

PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapter-1 of this report indicates auditee profile, authority for audit, planning and conduct of audit, organisational structure of the office of the Principal Accountant General (E&RSA) and responses of the departments to the draft paragraphs. Highlights of audit observations included in this report have also been brought out in this Chapter.
3. Chapter-2 covers audit of transactions and Chapter-3 covers Chief Controlling Officer based audit of a department.
4. The Report covers significant matters arising out of the compliance and performance audits of Economic Sector departments including Autonomous Bodies. The Reports containing points arising from audit of the financial transactions relating to General and Social Sector departments, Local Bodies, Statutory Corporations & Government Companies and Revenue Receipts are presented separately.
5. The cases mentioned in the Report are among those which came to notice in the course of test-audit of accounts during the year 2011-12 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the periods subsequent to 2011-12 have also been included, wherever necessary.



Chapter 3

**Chief Controlling Officer
based audit of
Forest Department**

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Chief Controlling Officer based audit of a department

Forest, Environment and Ecology Department

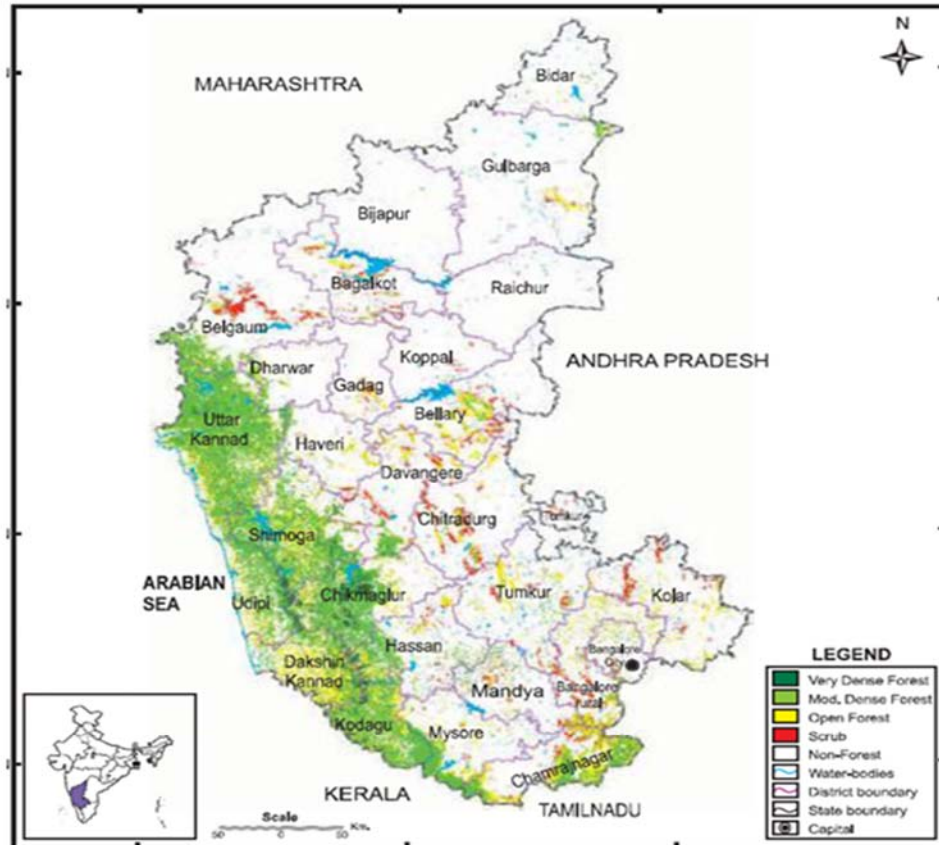
3.1 Chief Controlling Officer based audit of Forest Department

Executive summary

Karnataka has a recorded forest area of 43,356 square kilometers (sq km) constituting 22.61 *per cent* of geographical area of the State. The Department of Forest, Environment and Ecology is responsible for preservation of existing forests, protection of flora and fauna besides increasing the forest area through extensive afforestation in degraded forests and increase tree cover through social forestry.

The Chief Controlling Officer based audit of the department covering 2009-12 was conducted between April 2012 and July 2012 to assess the institutional weakness and showed the following shortcomings:

- Large number of vacancies amongst the front line staff affected the protection and management of forests. The transfer of staff involved in preparation of working plans in contravention of rules delayed the finalisation of working plan of 29 divisions.
- The potential of seed collection centers was not fully exploited due to inadequate staff and budgetary support.
- The wireless network essential for surveillance and monitoring of remote widespread area was not functional in seven divisions.
- The internal audit was largely non-existent on account of vacancies amongst key staff.
- The huge balances available under Karnataka Forest Development Fund were underutilised.
- The Forest Development Tax collected (₹ 32.41 crore) was not remitted to Government account by Karnataka Forest Development Corporation.
- The State Government had not finalized its own forest policy despite passage of six years since recommendation of National Forest Commission.
- The forest area decreased by 797 sq km between 2001 and 2011 as per Forest Survey of India.
- The 67,096 ha forest land encroached upon had not been got evacuated as of March 2012.
- Final notifications in respect of Wildlife Sanctuaries in five cases were not issued even after 21 to 38 years of issue of preliminary notification.



Forest cover map of Karnataka

3.1.1 Introduction

The National Forest Policy of 1988 (NFP) envisages increase in area under forest and tree cover through conservation & afforestation measures for maintaining environmental stability & ecological balance. Karnataka has recorded forest area of 43,356.45 sq km (22.61 per cent) of the 1.92 lakh sq km geographical area of the State as of March 2012. There are five National Parks, 25 Wildlife Sanctuaries, six Conservation Reserves and one Community Reserve in the State.

The important objectives of the Forest Department (Department) are:

- Conservation of biodiversity and genetic resources by protection of forests and wildlife,
- Rehabilitation and restoration of the degraded forest for improvement of forest cover,
- Enhancing tree cover outside the forest area for livelihood security and climate change mitigation.

The Chief Controlling Officer (CCO) based audit is an attempt to audit a representative sample of units in a Department in an integrated manner to arrive at audit findings from the selected sample units. The Forest Department was selected for this purpose because it is a critical economic sector and its importance to the eco system.

3.1.2 Organisational structure

The Principal Secretary, Forest, Environment and Ecology Department is in overall charge of the Department. The Principal Chief Conservator of Forests (Head of Forest Force) (PCCF) is the head of the Department and is responsible for all forestry and allied activities while the Wild Life wing is headed by PCCF for wild life related activities and assisted by various level officers/officials for discharging the duties. The detailed organization structure is shown in an organogram (**Appendix 3.1**).

3.1.3 Audit objectives

The objective of the audit was to assess whether

- the institutional mechanisms functioned optimally to achieve the desired objectives;
- there was compliance with laws, rules and regulations while mandated activities/functions were being discharged
- various schemes and programmes undertaken delivered expected results economically, efficiently and effectively.

3.1.4 Audit criteria

The criteria adopted for bench marking the audit findings were derived from:

- Forest Acts and Rules;
- Instructions/Government orders issued by Central/ State Government from time to time;
- Karnataka Budget Manual (KBM) and Karnataka Financial Code;
- Departmental codes/manuals/ Rules and regulations and
- Working plans (WP) of the forest divisions and management plans of the sanctuaries.

3.1.5 Audit sample, scope and methodology

The activities of the Department for three years from 2009-10 to 2011-12 was reviewed between April 2012 and July 2012 through test check of records at Secretariat, offices of both the PCCFs, five APCCFs, CCF (Training) at Gungargatti, Dharwad, CCF(FDPT), Shimoga and six CF's, 15 DCFs (out of 40 Territorial Divisions), five DCF's (out of 12 Wild Life Division), three DCFs (out of nine Vigilance Divisions), two DCFs (out of six Training Divisions), two

forest corporations, eight Social Forestry divisions and one DCF (out of two Research Divisions) located in various other places. The DDO's under CCO have been selected through random sampling.

The scope, audit objectives and criteria of audit were discussed with the Principal Secretary, Department of Forest, Environment and Ecology (Principal Secretary) in the entry conference held on 3 April 2012 and the audit findings were discussed with Principal Secretary in the exit conference held on 23 November 2012. The State Government replies have been incorporated at appropriate places.

The Indian Audit and Accounts Department acknowledges the co-operation extended by the Department of Forest, Environment and Ecology in the conduct of CCO based audit.

Audit findings

Institutional weakness

The institutional arrangements of the Department and weakness noticed in audit are discussed in succeeding paragraphs:

3.1.6 Human Resources Management

3.1.6.1 Men in position

Against the overall sanctioned strength of 11,958¹ posts, 2,929² posts were vacant as of March, 2012. The vacancies were acute in the cadre of Assistant Conservator of Forests, Range Forest Officers, Foresters (Deputy RFO), Forest Guards and Forest Watchers showing a vacancy of 2,237.

Large number of vacancies was amongst the frontline staff *viz.*, Forester (Dy RFO), Guard and Watcher, whose duties are critical to forest protection. The vacancy in the cadre of Surveyors was high as 76 *per cent*.

Large number of vacancies in the cadre of frontline staff & surveyor posts had an adverse impact on the management of forest and its protection *viz* increase in forest offence cases, encroachments, illegal felling *etc.*, and affected the survey & demarcation works.

The Government intimated (November 2012) that the notification for filling 262 post of forest watchers and 596 of forest guards was issued in June 2011 and December 2011 respectively. In respect of vacancy in the post of surveyors, it was stated that 40 surveyors appointed had left the department and action would be taken to fill up the vacancies. The replies highlight the fact that measures were not taken to fill up all the vacancies existed in the frontline staff and the process of filling up of posts commenced in June 2011 & December 2011 was

¹ State sector-10,648 , District Sector-1,310

² State sector-2,615, District Sector-314

not completed as of November 2012. Further, a committee constituted (December 2003) by Government to look in to aspects of reorganisation of beats, sections, ranges, sub-divisions and divisions in Karnataka Forest Department recommended (May 2004) staff requirement as shown in **Table 1**:

Table 1: Requirement of additional staff

SI No.	Name of the posts	No. of posts actually required	No. of posts existing	No. of additional posts to be created
1.	Dy RFO	2,389	2,243	146
2.	Forest Guards	4,667	3,956	711
3.	Forest Watchers	5,278	1,094	4,184

(Source: Details as furnished by the Department)

Even after eight years, the proposal submitted by PCCF for strengthening of frontline staff has not been implemented by Government.

