3RD REPORT
ON
REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
(CIVIL AND STATE FINANCE)
FROM THE YEAR, 1997-98 TO 2011-12
RELATING TO THE SPORTS AND YOUTH SERVICES DEPARTMENT

SECRETARIAT
OF
THE ODISHA LEGISLATIVE ASSEMBLY
BHUBANESWAR-751001
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE, 2016-2017

CHAIRMAN
Shri Narasingha Mishra,
Leader of Opposition.

MEMBERS
Shri Ananta Das,
Government Chief Whip.

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SECRETARIAT
Shri Aruniya Kumar Sarangi, Secretary
Shri Satish Chandra Singh, Joint Secretary
Shri D. Matra, Under Secretary
Smt. Baijayanti Panajik, Desk Officer
Shri Narayan Prasad Saboo, Section Officer

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INTRODUCTION

I, the Chairman of the Public Accounts Committee having been authorised by the Committee on their behalf present this 3rd Report of the Public Accounts Committee on the Report of the C & A. G. of India (Civil and State Finance) for the year, 1997-98 to 2011-12, relating to Sports and Youth Services Department.

The Public Accounts Committee for the year, 2015-16 examined the Report of the C & A. G. of India (Civil and State Finance) for the year, 1997-98 to 2011-12 relating to Sports and Youth Services Department in their sitting held on 01.03.2016. Further the Public Accounts Committee, 2015-16, finalised the Report in their sitting held on 22.04.2016. The findings and conclusions which were based on the result of examination of the Committee constitute the Report which is presented herewith.

The Committee place on record their appreciation of the assistance rendered to the Committee by the Accountant General, (G. & S. S. A.), Odisha. The Committee also express their thanks to the Officers of the Department of Sports and Youth Services for providing necessary materials and information required by the Committee during the course of examination. The Committee further express their thanks to the Officers and Staff of the Odisha Legislative Assembly Secretariat for their Secretarial assistance.

Bhubaneswar
Date: 22.04.2016

NARASINGHA MISHRA
CHAIRMAN
PUBLIC ACCOUNTS COMMITTEE
REPORT

1997-98 Report of the C & A. G. of India (Civil)

Para-2.3.8 Surrender of entire provision.

The C & A. G. Report states that all anticipated savings in grant/appropriation should be surrendered as soon as the possibility of savings is foreseen from the trend of expenditure, without waiting till the end of the year. The Sports and Youth Services Department in the year 1997-98 surrendered a total amount of ` 10,00 lacs in March, 1998 under the scheme “Development of Play Fields”.

The Department was asked to explain why it waited till the end of the financial year for surrendering the savings amount not as and when it was anticipated. The Department replied that due to non-receipt of Central Assistance, the State share could not be drawn and was thus surrendered at the last moment.

The A. G. stated that in view of the compliance submitted by the Department the Public Accounts Committee may drop the para.

In view of the compliance report the Public Accounts Committee dropped the para.

Para-3.3.1 Outstanding inspection Reports.

The C & A. G. Report states that, audit observations on financial and other irregularities noticed during local audit and not settled on the spot are communicated to the Heads of Office and to the next higher departmental authorities through Inspection Reports (IRs). The more important and serious irregularities are also reported to the Heads of the Departments and to the Government. The first replies to these inspection Reports are required to be received in the Audit office within four weeks of the date of issue of the IRs.

The C & A. G. Report at the end of September, 1998, traced out a total 6 nos. of IRs containing 13 paras relating to Sports and Youth Services Department to which even first replies were not received.

As this para was settled in the meeting of PAC held on Dt. 20.11.12, the Committee did not discuss it further.

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1998-99 Report of the C & A. G. of India (Civil)

Para-2.3.4(a) *Unnecessary supplementary provision.*

The Sports and Youth Services Department had made a supplementary provision of `0.31 crores which was not needed. The Departments original grant amount was `4.95 crores which could not be expended and the Departments supplementary provision was unnecessary. The Department surrendered an amount of `0.55 crores as savings at the end of the financial year.

The Department complied that the expenditure forecast went wrong resulting in less expenditure than anticipated. They assured to take note of A. G’s observation for future guidance.

The A. G. after going through the compliance notes of the Department advised the Chief Controlling Officer to prepare realistic budget estimates so as to avoid surrendering savings.

