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## OVERVIEW

This Report includes two chapters on the Finance and Appropriation Accounts of the Government of Orissa for the year 2000-2001 and four other chapters comprising 7 reviews and 51 paragraphs based on the audit of certain selected programmes and activities and of the financial transactions of the Government. A synopsis of the important findings contained in the Report is presented in this overview.

### 1. An overview of the Finances of the State Government

While the liabilities of the State Government grew by 16.41 *per cent*, the assets grew only by 12.61 *per cent* during 2000-2001 mainly as a result of a high (21.68 *per cent*) increase in the deficit on the Government account.

The relative share of revenue receipts in total receipts increased from 58.51 *per cent* in 1999-2000 to 64.70 *per cent* during 2000-2001. The ratio of assets to liabilities declined sharply from 0.75 in 1996-97 to 0.56 in 2000-2001.

Revenue expenditure increased from Rs.5,117 crore in 1996-97 to Rs.8834 crore in 2000-2001, an increase of 73 *per cent*. The non-plan revenue expenditure grew by 6 *per cent* from Rs.6631 crore in 1999-2000 to Rs.7010 crore in 2000-2001. The increase was mainly attributable to increase in interest payment (Rs.1049 crore).

Interest payments (Rs.2287 crore) formed 26 *per cent* of revenue expenditure during 2000-2001, which consumed entire State tax revenue of Rs.2184 crore.

Capital expenditure decreased from 14 *per cent* of total expenditure in 1996-97 to 8 *per cent* in 2000-2001.

The total liabilities of the Government had grown from Rs.11,966 crore in 1996-97 to Rs.23,904 crore in 2000-2001, an increase of 100 *per cent*. This was on account of 103 *per cent* growth in internal debt, 89 *per cent* growth in loans and advances from Government of India and 111 *per cent* increase in other liabilities.

Most of the receipts from market borrowings were appropriated towards servicing the debt and interest thereon each year during 1996-2001.

At the end of 2000-2001, the total investment in Statutory Corporations, Government companies, etc. worked out to Rs.1409 crore. Return on this investment was negligible. Amount guaranteed by the State Government on behalf of Government companies etc. during 2000-2001 was Rs.283 crore (4 *per cent* of revenue receipts).

As on 31 March 2001, Rs.34.11 crore of loans including interest was overdue for recovery. Only 5 out of 25 departments indicated the amount of outstanding dues.

Revenue deficit declined by Rs.642 crore during 2000-2001 mainly due to higher transfers of Central taxes and duties from Government of India of Rs.856 crore and due to substantial savings on relief expenditure on account of Super cyclone. This apparent improvement hides the fact that the interest payments increased by 85 *per cent* over the previous year and that the proportion of Debt in GSDP is over 55 *per cent*. State's finances were heavily dependent on and vulnerable to sources of funding outside its control. Further, a static State tax to GSDP ratio shows that the state government preferred to rely on borrowings instead of expanding their tax base for financing its rapidly rising revenue expenditure.

**(Paragraph 1.1 to 1.12)**

## **2. Appropriation and control over expenditure**

Against the total budget provision of Rs.16,567 crore including supplementary provision, expenditure of Rs.16,771 crore was incurred during 2000-2001. The overall excess of Rs.204 crore was the net result of excess of Rs.2475 crore in 6 grants and 2 appropriations off set by savings of Rs.2271 crore in 38 grants and 1 appropriation. The excess relating to 6 grants and 2 appropriations requires regularisation under Article 205 of the Constitution.

In 3 grants, the expenditure continued to be more than the budget provision ranging from 1 *per cent* to 21 *per cent* during 1998-99 to 2000-2001.

Persistent savings ranging from 12 *per cent* to 100 *per cent* occurred in 21 grants over a period of three years.

Advances from Contingency Fund aggregating Rs.27.70 crore remained unrecouped for periods ranging from 1 year to over 15 years.

