

# OVERVIEW



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### Chapter-I

#### Introduction

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from the performance audits and test audit of transactions of various departments of the Government of Tripura pertaining to Social, Economic and Revenue Sectors. The primary purpose of this Report is to bring to the notice of the State Legislature, significant results of audit.

Out of 1,628 auditee units, 96 units and 68 units were planned for audit during 2020-21 and 2021-22. After carrying out risk assessment and keeping in view the available manpower, of which 113 units and 45 units were actually audited during 2020-21 and 2021-22 involving an expenditure of ₹ 5,064.17 crore and ₹ 728.55 crore respectively.

This Report *inter alia* contains four Subject Specific Compliance Audits titled “Public Health Infrastructure and Management of Health Services”, “Utilisation of the Compensatory Afforestation Fund”, “Project management by Tripura Industrial Development Corporation Limited” and “Transitional Credits under GST” and nine Compliance Audit paragraphs.

### Chapter-II

#### Social Sector

##### Subject Specific Compliance Audit on ‘Public Health Infrastructure and Management of Health Services’

The Health and Family Welfare Department is responsible for maintaining and developing the healthcare system in the State and guiding and supervising the Health and Family Welfare programmes in the State. The services offered by the Department are preventive and promotive healthcare services, routine curative and rehabilitation services, *etc.* The vast network of Health Sub-Centres (HSCs), Primary Health Centres (PHCs) and Urban Primary Health Centres (UPHCs), and Community Health Centres (CHCs) form the primary tier of public healthcare delivery system for rural and urban population respectively. District Hospitals (DHs) serve as the secondary tier for rural and urban population while tertiary healthcare involves providing advanced and super-speciality services to be provided by medical institutions in urban areas.

The Subject Specific Compliance Audit (SSCA) covers the primary health care services which provide health facilities at village and block levels. The SSCA also provide a holistic view of improvement of necessary infrastructure, created for meeting emergencies related issues and service delivery by the sampled health institutions for the period 2016-17 to 2021-22.

Though services of specialist doctors were to be made available in the CHCs as per the IPHS, no specialist service was available in the CHCs in the State except in CHC, Kherengbar where Obstetrics & Gynecology service was available only for twice a week. CHCs were serving like higher bedded PHCs only. Diagnostic services like Radiology, ECG, Ophthalmology, *etc.* which were required to be available in the CHCs as per the IPHS were missing. Quality assurance in the Laboratory Services as mandated under the IPHS was not done. Emergency and Trauma Care service was virtually absent in the sampled health centers. A large number of essential drugs were not supplied to the health institutions and stock out rate of the available medicines was high. HSCs are responsible for providing ANC service to the pregnant woman including the outreach services to the people under them, failed to provide the desired service. As a result, more than 20 *per cent* of the registered PWs did not receive four ANC check-ups during 2021-22.

Hospital support services, *viz.* dietary service, laundry, and linen service, *etc.* were in operational in the sampled health facilities without any standard operating guidelines from the Government. FSSAI license was not obtained by any of the sampled health facilities. Health care facilities were running without any safety clearance from the Fire Department and posing a major fire threat to the patients. Hospital Infection Control Committee was found to have been formed in five out of the nine sampled health centres and failed to deliver any specific road map and plan to control hospital infection. Sampled Health Facilities were found in not adhering to the Bio Medical Waste Management Rules. The CHC, Kumarghat had low bed occupancy and an alarmingly high referred out rate of 194 per 1,000 indicating that this hospital had struggled to provide quality services. Similarly, PHCs, Ganganagar and Champaknagar were also struggling to provide good services to the patients as reflected with the high Referral Out, LAMA and Absconding rate. Grievance redressal mechanism was not available.

Large funds earmarked for dealing with the pandemic situation in the State remained unutilised. Two Directorates did not surrender funds of ₹ 8.97 crore despite no immediate requirement. Progress on ramping up of health infrastructure with the focus on Paediatric care units was slow despite availability of funds. There was no reduction in the expenditure on oxygen cylinders despite the installation of PSA plants, as these plants largely remained unutilised. Assets created, were found idle and are to be re-distributed on the need basis while expired VTM were found in use for conducting of RTPCR test to detect the presence of virus.

State is lagging behind in achieving the SDG -3 indicators in six out of the ten targeted areas in comparison to the national achievements against those indicators. Spending on the health sector was not at the desired level as envisaged in the National Health Policy, 2017. Though monitoring mechanism was designed and developed, regular monitoring was not done, due to which the impact assessment could not be done.

***Paragraph 2.2***

## Compliance Audit Paragraphs

### FOOD, CIVIL SUPPLIES AND CONSUMER AFFAIRS DEPARTMENT

#### Undue benefit to millers

Due to formulation of defective contract clause in milling of paddy in contravention of Government of India's (GoI)'s norms, accepting higher milling cost of paddy above the GoI's approved rates and acceptance of lower out turn ratio, the Department extended undue benefit to millers of ₹ 8.73 crore at the cost of exchequer.