*The Committee after going through the compliance notes and audit comments finally settled the para.*

Para-3.24 *Failure of senior officials to enforce the accountability and protect the interest of Government*

The C & A. G. Report states that in order to conduct periodical inspection of the Government Departments, the A. G. test checks the transactions and verifies the maintenance of important accounting and other records as per prescribed rules and procedures. These are followed-up with Inspection Reports which are issued to the Heads of the Offices inspected with a copy to the next higher authorities. The Heads of Offices are required to comply with the observations and report their compliance to A. G. The A. G. pointed out that during its review of the pending IRs it was revealed that Heads of offices, whose records were inspected by A. G failed to discharge their due responsibility because they failed to initiate action in regard to the defects omissions and irregularities pointed out in the IRs of the A. G. This indicated inaction of senior officials and defaulting officers which facilitated the continuation of serious financial irregularities and loss to Government.

The Department replied that it verified the list of pendency of 7 nos. of IRs containing 14 paras related to it.

*As this para was settled in the meeting of Public Accounts Committee held on 20.11.12, Committee did not discuss it further.*

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Para-2.3.6 Persistent Savings.

The C & A. G. Report stated that against the budgetary provision of 5.56 crores, a sum of 1.08 crores was shown as savings which is 19% of total grants. The A. G. pointed out that the Department was in the habit of persistent savings each year as noticed in 1997-98, 1998-99 and 1999-00.

The Department complied it had noted the observation of A. G. for future guidance to utilize its budgetary grants fully.

The Committee accepted the compliance and settled the para.

Para-3.19 Lack of response to audit.

The Audit Report stated that the Department had failed to submit compliance to the IRs issued to it time and again. It pointed out that the Department officials should take steps to furnish replies to the IRs/Paras as per the prescribed time schedule.

The Departmental compliance stated that the Public Accounts Committee may settle the para as per its V. R. P. dated 20.11.2012.

The Committee settled the para.

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Para-2.3.4 Unnecessary/Excessive/Inadequate Supplementary provision.
Para-2.3.6 Persistent Savings.
Para-2.3.9(b) Excessive Surrender.
Para-2.3.10(b) Anticipated Savings not surrendered.
Para-2.3.11 Unutilized Provision.

The C & A. G. Report stated that the Department had made an original provision of `6.70 crores and again it made a further supplementary provision of `0.42 crores which made its total grant amount to `7.12 crores. The actual expenditure was `5.33 crores of the Department which was less than even the original provision made by it. The Department had a saving of `1.79 crores which was 25% of the amount of grants made to it. The Department surrendered an amount of `2.69 crores which was `0.90 crores more than its total savings. The A. G. pointed out the Department had time and again made supplementary provision and surrendered amount not even being able to spend the original provision made by it.

The Departmental compliance stated that due to non-receipt of `1.00 crore under the Centrally Sponsored Scheme from GOI the State share could not be drawn and thus was surrendered. The remaining amount of savings of `0.79 crore could not be spent by the Department and was surrendered. The Departments reply as to excess surrender of `0.90 crore was attributed to more amount shown as savings due to inadequate budgetary control. The Department stated that it had taken note of the observations of A. G. and would take steps in future to make appropriate budget mechanisms to avoid recurrence of such situations.

The Committee went through the compliance notes of the Department and the observations of A. G. and asked the Department to avoid recurrence of such huge savings in future. With this observations the Committee settled the para.

Para-3.24 Lack of response to audit.

The C & A. G. Reports stated that the Department had not furnished compliance notes on 14 IRs containing 46 nos. of paras.

The Public Accounts Committee did not discuss the para further as it was settled in the meeting of the Committee held on 20.11.12.

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**2001-02 Report of the C & A. G. of India (Civil)**

Para-2.3.3(ii)  *Excess expenditure over provision.*

Para-2.3.8  *Significant cases of excess expenditure.*

The C & A. G. Report stated that an excess expenditure of `13,68,804/- had been made by the Department over the original grant/appropriation of `4,60,94,000/-.

The Department in its compliance stated that since the excess expenditure was less than 3% of the original grant it may kindly be regularized by Public Accounts Committee. It was taking steps to ensure effective budget control mechanism to avoid such recurrence in future.

The audit comments stated that since the Public Accounts Committee had regularized excess expenditure up to 2011-12 in its report presented to the Fourteenth Assembly this para may be settled.

*The Committee accepted the compliance and observations of A. G. and settled the para.*

Para-3.10  *Nonfunctioning of Youth Hostel at Gopalpur-on-Sea.*

The C & A. G. Report stated that under the Youth Hostel Scheme of Government of India, the State Government was to make available to the Central Government a fully developed plot measuring 1.5 to 2 acres free of cost for construction of Youth hostel. The Central Government would construct the youth hostel and lease it to the State Government for 99 years at a nominal rent of `1 per annum.