3.1.6.2 Injudicious deployment of Indian Forest Service officers

The authorised strength of Karnataka Cadre of Indian Forest Service (IFS) Officers fixed (September 2006) by GOI is 164 which comprises 100 senior posts under State Government, 20 posts under central deputation reserve, 25 posts under State deputation reserve, 16 posts under leave reserve and three posts under training reserve. While 72 IFS officers were on deputation against the working strength of 147 (*i.e.*, half the cadre), only 75 IFS officers were working against 100 posts created in the department resulting in shortfall of 25 posts. The deployment of excess 41 IFS officers on State deputation in violation of norms would affect the functioning of the department.

Government stated (November 2012) that against the authorised strength of 25 state deputation, 70 officers are holding the posts in various levels in ex-cadre out of which 38 posts are related to Forestry activities.

Reply was not acceptable as it fails to justify the excess deployment of IFS officers on state deputation though there are vacancies in IFS posts in the Department.

3.1.6.3 Working condition of Elephant attendants

Mahouts and Kawadis are attendants primarily responsible for the proper feeding, maintenance and upkeep of the domesticated elephants in healthy condition. As of March 2012, against the sanctioned 90 posts in each cadre, 43 Mahouts and 76 Kawadis were working. The shortfall in attendants was being met by engaging temporary employees at a consolidated monthly pay of ₹ 5,000 for Mahouts and ₹ 4,600 for Kawadis. In Madikeri Division, the wages were not paid regularly except for 13 months during October 2009 and March 2012. In Dubare Elephant Camp, Madikeri it was noticed during inspection that these classes of employees were deprived of basic necessities.

Several incentive measures and facilities like free medical checkup, educational incentive to children, project allowance and other benefits as prescribed by the Nation Tiger Conservation Authority (NTCA), New Delhi are in place to the families of the employees working in Bhadra Tiger Reserve. For daily rated employees all benefits prescribed by NTCA are allowed apart from providing

insurance cover and free medicines. However, similar facilities/benefits have not been extended to Mahouts and Kawadis in Madikeri, who constitute a skilled task force.

Government replied (November 2012) that action would be taken up to fill up the vacancies in the cadre of Mahouts and Kawadis and delay in payment of wages would occur in the beginning of financial year. However, specific reply to consider extending the benefits as admissible to daily rates employees of Bhadra Tiger Reserve to remove disparity was not furnished.

3.1.6.4 *Transfer of staff*

Vigilance wing

As per Government order (August 2000), “Foresters (re-designated as DRFO) and Forest guards” should be posted only for two years in their entire service at town check post, checking gates, mobile squads and vigilance wing.

On a review of records, it was noticed that the 18 DRFOs and 29 Forest Guards are working in nine divisions of the vigilance wing beyond the stipulated period of two years and their retention beyond the stipulated period ranged from eight months to 64 months.

Working plan division

The National Working Plan Code prescribes that officers and the staff of working plan division should not be transferred during the preparation of working plan. Out of 40 divisions, working plans of 11 divisions expired during 2010-11 and working plans of 18 divisions expired during 2011-12.

Review of records showed that, 30 officers involved in preparation of working plan (including CCF, CF, DCF, ACF and RFO) were transferred from working plan wing in contravention of provisions.

The Government stated (November 2012) that strict compliance would be observed in future.

3.1.6.5 *Training*

There are six Forest Training Institute/Centers established in different parts of the State catering to the training needs of the Department and headed by a CCF. The utilization of slots during 2009-12 varied between 89.35 *per cent* and 99.64 *per cent*.

Audit scrutiny revealed that calendar of training programme was not drawn up in advance. Further, no refresher course for the frontline staffs was conducted. The training centers were not equipped with modern teaching tools *viz.*, computer network, projectors and library facilities were absent in six centers. The classrooms in training centre at Thattihalla were in unsafe condition requiring urgent repairs as evident from the photograph given below.



Photo of class room of training centre at Thattihalla

The Government accepted (November 2012) the audit suggestion that refresher courses for frontline staff would be conducted in future and IT facilities would be provided by procuring 90 computers. Further, it was intimated that ₹ 1.50 crore had been recently allocated for modernization of the training institute and ₹ 53 lakh for class room.

3.1.7 Establishment of State Forest Data Centre

A comprehensive data bank is an essential tool in decision making process for management. Realising the need to have data bank on various aspects *viz.*, extent of forest area, resources, wildlife population, bio-diversity information, inventory *etc.*, it was envisaged to establish Geographical Information System (GIS)/ Management Information System (MIS) under Karnataka Sustainable Forest Management and Bio-diversity Conservation (KSFMBC) Project. The Department was to establish State Forest Data Centre for analysing the satellite data about forest. For this purpose, the work of development and implementation of Forest Document Information System (ForDIS) was initially entrusted (October 2008) to an agency for ₹ 64.26 lakh. The agency expressed (November 2008) its inability to execute the work as key staff had left their organisation and the work was terminated after forfeiture of EMD. Later the scope of work was increased by including training to staff *etc.*, and entrusted (November 2009) to another agency at ₹ 1.24 crore for completion by March 2012. However, the work was not yet completed (December 2012).

Government replied (November 2012) that the outsourced work was progressing slowly and being reviewed for completion by March 2013. The reply was not acceptable as the Department was contemplating legal action since agency failed to deliver source code of the ForDIS application as intimated by CF in January 2013 and Department could not check the physical work done by the agency.

3.1.8 Research activities

The research activities in the department commenced in 1953 mainly focusing on areas such as nursery techniques, selection of plus trees³, exotic species trials, identification of seeds, clonal seed orchards, germination techniques, agro forestry research *etc.* The research wing is headed by APCCF (R&U), Bangalore and has four seed units located at different places to cater departmental needs.

The seed units have 5,716 ha forest land with trees having annual potential collection of 250 MT of seeds. Review of records revealed that seed units were not able to achieve the targeted collection and supplied only 66-109 MT of seeds in a year during 2009-12. The low collection & supply was due to shortage of staff and fund.

The Government while accepting the facts stated (November 2012) that seed collection capacity could be increased if adequate budgetary support is provided and fill up the 25 *per cent* vacancy that existed. They also stated that there was no shortfall in achievement either in physical or financial targets as fixed in Annual Plan of Operations.

3.1.9 Wireless network

The Department has dedicated wireless communication that was established 25 years ago under control of vigilance wing and ₹ 45.95 lakh spent annually towards royalty and license fee.

The wireless network was no functioning in seven⁴ test checked divisions for the last 2 to 5 years. As forest areas are remote, efficient communication is of paramount importance to prevent and control illegal felling, poaching, unauthorised removal of forest minerals *etc.* However, these divisions are working without a dedicated communication network and no action was taken to restore the communication network.

The Government stated (November 2012) that with supply of cellular communication sets to staff there is an assumption among the staff that wireless network would not be required. The Government also stated that this argument was ill-founded since in the absence of telecommunication towers in the remote forest area, the wireless was the only mode of secure communication. Government further stated that instructions had been issued for proper maintenance of wireless sets and same was being upgraded at an outlay of ₹ 3.60 crore.

3.1.10 Internal Control

Internal control is a management tool to ensure that the financial interest and resources of the Department are safeguarded and timely reliable information is available.

³ Source tree for collection of good quality seeds

⁴ Belgaum (FMS), Bellary, Bhadravathi, Chitradurga, Gulbarga, Kundapur and Shimoga (WL)

3.1.10.1 Shortfall in conducting internal audit

The internal audit guidelines (December 1992) issued by State Government prescribe that all units of the Department are to be audited annually and no unit should remain unaudited for more than two years. The Internal Audit Report (IAR) is required to be issued within one month. The Internal Audit Wing was established (1977-78) in the department but Internal Audit Manual codifying the practices and procedures thereon had not been prepared. Out of 124 auditee units in the department, the shortfall in internal audit ranged from 80 to 90 *per cent* during 2009 to 2012.

The following shortcomings were also noticed:

- As against two posts of Chief Accounts Officers sanctioned, only one post is filled up and as against 10 posts of Accounts Superintendents only three posts were filled up. The department had not taken adequate steps to fill up these vacant posts.
- Out of 54 units audited between 2009-10 and 2011-12, IARs were issued only in respect of 22 units with a delay ranging from one month to 31 months and IARs in respect of remaining 32 units were yet to be issued (March 2012) even after 33 months.
- During the period 2009-10 to 2011-12, percentage of disposal of Paragraphs ranged from nil to 0.58 *per cent* and no IARs were cleared.

Inadequate staff resulted in shortfall in coverage of units and non-compliance to IARs reflects the inadequacy and lack of effectiveness of internal audit prevailed in the department.

The Government while accepting the facts stated (November 2012) that necessary action would be taken to prepare internal audit manual and to fill up the vacancies.

3.1.11 Monitoring

An effective monitoring is essential so as to ensure that the activities were being carried out in accordance with rules, procedures *etc.*

3.1.11.1 Incomplete recording of plantation registers/journals

The Karnataka Forest Code provides for maintenance of Plantation Registers for the plantation raised and maintained for recording history of the plantation from the time of its formation till it is harvested including the details of yield and revenue realised. All inspections of plantations made by officers along with their observations should be recorded by such officers in the registers under dated initials.

