

OVERVIEW

The Report contains 20 audit paragraphs (including 4 general paragraphs), 3 performance reviews and an Integrated Audit of the Forest Department. The draft audit paragraphs and draft performance reviews were sent to the Secretary of the Departments concerned with a request to furnish replies within six weeks. However, in respect of two audit reviews and 9 audit paragraphs included in the Report, no replies were received till the time of finalisation of the Report (October 2011). A synopsis of the important findings contained in the Report is presented in this overview.

Performance Reviews

Performance audit of Elementary Education

The State had performed quite well on the parameters of establishing schools in all areas to provide universal access to the students. Performance in enrolment had also been good, backed up by a Household survey of all school going children. Only minor problems relating to mainstreaming of refugee children and enrolment of migrant children remained to be tackled. Attendance in schools was poor and is a cause of concern which needs to be addressed appropriately. The number of teachers was also far in excess of SSA norms but inadequacy of teachers in science and mathematics and irrational deployment was a major concern. The status of training of teachers was poor with only 22 *per cent* of trained teachers. There were local variations in qualitative performance among schools, especially the relatively poor performance of the ST children which needs attention. Inadequate infrastructure, absence of a full time Headmaster and not using teaching aids also constrained the success of elementary education in the State for better qualitative performance. Supervision, monitoring and evaluation needs strengthening to achieve the desired outcomes.

(Paragraph 1.1)

Integrated Audit of Forest Department

The reported achievement (98 *per cent*) of plantation *vis-à-vis* target was not consistent with the Forest Survey of India Report (2009) which reflected a degradation and loss of 79 sq km of forest cover in the State in two years and also the actual performance in the two major Schemes (NAP and JICA) showing shortfall in plantation of 13,122 ha (35 *per cent* of the target) during the same period. The plantation activity suffered due to delay in sanction and release of funds. Audit also detected discrepancies in reported area of plantation and cases of off season plantation, absence of scheduled post planting maintenance etc. JFMC being a central and integral part of all activities had not been extended to cover all panchayat areas which resulted in deprivation of benefits to the targeted communities. This was further compounded by the shortfall in preparation of

micro-plans and annual working plans, unutilised funds lying with implementing officers, shortfall in producing planting materials and creation of plantations, inadequate entry point and income generating activities by the JFMCs. Approved action plan for 'Gregarious Flowering of Muli Bamboo' had not been achieved due to non-release of State Government's share as per approved funding pattern. Expenditure of ₹ 7.52 crore on cultivation of Tree Borne Oil Seeds (Jatropha) proved infructuous due to commencement of a project without proper survey and adequate planning. Compensatory Afforestation on 1,459 ha out of the stipulated 1,539 ha against diversion of forest land during 2006-11 was yet to be taken up. Shortfall of staff in vital areas of planning, supervision and execution were a major hurdle in the functioning of the Department affecting implementation and monitoring of various activities.

(Paragraph 3.1)

Review on 'Cross verification of Declaration Forms used in Inter State Trade'

The Central Sales Tax (CST) Act, 1956 and the rules framed there under provide for concessional rate of tax in respect of Inter-State sales of goods and exemption from tax in respect of branch transfers and export sales. These concessions/exemptions are subject to furnishing of declaration in the prescribed Form 'C'. Failure to furnish the declarations or submission of defective or incomplete declaration forms will make the transactions liable to tax as applicable to sale in the appropriate State. We saw that the TINXSYS website was not used for uploading verification of the 'C' Forms. There was no system in place for verification of the genuineness of the Forms before accepting them. The Department had not evolved a system of blacklisting dealers utilising invalid/fake declaration forms.

Our cross verification of declaration forms used in Inter-State Trade conducted to check the genuineness of these declarations revealed that there were variations between the value declared by the issuing dealers and the utilising dealers in the 'C' forms utilised for Inter-State Trade resulting into probable short levy of tax of ₹ 30.82 lakh.

(Paragraph 4.2)

Performance Audit of the Power Distribution Utility

Power is an essential requirement for all facets of life and has been recognised as a basic requirement for development. In Tripura, generation, transmission, distribution and trading activity has not been unbundled. These activities are carried out by Tripura State Electricity Corporation Limited (Company), which was incorporated on 9 June 2004 under the Companies Act, 1956.

As on 31 March 2011, the State had distribution network of 0.29 lakh Circuit Kilo Meters (CKM) of lines (33/11 KV and LT), 8639 Distribution transformers (DTRs) and 28 sub-stations catering to 4.88 lakh consumers.

While the State is already having sufficient power, which is planned to be increased shortly, daily power cuts are an anachronism which can be attributed to faulty distribution planning and execution. The objective of REP for electrification of rural households by 2009 was not achieved. Service connections provided to BPL households under centrally sponsored RGGVY Scheme were not energised resulting in the benefits of the Scheme not reaching the intended beneficiaries. The procurement system is very weak leading to irregular payments to contractors. The Company did not contain the distribution losses as per projected by it to TERC. Delay in filing of tariff petition, non-filing of tariff revision petitions periodically, incorrect billing of consumers led to loss of revenue. Dues from consumers as well as State Government were not pursued promptly to improve the financial health. Energy audit was not done and energy conservation measures were not adequate. Monitoring was not effective due to absence of sound management Information System (MIS).

