

OVERVIEW

The Report contains 20 audit paragraphs (including 4 general paragraphs), 4 performance reviews including one Integrated Audit of Animal Resources Development Department. The draft audit paragraphs and draft performance reviews were sent to the Secretary of the Department concerned with a request to furnish replies within six weeks. However, in respect of 2 audit reviews and 13 audit paragraphs included in the Report, no response was received till the time of finalisation of the Report (October 2010). A synopsis of the important findings contained in the Report is presented in this overview.

Performance Reviews

Performance audit of Public Distribution System in Tripura

The performance of PDS in the State can be further enhanced in accordance with the provision of PDS (Control) Order 2001 and guidelines issued by the Department revealed that Cash Books for transactions under Cash Credit Account and Revolving Fund Account were not maintained as per the requirement. The Department has not put in place a system of periodical reconciliation of food grains released and lifted by the State. There was short lifting of food grains under APL, MDM and WBNP schemes. Under NPAG a large number of undernourished women and girls were deprived of getting rice free of cost due to diversion of rice from this scheme to another scheme and the objectives of the NPAG scheme were frustrated. Joint inspection to ensure the quality of food grains was not carried out and the Department also did not have any laboratory of its own to check/test the quality of food grains supplied. The Department could not get timely and regular reimbursement of transport subsidy for distribution of food grains. Huge number of claims have not been submitted to FCI due to lack of required documents.

(Paragraph 1.1)

Information Technology Review of Tripura Registration Information System

The State Government initiated TRIS project in Tripura with a view to bring in simplicity and transparency in the registration process by providing one stop service center for common citizen. TRIS aimed at providing complete solution to Land Records Maintenance and registration services with online query of application status over kiosks and the system itself. The system was also designed to capture information useful for minimizing of possible fraud and land disputes by digitizing photographs and thumb impressions of sellers, buyers and witnesses, and generation of scanned registered deed documents. The project was also aimed at simplifying the complex system of valuation of properties and ensuring transparency in registration process.

However, TRIS suffered from a number of deficiencies in the application software. Besides, essential provision envisaged under TRIS such as market value determination of properties, integration of land records and registration databases, online capturing of all required inputs have not been implemented. Thus, the objective of providing quality and transparency in service delivery through TRIS remains largely unfulfilled. Even after 4 years of operation, TRIS is yet to stabilize and is being operated through manual interventions at different levels. The system is being utilised predominantly as secondary data storage. The State Government has not worked out any switchover plan from the manual registration process to TRIS even in the pilot District. No defined targets for State-wide roll out of the project has been set till June 2010.

(Paragraph 1.2)

Integrated Audit of Animal Resources Development Department

The goal of achieving self-sufficiency in production of milk, meat and eggs by 2011-12 would remain largely unachieved considering the huge shortfall in production against the per capita availability at national level or the projected State demand over the last five years. The livestock breeding and developmental programme taken up by the Department during the review period did not fulfill their desired objectives. The Department could not successfully implement SGSY and BLBH schemes due to lack of effective project management and inadequate follow-up action for remedial measures after investment of huge funds. The health care and veterinary services over the last five years have not been sufficiently strengthened and upgraded as envisaged in the Perspective Plan. The Government Livestock Farms were operated with high staff cost and no performance indicator have been prescribed for the farms. No assessment of actual requirement of staff based on suitable norms in Government livestock farms was carried out for efficient and productive utilization of manpower resources and no demonstration/teaching programme were conducted for the farmers during the last five years.

(Paragraph 3.1)

Performance Audit of Power Generating stations – Tripura State Electricity Corporation Limited

The Company operates two gas thermal power stations (GTPS) at Baramura and Rokhia and a hydro power generating station at Gumti. As on 31 March 2010, the total installed power generation capacity was 110 Megawatt (MW) against the peak demand of 187 MW, while effective capacity was 74 MW leaving a deficit of 113 MW. In 2009-10, electricity requirement in Tripura was assessed as 818.74 million units (MU) against which 567.98 MU were available. During review period (2005-10), there was growth in demand of 162.60 MU, whereas net capacity addition was only five MW or 43.80 MU.