**(Paragraph 2.1 to 2.13)**

## **3. Audit of Environmental Act and Rules relating to air pollution and waste management in the State of Orissa.**

Review of implementation of environmental acts and rules relating to air pollution and waste management in the State revealed that the enforcement of provisions of the relevant Acts was weak. Industrial solid waste generated from Rourkela Steel Plant, Talcher Thermal Power Station, Captive Power Plant (CPPs) of National Aluminium Company Limited and solid waste arising out of mining activities at the Sukinda Valley posed potential threat to environment in the State. Orissa Pollution Control Board (OPCB) the agency

responsible for enforcement of relevant provisions of Acts, did not take appropriate follow up action on the above. The system existing in major towns and cities of the State for disposal of Municipal Solid Waste (MSW) was unsatisfactory. No effective action was taken by OPCB to bring the Urban Local Bodies (ULBs) under its administration as required under the Act.

12 industries continued their operations despite discharge of air pollution load in excess of the prescribed standard.

91 stone crushing units were not brought under consent administration of OPCB under Air Act as of 31 March 2001.

OPCB failed to tackle chromium VI pollution caused by mining activities in Sukinda valley area.

High concentration of lead was found on road side vegetation in Rourkela from vehicular sources.

OPCB failed to bring any of the 102 identified urban local bodies under its authorisation administration to control indiscriminate disposal of Municipal Solid Waste as of March 2001.

Exact pollution load discharged in the environment by hazardous waste generating industries was not worked out by OPCB and hazardous waste disposal site earmarked for the purpose at Rourkela not put to use by industry, as site has not been developed yet although related study has been completed and design finalised (1999).

**(Paragraph 3.1)**

#### **4. Programme for prevention and control of diseases**

Review of implementation of the 'programme for prevention and control of diseases' covering (i) National Aids Control Programme, (ii) National Programme for Control of Blindness and (iii) National TB Control Programme for the period from 1996-97 to 2000-2001 revealed several shortcomings. Instances of unspent funds, irregular utilisation of funds, pendency in submission of utilisation certificates, shortfall in achievement of targets, irregularities in purchase and supply of medicines, were common in all the programmes covered. Monitoring and evaluation of the programmes were not in place and the programme objectives remained unachieved. In the Aids Control Programme equipment supplied to blood banks was not utilised / non-functional for 1 to 4 years. Further, the shortfall in coverage under the Programme rendered the State's achievement figures doubtful. State Government was not able to report prevalence rate for blindness. In NTCP there were shortfalls in achievement of the targets and inaccurate reporting of data.

Central assistance of Rs.3.48 crore was not utilised under National Aids Control Programme during 1996-2001.

Non-utilisation/non-functioning of equipments supplied to 12 Blood Banks for periods ranging from 1 to 4 years affected the programme in those banks.

There was 39 *per cent* shortfall in coverage of patients under sentinel surveillance for National Aids Control Programme between February 1998 and October 2000.

None of the 13424 targeted para medical staff under AIDS programme were given any training in the 9 work shops conducted between March 1999 and March 2001.

Government organisations were irregularly reimbursed Rs.13.61 lakh towards Grants in Aid between 1996-97 and 1999-2000 for conducting eye camps in disregard of Government of India guidelines.

Avoidable expenditure was incurred due to reimbursement of Rs.35.04 lakh to Non-Governmental Organisation without adjusting the amount of Rs.18.00 lakh involved in respect of 3000 I.O.L. operations to be conducted free of cost under Blindness programme.

There were persistent savings each year during 1997-2001 ranging from 9 *percent* to 50 *percent* due to non release and delayed release of matching grants by the State Government under TB Control Programme.

Although expenditure of Rs.4.71 crore was incurred out Rs.5.41 crore of Central Assistance received, Utilisation Certificates for Rs.4.44 crore only were submitted to Government of India as of October 2001.

While the percentage of achievement in targeted identification of new TB cases declined from 77 in 1996-97 to 51 in 1998-99, the cure rate or number of cases completing treatment out of number of cases under treatment was less than 18 *per cent* for the State as a whole.

Procurement of anti TB drugs in excess of requirement resulted in avoidable expenditure of Rs.21.67 lakh.

Deputy Director Medical stores procured Short Course Chemotherapy drugs valuing Rs.1.02 crore between February 2000 and April 2001 out of the funds made available by Government of India during 1998-2001 in violation of Government of India's orders.

