

PRESS BRIEF

The Report of the Comptroller and Auditor General of India for the year ended March 2014 – No. 4 of 2015 – Economic Sector – Government of Tamil Nadu – Tabled in the Tamil Nadu State Legislature on 29.09.2015

The Report includes an Introductory Chapter, Performance Audit on Construction of bridges by Highways Department, Information Technology Audit on Computerisation of Highways Department and Compliance Audit observations including Implementation of Scheduled Caste Sub Plan by Highways Department and Functioning of State Horticulture Farms noticed during audit of financial transactions in the Departments of Economic Sector.

General

The Report covers the functioning of 10 Departments of Economic Sector, with a total expenditure of ₹ 18,996.75 crore during 2013-14. A major portion of the expenditure was incurred by Highways and Minor Ports (30.24 *per cent*), Agriculture (26.68 *per cent*), Public Works (19.53 *per cent*) and Animal Husbandry, Dairying and Fisheries (7.83 *per cent*) Departments.

Performance Audit on Construction of bridges by Highways Department

According to the Plan document of State Planning Commission, Tamil Nadu is a large State with a high level of urbanization. Transport linkages play an important role in the development of the State. The economic growth in the State over the years had created new demands for transport infrastructure in general and roads and bridges in particular. Bridges are the vital infrastructure elements of Highway network

- Highways Department did not have any master plan to identify the areas of un-bridged crossings and some projects were sanctioned without recommendations and prioritisation by Director General, resulting in selection of projects without justification and their subsequent deletion.

(Paragraph 2.1.6.1 and 2.1.6.2)

- Imprudent financial management resulted in parking of Government funds of ₹ 33.82 crore outside the Government accounts. There was no proper co-ordination for reimbursement of dues from Railways, resulting in blocking of Government funds of ₹ 37.11 crore. Inadequate monitoring of utilisation of payments made towards acquisition of land and refund of unspent balances had resulted in ineffective budgetary control.

(Paragraph 2.1.7.2, 2.1.7.3 and 2.1.7.5)

- Ineffective field investigations and absence of time limit for completion of designs resulted in their delayed finalisation and consequential delay in completion of projects.

(Paragraph 2.1.8.2)

- Failure to observe the instructions of Government to commence the work after firming up of lands through land acquisition resulted in delayed completion of projects causing hardship to the general public, besides blocking of funds of ₹ 299.34 crore.

(Paragraph 2.1.8.4)

- Ineffective planning, lack of co-ordination with State/Central Government Departments and National Highways Authority of India, inordinate delay in completion of projects and non-completion of services allied to the completed projects resulted in non-achievement of intended objective of providing better transport infrastructure to the general public.

(Paragraph 2.1.6, 2.1.10.1 and 2.1.10.2)

Information Technology Audit on Computerisation of Highways Department

The Government of Tamil Nadu formulated the Information and Communication Technology Strategy and envisaged better planning, design and management, optimum utilisation of available funds and on-line decision support for implementation of projects. In this regard, three web enabled applications, viz., Road Maintenance and Management System, Geographical Information System and Project, Human Resources and Finance Management System were developed and integrated as *e-pathai* and it was planned to collect and update road condition data of the entire road network utilising the data collection equipments.

- Non-utilisation of planning tool had resulted in non-achievement of the objective of prioritisation of projects based on the available budgetary provisions for optimum utilisation. Delay in implementation of Project, Human Resources and Finance Management System had resulted in non-functioning of the integrated *e-pathai* system, commenced in June 2012.

(Paragraph 2.2.14 and 2.2.16)

- The collection and updation of data for the entire road network, which commenced in 2009, remained to be completed due to absence of proper co-ordination and ineffective utilisation of the equipments procured for ₹ 3.89 crore.

(Paragraph 2.2.8.2)

- Non-mapping of business rules even after five years from the commencement of computerisation necessitated manual intervention in prioritisation of road works.

(Paragraph 2.2.11)

- Deficiencies in system design, input validation, output controls and continued manual intervention rendered the available data incomplete and unreliable.

(Paragraph 2.2.12)

- Absence of audit trails, documented password security policy, disaster recovery plan and business continuity plan resulted in non-compliance of the e-Security Policy.

(Paragraph 2.2.17.2 and 2.2.18)

- Ineffective utilisation of trained personnel had resulted in continued dependence on consultants and lack of in-house expertise.

(Paragraph 2.2.19)

Compliance Audit

Implementation of Scheduled Caste Sub Plan by Highways Department

Audit on implementation of Scheduled Caste Sub Plan by Highways Department brought out the following observations:

- Despite increase in budget allocation under Roads and Bridges, no corresponding increase in the allocation of funds to SCSP was noticed. The funds sanctioned were allocated to the districts without scientific basis.

(Paragraph 3.1.4)

- The implementation of the works left gaps as the Department failed to formulate the eligible works, in consultation with the nodal Department and to maintain shelf of projects or list of roads for selection and execution of works under SCSP.

(Paragraph 3.1.5.1)

- It was also noticed that only 35 *per cent* of total works were executed involving 40 *per cent* of expenditure earmarked for SCSP, in seven test checked districts and balance funds of ₹ 89.91 crore were diverted.

(Paragraph 3.1.5.2)

Functioning of State Horticulture Farms

Audit conducted on functioning of State Horticulture Farms revealed the following deficiencies:

- Accumulation of planting material due to non-achievement of distribution targets and minimal direct sale to farmers.

(Paragraph 3.2.3)

- The surplus of Farms and Parks receipts of ₹ 26.17 crore was accumulated without enhancing the cultivable land and increasing productivity.

(Paragraph 3.2.4)

- Failure to adhere to the instructions of GoTN and non-completion of infrastructural projects of Farms resulted in parking of Government funds of ₹ 10.76 crore outside the Government accounts besides non-achievement of the objectives of the schemes.

(Paragraph 3.2.4)

- Failure to identify suitable sites and absence of water facilities led to non-commencement of works in three GHGs and non-utilisation of established GHG after incurring an expenditure of ₹ 7.10 crore besides blocking of funds of ₹ 17.93 crore.

(Paragraph 3.2.4)

Audit of transactions in various Departments of Government and field offices revealed unfruitful expenditure, avoidable expenditure and blocking of funds.

- Selection of unsuitable design of buoys for demarcation of boundaries defeated the intended objective of protection of core marine area of Gulf of Mannar Biosphere Reserve.

(Paragraph 3.3.1)

- Unfruitful expenditure of ₹ 8.13 crore due to injudicious procurement of dredger by Tamil Nadu Maritime Board – kept idle since procurement.

(Paragraph 3.3.2)

- Adoption of inflated traffic census for formation of bypass road in violation of Indian Road Congress specifications resulted in avoidable expenditure of ₹ 1.67 crore.

(Paragraph 3.4.1)

- Commencement of construction of Fish Landing Centres at environmentally significant Pulicat Lake Bird Sanctuary without complete clearances resulted in postponement of the intended objective besides blocking of funds of ₹ 2.07 crore.

(Paragraph 3.5.1)

- Defective planning in implementation of project resulted in non-achievement of objective of providing Seamless Radio Communication Network to ensure fishermen safety in sea besides blocking of funds to the tune of ₹ 5.12 crore.

(Paragraph 3.5.2)