CHAPTER – IV

AUDIT OF TRANSACTIONS

FISHERIES DEPARTMENT

4.1 Avoidable expenditure

Procurement of fingerlings at exorbitantly higher rates resulted in avoidable expenditure of Rs.45.08 lakh.

According to Office Memorandum issued (July 1991) by the Government of Mizoram (Finance Department), all purchases of more than Rs.20 lakh are required to be referred to the State Purchase Advisory Board (SPAB) for obtaining their recommendations.

The Director of Fisheries, Mizoram received (August 2003) an amount of Rs.1.20 crore (90 *per cent* grant and 10 *per cent* loan) from the North Eastern Council (NEC) for supply of fingerlings (fish seeds) to the beneficiaries in the State, under the scheme "Integrated Fisheries Development in North Eastern Region".

Scrutiny (October/November 2004) of the records of the Director of Fisheries revealed that in response to tender notice of May 2003 for procurement of fingerlings during 2003-04, the lowest offered rates for supply of Indian Major Carps (IMC) varied from Rs.325 to Rs.390 per thousand fingerlings and that for supply of Common Carp (CC) fingerlings varied from Rs.330 to Rs.460 per thousand fingerlings depending upon the place of supply of fish seeds. Although the rates for procurement of IMC were approved by the SPAB as well as by the Government, no such approval was obtained for procurement of CC fingerlings. It was, however, noticed in audit that the Director of Fisheries without SPAB's approval procured (May-June 2003) 100.45 lakh CC fingerlings at a cost of Rs.84.29 lakh at rates varying from Rs.600 to Rs.1200 per thousand fingerlings. Had 100.45 lakh fingerlings been purchased at the lowest offered price varying from Rs.330 to Rs.460 per thousand fingerlings the total cost of the same would have been Rs.39.21 lakh[23] as against the cost of Rs.84.29 lakh incurred by the department. This resulted in an avoidable expenditure of Rs.45.08 lakh (Rs.84.29 lakh – Rs.39.21 lakh).

The Government justified (July 2005) the procurement on the ground that the CC fingerlings were procured during April-May 2003 at the Departmental Purchase Advisory Board's recommended rates valid upto May 2003. The reply is not tenable as the procurement of fingerlings was made during May-June 2003 ignoring the quotations received against tender notice of May 2003. Moreover, the reply is silent about not obtaining SPAB's recommendations as required under instructions of the Finance Department.

HEALTH AND FAMILY WELFARE DEPARTMENT

4.2 Abnormal delay in installation and commissioning of incinerator

The installation and commissioning of the incinerator in Civil Hospital, Lunglei was abnormally delayed due to faulty execution of the agreement with the firm and payment of an advance of Rs.36.52 lakh without obtaining bank guarantee.

Under the Central scheme "Assistance for Capacity Building", the Government of India, Ministry of Health and Family Welfare released (September 2001) Rs.55 lakh to the Government of Mizoram as financial assistance for providing facilities for hospital waste management in civil hospital, Lunglei.

After a delay of over a year the State Purchase Advisory Board (SPAB) recommended (November 2002) award of the work for supply, installation and commissioning of an incinerator to a Guwahati based firm at a total cost of Rs.45.65 lakh[24]. Accordingly, the State Government accorded (March 2003) expenditure sanction of Rs.45.65 lakh on the condition that the department should obtain a bank guarantee from the firm and release the payment in instalments as

[23]

	No. of fingerlings (lakh)	Rate, per thousand (Rs.)	Amount (Rs.)
Aizawl	48.45	330	15,98,850
Lunglei	10.00	390	3,90,000
Kolasib & Saiha	42.00	460	19,32,000
Total	**100.45**		**39,20,850**

[24] *Rs.45.65 lakh includes*

(i) Cost of incinerator - Rs.32.50 lakh
(ii) Cost of fabrication - Rs. 4.00 lakh
(iii) Cost of site preparation - Rs. 5.40 lakh
(iv) Cost of electrification and water charges - Rs.3.75 lakh

per terms and conditions stipulated in the agreement made with the firm in January 2003 by the Director of Hospital and Medical Education (DH&ME), Mizoram, Aizawl. The agreement however did not stipulate any time schedule for installation and commissioning of the incinerator.