**(Paragraph 3.2)**

## **5. AUDIT OF SUPER CYCLONE FUNDS**

Mention was made in Para 3.4 of the Report of Comptroller and Auditor General of India (Civil) for the year ended 31 March, 2000 regarding utilisation of funds received in the wake of the Super Cyclone which hit Orissa in October, 1999. Inadequacies and lack of preparedness of the Government to meet the effects of a calamity of high magnitude were highlighted. In a

continuing effort to examine the use of such funds and the quality of expenditure involved, further audit was done in the departments receiving grants, materials for immediate assistance and for repair and restoration. Several short comings in the form of undistributed material, unutilised funds, slow progress of relief and restoration work, non-submission of utilisation certificates persisted. The scope for misutilisation of funds was greatly enhanced in view of retention of large amounts of unutilised funds, apart from inadequate relief reaching the affected persons though funds were not a constraint.

Out of Rs.1149.21 crore reportedly spent by the State Government as of March 2001 on relief measures, utilisation certificates for Rs.49.83 crore only were received by nodal departments.

Excess expenditure of Rs.25.75 lakh was incurred by SRC and Director of Elementary Education due to non-availment of discount on procurement of Black Polythene Rolls / tables from EPM rate contract holding firms.

In 18 Tahasils, ex-gratia relief of Rs.2.45 crore was irregularly disbursed to 383 beneficiaries without any preliminary verification.

In 22 Tahasils disbursement of House building grant to each member of the family instead of limiting the grant per family resulted in excess payment of Rs.49.19 lakh towards House Building Grant.

Despite availability of funds 10290 affected families in 9 Tahasils were awaiting disbursement of house building grant as of March 2001.

Relief materials worth Rs.1.05 crore remained undistributed with 18 Tahasildars and one Sub-Collector as of March 2001.

Executive Engineers of 20 Public Works Divisions irregularly diverted and misutilised funds of Rs.12.39 crore meant for Cyclone Damage Repairs (CDR) for clearance of liabilities on non-CDR works and execution of new works of original nature.

Consequent upon change of decision of the Government to execute emergent restoration works out of NFCR grant, instead of from World Bank assistance, expenditure of Rs.32.03 lakh already incurred by Executive Engineers of 9 Irrigation Divisions on observance of tender formalities under World Bank stipulations became infructuous.

Director of Agriculture & Food Production Orissa failed to avail GOI subsidy of Rs.41.56 lakh admissible on procurement of 0.17 lakh quintals of groundnut seed through the Orissa State Seed Corporation.

Four forest divisions incurred inadmissible expenditure of Rs.38.43 lakh on watch and ward of the nurseries.

Two firms were irregularly paid Rs.25.62 lakh by the Director of Animal Husbandry & Veterinary Services Orissa for supply of Cattle feed without any

specification/not conforming to the specifications contained in the supply order.

712 identified fishermen of Puri district were deprived of cash assistance of Rs.14.62 lakh for repair of boats and nets damaged due to cyclone although adequate funds for the purpose were available with the Assistant Director of Fisheries (Marine), Puri.

59 repair and restoration works worth Rs.21.94 lakh were irregularly undertaken by Jagatsinghpur NAC and Kendrapara Municipality without obtaining Administrative approval for the same from the Collectors concerned.

Against 2 lakh SIAY houses targeted for completion by March 2001, only 78167 houses were reportedly complete as of March 2001.

Against targeted completion of 3880 school buildings under Operation Black Board Scheme only 1206 school buildings (31 *per cent*) were completed as of March 2001.

**(Paragraph 3.3)**

## **6. Non-Formal Education in Orissa**

Non-Formal Education (NFE) a Centrally Sponsored scheme aimed at providing elementary education comparable in quality with formal education to the children of 6-14 age group and to bring them in mainstream of formal education. Its focus was on children in the habitations without schools and who remain outside the formal system due to engagement in domestic and other works. Implementation of NFE scheme in Orissa suffered from several deficiencies like large amounts of grants remaining unutilised at various levels; large shortfall in opening of girls NFE centres; inadequate supply of learning and writing materials, shortfall in training of instructors and absence of monitoring. Only 12 *per cent* of learners in the test checked projects qualified to join the formal education stream.