It was noticed that the registers were not updated beyond the initial maintenance period of 2/3 years and survival percentage of plantations was not recorded from time to time. Plantation register being the only record of plantations raised and absence of details in these registers indicate that the department did not have a basic record on the status of plantations.

Scrutiny of the 120 plantation registers also revealed that the inspection by higher authority (from the level of ACF and above) was done in respect of only 52 cases, of which compliance has been recorded only in respect of five cases.

The Government while accepting (November 2012) the observation stated that strict instructions would be issued for complying with the requirement of recording of survival percentage noticed during the field visit. Further, it was stated that the survival of plantations was taken up separately by Evaluation Wing after 3 years plantations. However, survival percentage was not recorded in plantation journals by officers who conducted field visit and report of Evaluation Wing was not made available to audit.

3.1.11.2 Shortfall in inspections by CFs

As per the provisions of Karnataka Forest Code (KFC), CFs are required to inspect all the divisions coming under their control at least once in a year.

The shortfall in inspection during 2009-12 varied between 58 *per cent* and 89 *per cent* showing increasing trend which indicated that due importance was not accorded to the supervisory activities.

Government replied (November 2012) that instructions were issued to CCFs to comply with codal provisions.

3.1.11.3 Forest Offence Cases

The procedure relating to Forest Offence Cases (FOC) is detailed in Karnataka Forest Manual. The year-wise details of FOC registered and their disposal during 2009-12 are shown in **Table 2**:

Table 2: Forest offence cases

Year	Opening Balance			Addition			Clearance			Closing Balance		
	Sandal	Others	Total	Sandal	Others	Total	Sandal	Others	Total	Sandal	Others	Total
2009-10	4,623	69,721	74,344	175	14,834	15,009	429	16,431	16,860	4,369	68,124	72,493
2010-11	3,289	63,650	66,939	47	3,373	3,420	50	2,754	2,804	3,286	64,269	67,555
2011-12	3,203	67,038	70,241	124	9,473	9,597	341	12,705	13,046	2,986	63,806	66,792

(Source: Annual Reports of respective years)

The number of pending cases reduced marginally from 74,344 to 66,792 to the end of March 2012. The pendency of cases at the end of each year did not tally with the opening balance of subsequent year. As a result, the actual forest offence cases pending for disposal were not ensured by department.

The Government stated (November 2012) that the continuous efforts were being made to set right the anomalies and FOC have reduced as per latest figures furnished by the circle offices. However, the details of penalty imposed and amount collected in respect of cases finalised were not furnished.

3.1.11.4 Work Cash Book not maintained

Government of Karnataka switched over from issue of letter of credit to Treasury system for payment of bills with effect from October 2006. Consequently, instructions were issued (October 2006) by PCCF to continue with the maintenance of Work Cash Book after reconciliation of expenditure with treasury figures. Eight⁵ divisions did not maintain the Work Cash Book despite the PCCF's instructions.

The Government stated (November 2012) that instructions have been issued to all unit officers to maintain work cash book.

3.1.11.5 Failure to adhere to due dates in submission of monthly accounts

As per the Karnataka Forest Account Code, the DCF's were required to render monthly accounts in the prescribed forms regarding cash balance report, schedule of forest advances, schedule of forest remittances, classified abstract of revenue, etc., to the Accountant General (A&E) office on or before 10th of the following month. There was delay in submission of monthly accounts to AG (A&E) during 2009-12 and delay ranged between 24 days and 39 days in 20 test checked divisions in respect of 599 monthly accounts out of 720 accounts submitted during 2009-12.

3.1.11.6 Bank guarantees not renewed

Section 63 of the KF Act empowers a Forest Officer to release seized vehicles, boats, tools, etc., on production of bank guarantee (BG) equal to the value as estimated by such officer and shall be got renewed till the final disposal of the case.

In DCF, Hassan Division, the vehicles seized on forest offence cases were released on production of BG between 1991-92 and 2006-07. However the bank guarantees amounting to ₹ 32.68 lakh in 37 cases were not got renewed though the offence cases were still pending. The recovery of fine/ penalty amount so leviable would be difficult as security was not available.

Government replied (November 2012) that action would be taken to obtain BGs wherever lapsed and disciplinary action would be initiated against the officers for their lapses.

3.1.11.7 Response to Audit

The Principal Accountant General (E&RSA), Karnataka conducts test check of records of head of administrative department and subordinate offices under their control and observations were communicated through Inspection Report (IR). First replies to IRs were to be furnished within four weeks and a six monthly report on pending paragraphs of IRs was also sent to the Secretary to facilitate monitoring of the action taken on the observations.

⁵ Seven territorial divisions (Bangalore Urban, Bellary, Davanagere, Gulbarga, Kundapur, Mangalore and Raichur) and one wild life division (Shimoga)

There are 172 IRs and 732 paragraphs pending for settlement as on 31 March 2012. The increasing trend of pendency of IRs with paragraphs indicated the slackness in monitoring response to audit observations.

The Government replied (November 2012) that efforts would be made to clear the outstanding paragraphs by rectifying the mistake and submitting follow up reports.

3.1.12 Codes and manuals not revised

The Acts, Codes and Manuals form integral part of functioning of the department and hence require periodical review and revision in line with subsequent developments.

It was observed from the records that though proposals (January/February 2012) have been submitted by the Field Officers suggesting amendments to the Karnataka Forest Act, 1963 (KF Act), Karnataka Forest Rules, 1969 and Preservation of Trees Act, 1976, to the PCCF, these are yet to be forwarded to Government for required revision particularly considering the changes effected in financial rules, system of payments from LOC to treasury system.

The Government stated (November 2012) that bringing amendment to various acts/rules in changing conditions is a continuous process and a committee had been constituted in March 2010 for revision of various acts/manuals/codes.

3.1.12.1 Register of Reserved Forests

KFC provides that copies of all notifications issued under Sections 17 & 28 of KF Act should be preserved for each Forest Division in a bound volume called the Register of Reserved Forests with subsequent orders sanctioning the changes in the constitution of any Reserved Forest, as well as all orders by which rights modified or regulated are inserted immediately after their promulgation in the same volume and a return thereof submitted to the Circle Office on 1st August every year.

Test-check of the records of the 20 Divisions revealed that the register was not maintained in six Territorial Divisions⁶ and two⁷ wild life divisions. Consequently, the annual returns were also not furnished by these Divisions for any of the years.

The Government stated (November 2012) that the instructions have been issued to concerned officers to maintain the Register of Reserved Forests.

3.1.12.2 Completion Reports of works

As per Para 123 of Karnataka Forest Accounts Code, the DCF is required to maintain a Register of Sanctions in Form FAC 15 showing details of estimates sanctioned for works and completion thereof recorded and completion reports duly countersigned by the Divisional Officer submitted to the Conservator in the

⁶Karwar, Haliyal, Bhadravathi, Davanagere, Bangalore (U) and Hassan

⁷Wild life divisions Chickmagalur and Bannerghatta National Park, Bangalore

prescribed proforma. The Completion Reports are meant to denote the actual completion of the work in all aspects.

Scrutiny of the records in the test-checked territorial Divisions revealed that Completion Reports were not submitted in many cases as noted in **Table 3**:

Table 3: Division-wise details of outstanding completion reports

Division	No. of works sanctioned during 2009-12	No. of works for which Completion Reports were submitted	No. of works for which the Completion Reports were outstanding
Bhadravathi	1,313	00	1,313
Chickmagalur	1,637	1,352	285
Haliyal	4,340	2,352	1,988
Karwar	4,008	00	4,008
Honnavar	6,013	5,357	656
Gadag	1,602	656	946
Bellary	2,105	1,137	968
Gulbarga	374	00	374
Total	21,392	10,854	10,538

(Source: Details as furnished by Department)

In the case of Bhadravathi, Karwar and Gulbarga Divisions completion reports were not submitted for any of the works.

Government stated (November 2012) that all officers concerned have been strictly instructed to prepare and submit the completion reports.

3.1.12.3 Delay in notifying as Reserve Forest

As per the Section 4 of the KF Act, preliminary notification has to be issued for the areas to be classified as 'Reserved Forest' and final notification under Section 17 after due consultation with Revenue Department (RD). Scrutiny of records revealed that issue of preliminary notification in 22 cases involving an area of 2,357.44 ha in 30 villages was pending for more than six years and issue of final notification in six cases involving an area of 1,560.03 ha in six villages was pending for one to 31 years at Government level.

The Government attributed (November 2012) the delay to want of revenue records. However, the fact remains that there was delay in issuing notifications and no time frame was fixed by Government to complete the process.

3.1.12.4 Mutation

KF Act and Rules provide that after issue of notification under Section 17 of KF Act, necessary entries are to be made in the revenue records about the lands included in the newly formed reserve forests and in village maps. As of March 2012, out of 35.51 lakh ha of notified forest area, 30.69 lakh ha of forest area were mutated in the name of forest department and 4.82 lakh ha of forest area was not yet mutated.

Government stated (November 2012) that forest areas in Kollegal and Kodagu divisions do not have survey numbers and assigning the same was under

progress. Further, Government stated that the CCFs had been requested to take personal interest for effecting the mutation.

Compliance issues

The mandated activities are to be carried out as per applicable rules, regulations, codal provisions and maintenance of prescribed registers, submission of periodical returns/reports at all levels to provide reasonable assurance and minimise the risk of irregularity. Audit findings are as given below.