Scrutiny (November 2004) of the records of DH&ME revealed that the department drew the entire sanctioned amount (Rs.45.65 lakh) in March 2003 and, released (April to July 2003) an amount of Rs.36.52 lakh (being 80 *per cent* of the sanctioned amount) to the firm on receipt of confirmation of despatch of machinery without obtaining a bank guarantee, which was contrary to the conditions of expenditure sanction accorded by Government. However, the firm failed to install the incinerator till the end of July 2005 despite having supplied the incinerator in May 2003.

Thus, the objectives of the Central Scheme, *viz.*, hospital waste management, were not achieved due to an abnormal delay of over two years in installation and commissioning of the incinerator, besides extending undue financial benefit of Rs.36.52 lakh to the firm.

Government while regretting the faulty execution of agreement and release of advance payment without obtaining bank guarantee, stated (September 2005) that the incinerator was installed and commissioned in August 2005. Reply is silent about proper functioning of the incinerator. The fact remains that there was abnormal delay in installation and commissioning of the incinerator.

4.3 Extra avoidable expenditure

The department incurred extra avoidable expenditure of Rs.11.16 lakh in procurement of portable defibrillator-cum-monitors due to non-acceptance of the available lower rate.

The Director of Hospital and Medical Education (DH&ME), Mizoram, Aizawl purchased seven portable defibrillator-cum-monitors (DcM) of same model and specification during November 2003 to March 2004 at a total cost of Rs.22.71 lakh for the Trauma Centre of Civil Hospital at Aizawl (two), at Lunglei (two) and in Intensive Care Unit (ICU) of Civil Hospital at Aizawl (three).

Scrutiny (November 2004) of the records of the DH&ME revealed that the DH&ME invited two separate tenders in March and May 2003 for supply of DcM of the same model and specifications. Reasons for splitting up the purchase were not on record. A Guwahati based firm offered two different rates of Rs.3.75 lakh (March 2003) and Rs.1.65 lakh (May 2003) and a New Delhi based firm offered (May 2003) Rs.2.57 lakh for each DcM. Reasons for substantial difference in rates offered by the Guwahati based firm for the same model and specification of DcM were not analysed by the department.

The Departmental Purchase Advisory Board (DPAB) recommended (May, July and August 2003) the rate of Rs.3.75 lakh and Rs.2.57 lakh each for Trauma Centre and ICU respectively, rejecting (August 2003) the lowest rate of Rs.1.65 lakh each offered by the Guwahati based firm on the ground that the firm was not an authorised dealer. Accordingly, the DH&ME procured the seven DcMs at Rs.22.71 lakh against supply orders placed in September 2003 (four @ Rs.3.75 lakh and three @ Rs.2.57 lakh).

Thus, the rejection of lower rate of Rs.1.65 lakh by the DPAB on the ground of unauthorised dealership was not justified since the DPAB was satisfied about the credentials of the same Guwahati based firm when they offered the higher rate (Rs.3.75 lakh each) for the same DcM. Moreover, since the supply orders for procurement of all the seven DcMs were placed in September 2003, the department could have purchased these for Rs.11.55 lakh at the lowest offered rate of Rs.1.65 lakh each and avoided an extra expenditure of Rs.11.16 lakh (Rs.22.71 lakh – Rs.11.55 lakh).

In reply to an audit query, the DH&ME stated (December 2004) that for the machinery of same model and specification, the Guwahati based firm offered much lower rate (Rs.1.65 lakh) after two months from the date of receipt of offer at higher rate (Rs.3.75 lakh) and as such it was not possible for the department to accept the lower rate. Government, however, stated (November 2005) that although the machinery of the Guwahati based firm was of superior quality, the DPAB rejected the offer of the firm for ICU on the ground that the firm was not an authorised dealer. The reply is not tenable as the supply order was placed in September 2003 after finalisation of both the tenders and when the department was aware of the rate of Rs.1.65 lakh per unit for superior quality, quoted by the same Guwahati based firm. Moreover, the firm was considered an authorised dealer when he offered a higher rate but was not treated as an authorised dealer when he offered a lower rate for the same equipment.