Central share of Rs. 20.01 crore received by Government of Orissa during 1995-2000 was not released for implementation of the scheme.

Expenditure of Rs.62.82 crore on the scheme during 1995-2000 did not represent the correct picture since test check of 12 DDOs alone revealed retention of Rs.2.51 crore in the shape of cash balance Rs.1.61 crore and Rs.89.65 lakh under Civil Deposit as on 31 March 2000.

There was short fall in opening of 707 centres under 8000 Girls' Primary NFE centres programme as of March 2000 as disclosed in 8 test checked educational districts.

In 7 DIS, 299 centres were found to be inoperative thereby depriving 7475 children of Non-Formal Education during 1997-2000.

In 7 DIS, about 0.55 lakh children in the age group of 10-12 years were deprived of Non-Formal Education due to opening of 2195 primary centres only upto class III and not upto class V.

In disregard of guidelines stipulating coverage of syllabus for class I to V in 2 years through condensed course followed by 3 years for class VI to VIII, the pattern of NFE instruction in the State was for coverage of syllabus for class I to V in full 5 years and 2 more years for class VI and VII with no coverage of class VIII.

Despite availability of funds, 10 DIS failed to procure reading and writing materials for supply to 1.27 lakh learners in 3 years during 1995-96, 1998-99 and 1999-2000. 11 DDOs supplied their learning books with delays ranging from 2 to 28 months during 1995-2000 due to delayed placement of indents.

**(Paragraph 3.4)**

## **7. Working of Residential High Schools**

Review of working of Residential High Schools (RHS) functioning under the Scheduled Tribes and Scheduled Castes Development Department (ST & SC Department) of the State Government disclosed increase in the number of schools with sub-standard results, increase in the already high dropout rate, shortfall in inspection of schools and non-disbursement of scholarships to students. The working of Residential High Schools run by the ST & SC Department with a view to promoting primary and secondary education in tribal areas of the State was thus hardly achieved.

The dropout rate in the Residential High Schools in the State rose from 42 per cent in 1996-97 to 48 *per cent* in 2000-2001.

In 2 test checked zones out of 4 zones in the State, the percentage of shortfall in inspection of High Schools during 1996-97 to 2000-2001 ranged from 29 to 49 and 11 to 74 respectively.

The number of test checked schools with 'nil' result in High School certificate examination rose from 3 in 1996-97 to 18 in 1999-2000. Similarly the number of schools with below 30 *per cent* result rose from 12 in 1996-97 to 60 in 1999-2000.

Idle retention of 55 carpentry teachers and 12 weaving teachers in 65 Residential High Schools resulted in infructuous expenditure of Rs.1.72 crore.

Rs.28.05 lakh representing Pre-Matric scholarships (1994-95 to 2000-2001) remained undisbursed up to May 2001 depriving students.

**(Paragraph 3.5)**

## **8. Rural Drinking Water Supply Program**

Government of India (GOI) launched (1972-73) the Accelerated Rural Water Supply Program (ARWSP) to supplement the effort of the State Governments in providing access to safe drinking water to all rural habitations in the country. Audit review revealed mismanagement in implementation of the programme involving significant cases of extra/unfruitful expenditure and injudicious procurement of materials having financial involvement of Rs.99.27 crore which constituted 25 *per cent* of the total expenditure of Rs.396.01 crore. Piped Water Supply Schemes were taken up without finalisation of water source resulting in delay in completion of the projects and tube wells were dug without ascertaining under ground water strata resulting in failure of tube wells. Though the scheme was being implemented continuously since 1977-78, 13,797 habitations out of 1,14,099 problem habitations identified in the State had not been provided with safe drinking water as of March 2001.

Funds of Rs.4.45 crore provided for 8 piped water supply schemes targeted to benefit 0.69 lakh population in 45 villages could not be utilised due to non-finalisation of water source.