- As per NEP, over 1,000 units of power per capita should be provided by 2012. However, 470 units per capita would be available by 2012 in the State.
- The cost of own generation was 31 to 46 *per cent* below cost of purchases from central sector generating stations. However, the Company had entered into agreements to import more power from central sector allocations without undertaking cost benefit analysis.
- There was under-utilisation of the existing generation capacity as two GTPS units were not operated in spite of plant availability.
- Despite siltation at Gumti reservoir hampering generation capacity, remedial measures had not been taken up by the Company.
- In absence of compiled accounts from 2006-07 onwards, the actual financial position of the Company could not be assessed.
- The Company does not have any documented policy for sale of power through trading with regard to either quantum of power to be traded or minimum floor prices for power traded.
- The Company had not correctly assessed its gas requirement which resulted in short supply of gas. Besides, delay in tie-up of gas supply on price considerations led to generation loss of 48.34 MU during the review period.
- Gas consumption exceeded CERC norms leading to additional expenditure of ₹ 41.80 crore during the review period.
- The Company has not rationalised its excess manpower as per CEA norms, thereby increasing the cost of operation.
- The PLF at Baramura and Rokhia GTPS was higher than the corresponding national average in all five years whereas at Gumti Hydro, it exceeded the comparable national average in three of five years.
- The Company had not only delayed filing tariff petitions with TERC for 2005-06 and 2006-07 but was also unable to seek revised tariffs thereafter due to non-preparation of accounts.
- The Company had not installed online monitoring equipment to measure emissions or set up monitoring stations to evaluate ambient air quality.
- The Company had not registered its new plants under the Clean Development Mechanism to avail benefit of carbon credits.
- The Company had not explored the possibility of harnessing the waste heat through waste heat recovery plants.

- The Company had not put in place MIS system for monitoring and for follow-up on the operational and financial performance by the top management despite engaging a consultant for that purpose.

(Paragraph 5.2)

Audit of Transactions

(a) Civil

- Lack of financial propriety and internal controls over handling and management of cash resulted in temporary misappropriation of Government funds of ₹ 6,41,817 over four to seven months.

(Paragraph 2.1)

- Purchase of 900 Km pipes by CE, WR and EE at higher rates despite being aware of availability of lower rates for the same pipes, points towards not only lack of prudence in expending Government funds on their part but is also resulting in loss of ₹ 3.61 crore, of which the loss of ₹ 2.88 crore had already been incurred on supply of 731.830 Km pipes upto June 2010.

(Paragraph 2.2)

- Piece-meal procurement of GC sheets lower than the approved quantities and at the higher rates by calling fresh tender subsequently rendered the Department to sustain a loss of at least ₹ 1.48 crore on procurement of 1,897.995 MT GC sheets from two private firms instead of M/S Tata Steel Limited.

(Paragraph 2.3)

- Due to delay in finalisation of the first tender within the validity period of 180 days, the Department had to incur an extra expenditure of ₹ 1.16 crore, which could have been avoided had the Department adhered to the provision on tender under the CPWD Manual.

(Paragraph 2.5)

- Improper survey, investigation and soil testing and failure of the Department to resolve technical problems in time led to avoidable time overrun of more than six years and cost overrun of at least ₹ 1.76 crore in constructing the RCC bridge over river Gumti at Mohanbhog.

(Paragraph 2.6)

- The Executive Engineer, Capital Complex Division, Agartala failed to impose and recover penalty of ₹ 2.86 crore from the construction agency for the delay in completion of a work despite provision in the supplementary memorandum of agreement.

(Paragraph 2.8)

(b) Revenue

- Failure of the Department to renew the licence of a firm for the year 2009-10 in time resulted in a loss of revenue of at least ₹ 17.69 lakh. Besides, reduction of licence fee without any recorded reason was tantamount to undue favour to the firm resulting in a loss of revenue of ₹ 40.16 lakh for the period from 2007-08 to 2009-10.

(Paragraph 4.3)

- Erroneous computations and inadmissible allowances by the assessing authorities together with concealment of turnover by the dealers resulted in short levy of tax of ₹ 1.11 crore including penalty and interest.

(Paragraph 4.4)

(c) Commercial

- Failure of the Company to consider the capitalised value of inherent losses while evaluating the offers for purchase of distribution transformers resulted in incurring of additional expenditure of ₹ 22.69 lakh on the purchase of 100 transformers.

(Paragraph 5.3)

- Failure of the Tripura Jute Mills Limited to specify validity period in the Notice Inviting Quotations and in the offers received from Assam-based suppliers, issue of piecemeal supply orders instead of whole quantity tendered for and release of payments prior to post shipment inspection of jute resulted in excess expenditure of ₹ 18.39 lakh.

(Paragraph 5.4)