3.1.13 Budget, expenditure control and revenue receipts

The budget provisions made and expenditure incurred under plan and non-plan heads during 2009-12 were as in **Table 4**:

Table 4: Grant and outlay statement

Year	Grant			Expenditure			Establishment expenditure	Percentage of establishment expenditure to total expenditure
	Plan	Non-plan	Total	Plan	Non-plan	Total		
2009-10	243.66	341.07	584.73	263.09	512.82	775.91	135.16	17.42
2010-11	241.50	799.80	1,041.30	234.31	845.29	1,079.60	149.65	13.86
2011-12	199.38	783.06	982.44	245.44	558.26	803.70	172.34	21.44

(Source: Budget, Finance Accounts and AG (A&E) figures)

The expenditure under non-plan head during 2009-12 includes ₹ 156.39 crore met from Karnataka Forest Development Fund (KFDF). The establishment expenditure for the years 2009-2012 constitute 13.86 per cent to 21.44 per cent of the total expenditure. There were 24 state sector schemes and 11 central/centrally sponsored and one externally aided project under implementation during 2009-12 both under plan and non-plan heads. The details of allocation and expenditure were shown in **Table 5**:

Table 5: Allocation and Expenditure under different schemes

Schemes	No	2009-10		2010-11		2011-12	
		Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure
State Sector	24	35.14	34.10	103.77	101.54	196.07	182.31
Central/Centrally Sponsored	11	66.22	59.30	87.59	76.23	100.27	90.92
Externally aided	01	161.66	158.48	85.49	84.77	57.08	56.24
Total	36	263.02	251.88	276.85	262.54	353.42	329.47

(Source: Details as furnished by Department)

Under Centrally Sponsored Scheme, there were savings in all the year(s) under National Afforestation Programme which was attributed to late release of funds from Government of India. Under State Sector, the saving during 2011-12 was in Devarakadu scheme, the expenditure incurred was ₹ 15.17 crore against the allocation of ₹ 27.20 crore and non-utilisation of ₹12.03 crore was attributed to delay in finalisation of tenders. The plan expenditure during 2009-12 included an expenditure of ₹ 299.55 crore towards externally aided project viz. Karnataka

Sustainable Forest Management and Bio-diversity Conservation (KSFMBC) which is under implementation with financial assistance from Japan Bank for International Co-operation (JBIC) from 2005 and onwards. The assistance is received in the form of loan from GOI and reimbursement is made after expenditure is incurred by the State Government. The expenditure is certified by Principal Accountant General (E&RSA). During 2009-12, an amount of ₹ 279.37 crore being net of taxes was certified for reimbursement against claim of ₹ 279.50 crore.

3.1.13.1 *Rush of expenditure*

As per Government Order dated 9 September 2004, the expenditure should be evenly spread and the rush of expenditure, particularly in the closing month of the financial year, will ordinarily be regarded as a breach of financial discipline. The year wise expenditure incurred in March as a percentage of the total expenditure in 13 test checked divisions during 2009-12 are shown in **Table 6**:

Table 6: Comparison of expenditure in March over annual expenditure

Particulars	(₹ in crore)		
	2009-2010	2010-2011	2011-2012
Total Expenditure	64.79	122.51	136.66
Expenditure in March	21.12	45.11	48.57
Percentage of expenditure in March	32.60	36.82	35.54

(Source: Details as furnished by Department)

The above table shows that 33 to 37 *per cent* of the annual expenditure was incurred in the month of March in 13 test checked divisions.

The Government stated (November 2012) that the forestry works are seasonal as planting works are carried out after rainy season and 70 *per cent* of the expenditure takes place after rainy season and bills were presented in February and March. However, the fact remains that 32.60 to 36.82 *per cent* of expenditure was incurred in March *i.e.*, nearly six months after the rainy season which normally concludes in September.

3.1.13.2 *Under utilisation of forest development fund*

In terms of the provisions of KF Act, a fund namely KFDF was established and proceeds of Forest Development Tax (FDT), compensatory afforestation charges and sandal surcharges are credited to the fund. The KF Act provides that the amount at the credit of the fund shall be exclusively utilized for raising of forest plantations and such ancillary activities.

The above amounts shall be first credited to the consolidated fund of the State and transferred to KFDF under appropriation.

The details of receipt, utilisation and closing balance at the end of year during 2009-12 are shown in **Table 7**:

Table 7: Accumulation and utilisation of Karnataka Forest Development Fund

(₹ in crore)

Year	Opening Balance	Transfer to the Fund during the year	Utilization during the year	Percentage of utilisation	Closing Balance
2009-10	68.93	271.48	23.83	7.00	316.58
2010-11	316.58	557.28	48.97	5.60	824.89
2011-12	824.89	238.59	99.46	9.35	964.02

(Source: Details as furnished by Department)

As may be seen from the above details that the utilisation of fund ranged between 5.60 per cent and 9.35 per cent of the fund available during 2009-12. As stated earlier, the non-plan expenditure amounted to ₹ 156.39 crore of the total amount of ₹ 172.26 crore. The balance of ₹ 964.02 crore available in the fund was large when compared to the flagship afforestation programme (KSFMBC) under implementation with external assistance. However, no action plan or programme was under consideration to undertake afforestation works to increase the forest cover in the State despite availability of huge accruals under the fund.

Government replied (November 2012) that FDT collection increased from 2009-10 and tentative budget estimates were prepared for utilization of fund amount taking into account probable allotment from other heads of account. The utilisation of amount from the fund had increased over the years. The reply was not acceptable as the Government had not specified the action plan/programme/scheme conceived to utilise ₹ 964 crore available in the fund which was created exclusively for increasing forest cover and failure indicates lacuna in planning, thus, defeating the very purpose of creating a dedicated fund by levy of exclusive tax.

3.1.13.3 Revenue receipts

Forest revenue receipts comprises of FDT, sale proceeds of timber, firewood, other forest produce, renewal of licenses, penalty for forest offences, entry fees etc. Paragraph 96 of KBM stipulates that anticipated receipts should be estimated close to the actual as possible and be provided only to the extent of revenue expected to be realised including past arrears.

The revised estimate and the actual receipts realised under 'Forestry and Wildlife' by the department during 2009-12 are as shown in **Table 8**:

Table 8: Details of revenue receipts

(₹ in crore)

Year	Revised Estimate	Actual Receipts	Excess (+) / Savings (-)	Percentage of Excess (+)/ Shortfall (-)
2009-10	187.03	212.48	(+) 25.45	(+) 13.61
2010-11	165.13	163.74	(-) 1.39	(-) 0.84
2011-12	160.00	168.29	(+) 8.29	(+) 5.18

(Source: Budget and Finance Accounts)

The percentage of variation between the revised estimates and actual receipts ranged from (-) 0.84 to (+) 13.61. Government stated (November 2012) that required inputs would be obtained for preparation of revenue estimates.

3.1.13.4 Arrears of revenue

As per the instructions (November 2010) of Finance Department, a detailed statement indicating the demand, collection and balance (DCB) should be prepared showing year wise arrears separately and submitted along with the estimates for revenue. However, this was not being submitted to Finance Department by the PCCF as inputs were not received from field units.

Scrutiny of records in 12⁸ test checked divisions revealed that ₹ 11.21 crore was receivable as from various agencies & persons as of March 2012 and oldest item relates to 1956-57.

Government stated (November 2012) that instructions have been issued to all the CCFs to submit the quarterly DCB and statement for the quarter ended March 2012 had since been prepared and submitted to Finance Department. Government also stated that action would be taken to collect the arrears.

3.1.13.5 Loss of revenue

Loss due to delay in extraction

The gregarious flowering of bamboo is a natural phenomenon with a flowering cycle of 40-44 years which occurred in early 1960's and gregarious flowering thereafter was predicted to occur again between 2002 and 2006. The rules for extraction prescribe that 50 *per cent* to 60 *per cent* of the bamboo should be extracted on indication of flowering in the area. If extraction did not commence in time, the extractable quantity of flowered and dried bamboo would reduce due to decay and its decay would accelerate with passage of time. Dried bamboo is a potential fire hazard requiring precautionary measures. The WP of Canara circle (Karwar Division) therefore aimed at extraction of bamboo in two felling cycles *i.e.* 2002-2007 and 2007-12.

The bamboo reportedly flowered during 2006 and based on the availability of flowered and dried bamboos, the total extractable quantity of dried and flowered bamboo was assessed at 4.09⁹ lakh MT in respect of Belgaum and Canara circles. The extraction was initially entrusted (July 2009) to private contractors and later withdrawn (March 2010) as it violated the National Forest Policy (NFP)/Supreme Court Judgment. The available quantity of 75,000 MT was subsequently entrusted (March 2010) to KSFIC at seignorage rate of ₹ 325 per MT plus taxes.

To the end of April 2012, the bamboos extracted were only 22,085 MT and extractable quantity of flowered and dried bamboo was reassessed at 18,333 MT. Due to abnormal delay in taking timely action in extraction there was a huge

⁸ Bellary, Bhadravathi, Chickmagalur, Chitradurga, Davanagere, Gadag, Haliyal, Hassan, Honnavar, Karwar, Kundapur and Mangalore

⁹ As per tender notification dated 26.3.2009

reduction in extractable quantity from 3.87 lakh¹⁰ MT to 18,333 MT. Thus, due to departmental delays the quantity had reduced resulting in loss of revenue of ₹ 13.97 crore¹¹.

The Government stated (November 2012) that the initial extractable quantity was over estimated. Further, Government stated that no bids were received in response to global tenders between March 2008 & October 2008 and on realising that entrustment to contractors violated the provisions of NFP, the extraction work was entrusted to KSFIC (75,000 MT)/ Mysore Paper Mills-MPM (80,000 MT). Government also stated that there was no loss as decayed bamboo adds very valuable organic matter and humus.

The reply was not acceptable as Department was aware of the NFP stipulation that extraction work should not be given to contractors and hence invitation of tenders was incorrect. Further, the decision to entrust the extraction work to KSFIC/MPM was taken 18 months after commencement of flowering.

Short recovery of Compensatory Afforestation charges

Under Forest (Conservation) Act, 1980 (FC Act) for diversion of forest land for non-forestry purpose, prior approval is required to be obtained from Government of India (GOI). The approval is granted by GOI in each case subject to fulfillment of prescribed conditions including levy of compensatory afforestation charges (CA) for carrying out afforestation on non-forest land.

Audit scrutiny revealed that in five cases of three divisions CA charges were recovered at rates lesser than the prescribed rates thereby resulting in short recovery of ₹ 1.01 crore (**Appendix 3.2**).