On scrutiny of records of District Sports Officer (DSO), Ganjam, Chatrapur revealed that the youth hostel at Gopalpur-on-Sea constructed at a cost of `64.07 lacs and handed over to the DSO in April, 1995 remained non-functional as of March, 2002. There were cases of theft of glass and electrical fittings due to inadequate watch and ward. Although Hostel Management Committee was formed, no effective steps were taken to operationalize the youth hostel. Due to lack of proper maintenance the youth hostel building was dilapidated during the Super Cyclone.

The Department in its compliance stated that the youth hostel at Gopalpur-on-Sea, Ganjam had been made fully operational with facilities for external electricity sewage and water supply since 2006. The hostel has the Collector, Ganjam as the Chairman of its Management Committee and is fully functional now and catering to the needs of target group.
Although the youth hostel was constructed at a cost of ₹64.07 lacs in April, 1995 but started operating only from April, 2006 i.e. after an elapsing period of 11 years.

The Committee observed that the department should be more vigilant in future in undertaking construction of projects and dropped the para.

Para-3.15 Lack of response to Audit Report.

The C & A. G. Report stated that no of IRs and paras relating to Sports and Youth Services Department till 2001-02 that needed compliance is 10 nos. of IRs and 21 nos. of pending audit paras.

The Public Accounts Committee did not discuss this para further as it was already settled in the meeting held on 20.11.2012.
Para-2.3.3 Excess over provision requiring regularization.
Para-2.3.5 Unnecessary/Excessive/Inadequate Supplementary provision.
Para-2.3.12 Unrealistic Surrender.

The C & A. G. Report stated that the Department had made a budget provision of ₹.5.44 crores and incurred an expenditure of ₹.7.19 crores which was an excess of ₹.1.75 crores over and above its original provision. The Department's original provision was of ₹.5.16 crores and it made a supplementary provision of ₹.0.28 crores which was inadequate for it leading to excess expenditure. The Department also surrendered an amount of ₹.0.04 crores without any savings.

The Department replied that it did not make appropriate forecast of probable expenditure, thus leading to inadequate supplementary provision and excess expenditure was made. An amount of ₹.0.04 crores was also surrendered by the department without having any savings due to lack of budgetary control. The Department assured to take the observation of A. G. as future guidance and to avoid such discrepancies in future.

The Public Accounts Committee accepted the compliance of the Department and settled the para as the excess expenditure of all Department was regularized by Public Accounts Committee up to 2011-12 vide its report laid in the Fourteenth Assembly.

Para-4.4.3 Undue benefit to banks by retaining money in the shape of drafts for years.

The C & A. G. Report stated that the Odisha Treasury rules provide that no money shall be drawn from the treasury unless it is required for immediate disbursement. Finance Department instructions issued from time to time, also prohibit retention of Government funds outside Government accounts in the shape of deposit at call receipts/drafts/bankers cheques etc.

On scrutiny of records (May, 2002) of Director of Sports and Youth Services, Odisha, it was revealed that the closing cash balance as of April, 2002 included ₹.1.54 crores was kept in the shape of 653 bank drafts.

Out of 653 bank drafts, drafts worth ₹.8.60 lacs were received from other organizations, while the remaining 642 drafts had been made for payments of grants, disbursement of scholarships and pension and payment of supplies. Out of these 653 drafts 650 drafts worth ₹.1.50 crores had become time barred and had not been revalidated either for disbursement or for credit into treasury.
The unauthorized retention of Government money in the shape of lapsed bank drafts meant undue benefit to banks. Also the Government had been incurring expenditure by way of interest on the ways and means advances/overdrafts and other borrowed funds.

The Department attributed that the accumulation of the time barred drafts was due to delay in final release of payment on the part of competent authority and failure to deliver drafts to the recipients due to wrong address. However the Department had taken steps and revalidated a sum of `1,27,13,129/- covering 254 nos. of B. Ds and disbursed it to the concerned parties in May, 2007. An amount of `13,89,007/- on account of cancellation of 357 B. Ds was refunded to treasury. It had also taken steps to cancel 10 nos. of B. Ds and the same amount of `15,61,368/- was credited to the Current Account of D.D.O. The remaining 33 numbers of B. Ds were also cancelled and the amount of `7,47,173/- was credited to the Current Account of D. D. O. Since the bank drafts were too old it took a lot of time and effort on the part of the bank to trace out the missing B. Ds. The Vigilance Divisional HDQR, Bhubaneswar on the basis of A. G’s Audit Report had requested the Director, Sports and Youth Services to submit all relevant documents with details of transactions for verification at their end. The enquiry is under progress. The Department is now making all payments through e-remittance.

