on AC bills.

---

*Sarain: Buildings to provide temporary residential accommodation to the visitors.

		Bills	Amount (Rs in crore)
1	1999-2000	73	27.00
	2000-2001	36	4.52
	2001-2002	33	3.98
	Total	**142**	**35.50**

Further the AC bills were being drawn in form HPTR-5 instead of Form STR-31. Instead of submitting the DC bills for adjustment of advances to the Accountant General, the advances drawn on AC bills were adjusted through the treasuries. It was also noticed that two DDOs (Tourism and Civil Aviation: 1 and Food and Supplies: 1) drew an amount of Rs 36.35 crore through 148 AC bills during 1999-2002 without having submitted DC bills for amounts drawn earlier through AC bills.

The matter was referred to the Government in July 2002; reply had not been received (August 2002).

3.17 Misappropriations, defalcations, etc.

The position of cases of misappropriations, defalcations, etc., of Government money reported to Audit upto the end of March 2002, final action on which was pending as of June 2002, was as under:

Table: 3.13

(Rupees in lakh)

Particulars	Number of cases	Amount
Cases reported upto 31 March 2001 and outstanding on 30 June 2001	70	125.09
Cases reported during 2001-02	03	8.96
Cases disposed of upto June 2002	10	3.50
Cases outstanding on 30 June 2002	63	130.55

Of these, 17 cases (amount involved: Rs 7.23 lakh) relating to shortage of material, accident during excavation, fire, washing away of *kuhl*/bridge, building, theft of cash, machinery, bitumen, detonators, MS Plates, GI Pipes, etc., were outstanding for more than 20 years. Twenty six cases involving Rs 56 lakh pertained to the Public Works Department, thirteen cases involving Rs 27.56 lakh to the Irrigation and Public Health Department and five cases involving Rs 1.35 lakh related to the Forest Farming and Conservation Department. Of the 44 cases outstanding in these three departments, 31 cases involving Rs 56.38 lakh were awaiting completion of departmental investigations (upto three years: three cases: amount involved: Rs 43.77 lakh; more than three years but upto five years: four cases: amount involved: nil*; more than five years but upto 10 years: six cases: amount involved: Rs 6.10 lakh; more than 10 years but upto 15 years: 10 cases: amount involved: Rs 3.83 lakh; more than 15 years but upto 20 years: two cases: amount involved: Rs 0.26 lakh and more than 20 years: six cases: amount involved: Rs 2.42 lakh).

Government need to take suitable steps to finalise the cases in a time bound manner.

* cases were reported but amount of loss was not intimated by the Department.