Rs.2.34 crore spent on 12 piped water supply schemes for providing safe drinking water to 0.29 lakh population in 19 villages could not be commissioned due to failure of production wells arising from improper investigation and lack of co-ordination between the implementing agency and the power supply authorities which resulted in non-energisation of pump houses though required funds were deposited with the electricity supply company.

1,755 bores drilled at a cost of Rs.3.86 crore without any investigation resulted in the expenditure being rendered largely wasteful.

Non-retrieval of salvaged materials from 13,560 defunct tube wells resulted in loss of Rs.18.98 crore.

Against 73 piped water supply schemes taken up in KBK districts during 1992-2001, 59 schemes were incomplete thereby denying benefit to 1.31 lakh population. Further, 9,601 tube wells required in these districts for 14.40 lakh population were not provided as of March 2001.

Under utilisation of departmental rigs resulted in extra cost of Rs.4.06 crore.

**(Paragraph 4.1)**

## **9. Integrated Audit of Water Resources Department**

The Water Resources Department is entrusted with the development and maintenance of the irrigation network in the State. Audit review of the working of the Department revealed serious failure of expenditure control and



wide spread mismanagement of funds involving significant excess payment and undue payments to contractors as well as short-recovery/non-recovery from contractors and extra expenditure/unproductive expenditure having a financial involvement of Rs.1,115.21 crore which constituted 36.24 *per cent* of the total expenditure of the Department during 1997-2001. The expenditure on establishment far exceeded the prescribed norms. There was significant cost over run in execution of capital projects which rendered the projects economically unviable. Despite increase in assured irrigation potential from 17 *per cent* to 43 *per cent* during 1993-94 to 1999-2000, the food grain production dropped by 28 *per cent* during the above period due to lack of maintenance of irrigation facilities.

Poor Budgetary control led to unjustified supplementary demand of Rs.133.59 crore during 1997-2001. Revenue Expenditure ranged between 24 to 34 *per cent* of the capital expenditure which limited the resources available for developmental activities.

Establishment expenditure was 19.7 *per cent* against 10.5 *per cent* admissible resulting in excess expenditure of Rs.110.67 crore.

Rejection of lowest tenders on unsustainable grounds led to extra liability of Rs.10.91 crore.

Undue benefit amounting to Rs.13.04 crore was extended to contractors by non-adherence and non-enforcement of contractual terms and payments at higher rates.

Excess payments amounting to Rs.25.83 crore were made to contractors in violation of contractual terms or codal provisions.

Drawal of agreements with faulty clauses and execution of works in deviation from approved specifications along with non-levy of penalty led to extra expenditure/liability of Rs.15.60 crore.

There was fraudulent payment of Rs.2.01 crore made to contractors in 2 cases.

Lack of proper planning and consequent abandonment or non-completion of works resulted in unfruitful expenditure of Rs.212.84 crore.

PSUs under the administrative control of the Department viz. Orissa Construction Corporation and Orissa Lift Irrigation Corporation failed to achieve their objectives due to operational inefficiencies. OCC sustained a loss of Rs.2.72 crore in execution of 4 works while OLIC incurred an infructuous expenditure of Rs.1.25 crore in construction of office building.

Despite Government instructions discontinuing procurement of stores from April 1996 and for disposal of existing stores, no action was taken and the Department incurred unproductive expenditure of Rs.18.34 crore during 1997-2001 on stock account. There was also loss of Rs.4.01 crore on unwarranted procurement of stores.

**(Paragraph 4.2)**

## **10. Working of Secondary Education System**

Review of working of Secondary Education System in the State for the period 1994-2001 revealed several shortcomings in the form of poor performance of schools in terms of declining success rate of students at the High school Certificate examination from year to year, retention of unutilised scheme funds in Civil Deposit, mismanagement of Grants-in-Aid (GIA), unproductive expenditure on idle staff etc.

The success rate of students who appeared at HSC examination was on the decline from year to year and the same which stood at 63 in the academic year 1996-97 came down to 38 in the year 2000-2001.