AGRICULTURE DEPARTMENT

4.4 Unauthorised and extra expenditure

The department unauthorisedly procured 739 quintals cow pea seeds incurring an extra expenditure of Rs.13.30 lakh.

According to State Government's instructions (July 1991), all purchases upto Rs.20 lakh were to be made on the recommendation of Departmental Purchase Advisory Board (DPAB) and purchases beyond Rs.20 lakh were to be referred to the State Purchase Advisory Board (SPAB) for their recommendations.

The Director of Agriculture proposed (August 2003) to DPAB for local purchase of five[25] items of agricultural seeds, which included cow pea seeds. The DPAB, however, recommended (September 2003) for local purchase of only french bean and soya bean seeds and did not recommend the purchase of other local seeds proposed by the department. The DPAB further recommended purchase of other different seeds from 13 authorised firms on the basis of their printed price lists. The DPAB's recommendation was also approved (October 2003) by the Government.

Scrutiny (November 2004) of records of Director of Agriculture revealed that between August 2003 and September 2004 the department purchased 739 quintals of local cow pea seeds (@ Rs.7,000 per quintal) valued at Rs.51.73 lakh from local suppliers against three[26] different schemes although the purchase had not been approved by the Government. Thus, procurement of 739 quintals local cow pea seeds valued at Rs.51.73 lakh, in contravention of Government's instructions was irregular and unauthorised.

Scrutiny further revealed that though a lower rate of Rs.5200 per quintal of certified/hybrid cow pea seed, offered by one Delhi based and DPAB approved firm, was available with the Directorate, the Director resorted to local purchase of 739 quintals local cow pea seeds at a higher rate of Rs.7000 per quintal. This has resulted in an extra expenditure of Rs.13.30 lakh (Rs.7,000 – Rs.5,200 = Rs.1,800 x 739 quintals).

On this being pointed out, the State Government (Agriculture Department) stated (September 2005) that the purchases of cow pea seeds were made as per DPAB's recommendations of December 2002. The reply is not tenable as the DPAB, in their meeting held during 2003-04 did not recommend the purchase of local cow pea seeds.

TOURISM DEPARTMENT

4.5 Receipt of excess Central fund by submitting inflated estimate and doubtful execution of work

The department submitted inflated estimates to Government of India and obtained excess Central fund of Rs.10.13 lakh for execution of a work which was shown as executed without recording measurement of actual work done.

Based on an estimate for Rs.60.58 lakh forwarded (October 1999) by the Director of Tourism for construction of Tourist Lodge at Ngopa, the Government of India

[25] *Sesamum, French Mustard, Local Mustard, Cow Pea and French Bean.*

[26] *(i) Control of Shifting Cultivation (Plan)- 277 quintals.*
(ii) Oil Seed Development Programme (CSS)- 228 quintals.
(iii) National Watershed Development Project for Rain-fed Areas (CSS)- 234 quintals.

sanctioned (December 1999) Rs.60.58 lakh, (Central share: Rs.45 lakh towards cost for construction of building and State share: Rs.15.58 lakh for meeting various expenditure[27]). The entire Central share of Rs.45 lakh was released in December 1999 (Rs.13.50 lakh), March 2001 (Rs.22.50 lakh) and March 2002 (Rs.9 lakh). However, the State Government did not release its share of Rs.15.58 lakh.

Scrutiny (December 2004) of records of the Director of Tourism, Mizoram revealed that against the original provision of Rs.60.58 lakh, a detailed estimate for Rs.42.60 lakh was prepared for execution of the work of which Rs.34.87 lakh was for construction of building. The building was also shown as completed (December 2001) through a local contractor at a cost of Rs.34.87 lakh without recording measurement in the Measurement Book. It was further noticed that the department submitted (January 2002) utilisation certificate of Rs.60.58 lakh (Central share: Rs.45 lakh and State's share: Rs.15.58 lakh) to Government of India, stating that the whole work was completed and functioning since December 2001. Test check revealed that the State Government in March 2002 accorded administrative approval of Rs.42.60 lakh and the work orders were issued between March 2002 and August 2003. The contractor was paid Rs.42.50 lakh between June 2002 and July 2003 without proper bill for work done. As such, in absence of any recorded measurement, actual execution of the work remained doubtful and submission of utilisation certificate alongwith completion report to Government of India before the work had even been taken up was a misstatement of facts. Further, by framing inflated estimate, the department obtained excess Central assistance of Rs.10.13 lakh (Rs.45 lakh – Rs.34.87 lakh) towards meeting the expenses to be borne by the State Government.