Government while accepting the facts stated (November 2012) that action is being taken to recover the amount.

Labour Welfare Cess not levied

Provisions of Building and other Construction Workers Welfare Cess Act, 1996 read with Building and other construction workers Rules, 2006 provide for levy of one *per cent* cess on expenditure/cost incurred on buildings and repair works. However it was observed that in seven¹² test checked divisions, labour welfare cess of ₹ 3.15 lakh was not deducted between 2007-08 and 2011-12.

The Government stated (November 2012) that instructions have been issued to unit officers to collect and remit the cess immediately.

Short recovery of rent

A building at Madla section of Hebbe range, Bhadra Tiger Reserve was leased (November 2004) to a private institution at a monthly rent of ₹ 2,500. However, rent was collected at rate of ₹ 400 per month up to July 2009 and at ₹ 600 per month thereafter. This has resulted in short recovery of rent of ₹ 2.08 lakh.

¹⁰ excluding the extracted quantity of 46,562 MT

¹¹ at seignorage rate of ₹ 325 per MT plus 12 *per cent* FDT and four *per cent* VAT

¹² Bellary, Davanagere, Honnavar, Karwar, Kundapur, Bangalore (urban), Raichur

The Government replied (November 2012) that action would be taken to recover the balance amount of rent and details would be intimated.

3.1.13.6 Leased lands not reclaimed

Four territorial divisions leased 32.531 ha of forest land for non-forestry purposes to KPTCL, Town/Zilla Panchayats, Private persons/companies *etc* as given in **Appendix 3.3**. The lease period expired between March 1982 and March 2008. However no action was taken to reclaim the lands till date (March 2012).

The Government stated (November 2012) that the action is being initiated for renewal of lease period in 10 cases and resume the forest land in 7 cases. The reply was not acceptable as necessary action for renewal of lease was required to be initiated before expiry of lease period.

3.1.14 Abnormal delay in disposal of mineral

The tenders for auction sale of 3.79 lakh MT of fine iron ore comprising 56 lots in forest areas of Sandur, Hospet and Bellary were invited (January 2006) by DCF, Bellary and the tender process had to be stalled as details of grade of iron ore & upset price was not fixed. These details were sought from Mines & Geology Department by DCF only in October 2008. It was noticed that the issue was not vigorously pursued by DCF to obtain the requisite details from Mines & Geology Department for early disposal of the mineral to the best advantage of Government and Department did not take up the matter at Government level. The issue had remained unsettled for more than six years and quantity available also had not been re-assessed since then. At the average sale price of ₹ 2,961 per MT for the lowest grade for July 2012 as published by Indian Bureau of Mines the value works out to ₹ 112.22 crore.

The Government stated (November 2012) that the iron ore would be disposed of through e-auction soon after obtaining grade and stock verification report from Department of Mines & Geology and a letter in this regard was addressed by DCF, Bellary during October 2012. The reply was not acceptable as Government failed to ascertain the reasons for abnormal delay in disposal of iron ore by DCF and no time frame was fixed for completing the process.

3.1.15 Forest corporations

The two forest corporations *viz.* Karnataka State Forest Industries Corporation (KSFIC) and Karnataka Forest Development Corporation (KFDC), wholly owned State Government Companies, were established in seventies. The main activities of KSFIC are extraction of timber, firewood and bamboos, supply of firewood at reasonable rates, supply of pulpwood to paper and other wood industries, manufacturing and sale of block boards, flush doors, quality furniture *etc*. The main activities of KFDC are to support forest based industries with supply of raw materials from plantations of rubber, pulpwood, teak, bamboo *etc*.

3.1.15.1 Forest Development Tax not remitted to Government account

KFDC had collected FDT of ₹ 32.41 crore on sale of forest produce between August 1996 and March 2010. It was noticed that the FDT collected was not remitted to Government account and retention of tax collected violated the statutory provisions.

The Government stated (November 2012) that FDT collected was not remitted because of the financial difficulties faced by the KFDC and it had requested for adjustment of FDT for raising plantations. The reply was not acceptable as retention of tax collected was unauthorized. Further, the financial position of KFDC cannot be said to be weak as it was holding ₹ 52.52 crore in fixed deposits as seen from the accounts for 2011-12.

3.1.15.2 Failure to collect FDT

As per the provisions of KF Act, FDT at 12 *per cent*, on forest produce disposed of by the State Government or by a corporation owned or controlled by or a body notified by State Government by sale or otherwise, shall be levied on the amount of consideration thereof.

KSFIC was extracting pulp wood by paying seignorage value of ₹ 325 per MT to the Forest Department and selling it to user industries at ₹ 2,000 & above per MT. However, KSFIC instead of levying and collecting FDT of ₹ 2.21 crore on sale price from purchasers, paid the FDT to Forest Department on seignorage value of ₹ 325 per MT. This had not only resulted in non-levy of FDT but also payment of FDT of ₹ 1.06 crore on behalf of the purchasers without collecting the same, thus extending undue benefit. The details of sale value and FDT to be collected during 2009-12 were as shown in **Table 9**:

Table 9: FDT to be collected

(₹ in crore)			
Year	Sale Value	FDT to be collected at 12 <i>per cent</i>	FDT paid on purchase value on behalf of purchasers
2009-10	8.19	0.98	0.51
2010-11	6.22	0.75	0.33
2011-12	4.01	0.48	0.22
Total	18.42	2.21	1.06

(Source: Details as furnished by Department)

The Government replied (November 2012) that transfer of title to the goods would happen in favour of KSFIC immediately on payment of royalty and FDT on royalty and levy of FDT by KSFIC on buyer amounts to double taxation. The reply was not acceptable as provisions stipulate that FDT was leviable on forest produce disposed of by Department/Government or by corporation. The Forest Department allotted pulpwood to KSFIC on seignorage rate for KSFIC to extract, debark and sell it to the industries. Hence, FDT was leviable by Corporation on the sale value made to the industries.

Service delivery

The department aims at increasing the forest/tree cover to one-third of the geographical area of the State by taking various afforestation works/conservation works and conservation of wild life essential to genetic diversity by taking up various protection measures *etc.* Some of the audit findings are discussed in the succeeding paragraphs.

3.1.16 Forest Policy and planning

3.1.16.1 State forest policy

The National Forest Commission (NFC) recommended (March 2006) that each State should have its own forest policy within the broad parameters of National Forest Policy, 1988 for sustainable management of the forest and wildlife resources of the State.

The State had not finalised policy of its own even after passage of six years of time after the recommendation. The draft state forest policy was sent by PCCF to Government in June 2010 which is pending as of November 2012.

The Government accepted (November 2012) the fact, but did not furnish any reasons for delay in approval. Thus the department continued to function without a defined forest policy.

3.1.16.2 Failure to prepare compendium

A compendium of selection of species, best practices and planting techniques suitable for different climatic zones which would minimise plantation failure and enable improving upon the best practices had not been prepared despite decades of existence of department. The preparation of compendium was commenced in November 2010 but not yet finalised.

The Government stated (November 2012) that the compendium would be published soon after finalisation of uniform planting technique for different models and different agro-climatic zones.

Forest Management

3.1.17 Working plan

Working Plan (WP) is one of the most important forestry documents prescribing scientific management of forests for sustainable development through treatment for regeneration and scientific exploitation of forests, keeping in view different growth patterns, hygienic of forests and taking into account the existing conditions of the forests.

3.1.17.1 Delay in preparation of Working Plan

The National Working Plan Code and Forest Department Code stipulate that the annual plan of operations must be based on the working schemes where no WPs exist.

Out of 40 territorial divisions for which separate WPs for 10 years for different periods were approved, WPs of 11 divisions expired during 2010-11 and that of 18 divisions expired during 2011-12. It was noticed that annual plan of operations were prepared without preparing working schemes in 11 divisions and these divisions worked without approved plans thus violating the codal provisions. While, final draft of WP had been submitted by one division in November 2011, preparation of WPs of 28 divisions was still under initial stage (March 2012). Status of WPs is as given in **Table 10**:

Table 10: Status of working Plan

Previous working plan period	Working plan due for approval for the Period	No. of Divisions	Preliminary Working Plan stage	Second Preliminary Working Plan stage	Final Draft Submitted to Govt
2001-02 to 2010-11	2011-12 to 2021-22	11	03	08	Nil
2002-03 to 2011-12	2012-13 to 2022-23	18	09	08	01
Total		29	12	16	01

(Source: Details as furnished by Department)

The Government stated (November 2012) that delay in preparation of working plan was due to poor infrastructure, inadequate staff at level of RFOs, frequent transfers. Reply was not acceptable as the reasons were controllable and could have been addressed with appropriate timely action.

3.1.17.2 Non-submission of control forms

As per provisions of the Karnataka Forest Code, every Divisional forest Officer is required to prepare an extract of the control book in prescribed forms and submit the same to the respective Circle Office and Working Plan Circle by 15th August of the year. The returns contain the extent of forest area to be exploited as per WP prescriptions and achievement thereof each year with reasons in case of shortfall.

Scrutiny of records in the test checked territorial divisions revealed that four¹³ DCFs had not submitted control forms during 2007-10, and ten DCFs¹⁴ did not submit control forms for 2010-11. It was also noticed that there were delay in submission of control forms ranging up to 41 months wherever submitted.

