Government of Uttarakhand Report No.1 of the year 2013



Report of the Comptroller and Auditor General of India

for the year ended 31 March 2012





Government of Uttarakhand Report No. 1 of the year 2013

http://agua.cag.gov.in

© COMPTROLLER AND AUDITOR GENERAL OF INDIA www.cag.gov.in

Printed at Shiva Offset Press, Dehradun Ph. 0135-2715748

Table of Contents

	Reference to			
Description	Paragraphs	Page/Remarks		
Preface		vii		
Chapter-1				
Introduction on Social, General, Revenue and Economic Sectors				
General Introduction	1.1	1		
Chapter-2				
Social, General and Economic Sector	rs (Non-PSUs)			
General Introduction	2A	3		
Audit mandate	2.1	3		
Planning and conduct of Audit	2.1.1	3		
Expenditure profile of the State Government	2.1.2	4		
Lack of responsiveness of Government to Audit	2.1.3	5		
Audit Findings	2B	7		
PERFORMANCE AUDIT				
RURAL DEVELOPMENT DEPARTMENT				
Mahatma Gandhi National Rural Employment Guarantee Scheme	2.2	11		
THEMATIC AUDIT				
Election Department	2.3	39		
DEPARTMENT OF LABOUR				
Functioning of Uttarakhand Building and Other Construction Workers Welfare Board	2.4	47		
WOMEN EMPOWERMENT AND CHILD DEVELO	PMENT DE	PARTMENT		
Integrated Child Development Services	2.5	58		
AUDIT OF TRANSACTIONS				
Social Welfare Department				
Unfruitful expenditure	2.6	71		
Blockade of fund	2.7	72		
Department of Sports				
Avoidable extra expenditure	2.8	73		

	Reference to			
Description	Paragraphs	Page/Remarks		
Department of Higher Education				
Avoidable cost escalation	2.9	75		
Public Works Department				
Undue advantage to contractor	2.10	76		
Irregular expenditure	2.11	77		
Avoidable extra expenditure	2.12	78		
CCO BASED AUDIT OF A GOVERNMENT DEPAR	TMENT			
Department of Horticulture	2.13	79		
Chapter-3				
Revenue Sector				
General Introduction	3C	113		
Audit mandate	3.1.2	113		
Planning and conduct of audit	3.1.3	113		
Trend of revenue receipts	3.1.4	113		
Variation between the Budget Estimates and Actuals	3.1.5	117		
Cost of collection of revenue receipts	3.1.6	119		
Analysis of collection of tax revenue	3.1.7	119		
Analysis of arrears of revenue	3.1.8	120		
Arrears in assessment	3.1.9	121		
Evasion of Tax	3.1.10	121		
Disposal of Refund cases	3.1.11	121		
Response of the Departments/Government to audit	3.1.12	122		
Failure of Head of Department to enforce accountability and protect interest of the State Government	3.1.13	122		
Departmental Audit Committee Meetings	3.1.14	123		
Response of the Departments to the draft audit paragraphs	3.1.15	123		
Follow up on the Audit Reports-summarised position	3.1.16	124		
Position of Inspection Reports	3.1.17	124		
Recovery of revenue of accepted cases	3.1.18	124		
Results of audit	3.1.19	125		
Contents of the Revenue Chapter of this report	3.1.20	125		

	Refe	erence to	
Description	Paragraphs	Page/Remarks	
Audit Findings	3D	126	
PERFORMANCE AUDIT			
COMMERCIAL TAX DEPARTMENT			
Administration of VAT in Uttarakhand	3.2	127	
DEPARTMENT CENTRIC COMPLIANCE AUDIT			
State Excise Department	3.3	152	
Chapter-4			
Economic Sector (PSUs))		
General Introduction	4E	163	
Audit Mandate	4.1.2	163	
Investment in State PSUs	4.1.3	164	
Budgetary outgo, grants/subsidies, guarantees and loans	4.1.4	165	
Reconciliation with Finance Accounts of the Government	4.1.5	167	
Performance of Public Sector Undertakings (PSUs)	4.1.6	167	
Arrears in finalisation of accounts	4.1.7	170	
Winding up of non-working PSUs	4.1.8	171	
Accounts Comments and Internal Audit	4.1.9	172	
Internal Audit/ Internal Control System	4.1.10	174	
Status of placement of Separate Audit Reports (SARs)	4.1.11	175	
Disinvestment, Privatisation and Restructuring of PSUs	4.1.12	175	
Reforms in Power Sector	4.1.13	175	
Audit Findings	4F	176	
PERFORMANCE AUDIT			
Power Transmission Corporation of Uttarakhand Limited	4.2	179	
AUDIT OF TRANSACTIONS			
Uttarakhand Power Corporation Limited			
Loss of interest	4.3	229	
State Infrastructure and Industrial Development Corporation of Uttarakhand Limited			
Avoidable loss of ₹ 3.14 crore	4.4	231	

Appendices

Appendix	Particulars	Page
2.1	Relevant provisions of CAG's (DPC) Act, 1971	235
2.2	Details of Departmental Notes pending as of 31 March 2012 (Excluding General and Statistical Paragraphs)	236
2.3	Functions and Responsibilities of official functionaries engaged in implementation of the scheme	237
2.4	Details of Labour budget of test checked DPCs	238
2.5	Financial position of test checked DPCs	239
2.6 (A)	Details of Employment Generation in the State, test checked DPCs and test checked POs	240
2.6 (B)	Details of Employment Generation in the State, test checked DPCs and test-checked POs	240
2.7	Details of data as mentioned in MIS and MPR	241
2.8	Men-in-position	242
2.9	Details of excess expenditure during Lok Sabha Election-2009	243
2.10	Details of excess expenditure during Vidhan Sabha Election-2012	244
2.11	ICDS Services (2011-12)	245
2.12	Training	245
2.13	Details of Supervision (2011-12)	246
3.1	Salient features of the Act	247
3.2	List of arrears pending recovery (As per R-3 Register)	249
3.3	Short Levy of Tax	252
3.4	Non-Levy of Tax	254
3.5	Escaped Taxable Turnover	255
3.6	Short Deposit of Interest	256
3.7	Irregular Allowance of I.T.C.	260
3.8	Unauthorized Issuance of Form-XI	262
3.9	Irregular Concession on Form-XI	263
4.1	Updated summarised financial results of Government Companies and Statutory Corporations for which accounts were finalised	268

Appendix	Particulars	Page
4.2	Statement showing particulars of update and paid-up-capital, loans outstanding and manpower as on 31 March 2012 in respect of Government Companies and Statutory Corporations	272
4.3	Statement showing equity, loans received out of budget, grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2012	276
4.4	Statement showing the investment made by the State Government in Companies whose accounts are not finalised upto 30 September 2012	277
4.5	Statement showing Transmission Capacity of the Company at EHT level during 2007-08 to 2011-12	279
4.6	Statement showing voltage-wise capacity additions planned, actual additions and shortfall during five years up to 2011-12	280
4.7	Statement showing details of delay in execution of transmission lines during 2007-12	282
4.8	Statement showing the Uttarakhand Integrated Transmission Project (UITP) Scheme of the Company	283
4.9	Statement showing Transmission losses during the period 2007-08 to 2011-12	285