The Public Accounts Committee in its meeting held on 01.03.2016 stated that since vigilance enquiry is going on and report is awaited, the enquiry should continue and only after the final report is received in the Public Accounts Committee, the para will be taken-up by the Committee.

Para-4.6.1 Lack of response to audit.

Para-4.6.2 Follow-up action on earlier audit reports.

The C & A. G. Report stated that number of IRs and paras relating to Sports and Youth Services Department till 2002-03 that needs compliance is 11 nos. of IRS and 24 nos. of paras.

As the Committee in its earlier meeting dated 20.11.2012 settled this para no further action was insisted upon.

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Para-2.3.2 Persistent Savings.
Para-2.3.5(ii) Excessive supplementary provision.

The Sports and Youth Services Department during the year 2003-04 had made an original provision of `5.87 crores and a supplementary provision of `1.09 crores totaling to provision of `6.96 crores. The Department had a total saving of `1.08 crores which was 16% of the total grant.

The Department stated that the reason of excess savings was due to non-utilization of supplementary grant taken under works for construction of Sports Projects as approved by Government of India. It had noted the observation of the A. G. and would follow them in future.

The audit comments stated that Department should be more vigilant while making estimates and take steps for utilization of supplementary grant in future.

The Committee accepted the compliance of the Department and settled the para.

Para-2.6 Rush of expenditure.

The C & A. G. Report stated that the controlling officers of each Department are responsible for ensuring effective control over expenditure and guard against rush of expenditure in the month of March as envisaged under Rule 147 of Odisha Budget Manual. The Sports and Youth Services Department had made an expenditure of `246.43 crores only in the month of March. The Department was asked to explain why it had made an expenditure to the tune of `246.43 lakh which is about 41.93% of the original budgetary amount in the month of March, 2004 alone.

The Department stated that this was due to lack of budgetary control and it has taken steps to note the observation of A. G. for future guidance and efforts shall be made for even-pacing of budgetary grants in future.

The Committee went through the audit report and compliance notes of the Department and dropped the para.

Para-4.7.1 Follow-up actions on earlier Audit Reports.

Para-5.1.20 Lack of response to Audit.

The C & A. G. Report stated that serious irregularities noticed in audit are included in the Reports of C & A. G. of India (Audit Reports) that are presented to the State Legislature. According to the instructions issued by the Finance Department (December, 1993) the Administrative Departments are required to submit explanatory notes on the same within three months. The Sports and
Youth Services Department had a total pending of 18 IRs containing 57 paras till the year 2002-03.

The Committee did not discuss the matter further as the para was settled in its meeting dtd.20.11.2012.
Para-4.7.1 Lack of Response to Audit.
Para-4.7.2 Follow-up-action on earlier Reports.

The C & A. G. Report stated that the Department had not submitted compliance notes on the Audit objections. It observed that the Department should take steps for quick and timely disposal of compliance notes on pending IRs/Paras.

The Department in its reply stated that it was taking steps for timely disposal of compliance notes on pending paras and had submitted compliance notes on 63 nos. of pending audit paras to A. G. for their observations.

**In view of the earlier decision of the committee in its meeting held on dtd.20.11.2012 which settled the para, the matter was not discussed further.**
Para-2.3.5(ii) **Excessive Supplementary Provision.**

The C & A. G. Report stated that the Sports and Youth Services Department had made an original grant of `6.04 crores and a supplementary provision of `1.82 crores (total `7.86 crores) in the year 2005-06. It incurred an expenditure of `7.49 crores and had a final savings of `0.37 crores. The Report pointed out that due to excess supplementary provision a final saving of `0.37 crores cropped up.

The Department said that the reason for excess provision was due to inappropriate budgetary planning and assured to take steps to avoid such recurrence in future.

In view of the compliance submitted by the Department the Committee settled the para.

Para-4.7.1 **Lack of Response to Audit.**

Para-4.7.2 **Follow-up-action on earlier Reports.**

The observations of A. G. as to non-submission of compliance notes by the Department was complied by the Department stating that it was taking steps for early disposal of the audit paras. It had already submitted compliance to 63 nos. of paras to A. G. and was in the process of submitting the rest.

As this para was settled by the PAC in the meeting held on 20.11.2012, further discussion in the matter was not made.
Para-2.3.8(i)  

Delayed surrender of Savings.