The matter was reported to the Government in July 2005; reply had not been received (October 2005).

SOCIAL WELFARE DEPARTMENT

4.6 Extra avoidable expenditure

Injudicious rejection of second lowest tender led to extra avoidable expenditure of Rs.9.20 lakh.

In September 2003 the Director of Social Welfare invited tenders for supply of various items of nutritive food under Special Nutrition Programme (SNP). According to Clause 9 of the Notice Inviting Tender (NIT), a sample of at least one kilogram (kg) of each food item was to be submitted, and under Clause 11,

[27] *Water supply, electricity, approach-road, site development, furnishing and compound wall/fencing etc.*

latest certificate of analysis of food, indicating nutritive value was also to be furnished alongwith the tender.

Scrutiny (September 2004) of the records of the Director of Social Welfare revealed that for procurement of Soya Cereal Powder (SCP), five tenders were received and the State Purchase Advisory Board (SPAB) accepted the rates offered by the third lowest tenderer (Rs.324 for Aizawl and Rs.345 for Lunglei per case of 12 packets of one kg each). The SPAB rejected the first and second lowest tenderers on the grounds of violation of Clause 11 and Clause 9 respectively.

It was, however, noticed in audit that the second lowest tenderer submitted a sample of two kg (as per requirement of Clause 9 of the tender notice) in four packets of 500 grams each. Moreover, analysis certificate furnished by the second lowest tenderer showed that their sample contained higher nutritive value per 100 grams (Protein 19.81 grams and Calorie 410.19) in comparison to third lowest rates (Protein 14.2 grams and Calorie 347). The rates offered by the second lowest tenderer was Rs.274 for Aizawl and Rs.286 for Lunglei per case of 12 packets of one kg each. Thus the rejection of offer of second lowest tenderer, inspite of receipt of required quantity of sample and better nutritive value was not only injudicious but also irregular.

Thus, the decision of the department to procure 2,02,199 kgs of SCP (Aizawl – 1,24,986 kgs and Lunglei – 77,213 kgs) in March 2004 from the third lowest tenderer resulted in extra expenditure of Rs.9.20[28] lakh.

Besides, children covered under the programme were also deprived of the benefit of higher nutritive food value.

Government stated (October 2005) that the second lowest tenderer was not a bonafide manufacturing firm and also violated clause 9 of the NIT by submitting sample of four packets weighing half kg each. The reply is not tenable as the NIT only demanded sample of not less than one kg and not packet of one kg, and as regards the firm not being a bonafide manufacturer, it was seen that the third lowest tenderer to whom the contract was awarded was also not a bonafide manufacturer. Further, the offer of the second lowest tenderer was not rejected by SPAB on the ground of the firm not being a non-manufacturing firm. Again, the NIT also did not specify that only bonafide manufacturer could tender for the supply.

[28] *Cost as per third lowest tenderer = Rs.56.14 lakh (124986 Kg @ Rs.27 + 77213 Kg @ Rs.29)*
Cost as per second lowest tenderer = Rs.46.94 lakh (124986 Kg @ Rs.22.83+77213 Kg @ Rs.23.83)
Extra expenditure = Rs. 9.20 lakh

PUBLIC WORKS DEPARTMENT

4.7 Extra avoidable expenditure

Procurement of bitumen at higher rates led to extra avoidable expenditure of Rs.17.27 lakh.