*Paragraph 2.3*

#### Extra financial burden

Inability of the Department to provide clear site at Jirania prior to execution of 1,000 MT food storage godown and delay in completion of the work led to extra financial burden of ₹ 0.92 crore on State exchequer for cost escalation of the project coupled with additional expenditure of ₹ 0.32 crore incurred on site development and acquisition of land.

*Paragraph 2.4*

### EDUCATION (HIGHER) DEPARTMENT AND PUBLIC WORKS DEPARTMENT (ROADS AND BUILDING)

#### Unfruitful Expenditure

Failure of the Public Works Department to accord timely approval of DPRs, drawing of roof truss work and revised estimate coupled with failure to initiate timely action for closure/ rescission of the MoU and getting the remaining work of construction of Auditorium at Ramthakur College executed by another agency, resulted in unfruitful expenditure of ₹ 5.15 crore on incomplete project. Besides, the intended benefit of providing better infrastructural facilities to the college students through the project was not achieved for more than 10 years from the date of sanction of the project.

*Paragraph 2.5*

## Chapter-III

### Economic Sector

#### FOREST DEPARTMENT

#### Subject Specific Compliance Audit on 'Utilisation of the Compensatory Afforestation Fund'

The objectives of the State Compensatory Afforestation Fund Management and Planning Authority (CAMPA) could not be fully achieved as the funds released could not be utilised fully and the funds were diverted for unauthorised components. There was a shortfall in the creation and maintenance of CA plantations. The records relating to the year-wise survival of CA plantations were not maintained. The monitoring of the activities of the CAMPA was deficient.

*Paragraph 3.2*

## Compliance Audit Paragraphs

### PUBLIC WORKS (Drinking Water & Sanitation) DEPARTMENT

#### Unfruitful expenditure

The Construction agency could not complete the construction of Water Treatment Plant even after lapse of 10 years from its stipulated completion date, but the Department did not take pecuniary action to recover damages under the provisions of the agreement. This resulted in unfruitful expenditure of ₹ 5.50 crore on incomplete works. Besides, the objectives to provide iron free and adequate piped water supply to an estimated population of 15,377 at Srimantapur and its vicinities, could not be achieved.

*Paragraph 3.3*

### PUBLIC WORKS (Roads and Building) DEPARTMENT

#### Extra expenditure

The Department irregularly cancelled the tender on grounds of non-submission of break-up of rates by the lowest bidder stating that the quoted rates were on the higher side despite L1 rate being lower than the cost analysis prepared by the Department. PWD accepted the tender at a higher rate in subsequent call resulting in extra expenditure of ₹ 1.51 crore.

*Paragraph 3.4*

### ANIMAL RESOURCES DEVELOPMENT DEPARTMENT

#### Unfruitful expenditure

The Department took up (March 2018) Rural Infrastructure Development Fund assisted project financed by NABARD without proper planning and co-ordination in its implementation. The project was finally dropped after over two years without actually taking it up stating that the project was not required which rendered an expenditure of ₹ 0.93 crore on the project unfruitful.

*Paragraph 3.5*

### TOURISM DEPARTMENT

#### Wasteful expenditure

Injudicious decision of the Department to construct the roads without permission of wetland authority in Ramsar site of international importance led to the wasteful expenditure of ₹ 1.75 crore on construction and subsequent dismantling of the Ring Roads. The decision also reduced the water level and compromised the ecological balance of the Ramsar site.

*Paragraph 3.6*

## Chapter-IV

### Economic Sector (State Public Sector Enterprises)

#### Functioning of Public Sector Enterprises

As on 31 March 2022, the State of Tripura had 16 PSEs (15 working and one non-working). Out of 15 working PSEs, 14 are Government companies and one is Statutory Corporation. As on 31 March 2022, the investment of the State Government (capital and long-term loans) in 16 PSEs was ₹ 1,871.58 crore consisting of 85.98 *per cent* towards capital, 14.02 *per cent* in long-term loans as against 87.09 *per cent* (capital) and 12.91 *per cent* (long-term loans) as on 31 March 2018.

#### *Paragraphs 4.1.1 and 4.1.2*

As per the information furnished by the PSEs, during 2021-22 the State Government provided budgetary support of ₹ 223.93 crore in the form of capital (₹ 46.86 crore), Loans (₹ 56.36 crore) and grants/ subsidy (₹ 120.71 crore).