Scrutiny of control forms submitted by five¹⁵ DCFs revealed shortfall in various prescriptions viz., thinning of teak and acacia, extraction of bamboo and cane, as given in **Table 11**:

¹³ Bhardavathi, Bangalore (U), Davanagere and Karwar (2007-08); Bhardavathi, Bangalore (U), Davanagere and Chickmagalur (2008-09 and 2009-10)

¹⁴ Bhardavathi, Bangalore (U), Davanagere, Karwar, Honnavar, Chickmagalur, Bellary, Mangalore, Hassan and Kundapur

¹⁵ Haliyal, Karwar, Honnavar, Mangalore and Bellary

Table 11: Shortfall in revenue due to non-availability of plantations

Sl No.	Working circle	Target	Achievement	Shortfall	Percentage of shortfall
1	Teak thinning	4,522.40	4.00	4,518.40	100
2	Acacia	7,746.08	797.50	6,948.58	90
3	Bamboo	39,454.63	11,729.16	27,725.47	70
4	Cane	18,365.39	6,208.19	12,157.20	66
Total		70,088.50	18,738.85	51,349.65	

(Source: Details as furnished by Department)

As control forms were not received by the controlling officers within the prescribed due dates, appropriate action could not be taken thereby leading to shortfall in extraction and consequential loss.

The Government replied (November 2012) that action would be taken to obtain control forms from DCFs and for shortfall in revenue it was stated that reports would be obtained from CCFs for taking corrective measures.

3.1.18 Afforestation

Various schemes under State Schemes, Centrally Sponsored Scheme and externally assisted programmes were taken up by Forest Department for afforestation works in 3.75 lakh ha by raising 33.83 crore seedlings between 2007 and 2012.

3.1.18.1 Karnataka Sustainable Forest Management & Bio-diversity Conservation Project

Karnataka Sustainable Forest Management and Bio-diversity Conservation (KSFMBC) project covering afforestation of 1.85 lakh ha at an outlay of ₹ 745 crore under Japan Bank for International Co-operation assistance with State Government contribution of ₹ 131.73 crore was commenced in 2005 and scheduled to close by 2012-13. Apart from primary objective of restoration of forests it also aims to improve the livelihood of inhabitants of the surrounding villages through Joint Forest Planning and Management. An expenditure of ₹ 670.78 crore had been incurred up to March 2012. The extension of project by another two years is under consideration with a revised outlay of ₹ 841.49 crore on account of depreciation of local currency.

Under KSFMBC project, the afforestation works were taken up in degraded forest areas (Model 1 to 5), mangroves and outside forest areas (Model 6). The target and achievement during 2005-12 under the different models were as shown in **Table 12**:

Table 12: Afforestation – target and achievement

(Area in ha)			
Model	Particulars	Targets	Actual achievement
Model-1	Ecological restoration through natural regeneration	35,500	35,500
Model-2	Assisted Natural regeneration	50,000	51,659

Model	Particulars	Targets	Actual achievement
Model-3	Plantation for timber production in Western Ghat Area	25,000	26,420
Model-4	Plantation for fuel wood and small timber	50,000	51,521
Model-5	Non-Timber Forest Produce plantation	18,000	18,100
Model-6	School Plantation	4,000	2,070
Model-7	Mangrove plantation	2,500 ¹⁶	1,815
TOTAL		1,85,000	1,87,085

(Source: Details as furnished by Department)

As may be seen from the above details, the targeted afforestation was achieved inside the forest areas except mangrove plantations. However, there was shortfall in achievement in afforestation outside the forest areas.

The Government attributed (November 2012) the shortfall in school plantation to limited availability of area in schools and technical reasons for shortfall in mangrove plantations. The Government also stated that the school plantation was also carried out under other programmes.

3.1.18.2 *Unsold seedlings*

One of the components under KSFMBC project was farm forestry under which seedlings are sold to farmers at concessional rate with an objective to increase tree cover. It was observed that as against the target of 7.60 crore seedlings, 2.14 crore seedlings were raised during 2005-12, out of which 1.56 crore seedlings were sold. The unsold seedlings held in nurseries as of June 2012 were 57.92 lakh out of which 49.79 lakh seedlings pertained to 2005-09 period, *i.e.* more than three years old, and unfit for planting due to root coiling. Thus, the expenditure incurred on raising the seedlings resulted in wasteful expenditure. Considering, the lowest sale rate of ₹ 1.50 per seedling the wasteful expenditure works out to ₹ 74.84 lakh.

The Government while accepting the audit observation stated (November 2012) that survey was done before raising of seedlings and action would be taken to waive off the loss occurred due to unsold seedlings. Reply was not acceptable as the Department did not factor the distribution of seedlings under other schemes before raising seedlings.

3.1.18.3 *Joint Forest Planning and Management*

National Forest Policy of 1988 envisaged people's involvement in the development and protection of forests through Village Forest Committees (VFC) which was implemented in the State from 1992-93 in DFID¹⁷ assisted Western Ghats Forestry and Environmental Project. A detailed guideline was issued by Government in June 2002.

¹⁶ The target was revised from original target of 3,000 ha.

¹⁷ Department for International Development, UK

Between 1993 and 2005, 3,887 VFCs were established under various schemes covering forest area of 3.40 lakh ha. Out of 3,887 VFCs established, 2,309 VFCs became non-functional and as per Chief Minister's budget speech 2008-09, rejuvenation of 1,000 non-functional VFCs was proposed in a phased manner. However, as of March 2012 rejuvenation programme was not implemented.

Under KSFMBC project, which is currently being implemented, 1,222 VFCs were established as against the target of 1,200 VFCs. Each VFC was given financial assistance of ₹ one lakh as Revolving Fund by forming Self Help Groups (SHG) amongst the VFC members for undertaking income generation activities.

Against the target of 6,000 SHG's only 1,724 were formed in the past eight years despite identifying 3,965 SHGs. While 133 VFCs had no SHGs, 177 VFCs had only one SHG.

The Government stated (November 2012) that SHGs formed under other schemes were also eligible for servicing under the KSFMBC project and hence 4342 SHGs were identified. Government also stated that the rejuvenation of 1,000 VFCs, formed earlier under other schemes could not be taken up due to non-release of funds. However, the reply failed to provide the reasons for not releasing the grant by Government during earlier years. Also 2,309 VFCs formed earlier remained inactive which defeated the concept of sustainability of joint forestry management.

3.1.19 Social forestry

As per draft State Forest Policy, due to severe constraints in availability of land for afforestation works, the target set for one third of the land mass to be under forest/tree cover could be achieved only if plantations can be successfully raised outside the forest areas which is known as social forestry. The raising of plantations on foreshore tank area, on waste lands, road side plantations, raising seedlings for public distribution *etc.*, are undertaken by Social Forestry Divisions under the jurisdiction of Zilla Panchayats (ZP). The Government provides block grants to ZPs for further distribution to implementing officers. The various schemes and programmes under social forestry were under implementation *viz.*, Special Development Plan, Vanasamvardhana Yojane, Greening of urban areas *etc.* The total expenditure incurred by Social Forestry Divisions for social forestry programmes during 2009-12 was ₹ 73.26 crore against allocation of ₹ 71.91 crore.

Scrutiny of records in eight social forestry divisions revealed the following shortcomings.

- Survival rate of plantations raised during earlier years was not recorded and as such status of plantations could not be verified in audit.
- In four divisions, the salary expense was equal to or more than the expenditure incurred on works during 2009-12.
- Large scale vacancies existed as on March 2012 in the cadres of RFOs, Foresters and Forest Guards as under:

- In Karwar division, five RFOs were working against seven sanctioned posts.
- In Gadag division, two forest guards were working against 11 sanctioned posts.
- In Mangalore Division, four RFOs were working against five sanctioned posts and four Foresters were working against seven sanctioned posts.
- In Hassan Division, all sanctioned (13) posts of Forest Guards were vacant.

As a result, the lower targets were fixed and thereby affecting the implementation of the scheme/programmes.

The Government stated (November 2012) that social forestry was also undertaken by ZP divisions under Mahatma Gandhi National Rural Employment Guarantee programme in addition to other schemes. Government further stated that the action would be taken to fill up the vacancies and instructions had been issued for maintenance of plantation journals.

3.1.20 Forest cover

As per National Forest Policy, 1988, one third of the country's geographical area was to be covered by forest by the year 2012. As against 33.33 *per cent* targeted in the National Forest Policy, only 22.61 per cent, as claimed by department in the annual report (2011-12), of the total geographical area was covered by forest and tree cover. However, the forest and tree cover achieved as per Forest Survey of India (FSI) report 2011 released by Ministry of Environment and Forest, Government of India, was only 21.86 *per cent*.

The Department had undertaken afforestation works on large scale to increase the forest/tree cover in the State under several schemes. Between 2002 and 2012, the afforestation works were carried out in 5.90 lakh ha and for this purpose 50.39 crore seedlings were raised under various schemes and programmes. As the survival rates or status of plantations raised were not systematically recorded in the plantation journals; the results of afforestation carried out could not be captured.

The forest cover in the Karnataka State with better average annual rainfall compared to other States registered a decline from 23.16 *per cent* in 2001 to 21.86 *per cent* in 2011 even after sustained implementation of afforestation programmes under various schemes including external assistance as shown in **Table 13:**

Table 13: Forest cover-Karnataka

(Area in Sq km)

Year-FSI report	Very Dense	Moderately Dense	Open forest	Total forest (per cent)	Tree cover (per cent)
2001	26,156		10,835	36,991 (19.29)	7,446 (3.88)
2011	1,777	20,179	14,238	36,194 (18.87)	5,733 (2.99)

(Source: Details as furnished by Department)

Table 14: Forest cover-India

(Area in Sq km)

Year-FSI report	Very Dense	Moderately Dense	Open forest	Total forest (per cent)	Tree cover (per cent)
2001	4,16,809		2,58,729	6,75,538 (20.55)	81,472 (2.48)
2011	83,471	32,0736	2,87,820	6,92,027 (21.05)	90,844 (2.76)

(Source: Details as furnished by Department)

As may be seen from the details above, the State recorded a decline in forest/tree cover between 2001 and 2011 as against overall increase in forest/tree cover registered in the country. Between 2001 and 2011, the dense forest cover in the State registered a decline of 16 per cent from 26,156 sq km to 21,956 sq km, with corresponding increase in open forest area partially. The districts contributing to the decline in forest cover are shown in **Appendix 3.4**.