The Public Works Department, Mizoram procures bitumen by placing indents directly with the manufacturers of the product *viz*., Indian Oil Corporation Limited (IOC)/ Hindustan Petroleum Corporation Limited (HPC) and as of June 2004, the rate of 60/70 grade bitumen in IOC was @ Rs.16,541 per MT (FOR Aizawl). The Engineer in Chief, PWD, Mizoram, fixed (March 2003) the issue rate of 60/70 grade bitumen at Rs.16,730 per MT, and this rate was in force till the date of audit (August 2004).

Test check (August 2004) of records of Aizawl Road North Division revealed that between September 2003 and March 2004, the division procured 352.483 MT of 60/70 grade bitumen at different rates (138.443 MT @ Rs.20,293 per MT from a Silchar based supplier and 214.04MT @ Rs.22,185 per MT from a Kolkata based supplier) at a total cost of Rs.75.57 lakh. It was ascertained by Audit that during this period, the required grade of bitumen was available with IOC @ Rs.16,541 per MT (including taxes and transportation). Thus due to purchase of 352.483 MT bitumen at higher rates from the suppliers instead of from the manufacturer (IOC), the division incurred extra avoidable expenditure of Rs.17.27 lakh (Rs.22,185 - Rs.16,541=Rs.5,644 x 214.04 MT + Rs.20,293 - 16,541=Rs.3,752 x 138.443 MT).

Government stated (October 2005) that there was no stock of bitumen with the department and the purchase was made in the interest of work as procurement of bitumen directly from the manufacturer requires 100 *per cent* advance payment. The reply is not tenable as the procurement had been made against sanctioned works where funds were available and the same could have been procured from IOC, Guwahati whose rate was lower.

4.8 Extra expenditure incurred for execution of earthwork

Division incurred extra expenditure of Rs.8.35 lakh on overlapping of chainages and Rs.1.94 lakh on doubtful execution of work.

The work "Improvement and widening of Bawngkawn to Durtlang road" at an estimated cost of Rs.6.81 crore was administratively approved by the Government in August 2003 and technical sanction was accorded by the Chief Engineer, Public Works Department (Building), in October 2003. The estimate provided *inter alia* execution of earth work in excavation for widening of the existing 2.28 km (2,280 RM) road where widening of 1,770 RM length was to be done and the balance 510 RM did not require any widening. The work was completed in

March 2004 at a total cost of Rs.6.81 crore which included Rs.1.37 crore on earth work in widening of 2,235.20 RM.

Test check (August 2004) of records of the Executive Engineer (EE) Aizawl Road North Division, Aizawl revealed that the earth work in widening for a total length of 1,620 RM (excluding 510 RM) falling under different chainages from 0 to 2.130 Km were awarded (August 2003) to 19 different contractors without inviting tenders and the work was completed in October 2003 at a cost of Rs.1.08 crore. Against the remaining 150 RM (1,770-1,620), for which widening was required, the department executed 615.20 RM of widening work through muster roll labourers at a cost of Rs.29.41 lakh between the period June 2003 and January 2004.

Scrutiny of muster roll vouchers and connected measurement books (MBs) revealed that out of Rs.29.41 lakh, an expenditure of Rs.8.35 lakh was incurred through muster roll labourers in chainages 0.250 to 0.540 Km, 1.158 to 1.228 Km, 1.490 to 1.540 Km and 1.750 to 1.790 Km (total 450 RM) although as per the MBs the work in these chainages had already been executed through contractors. Thus, due to overlapping of chainages, either the widening work of 450 RM in the chainages *ibid* was not actually executed by the contractors or the work shown to have been executed through muster roll labourers was fictitious. Since the measurement of work done by contractors was recorded earlier than that recorded for muster roll labourers, there was extra expenditure of Rs.8.35 lakh towards payment of muster roll labourers.

Further, against the balance work of 150 RM of the road to be taken up departmentally through Muster Roll labourers, the division executed 165.20 RM (615.20 – 450 RM) which was beyond the scope of the sanctioned estimate. Thus, the work in 15.20 RM (165.20 – 150 RM) involving Rs.1.94[29] lakh shown to have been executed in the MB without indicating specific chainages of the road, remained doubtful.