Funds meant for Centrally Sponsored Plan Schemes like 'Vocationalisation of Education at Higher Secondary stage', 'Improvement of Science Education' were retained for period ranging from 4 months to 12 years which affected implementation of the schemes.

Thirty schools under 6 Circle Inspector of Schools (CIS) whose results were below 20 *per cent* of the State average or fell short or both in three consecutive years prior to June 1994 were irregularly allowed payment of GIA of Rs.5.66 crore.

Lack of prompt action by the Director in adjustment of the teachers promoted as head masters against the existing vacancies resulted in unproductive expenditure of Rs.58.05 lakh on their pay and allowances.

**(Paragraph 3.20)**

## **11. Operation of "Miscellaneous Works Advance" Head**

Suspense head "Miscellaneous Works Advance" (MWA) was grossly misused to accomodate irregular and unauthorised expenditure, recoverable shortage/losses and expenditure in excess over allotment. Balances under this head increased sharply from Rs.33.74 crore in March 1998 to Rs.81.29 crore by March 2001 in 54 PW divisions and 2 Irrigation Projects. Audit revealed *inter-alia* :

Value of materials sold on credit amounting to Rs.11.30 crore was not recovered for more than 50 years.

Irregular expenditure of Rs.25.75 crore in excess over budgetary allocation was incurred by 47 PW divisions which remained unregularised .

Irregular and unauthorised expenditure of Rs.1.48 crore by sub-ordinate officers were charged to MWA .

**(Paragraph 4.4)**

**12. Blockage of funds**

- (i) Non-adherence to cost norm fixed by Government of India for construction of Bio-control laboratory under Central Plan Scheme as well as non-utilisation of funds meant for purchase of laboratory equipment led to non-completion of the building and blockage of scheme funds.

**(Paragraph 3.7)**

- (ii) Failure of Orissa State Co-operative Bank to ensure prompt recovery of Fish sub-loans from Primary Fishermen Co-operative Society and timely credit of the same into the treasury led to blockage of Government money amounting to Rs.83.42 lakh.

**(Paragraph 3.10)**

- (iii) Due to improper planning and slow pace of execution, there was blockage of scheme funds of Rs.44.82 lakh and denial of housing facilities to fishermen even after 13 years of launching of NWWF scheme in the State.

**(Paragraph 3.11)**

**13. Diversion of funds**

- (i) Unauthorised diversion of Rs.1.65 crore from Calamity Relief Fund to works not connected with drought relief adversely affected relief operation in drought affected areas.

**(Paragraph 4.6)**

- (ii) Funds of Rs.4.40 crore provided for preservation of Chilika lake were unauthorisedly diverted for road net work.

**(Paragraph 5.2)**

- (iii) Employment Assurance Scheme/Jawahar Rozgar Yojana/ Rural Connectivity Programme funds of Rs.3.93 crore were diverted for inadmissible works and purchase of Jeeps in violation of scheme guidelines.

**(Paragraph 5.4)**

- (iv) Krushak Kalyan Karyakrama funds amounting to Rs.25.65 lakh were unauthorisedly diverted for other ineligible purposes.

**(Paragraph 5.7)**

- (v) Special Central Assistance of Rs.49.10 lakh was misutilised for inadmissible works in violation of guidelines.

**(Paragraph 5.9)**

**14. Undue benefit to contractor**

- (i) Revision of drawing to accommodate the unauthorised execution done by a contractor with other undue benefits led to extra expenditure of Rs.2.02 crore.  
**(Paragraph 4.7)**
- (ii) Agreement rates of OBCC were revised in violation of the terms of the contract despite poor progress thus extending undue benefit of Rs.2.89 crore to the Corporation.  
**(Paragraph 4.20)**