The C & A. G. Report stated that during the year 2006-07, the Sports and Youth Services had surrendered an amount of \(0.24\) crores whereas the actual savings of the Department was \(0.50\) crores. The wrong anticipation of savings of the Department shows that the Department was not taking proper steps for even-pacing of expenditure during the year.

The Department stated that it had gone through the observations of A. G. and had taken care to surrender anticipated savings in time without waiting till the last date.

The Committee went through the observations of A. G. and in view of the compliance submitted by the Department settled the para.

Para-4.6.1  Lack of Response to Audit.

Para-4.6.2  Follow-up-action an earlier Reports.

The C & A. G. Report stated that serious irregularities pointed out by A. G. communicated to the Department in the form of IRs and Audit Paras was not complied with by the Department.

The C & A. G. Report also stated that the Sports and Youth Services Department should initiate steps to furnish compliance notes on the pending Paras/IRs relating to it at an early date.

As this para was settled by the Committee in its meeting held on 20.11.2012, no further action was taken in the matter.
Para-2.3.5(ii) Excessive Supplementary Provision.
Para-2.3.8(i) Delayed Surrender of Saving.
Para-2.6 Rush of expenditure towards the end of financial year.

The C & A. G. Report stated that savings in a grant or Appropriation indicates that the expenditure could not be incurred as estimated or planned. It points to poor budgeting or short fall in performance depending upon the circumstances under which and the purpose for which the Grant or Appropriation was provided. It pointed out that the Sports and Youth Services Department during the year 2007-08 made an original grant of `.9.23 crores and a supplementary provision of `.2.63 crores totaling to an amount of `.11.86 crores.

The amount of expenditure incurred was `.11.09 crores which led to a final saving of `.0.77 crores. The C & A. G. Report also pointed out in case of anticipated savings the Department should surrender the savings without waiting for the end of the year, but the Sports and Youth Services Department surrendered `.0.34 crores on 31st March, 2008 which was approximately 50% of the amount of total savings. Also, on verification of the records of the Department it was traced out that in the month of March, 2008 the Department made an expenditure of `.116.16 lacs which was equal to its total expenditure made during the last eleven months i.e. from April, 2007 to February, 2008. Thus it pointed out that the Department made a rush of expenditure towards the end of the financial year.

The Department in its compliance stated that the reason for excessive supplementary provision and delayed surrender of savings was due to the reason of its failure to foresee the trend of expenditure of the Department on account of faulty budget planning. It also stated it was following the guidelines laid down by A. G. and was taking steps to be more careful in future. It also said that the reason of rush of expenditure in the month of March, 2008 was due to late release of funds by Government of India under CSP Scheme PYKKA. As the sanction of funds under the CSP leads to withdrawal of its State share by the Department, the trend of expenditure was more in the month of March. However, the Department assured to be more vigilant in future and take steps for even pacing of its expenditure.

The Committee went through the Departmental compliance and views submitted by A. G. and observed that the Department should
scrupulously follow the budgetary principles in future. Accordingly, the para was closed.
Para-4.7.1 Lack of response to Audit.
Para-4.7.2 Follow-up action on earlier Audit Reports.
   On verification of records of Sports and Youth Services Department it was found that it had 29 IRs which contained 89 paras on which it had to supply compliance notes. The Department replied that it had supplied compliance notes to A. G. on 63 nos. of paras and was initiating through regular Departmental Committee meetings to furnish speedy compliance on the remaining paras.
As the Para was settled in the PAC meeting held on dtd.20.11.2012 no further discussion in the matter was made.

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Para-1.6.2 Incomplete Projects.

The C & A. G. Report stated that the Sports and Youth Services Department had four numbers of incomplete projects which were lying incomplete due to non-availability of required lands and funds. The non-completion of these projects within stipulated time frame not only delayed benefits to be accrued to the society but also the cost to the exchequer increased due to time overrun involved in their completion.

The Department submitted that the incomplete projects during 2008-09 were subsequently completed by building stadiums and sports complexes at Kendrapara, Jagatsingpur, Bhawanipatna and Koraput. Since the projects are already completed the Department urged to settle the para.

The Committee went through the observations of A. G. and compliance of the Department and dropped the para.

Para-2.3.8 Unnecessary/Excessive/Inadequate Supplementary Provision.

Para-2.3.9 Excessive/Unnecessary/Re-appropriation of Funds.

Para-2.3.12 Surrender in excess of Savings.