Government in reply stated (November 2005) that even after completion of the work by contractors, large protruding boulders at the higher level of chainage 0.250 to 0.540 km, unsafe for road users, had to be removed and sharp turnings at other chainages had to be further improved departmentally. The reply is not tenable as the work was technically sanctioned (October 2003) and the work was executed by the contractors as per sanctioned estimate leaving no scope for further improvement. The Government also stated that 15.20 RM was executed on the left side of the road. The reply was silent about the specific chainages.

[29]

Total Expenditure	*Rs. 29.41 lakh*
Less expenditure for overlapping chainages	*Rs. 8.35 lakh*
	Rs.21.06 lakh ÷ 165.20 RM X 15.20 RM
	= Rs.1.94 lakh

4.9 Wasteful expenditure

Abnormal delay in payment of Earnest Money Deposit led to a wasteful expenditure of Rs.8.11 lakh due to forfeiture of the same.

For construction of Mizoram State Guest House and Emporium, the City and Industrial Development Corporation of Maharashtra (CIDCO) offered (November 1993) a plot of land measuring 2000 sqm to the Government of Mizoram at Vashi, Navi Mumbai on lease basis for a period of 90 years. The total cost of the land was fixed at Rs.81.90 lakh. Rupees 8.11 lakh being 10 *per cent* of total cost was to be paid as Earnest Money Deposit (EMD) within December 1993.

Test check (July 2005) of the records of the Executive Engineer, Project Division I, Aizawl revealed that the department paid (February 1995) the EMD of Rs.8.11 lakh after a lapse of more than one year. In the meantime, the cost of plot was revised to Rs.92 lakh in February 1995 and Rs.1.12 crore in June 1996 thereby raising the EMD to Rs.11.20 lakh by June 1996. But the department failed to pay the balance amount of Rs.3.09 lakh (Rs.11.20 lakh – Rs.8.11 lakh) of revised EMD in time and the CIDCO finally made a revised offer of Rs.1.29 crore with the stipulation to pay the balance amount of Rs.1.21 crore in two installments by November-December 1996, failing which the EMD of Rs.8.11 lakh already deposited would be forfeited. The department failed to pay the cost of the land till due date and paid the balance amount of revised EMD of Rs.4.77 lakh in June 2002 after a lapse of more than six years. But in July 2002, the CIDCO cancelled the allotment and forfeited the EMD of Rs.8.11 lakh (paid in February 1995) and returned the balance amount of Rs.4.77 lakh to the department.

Thus, abnormal delay in payment of EMD not only led to loss of allotment of the plot at Mumbai but also the expenditure of Rs.8.11 lakh became wasteful.

Government stated (November 2005) that the delay in finalising the deal and obtaining necessary sanction was on the part of General Administrative Department (GAD). The fact remains that abnormal delay in payment of EMD led to wasteful expenditure.

4.10 General

Follow-up on Audit Reports

Non-submission of Explanatory (Action taken) Notes

With a view to ensuring accountability of the executive in respect of all the issues dealt with in various Audit Reports, the Finance Department (Government of Mizoram) instructed (August 1993), all Government departments to submit explanatory notes on paragraphs and reviews included in the Audit Reports indicating action taken or proposed to be taken, without waiting for any notice or call from Public Accounts Committee/Committee on Public Undertakings. The departments were also required to furnish necessary replies to concerned authorities within a definite time frame.

Review of department-wise submission of replies and ATNs (as of October 2005) on paragraphs and reviews included in the Audit Reports of the Comptroller and Auditor General of India, revealed the following:

Various departments of the State Government had not submitted replies on 26 paragraphs and six reviews in respect of Civil and Work departments featured in the Audit Reports for the years 1996-97 to 2003-04. The details are given in ***Appendix* XXIX.**

Various departments also failed to submit Action Taken Notes (ATNs) on the recommendations of the Public Accounts Committee in respect of 13 paragraphs/reviews pertaining to Civil and Works departments for the years, 1996-97, 1997-98 and 1999-2000 to 2002-2003. The details are given in ***Appendix* –XXX.**

Thus, failure of the respective departments to comply with the instructions of the State Finance Department frustrated the objective of ensuring accountability of the executive.

