

OVERVIEW

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This Report comprises three chapters containing audit findings pertaining to Social, General and Economic Sectors (Non-Public Sector Undertakings); Revenue Sector; and State Public Sector Undertakings and Government Commercial and Trading Activities. There are three Performance Audits 'Functioning of Goa Medical College', 'Management of Alvara Land' and 'Estate Management of Goa Industrial Development Corporation'. The Report also contains 17 compliance audit paragraphs involving ₹ 388.88 crore. A follow up audit of the Performance Audit on 'Promotion of Tourism in Goa' which appeared in the Audit Report for the year ended 31 March 2012 is also included in the Report. Some of the major findings are mentioned below:

SOCIAL, GENERAL AND ECONOMIC SECTORS (NON-PSUs)

The total expenditure of the State increased from ₹ 7,347 crore to ₹ 9,013 crore during 2012-13 to 2014-15, the revenue expenditure of the State Government increased by 22 *per cent* from ₹ 6,061 crore in 2012-13 to ₹ 7,410 crore in 2014-15. The revenue expenditure constituted 82 *per cent* of the total expenditure during the past three years 2012-13 to 2014-15 and capital expenditure was 18 *per cent*. During this period, Revenue expenditure increased at an annual average rate of 11 *per cent* whereas revenue receipts grew at an annual average rate of 16 *per cent* during 2012-13 to 2014-15.

PERFORMANCE AUDITS

Goa Medical College

- Test check of procurements of high value equipment revealed that time taken for procurement of ICU Ventilators, Monitors and CT Scanner was more than one and a half years. The delay led to excess expenditure of ₹ 1.30 crore.

(Paragraphs 1.5.7.1(i) and (ii))

- The Central Sterile and Supply Development equipment installed in March 2011 at a cost of ₹ 4.35 crore had not been utilised till December 2015. New Mortuary cabinets installed at a cost of ₹ 2.59 crore and inaugurated in December 2013, had not been utilised till December 2015 due to failure of cooling system.

(Paragraphs 1.5.7.3 (i) and (iv))

- There was a need to streamline annual procurement of medicines as delay in finalisation of annual tenders (2011-12 and 2013-14) and non-tendering (2012-13 and 2014-15) for procurement of medicines have led to large local purchases at market rates entailing extra expenditure of ₹ 16.22 crore during 2010-15. There were shortage of orthopedic implants and patients had to supply the implants at their own cost during the period 2010-15.

(Paragraphs 1.5.7.5 and 1.5.7.6)

- The balance in stock of 46 to 79 *per cent* of the medicines in the central pharmacy was nil at the end of each year during the period 2010-15. Non-maintenance of the reserved stock limit, delays in placing indents and supply orders together with delays by suppliers resulted in shortage of medicines in the central pharmacy. The Food and Drug Administration did not sample medicines to the required extent for testing and even in the reduced testing, upto 33 *per cent* of the medicines in the central pharmacy failed tests.

(Paragraph 1.5.7.7)

- There were shortages of teaching staff, resident doctors and technicians. The patient-nurse ratio in GMC was 5.6:1 against the Medical Council of India standard of 3:1.

(Paragraph 1.5.9.2)

- GMC could not reap the full benefit of computerisation (cost ₹ 2.34 crore) due to incomplete network and lack of maintenance support. The entire system was non-functional since October 2013.

(Paragraph 1.5.7.4)

- Ten thousand square metre land allotted to M/s Elbit hospital for establishing a Super Specialty Hospital has remained unutilised for last five years and no action for reversion of land has been taken.

(Paragraph 1.5.8.5)

Management of Alvara Lands

Alvara lands are lands leased to people mainly for cultivation purpose by the Colonial Portuguese Government from the year 1917 onwards. Our scrutiny of records revealed that:

- In 104 out of 300 Record of Rights (RORs) of lease lands showed the name of private persons instead of Government of Goa.

(Paragraph 2.2.6.3)

- There was irregular sale of eleven parcels of lease held lands involving total area of 88.12 hectare.

(Paragraph 2.2.6.4)

- The Director of Settlement of Land Records did not update RORs of 15 lands involving 125.26 hectare which had reverted to Government.

(Paragraph 2.2.6.5 (i))

- In five cases, lease-held lands involving 43.62 hectare reverted to Government were found to have been sold to third parties.

(Paragraph 2.2.6.5 (iii))

- During the period 2008 to 2011 seven lease held lands were regularised and then reclassified as Class I occupancy under the Goa Land Revenue Code at a premium based on the market rates of year 1971 instead of prevailing market rates.

(Paragraph 2.2.6.6)

Estate Management in Goa Industrial Development Corporation

- There were cases of under recovery of infrastructure development cost amounting to ₹ 3.12 crore from the allottees of Tuem Industrial Estate.
(Paragraph 3.2.6.5(i))
- The Corporation did not convert land use and develop infrastructure for the allotted plots in Sanguem (4.99 lakh m²) and Amona-Navelim (2.11 lakh m²) Industrial Estates resulting in non-utilisation of plots by the allottees for 9 to 11 years.
(Paragraph 3.2.6.5(iii))
- The Corporation did not act against defaulting allottees identified by the Task Force Committee in 2011 for non-utilisation of plots. This resulted in 3.53 lakh m² land remaining unutilised besides non-levy of penalty of ₹ 20.36 crore.
(Paragraph 3.2.6.6)
- Sixty *per cent* of the plot rate recoverable as transfer fee on transfer of under-utilised plots were short-recovered resulting in loss of ₹ 6.99 crore. The Corporation failed to examine the ownership structure of Industrial units while approving the transfers resulting in loss of ₹ 1.83 crore.
(Paragraphs 3.2.6.7(i) and (iv))
- The Corporation failed to revise the plot rates periodically resulting in loss of revenue of ₹ 75.28 lakh.
(Paragraph 3.2.6.7)
- The Corporation had incurred a loss of ₹ 5.25 crore due to under billing of water charges to the industrial units in 15 estates. The water arrears from industrial units was ₹ 11.34 crore at the end of 2014-15.
(Paragraph 3.2.6.8)