The Department in its compliance laid down that as per provision for newly introduced CSP Scheme, PYKKA was made through 1st supplementary grant for and amount of `7.35 crores and state share of `1.94 crores. Since, the grant of actual release of funds by GOI, an amount of `3.89 crores was utilized alongwith state share of `.97.25 lacs and the balance amount of `3.46 crores was surrendered because of non-receipt of Central share in the year 2008-09 for the project proposals submitted to Government of India for which provisions were made at supplementary stage.

The Department also submitted that an excess surrender of `.0.08 crores was made because actual savings was more than anticipated due to lack of proper budgetary control of the Department. However, it accrued to take proper care for even-pacing of expenditure in future.

The Committee went through the compliance and audit comments and settled the para.

Para-2.4.1 Pendency in submission of detailed countersigned contingent bills against abstract contingent bills.

As per provisions of SR-260 and 261 Odisha Treasury Code VoL. I (OTC) read with Rule 84 of the OGFR every drawing officer has to certify in each Abstract Contingent (AC) bill that detailed bills for all contingent charges
drawn by him prior to first of the current month have been forwarded to the respective officers for counter signature and transmission to A. G. The C & A. G. Report on verification found that an amount of `.50.00 lacs relating DC bills Sports and Youth Services Department was pending for adjustment against the Department. The Report stated that since the amount is already charged to the work/activity concerned, delayed adjustment of unspent balances may lead to booking of excess of cost than actual expenditure, temporary misappropriation of funds and amounts of unspent advances remaining out of Government account.

The Department in its compliance stated that on the basis of records available in the Department there were no pending AC/DC bills to be adjusted by the Department up to 12/2013-14. Since, the para related to the year 2008-09 the Department had no pendency in submission of detailed countersigned contingent bills against abstract contingent bills. The Department, however detected further laid that an amount of `.50.00 lac was drawn by the DSO, Cuttack under the Mini-stadium Scheme through A. C. bill. The Department is taking steps to get the detailed compliance on the same.

The Committee dropped the para with the observation that pending A.C. bills should be finalized immediately.

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Para-3.5.1 Lack of response to Audit.

Para-3.5.2 Follow-up action on earlier audit reports.

Audit pointed out that the Sports and Youth Services Department had 29 IRs containing 87 paras which were awaiting settlement for lack of furnishing compliance notes on the same up to June, 2009.

Since the decision was taken to drop such paras in the meeting of the committee held on 20.11.2012, no further action was taken in the matter.

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Para 3.6.9 Executive Committee

The Department in its capacity as a recipient of the newly introduced CSP scheme, FVYSA, was made through 1 supplementary grant, for an amount of Rs. 10.25 crores and state share of Rs. 9.15 crores. Since, the grant of actual release of funds by ODA in amount of Rs. 9 crores was utilized along with state share of Rs. 8.55 crores and the balance amount of Rs. 4.65 crores was surrendered because of non-payment by Central share in the year 2008-09 for the project proposals submitted to Government of India for which provisions were made in Supplementary Stage.

The Department also submitted that an excess surrender of Rs. 0.05 crores was made because actual savings was more than anticipated due to lack of proper supervisory control at the Department. However, it assured to take proper care for accounting in future.

The Committee went through compliance and audit comments and verified the para.

Para 3.4.1 Procedure in submission of detailed countersigned contingent bills against abstract contingent bills.

As per provisions of 28-260 and 281 of Odisha Treasury Code Vol. 1 (OTC) read with Rule 7 of the OCGF, every drawing office has to certify to each Abstract Contingent (AC) bill that detailed bills for all contingent charges
Para-3.5.1 **Lack of response to Audit.**

The C & A. G. Report pointed out that the periodical inspection of Government Departments leads to the preparation of inspection reports. In the C & A. G. Report for the year 2009-10, it was indicated that the Sports and Youth Services Department had 31 IRs with 89 paras awaiting settlement.

As this para was dropped earlier vide the decision taken by the Committee in the meeting held on 20.11.2012, no further action was taken in the matter.
Para-1.6.2 Incomplete Projects.
In the C & A. G. Report it is stated that the Sports and Youth Services Department had 4 incomplete projects with a budgeted cost of `9.86 crores which was blocked due to non-completion of construction of stadiums in the districts of Jagatsinghpur, Kendrapara, Bhawanipatna and Koraput.

The Department replied that the projects were already completed and requested Public Accounts Committee to take steps to drop the para.

The Committee considered the explanation of the Department and settled the para.

Para-2.3.13 Anticipated Savings not Surrendered.
The C & A. G. Report states that lack of budgetary control on financial planning leads to faulty planning of provisions due to which savings occurs and surrenders are made. Also the Departments are required to surrender the savings when they are anticipated and the Sports and Youth Services Department surrendered an amount `1.15 crores in the year, 2009-10.