Except six districts¹⁸, all other districts registered a negative growth with a loss of forest cover ranging from 12 sq km to 208 sq km. The dense forest cover was totally lost in five districts¹⁹ and the average forest cover in these districts was only one per cent of the geographical area.

Despite large scale afforestation works carried out there was overall decrease in forest area by 797 sq km in the State. Besides, increase (3,403 sq km) in open area forest indicate that conservation measures taken were either inadequate or not effective requiring remedial measures from further declining.

The Government stated that (November 2012) there was net reduction in forest by 10 sq km as per FSI Report 2011 over FSI Report 2009 which was based on satellite imagery. Government, further, stated that the micro level synchronization at the same time of imaging was necessary to analyse the changes in forest cover which was time consuming and expensive and the mechanism was not available with the department. Reply was not acceptable as comparison for over a longer period was made in audit based on FSI Reports, as comparison for a shorter period would be inappropriate to ascertain the effectiveness of afforestation works carried out due to non-availability of suitable control data with the department.

¹⁸ Chamarajanagar, Chickmagalur, Udupi, Hassan, Kodagu and Uttar Kannada

¹⁹ Bagalkot, Bijapur, Gadag, Koppal and Raichur

3.1.20.1 Status of 'C' and 'D' category of lands as forest land

The 43.36 lakh ha of forest area in the State includes of 'C' & 'D'²⁰ class of land which was transferred by Revenue Department (RD) to Forest Department on several occasions for carrying out afforestation works and land bank purposes. While transferring these lands for land bank purpose, the RD stipulated (1991) that it should not be notified as forest land and liable to be taken over by RD when required for public purposes. The 43.36 lakh ha of forest area in the State includes 3.08 lakh ha of 'C' & 'D' class of land. The extent of area in which afforestation works were taken up was not made available to audit.

In view of the conditions imposed by RD on such class of land and non-availability of records as to the extent of afforestation works thereon, treating of such lands as forest area was incorrect and had the effect of inflating the forest area by 7.10 per cent in the State.

The Government stated (November 2012) that the 'C' & 'D' category of land constitutes forest land as per law laid down by Supreme Court and overrides all executive arrangement. The Forest Conservation Act, 1980 equally applies to such category of lands. However, the FD could not enforce the provisions of Forest Act, when RD had withdrawn (October 2008) 184.03 ha of 'C' & 'D' category of land.

3.1.20.2 Physical verification of plantation areas

Plantation at Kuduremothi in Koppal range, Koppal Division

Physical verification (September 2012) of plantations raised at Kuduremothi in Koppal range during 2008-09 revealed that in 25 ha of land with various species like Honge, Neelagiri, Karijali was partially destroyed due to grazing by livestock and failed plantations as shown in the photographs:



Grazing at Kuduremothi plantation at the time of inspection



Failed plantation at Kuduremothi

²⁰ 'C' category of land means land suitable only for afforestation and 'D' category means land suitable for grazing as per Government letter dated 16.6.1970

The Working plan of Koppal Division 2003-13 stressed the need for protection measures against grazing and hacking by taking various measures like cattle proof trench, engaging Forest Watchers for preventing hacking and illicit felling of trees which affect the growth of plantations.

Scrutiny of records revealed lack of monitoring and protection of plantations as the plantation journals did not contain the details of maintenance work carried out. No entries were recorded except that of the initial plantation works, during the first year.

Status of plantations - Gadag Division

The status of plantations raised at Varavi and at Majjur both coming under Shirahatti range of Gadag Division during the physical inspection (September 2012) was as under:



Plantation at Varavi



Planatation at Majjur

Despite comparable climatic conditions, plantations (comprising species such as Nilagiri, Bevu, Hulgal, Hunase) at Varavi raised during 2006-07 showed stunted growth while the plantation at Majjur appeared dense and healthy inspite of the fact that the plantation was one year older than Majjur. Physical verification also revealed partial destruction of plantations at Varavi due to heavy cattle grazing, hacking/ illegal cutting of trees affecting growth. In the absence of protection measures the afforestation works taken up failed to render the desired output.

3.1.21 Forest protection

3.1.21.1 Survey and demarcation

As per Rule 31 of Karnataka Forest Manual every DFO should check the boundaries of atleast 10 per cent of the Reserved Forests in his division every year. The same Reserved Forests should not be repeated till the full cycle is completed. As WP for each division is prepared for a period of 10 years, the entire reserve forest boundary of the division has to be surveyed and demarcated at the rate of 10 per cent every year to complete demarcation work within a period of 10 years.

The extent of reserved forest land in Karnataka is 29,55,019 ha and 2.95 lakh ha was to be surveyed and demarcated annually.

The details of targets to be fixed, targets fixed and achievements for the years 2009-10 to 2011-12 were as given in **Table 15**:

Table 15: Target and achievement in survey and demarcation

Year	Target to be fixed (in lakh ha)	Target fixed (in km)	Achievement (in km)
2009-10	2.95	3,479	3,479
2010-11	2.95	2,139	1,900
2011-12	2.95	1,341	1,066

(Source: Details as furnished by Department)

The annual target fixed was not based on area basis. Even the target fixed on kilometre basis was not achieved during 2010-11 & 2011-12. The checking of survey and boundary and their actual achievement was not in conformity with the norms. The Department replied (January 2013) that target was based on fund allocation and detailed report would be submitted to higher authority for filling vacant posts.

3.1.21.2 Encroachment of forest land prior to 1978

The KF Act²¹ empowered the State for regularisation of unauthorised occupation prior to 27 April 1978. But, with the enactment of the FC Act by the Government of India (GOI), the power of ordering use of any forest land for any non-forestry purpose could be exercised by the State Government only with the prior approval of GOI.

The encroachments prior to 27 April 1978 as of March 2009 were assessed at 19,533.88 ha (21,659 families). GOI approved (May 1996) regularisation of 14,848.73 ha (19,348 families) subject to fulfilling certain conditions. The encroachment to the extent of 4,753.39 ha (7,172 families) were regularised as of March 2009 and encroachments to the extent of 8,322.52 ha (6,924 families) are yet to be cleared.

Failure to check fresh encroachments

The GOI (May 2002) instructed the State Governments to take steps to prevent encroachments and that all encroachments that were not eligible for regularisation should be cleared by 30 September 2002. A quarterly progress report was to be sent to GOI and it was observed that periodical progress reports were not sent by PCCF for any of the quarter during the period 2009-12.

As per the report submitted to Government by a Task Force in June 2011 *i.e.*, Recovery and Protection of Public Lands, the extent of forest land encroached was 67,096 ha. Though DCFs were empowered to evict encroachers from forest

²¹ Second proviso under section 28

land under Section 64 (A) of KF Act, effective action had not been taken to reclaim the forest land.

Government stated (November 2012) that the several encroachers had filed application under Forests Rights Act, 2006 and cases would be disposed accordingly. Government also stated that the monitoring is being done at several levels and eviction details are being computerized.

3.1.21.3 Maintenance of firelines

While approving Working Plan, GOI imposes a condition that State Government should provide adequate funds annually for fire protection measures. In eight²² out of 15 territorial divisions, as against the target of 10,035.13 km fixed in WP, the firelines²³ proposed ranged from 2,426.61 km to 2,711.23 km and the actual achievement ranged from 1,728.93 km to 2,764.81 km for the years 2009-12. Further, the WP of five²⁴ divisions indicated only the annual requirement of funds of ₹ 1.04 crore but did not specify the details of measures required. In the WP of the remaining two²⁵ divisions neither the physical nor the financial target was mentioned.

Thus, there was huge shortfall not only in maintenance of firelines proposed but also in actual maintenance.

Government stated (November 2012) that fire protection works were being taken up under different budget heads. However, specific reason for shortfall pointed out in audit was not furnished.

3.1.21.4 Active Forest Fire Mapper

It was noticed that the Department had established an Active Forest Fire Mapper (AFFM) during 2011-12, a centralised system for capturing forest fires in the State with the help of satellite imagery which facilitates immediate communication to the concerned DCFs and others for taking necessary measures to control spreading of forest fires. The innovative measure taken by the Department in the crucial area of fire management is appreciable.

3.1.22 Wildlife Management

3.1.22.1 Wildlife activities

There are five National Parks, 25 Sanctuaries²⁶, six conservation reserves and one community reserve in the State spread over an area of 8,807.78 sq km. Between 2009 and 2012, an expenditure of ₹ 147.68 crore was incurred under various

²² Bellary, Chickmagalur, Chitradurga, Davanagere, Gulbarga, Kundapur, Mangalore and Raichur

²³ A gap in vegetation that act as a barrier to arrest or stop the progress of bush fire or wild fire

²⁴ Bangalore Urban, Gadag, Haliyal, Hassan and Karwar

²⁵ Bhadravathi and Honnavar

²⁶ Including five Tiger Reserves.

Central and State schemes. The test check of records revealed deficiencies in administration and management of wildlife as discussed in succeeding paragraphs.

3.1.22.2 Delay in notifying as sanctuary

As per section 18 of Wild Life (Protection) Act, 1972 (WP Act), State Government may declare its intention to constitute any area which is not comprised within any Reserve Forest as a Sanctuary. However final notification under section 26 A of the said Act has to be issued for declaration of the Sanctuary. It was noticed that final notification has not been issued in respect of five sanctuaries²⁷ even after 21 to 38 years after issue of preliminary notification.

Government stated (November 2012) that the process of declaration of sanctuaries was under progress.

3.1.22.3 Sanctuaries and National Parks functioning without management plans

Guidelines issued by Wildlife Institute of India in 1976 envisage preparation of Management Plans (MPs) for developmental phase concentrating on basic infrastructure and scientific management phase focusing on systematic growth of Parks and Sanctuaries. Government delegated (November 2002) to PCCF (wildlife) approval of Plans of Protected Areas. However, four²⁸ out of 25 sanctuaries were functioning without approved MPs.