4.11 Failure of senior officials to enforce accountability and protect the interests of Government

240 paragraphs pertaining to 106 Inspection Reports amounting to Rs.31.63 crore concerning Land Revenue, Agriculture, Public Works and Public Health Engineering Departments were outstanding as on June 2005. Of these, 17 Inspection Reports containing 28 paragraphs had remained unsettled for more than 10 years.

Principal Accountant General (Audit) conducts 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) issued to the Heads of Offices inspected with a copy to the next higher authorities. Rules/orders of Government provide for prompt response by the Executive to the IRs issued by the Principal Accountant General (Audit) to ensure rectificatory action in compliance of the prescribed rules and procedures and 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 Principal Accountant General (Audit). Serious irregularities are also brought to the notice of the Head of the Department by the Office of the Principal Accountant General (Audit). Half-yearly reports are sent to the Secretaries of the Departments to facilitate monitoring of the audit paragraphs in the pending IRs and responses to the same.

A review of IRs issued upto March 2005 pertaining to 47 offices of four departments *viz.*, Land Revenue, Agriculture, Public Works and Public Health Engineering disclosed that 240 paragraphs relating to 106 IRs involving Rs.31.63 crore remained outstanding at the end of July 2005. Of these, 17 IRs containing 28 paragraphs had not been settled for more than 10 years.

As a result, some of the important irregularities pertaining to 190 paragraphs involving an amount of Rs.18.06 crore commented upon in the outstanding Inspection Reports of the four departments have not been settled as of June 2005 as per details given below:

Table 4.1

Sl. No.	Nature of irregularities	Land Revenue		Agriculture		Public Works		Public Health Engineering	
		No. of paras	Amount (Rs. in lakh)	No. of paras	Amount (Rs. in lakh)	No. of paras	Amount (Rs. in lakh)	No. of paras	Amount (Rs. in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	Non-observance of rules relating to custody and handling of cash, position and maintenance of Cash Book and Muster Roll	7	51.55	11	14.48	6	97.15	1	4.31
2.	Unauthorised expenditure/ sanctioned estimate	---	---	---	---	49	751.27	13	113.32
3.	Non maintenance of proper store accounts and non-conducting of physical verification of stores	3	38.71	2	13.71	---	---	---	---
4.	Delay in recovery/non-recovery of departmental receipts, advances and other recoverable charges	---	---	6	55.87	---	---	---	---
5.	Local purchase of stationary in excess of authorised limits and expenditure incurred without sanction.	1	11.89	---	---	---	---	---	---
6	Idle stock	---	---	---	---	5	130.88	4	32.21
7.	Extra expenditure due to execution of extra/substituted items	---	---	---	---	33	235.25	47	189.32
8.	Issue of work order beyond power delegated	---	---	---	---	1	55.47	---	---
9.	Non deduction of forest royalty	---	---	---	---	1	0.52	---	---
	Total :	**11**	**102.25**	**19**	**94.06**	**95**	**1270.54**	**65**	**339.16**

The Secretaries of the departments concerned, who were informed of the position through half-yearly reports, failed to ensure that the concerned officers of the departments took prompt and timely action. No action was taken against the defaulting officers.

It is recommended that the Government look into this matter and ensure that (a) action is taken against the officials who fail to send replies to IRs/Paras as per the prescribed time schedule, (b) action is initiated to recover losses/outstanding/overpayments pointed out in audit in a time bound manner and (c) there is a proper system of expenditure compliance to audit observations.

The matter was reported to the Government (October 2005); reply had not been received (November 2005).

4.12 Write-off of losses, *etc*.

Eighteen cases of misappropriation of funds, losses, *etc.*, involving an amount of Rs.12.26 lakh were awaiting orders for recovery or write-off as on 30 June 2004. Department-wise break-up is given below:

Table 4.2

Sl. No.	Department	Cases awaiting orders for recovery or write-off	
		Number of cases	Amount (Rs. in lakh)
1.	Education	1	0.03
2.	General Administration	3	2.97
3.	Home	1	1.06
4.	Public Works	1	0.26
5.	Food & Civil Supplies	5	2.65
6.	Transport	4	1.08
7.	Power & Electricity	2	3.80
8.	Forest	1	0.41
	Total	**18**	**12.26**