The Department replies that the excess provision leading to surrender occurred due to faulty budget planning and it would take steps to prevent such occurrence in future.

The Committee opined that the Department should be more careful while making budget provision and settled the para.

Para-3.6 Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills.
According to the C & A. G. Report the delay in submission of Detailed Countersigned Contingent bills (DCC) against Abstract Contingent bills (AC) is fraught with the risk of serious financial indiscipline/misappropriation. The Sports and Youth Services Department had one DCC bill amounting to `50.00 lac was pending.

With the observations that the Department should clear up the pending A.C bills immediately, the Committee dropped the para.

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2010-11 Report of the C & A. G. of India (Civil)


The C & A. G. Report stated that there were 34 IRs of Sports and Youth Services Department containing 107 paras pending up to June, 2011 to be complied by the Department.

*However, referring to the decision taken in the meeting of the Committee held on 20.11.2012 which dropped the para, the Committee did not discuss the matter further.*

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Para-1.6.2. *Incomplete Projects.*

Already explained in the previous portion of the Report (para-1.6.2 (2008-09)/para-1.6.2 (2009-10)) that the projects were completed and para dropped by the Committee.

Para-2.3.1 *Appropriation vis-à-vis allocative Priorities.*

The C & A. G. Report stated that due to lack of monitoring of the flow of expenditure in the Department by Chief Controlling Officers of such grants in huge savings which were in some cases more than 20% of total provision occurred. In the case of Sports and Youth Services Department, the Department made total provision `32.97 crores and savings occurred to the tune of `7.13 crores which was 21.62% of the total provision. The Department was asked to explain the reason of such huge savings.

The Department replied that the reason of such higher percentage of savings was due to non-receipt of CA under CCS, PYKKA Scheme for which the State share could not be released and also due to non-admission of inmates in sports hostel which resulted in saving of `14.69 lakhs. However, it assured to be more vigilant in future.

The Committee considered the compliance submitted by the Department as well as views of audit on the same and settled the para.

Para-2.3.6 *Excess expenditure over provisions relating to previous years requiring regularization by the State Legislature.*

This para was settled by the Committee regularizing the excess expenditure and the Report was laid in the Fourteenth Assembly.

Para-2.3.8 *Unnecessary/Excessive Supplementary Provision.*

The C & A. G. Report stated that the Department had made an original provision of `2813.13 lac and again a supplementary provision of `483.41 lac was made. But the actual expenditure was `2583.43 lacs which led to savings of `229.70 lac from the original provision. Since, the Department was unable to spend its original provision there was no necessity for making supplementary provision.

The Department admitted the irregularity committed and assured the Committee to be more careful in future.

The Committee considered the audit observations and Departmental compliance and settled the para.

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2011-12 Report of the C & A. G. of India (State Finance)

Para-2.3.1 Appropriation vis-à-vis – Allocative Priorities.

On examination of the State Finance Report of the C & A. G. of India for the year, 2011-12 it was revealed that the savings of Sports and Youth Services Department was `13.08 crores which was 28.47% of the total grants. This indicated lack of monitoring of the flow of expenditure in the Department by the Chief Controlling Officer (CCO) of such grants. The Department was asked to explain the reason behind such huge percentage of savings.

The Department replied that the savings was mainly due to non-receipt of Central Assistance under the Centrally Sponsored Programme Scheme PYKKA. The provision under PYKKA was `20.16 crores but the Government of India released CA only for `7.34 crores which resulted in surrender of `12.82 crore on account of PYKKA Scheme alone.

The Committee went through the audit observations as well as explanatory notes of the Department and dropped the para.

Para-2.3.8 Unnecessary Supplementary Provision.

Para-2.3.12 Surrender in excess of Savings.

Para-2.3.13 Anticipated Savings not Surrendered.

The C & A. G. Report pointed out that the Sports and Youth Services Department had made an original provision of `38.85 crores and again a supplementary provision of `7.09 crores in the year, 2011-12.

The actual expenditure of the Department was `32.85 crores, i.e. it had a savings of `6.00 crores from its original provision. But the Department made a supplementary provision of `7.09 crores which was wholly unnecessary. The Department also surrendered an amount of `13.74 crores as against the actual savings of `13.08 crores in the year 2011-12 which is `0.66 crores excess. The Department also made a surrender of `13.55 crores on 31st March, 2012 which was 30.14% of its total grant, inspite of the strict financial norms that surrender of the grants/appropriations is to be made as and when they occur without waiting till the end of the year.