(Paragraph 5.2)

Audit of Transactions

(a) Civil

- The 'Water Supply arrangement at Bodhjunnagar Growth Centre' did not yield any benefit as the work of the Iron Removal Plant remained suspended since October 2007 due to faulty estimates and failure of the Department to take remedial measures. This coupled with non-execution of the overhead tank rendered the total expenditure of ₹ 70.75 lakh incurred on the project idle and unfruitful.

(Paragraph 2.1)

- Gross violation of the manualised provisions, raised doubts about actual execution of the work "Maintenance of Kamalpur-Maracherra-Ambassa Road during 2008-09/ SH: Construction of protection wall and wing wall". It was claimed that the work was completed in 14 days against 90 days' time allowed and ₹ 45 lakh had been paid to the contractor as part payment against the 1st and final bill for work value of ₹ 48.93 lakh. Finally, the bill along with deviations was approved for ₹ 53.05 lakh in June 2010 but there was no claim/ subsequent payment in full settlement of the final bill.

(Paragraph 2.3)

- The work of construction of boundary wall around the MBB College Complex was taken up without ensuring encumbrance free land resulting in unfruitful investment of ₹ 98.11 lakh as the work remained incomplete for over 81 months. Due to non-completion of the boundary wall and lack of watch and ward staff, the civil structures and electrical fittings of an eco-park constructed within the College Complex were damaged resulting in the completed park remaining

unutilised for about 21 months rendering the expenditure of ₹ 1.92 crore thereon unfruitful as well.

(Paragraph 2.5)

- Non-submission of requisite information/ certificates to the Government of India in time resulted in lapse of Central assistance of Twelfth Finance Commission allocation of ₹ 17.10 crore due for Panchayati Raj Institutions which adversely affected the improvement of water supply and sanitation in rural areas in the State. Besides, delay in transferring funds to the PRIs led to avoidable diversion of ₹ 22.21 lakh towards payment of interest from Panchayat Development Fund.

(Paragraph 2.7)

- In two Rural Development Blocks of South Tripura District there was diversion of NREGA funds amounting to ₹ 1.46 crore to non-permissible works and involving only 13.70 *per cent* wage component as against the prescribed requirement of 60 *per cent*. Besides, a sum amounting to ₹ 17.78 lakh had been blocked with the EE, RD Division, Udaipur for last four years.

(Paragraph 2.8)

- Lack of proper monitoring and appropriate timely action by the Department led to failure in getting four bus bodies fabricated even after 12 years of purchase of their chassis. This resulted in wasteful expenditure of ₹ 20.63 lakh as the chassis had become unfit due to prolonged exposure. Besides, there was a loss of interest of ₹ 12.72 lakh on the amount.

(Paragraph 2.9)

- Short reimbursement of pay and allowances by ONGC to the 1st and the 2nd Battalions of TSR for dedicated deployment for its security duties, resulted in overburden of ₹ 3.79 crore on the State exchequer.

(Paragraph 2.10)

(b) Revenue

- Erroneous computation together with incorrect application of rates by the assessing authorities resulted in short levy of tax of ₹ 49.32 lakh.

(Paragraph 4.3)

- Concealment of turnover by the dealers which escaped notice of the assessing authorities resulted in short levy of tax of ₹ 60.95 lakh.

(Paragraph 4.4)

- Non-enforcement of financial rules/orders regarding handling of Government money and lack of proper monitoring and supervision on the maintenance of Cash

Book by the Sub-Registrar, Udaipur led to misappropriation of Government revenues amounting ₹ 21.45 lakh.

(Paragraph 4.5)

- Due to lack of infrastructure including weighing bridge, Churaibari MV Check Post in the Tripura-Assam border area did not maintain records on the actual quantity of goods carried by the overloaded vehicles. There was also short levy of fine at the rate of ₹ 1,000 instead of the prescribed minimum rate of ₹ 2,000 from 20,966 vehicles, carrying load in excess of permissible limit, resulting in non-recovery of revenue of ₹ 2.10 crore.

(Paragraph 4.6)

(c) Commercial

- Tripura Forest Development and Plantation Corporation Limited paid avoidable interest of ₹ 41.54 lakh due to short payment of advance tax/ self-assessment tax and incorrect estimation of income for the years from 2005-06 to 2010-11. It was also liable to further interest payment of ₹10.16 lakh for 2008-09 and 2009-10 till March 2011, and penalty of at least ₹ 31.71 lakh on suppression of income.

(Paragraph 5.3)

- Tripura Forest Development and Plantation Corporation Limited had lost opportunities to earn additional interest of ₹ 1.03 crore between April 2006 and December 2010 due to its failure to draw up cash budgets and accordingly invest its surplus funds for optimal tenor.

(Paragraph 5.4)