Government stated (November 2012) that preparation of management plan required a lot of time which was stated to be under progress but the Government did not explain as to why it should take over 10 years for this purpose.

3.1.22.4 Tiger conservation plans

WP Act and Project Tiger guidelines provide for a site specific management plan called Tiger Conservation Plan (TC Plan) for management of every Tiger Reserve. However, TC plans were not prepared for two²⁹ out of five Tiger Reserves.

Government replied (November 2012) that the preparation of Tiger Conservation Plans were under progress for obtaining approval of GOI.

3.1.22.5 Prohibited activities in National parks/ Sanctuaries

Government notified (January 1991) areas existing within a radius of one kilometer from the boundary of Bannerghatta National Park as “Safe Zone” and

²⁷ Ranebennur Black Buck Sanctuary, Sharavathi Wildlife Sanctuary, Shettihalli Wildlife Sanctuary, Arbithittu Bird Sanctuary, Brahmagiri Wildlife Sanctuary.

²⁸ Chincholi Wildlife Sanctuary, Ramadevara Betta Vulture sanctuary, Rangayyandurga Four Horned Antelope Wildlife sanctuary and Bhimgad Wildlife Sanctuary.

²⁹ Nagarahole and BRT Tiger Reserves

the Management Plan prohibited quarrying activity in the “safe zone”. Though, quarrying activities were being carried out³⁰ in the “safe zone”, effective action had not been taken to stop the illegal activities which are detrimental to wildlife.

Government stated (November 2012) that the issue had been taken up with Director, Department of Mines and Geology and also being pursued with Revenue and Police authorities to initiate action to stop the illegal quarrying activities.

3.1.22.6 Failure to evict encroachment in Wildlife areas

Section 27 and 33 (8) of WP Act, no person shall enter or reside in a Sanctuary or a park except in accordance with the conditions of permit granted under section 28 of the Act. As of March 2012, the encroachment in wildlife areas in the State was to the extent of 2,822.742 ha which required eviction.

Government stated (November 2012) that concerned officers of Wildlife wing had been directed to take action to clear the encroachments.

3.1.22.7 Development of sanctuaries and national parks

- Gudavi Bird Sanctuary in Shimoga district is picturesque and known for bird abundance and diversity with 217 bird species. The Management Plan contemplated securing and improving the natural environs of the forest, lakes, to improve the population of birds and had sought budgetary grant of ₹ 1.76 crore during 2009-12 against which the amount received and spend was only ₹ 8.50 lakh. As a result the habitat improvement works as envisaged in the Management Plan could not be achieved.
- Three³¹ sanctuaries in Kodagu district were understaffed and not provided with required number of vehicles, arms and ammunitions and communication equipments required for protection of wild animals from poachers. As against the requirement of ₹ 16.45 crore for the period 2009-12 the fund provided was only ₹ 3.74 crore. The works as per management plan could not be taken up. Also the encroached area increased from 12.96 ha (2009) to 23.995 ha (March 2012).

Government stated (November 2012) that in Gudavi Bird Sanctuary expenditure was restricted to the amount released and in respect of sanctuaries in Kodagu district action would be taken to provide the required arms & ammunitions and to clear the encroachments.

³⁰ As per the letter (June 2012) addressed to Sr. Geologist, Mines and Geology by DCF, Bannerhatta National Park.

³¹ Talacauvery Wildlife Sanctuary, Brahmagiri Wildlife sanctuary and Pushpagiri Wild life sanctuary.

3.1.22.8 Man-animal conflict

Restoration of elephant corridors

Karnataka is known for elephant habitat and has elephant population of 5,616 as per 2010 census. The elephant's non-territorial behavior requires large sections of forests for their migration and corridors facilitate their movement. Due to loss of corridor and also scarcity of food, elephants enter surrounding villages and cause extensive damages to the agricultural crops, human beings and cattle and necessitating payment of compensation.

Several measures are adopted to mitigate the man-animal conflict *viz.*, elephant proof trench, solar fencing *etc.* However, measures for restoration of corridors were lacking as proposals submitted during 2008-12 are yet to be approved (December 2012).

Crop compensation

On account of human-animal conflict, the department paid ₹ 20.56 crore during 2009-12 towards crop loss, loss of human lives, loss of cattle *etc.*, and out of which 83 *per cent* relates to crop compensation.

The human-elephant conflicts were rampant in Kodagu with 8,007 cases of crop damages, 42 cattle killings, 18 human deaths and 30 elephant deaths were reported during 2009-12. The Core Committee had submitted (September 2011) report to Government of Karnataka indicating the measures needed to contain or mitigate the conflict but a comprehensive plan had not been firmed up by utilizing these inputs so far. One of the measures suggested was extensive creation of barriers all along the forest land *i.e.*, elephant proof trenches, solar fencing and construction of rubber walls. Further, it was emphasized that conflict levels had considerably reduced wherever these barriers were maintained in good condition. The involvement of local communities in working out a system of maintenance of these barriers was key to success but department had failed to activate the 108 Eco-Development Committees that had been established in Hunsur Wildlife Division. An amount of ₹ 2.37 crore had remained unutilized in the Village Development Fund account as of March 2012.

Government stated (November 2012) that different measures were taken for restoration of elephant corridors which includes acquisition of land, payment of compensation for private lands, *etc.* Further, Government stated that measures were taken to reduce the man-animal conflict as it cannot be completely avoided.

Best practices adopted to mitigate the man-animal conflict

- In Bandipur Project Tiger Reserve, the incidents of man-animal conflicts had considerably reduced from 8,976 cases to 756 cases and compensation amount reduced from ₹ 61.55 lakh to ₹ 14.87 lakh between 2008-12 inspite of having considerable population of elephants (2,130). This was attributed to effective measures taken by the Division like multiple barriers (EPT,

Solar fencing) daily monitoring of solar fences, construction of multipurpose solar sheds between solar units for housing energizers, battery, solar panels and walky talkies and also provision for continuous stay of staff members.

- A public private partnership initiative for solar fencing along the boundary of the forest under scheme known as “Janatha Solar” was successfully implemented in Tanigebylu Range of Bhadra Tiger Reserve, Chickmagalur during 2011-12 at a total cost of ₹ 18.90 lakh on equal sharing basis covering a length of 9 km. Besides, the solar fencing for a length of 13.65 km in other areas was taken up by the Division bearing the entire cost (₹ 28.65 lakh).

However, concerted action is needed to replicate the successful model in other areas after ensuring the feasibility.

3.1.22.9 *Animal Census*

Census of animals indicates the effectiveness of conservation measures undertaken and Management plans envisage undertaking periodical census of animals in wildlife areas. However, no census was conducted in the last five years in sanctuaries except conducting Tiger and Elephant census which was undertaken on national basis and thus effectiveness of measures undertaken could not be ensured.

Government replied (November 2012) that population estimate of other animals would be carried out.

3.1.22.10 *Wildlife crimes*

Statistics reported on wildlife crimes shows a remarkable increase during 2010-11 as compared to the earlier years which indicated that measures put in place were not effective. The various crimes committed like hunting, poaching, poisoning, during 2009 to 2012 are abstracted in **Table 16**:

Table 16: Wildlife crimes

Year	Total no of wildlife crimes	Type of wildlife crimes		
		Hunting, poaching poisonings	Electrocution	Others including possession of wild animal parts
2009-10	48	21	2	25
2010-11	94	53	15	26
2011-12	53	13	16	24

(Source: Details as furnished by Department)

The occurrences of cases showed an increasing trend. It was stated that the cases were reported to be under various stages of enquiry.

Government stated (November 2012) that various measures like setting up of anti-poaching camp, posting of frontline staff *etc.*, were taken to curb wild life crimes as a result of which wild life crime would reduce in coming years.

3.1.22.11 Data on issue of NOC for arms licenses

The WP Act authorises PCCF (Wildlife) for issue of no objection certificates (NOC) for arms licenses/transfer of licenses for persons living in and around wildlife sanctuary area. However, no register/database of NOCs issued was maintained either in PCCF office or in any of the test checked divisions.

Government replied (November 2012) that a register has since been opened for noting the relevant details and action was also taken to prepare data base of valid arms license holder.

3.1.23 Conclusion

Large numbers of vacancies which existed amongst the frontline staff and in the cadre of surveyors affected the protection and management of forests. The seed collection capacity of the research wing was underutilised on account of inadequate funds and staff. The wireless network was non-functional in several divisions. The internal audit was largely non-existent. The huge amount available under Forest Development Fund was not utilized. The Forest Development Tax of ₹ 32.41 crore collected was retained un-authorisedly by Karnataka Forest Development Corporation without remitting the same to Government account. State Forest Policy was not finalised. Eleven divisions were not having approved working plan for 2010-12. Out of 3,887 village forest committees established, 2,309 remained dysfunctional and were not revived thus defeating participatory approach of joint management of forests. The forest area declined by 797sq km between 2001 and 2011 despite large scale afforestation and the reasons were not analyzed. The progress in regularization or eviction of encroachment prior to cut-off date was tardy and fresh encroachments were not cleared. The final notifications in respect of wild life sanctuaries in five cases were pending for more than two decades since issue of preliminary notification. The census of animals other than elephants and tigers was not conducted. The incidents of wildlife related crime were on the rise.

3.1.24 Recommendations

We recommend that:

- Vacancies in frontline staff should be filled up without delay;
- Survival of plantations should be monitored periodically by putting in place oversight mechanism at appropriate levels;

- Huge amount available under Forest Development Fund be utilized for appropriate schemes/programmes;
- State Forest Policy should be finalized without delay and the working plans prepared and approved on top priority;
- Effective steps should be taken for clearing the encroachments without delay.

**BANGALORE
THE**

**(ANITA PATTANAYAK)
Principal Accountant General
Economic & Revenue Sector Audit**

COUNTERSIGNED

**NEW DELHI
THE**

**(VINOD RAI)
Comptroller and Auditor General of India**