The Department replied that a major portion of its savings was due to non-receipt of funds under Central Assistance in the Centrally Sponsored Scheme of PYKKA from the Government of India. Since the funds was not released it led to surrender of State share. Excess amount of surrender occurred due to wrong monitoring of budgetary expenditure. The Department made a major portion of savings on the last day i.e. on 31.03.2012 as it had to wait till

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the end of financial year to receive the Central Assistance amount from Government of India. Since less amount was received it had to surrender the savings on the last day. However, the Department assured to be more vigilant in future while preparing budget estimates so as to avoid huge amounts of savings.

The Audit observation was that Chief Controlling Officer of the Department should be more careful while preparing budget estimates so as to avoid recurring budgetary mismanagement. It suggested the Committee to drop the para in view of the compliance notes submitted by the Department.

**The Committee considered the audit observation and departmental compliance and dropped the para.**

Para-3.1 *Delay in furnishing Utilization Certificates.*

The Audit Report states that according to Odisha General Financial Rules (OGFR) grants in which conditions are attached to the utilization of the grants, utilization certificates should be furnished by the grantee. Through the utilization certificate, the grantor obtains assurance about non-diversion and proper utilization of the funds placed at the disposal of the grantee. Delay in furnishing the UC to the grantor essentially undermines the control mechanism designed to ensure non-diversion and non-miss-utilization of the funds.

As on Mach, 2012 the Sports and Youth Services Department failed to submit utilization certificates on an amount of `0.11 crores received by it through Central Assistance.

The Department in its reply stated that it had already furnished the utilization Certification on `0.11 crores to the Government of India.

**In view of the compliance of the Department, the Committee dropped the para**
Para-3.1 Lack of Response to Audit.

On examination of the C & A. G. Report for the year, 2011-12 it was found that the Sports and Youth Services Department had 34 nos. of IRs containing 101 paras pending for submission of compliance.

The Department in its reply to the same audit objection in previous years (2003-04) had stated that it had submitted compliance notes on 63 numbers of pending audit paras relating to different years to A. G. in the year, 2015-16 and taking expedite steps to furnish the replies to the remaining audit paras.

The Committee considered the compliance of the Department and dropped the para.
MINUTES OF THE SECOND MEETING OF PUBLIC ACCOUNTS COMMITTEE,
2016-17 HELD AT 11.00 A.M. ON 22.04.2016 IN ROOM NO. 54 OF THE ODISHA
LEGISLATIVE ASSEMBLY BUILDINGS, BHUBANESWAR.

PRESENT

Shri Narasingha Mishra.
Leader of Opposition.

Shri Ananta Das,
Government Chief Whip.

Smt. Pramila Mallik, M. L. A.
Shri Pravata Kumar Tripathy, M. L. A.
Shri Pravat Ranjan Biswal, M. L. A.
Shri Mahesh Sahoo, M. L. A.
Shri Saroj Kumar Samal, M. L. A.
Shri Samir Ranjan Dash, M. L. A.
Shri Chiranjib Biswal, M. L. A.
Shri Priyadarshi Mishra, M. L. A.

Chairman

Members

SECRETARIAT

Shri Amiya Kumar Sarangi
Shri Satish Chandra Singh
Shri D. Matraj
Smt. Baijayanti Pattnaik
Shri Narayan Prasad Sahoo

Secretary
Joint Secretary
Under Secretary
Desk Officer
Section Officer

The Committee met as scheduled and approved the following Reports :-

i. 2nd Report of PAC on Appropriation Accounts, Finance Accounts and Report of the C & A. G. of India (Civil) for the year, 2005-06 relating to the Rural Development Department.

ii. 3rd Report of PAC on Report of the C & A. G. of India (Civil and State Finance) from the year, 1997-98 to 2011-12 relating to the Sports & Youth Services Department.

iii. 4th Report of PAC on Report of the C & A. G. of India (Civil and State Finance) from the year, 2005-06 to 2012-13 relating to the Law Department.

iv. 5th Report on Spot visit to the Districts of Jharsuguda and Sambalpur from 02.02.2015 to 04.02.2015.

v. 6th Report on the Construction of Fly-over Bridge and Railway-over Bridge.

vi. 7th Report on halting of Construction works of different projects due to non-availability of building materials.

The Committee also authorised the Chairman to present the same to the Assembly.

The meeting of the Committee adjourned sine-die.

NARASINGHA MISHRA
CHAIRMAN
PUBLIC ACCOUNTS COMMITTEE