**15. Avoidable/Unfruitful/Infructuous/Extra expenditure**

- (i) Purchase of medicines by Deputy Director, Medical stores (DDMS) from SSI units under EPM rate contract led to loss of Rs.1.07 crore compared to procurement through the open tender system for OHSDP for the same medicines.  
**(Paragraph 3.13)**
- (ii) DDMS lost the opportunity of availing discount of Rs.28.50 lakh in respect of procurement of medicines and surgical instruments from the SSI units due to non-completion of stock taking formalities and failure to ensure payment within two weeks from the date of delivery of the articles.  
**(Paragraph 3.15)**
- (iii) Excess deployment of 33 GRP personnel by the State Government with SE Railways during 1993-2000 resulted in excess expenditure of Rs.60.50 lakh on them representing State share not reimbursed by the Railways.  
**(Paragraph 3.17)**
- (iv) Buildings constructed for Open Air Jail at a cost of Rs.37.23 lakh were rendered wasteful as these were not suitable for a Jail due to non-availability of Ground water.  
**(Paragraph 3.18)**
- (v) Rubberised coir unit targeted for completion by 31 March 1997 at Rs.2.53 crore remained incomplete although expenditure of Rs.2.80 crore was incurred on it as of March 2001.  
**(Paragraph 3.19)**
- (vi) Construction of a bridge without proper pre-construction survey and acquisition of land resulting in need for design change and delay in execution led to extra cost of Rs.1.49 crore.  
**(Paragraph 4.8)**

- (vii) Unnecessary rejection of valid tender for a bridge work resulted in extra liability of Rs.1.79 crore on re-tender.  
**(Paragraph 4.9)**
- (viii) Adoption of incorrect High Flood Level for construction of a bridge with consequential design deficiencies led to extra cost of Rs.11.23 crore. There was also infructuous expenditure of Rs.48.49 lakh due to abandonment and dismantling of the work already executed.  
**(Paragraph 4.12)**
- (ix) Bridge constructed at a cost of Rs.71.94 lakh could not be opened to regular traffic for 6 years due to lack of approach roads. There was also an estimated extra liability of Rs.73.84 lakh for construction of the approach roads.  
**(Paragraph 4.13)**
- (x) Delay over 2 years in deciding the tender for balance work of a bridge which was ultimately rejected resulted in unfruitful expenditure of Rs.1.59 crore.  
**(Paragraph 4.14)**
- (xi) Execution of a road work in deviation from technical specifications and non-adherence to contractual terms led to avoidable extra expenditure of Rs.8.65 crore.  
**(Paragraph 4.19)**

## **16. Misappropriation of Stores**

Failure to observe codal provisions for maintenance of stores accounts and conduct physical verification despite repeated audit comments enabled misappropriation of stores materials valued at Rs.45.70 lakh.

**(Paragraph 4.5)**

## **17. Other points of interest**

- (i) Government was put to loss of revenue of Rs.2.47 crore due to shortfall in extraction of sisal fibre in 4 districts.  
**(Paragraph 3.6)**
- (ii) Due to non-adherence to the Codal provisions, Forest advances of Rs.28.94 lakh were outstanding for recovery from disbursers in 20 Forest divisions for years together.  
**(Paragraph 3.12)**

(iii) Undisbursed scholarships of Rs.53.64 lakh were accumulated during the period from 1975-76 to 2000-2001 due to ineffective watch by the department and inaction by the principals of the Colleges.

**(Paragraph 3.16)**

(iv) Orissa Industrial Infrastructure Development Corporation (IIDCO) expended Rs.5.08 crore for a deposit work against deposit of Rs.3.71 crore received and the excess expenditure was ultimately written off by IIDCO resulting in loss of Rs.1.37 crore.

**(Paragraph 5.3)**

(v) Expenditure of Rs.1.53 crore was incurred on material component of EAS works against Rs.0.73 crore admissible thereby denying employment opportunity to the extent of 2.53 lakh mandays.

**(Paragraph 5.5)**

**18.** This Audit Report contains 51 Audit Paragraphs and 7 Audit Reviews apart from comments on the Finance and Appropriation Accounts. As per existing arrangement, copies of the draft Audit Paragraphs and draft Audit Reviews are sent to the concerned Secretary to the State Government by the Accountant General demi-officially with a request to furnish reply within 6 weeks. The Secretaries are also reminded demi-officially by the Accountant General for replies. However, despite such efforts, in 23 Audit Paragraphs out of total number of 51 and in 5 Reviews out of 7 Reviews no response was received from the concerned Secretary of the State Government.