FOLLOW-UP AUDIT

The follow up audit of the performance audit on 'Promotion of Tourism in Goa' (appeared in Audit Report 2011-12) shows some action has been initiated by the Department for implementing recommendations relating to (i) selection of advertising agencies and award of contracts for various promotional events (ii) construction of sewerage and solid waste management projects and (iii) commencement of tourism projects. The Department, however, is yet to implement recommendations regarding introduction of a new tourism policy. The amenities for tourists are still lacking.

(Paragraph 1.6)

COMPLIANCE AUDIT

Unfruitful expenditure on incomplete bridge work

The Public Works Department spent ₹ 3.16 crore on construction of Benaolim-Sinquetim Bridge across river Sal, which had to be abandoned due to lack of environmental clearance and stiff opposition from the local people. A recovery of ₹ 1.16 crore on Mobilisation advance was also pending.

(Paragraph 1.7)

Idle investment of ₹ 0.63 crore on construction of foot-bridge

The Public Works Department constructed a foot-bridge over Velus River at a cost of ₹ 0.63 crore without having any access/approaches, rendering the bridge unapproachable by the public.

(Paragraph 1.8)

Idle investment of ₹ 8.10 crore

Construction of bus stand without assessing the suitability of the locations at Shiroda and Honda resulted in idle investment of ₹ 8.10 crore.

(Paragraph 1.9)

Non-utilisation of Workers Welfare Fund of ₹ 57.43 crore

The Goa Building and Other Construction Workers Welfare Board did not utilise the accumulated fund of ₹ 57.43 crore for the benefit of construction workers. It also did not invest its un-utilised surplus funds in fixed deposits resulting in loss of interest ₹ 1.13 crore.

(Paragraph 1.10)

Faulty tendering under Laptop e-scheme

The tender conditions were such that the rates quoted by only five agencies were considered despite participation of 10 technically qualified tenders for procurement of laptops. The procurement rates were higher than the market rates assessed, resulting in extra expenditure of ₹ 9.66 crore.

(Paragraph 1.11)

REVENUE SECTOR

Short recoveries of mining revenue

- The penalty of ₹ 15.92 crore recoverable from a mining company, for excess extraction of ore over the Environment Clearance limit, was not recovered.

(Paragraph 2.3.5)

- The Director of Mines and Geology short levied stamp duty of ₹ 4.50 crore in respect of two mining lease deeds executed in May 2015 and June 2015.

(Paragraph 2.3.7)

- In case of two lessees, sale price for computation of royalty for iron ore fines and lumps for the respective months of production notified by Indian Bureau of Mines was not taken into account while levying the royalty resulting in short recovery of ₹ 1.43 crore.

(Paragraph 2.3.2)

Short levy of tax due to understatement of turnover

Value Added Tax amounting to ₹ 0.87 crore was short levied due to incorrect assessment of turnover by Commercial Tax Officer.

(Paragraph 2.6)

Short levy of road tax ₹ 98.29 lakh

The Assistant Director of Transport, Margao levied road tax on “new luxury motor cars” purchased by a firm as per rates applicable for individuals instead of a firm. This resulted in short levy of road tax to the tune of ₹ 98.28 lakh.

(Paragraph 2.10)

Short levy of Goa Rural Improvement and Welfare (GRIW) Cess on iron ore

The Director of Transport did not levy and collect GRIW Cess on Iron ore resulting in loss of revenue of ₹ 173.56 crore to State Exchequer.

(Paragraph 2.11)

**PUBLIC SECTOR UNDERTAKINGS AND
GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES**

Goa State Infrastructure Development Corporation

- The GSIDC did not carry out proper soil investigation and topographical survey before preparing estimate of construction of a bridge at village panchayat, Azzozim. This, along with non-acquisition of land resulted in non-completion of the bridge and idle investment of ₹ 7.20 crore

(Paragraph 3.3.3.2)

- The scope of construction of 400 bedded hospital at Margao was changed several times between years 2007 and 2012. The project remained incomplete and resulted in idle investment of ₹ 68.76 crore.

(Paragraph 3.3.3.3)

- Construction of Kala Bhavan at Sancoale was undertaken without taking concurrence from user department leading to idle investment of ₹ 28 crore.

(Paragraph 3.3.3.4)

- The GSIDC did not conduct site specific preliminary study but adopted design data of a nearby bridge for construction of bridge between Tharmas and Ozari. This resulted in huge variation in actual execution with avoidable expenditure of ₹ 2.70 crore and delay in completion of bridge.

(Paragraph 3.3.4.1)

Extra expenditure of ₹ 4.52 crore on procurement of energy meters by Goa Electricity Department.

The energy meters were procured by the Goa Electricity Department from the open market without considering the prevailing Director General of Supplies and Disposal rates. This resulted in extra expenditure of ₹ 4.52 crore to the Department.

(Paragraph 3.4)