#### *Paragraph 4.1.4*

As per the latest finalised accounts of PSEs as on 30 September 2022, the accumulated losses (*net of free reserves*) of four out of 15 working PSEs (₹ 324.16 crore) had completely eroded their paid-up capital (₹ 184.81 crore). During the year 2021-22 out of 15 working PSEs, six PSEs earned an aggregate profit of ₹ 28.25 crore, while nine PSEs incurred loss of ₹ 143.62 crore as per their latest finalised accounts.

#### *Paragraph 4.1.9.2*

### INDUSTRIES AND COMMERCE DEPARTMENT

#### (Tripura Industrial Development Corporation Limited)

#### Subject Specific Compliance Audit on 'Project management by Tripura Industrial Development Corporation Limited'

Industries and Commerce Department, Government of Tripura (GoT) is the nodal Department for industrialisation in the State. Department discharged its functions through its nodal agency Tripura Industrial Development Corporation Limited (TIDCL). TIDCL was incorporated in 1974 under Companies Act, 1956 with an authorised share capital of ₹ 20 crore. TIDCL is also the State Implementing Agency (SIA) for execution the Centrally Financially Assisted (CFA) Infrastructural Projects in the State.

The audit of TIDCL was conducted with emphasis on Project Management issues relating to the execution of two projects namely, 'Setting up of a new Industrial Estate (IE)/ up-gradation of existing Kumarghat IE project' and 'Setting up of a new Industrial Estate (IE) project/ up-gradation of existing Badharghat IE project' under Centrally Financially Assisted (CFA) Micro and Small Enterprises-Cluster

Development Programme (MSE-CDP) scheme of the Ministry of Micro, Small and Medium Enterprises (MSME), Government of India (GoI).

The irregularities *viz.* deficient planning, restricted tendering process, failure to construct the Effluent Treatment Plant (ETP) as per the DPR, irregularities in respect of grant of work for extra item work to the same contractor instead of award of the work for the same by invitation of a separate and distinct tender, undue favour to the Project Management Consultant/ irregular selection of the consultant, undue favour to the contractor by granting non-interest bearing Mobilisation Advance, time-overrun/ delay in completion of the project, cost over-run of the project from the contracted costs, non-realisation of the macro outcomes/ intended benefits of the project, were noticed in audit.

Further, the apathy of the State Government in extending due budgetary support and/ or financial assistance to the TIDCL in respect of the LA compensation payable for the industrial infrastructure creation projects being executed by it on behalf of the State Government has resulted in the attraction of undue liability of ₹ 45.48 crore to the TIDCL. Besides, continuing poor financial position of the TIDCL coupled with lack of adequate budgetary support from the State Government is fraught with the risks of halting the progress of other running industrial infrastructure creation/ up-gradation projects undertaken by the TIDCL in the State.

*Paragraph 4.2*

### **Compliance Audit Paragraph**

#### **INDUSTRIES AND COMMERCE DEPARTMENT**

##### **(Tripura Natural Gas Company Limited)**

#### **Loss to the Company**

The Company had failed to protect its own financial interest and paid tariff at higher rate to the Gas Authority of India Limited, in violation of the Gas Sales Agreement which resulted in significant loss of ₹ 5.63 crore to the Company.

*Paragraph 4.3*

### **Chapter-V**

#### **Revenue Sector**

#### **General**

During the year 2021-22, the revenue raised by the State Government was ₹ 2,890.42 crore which was 16.41 *per cent* of the total Revenue Receipts. The balance 83.59 *per cent* of the revenue receipts during 2021-22 was received from the GoI in the form of State share of Union Taxes and Duties and Grants-in-Aid. The collection of own revenue increased by ₹ 272.50 crore during 2021-22 as compared to previous year and the rate of growth of own revenue marginally increased to 10.41 *per cent* in 2021-22 as compared to 10.30 *per cent* during 2020-21. Revenue Receipts of the State



increased by 32.54 *per cent* from ₹ 13,292.40 crore in 2020-21 to ₹ 17,613.95 crore in 2021-22.

***Paragraph 5.1.1***

Although target of Revised Estimates was not achieved in 2018-19 and 2019-20, actual collection was more than the target as projected in the RE for the years 2020-21 and 2021-22.

***Paragraph 5.1.2 (i)***

Arrear of revenue increased from ₹ 60.63 crore at the end of March 2021 to ₹ 62.12 crore at the end of March 2022. The arrear of revenue outstanding for more than five years decreased from ₹ 40.63 crore to ₹ 37.12 crore during the same period.

***Paragraph 5.1.3***

In the last ten years' Audit Reports, 25 paragraphs involving ₹ 54.20 crore featured in the Audit Reports, of which 22 paragraphs involving ₹ 47.76 crore had been accepted by the State Government. Out of this, only ₹ 1.93 crore (3.56 *per cent*) was recovered.

***Paragraph 5.1.6.2***

**FINANCE (EXCISE & TAXATION) DEPARTMENT**

**Subject Specific Compliance Audit on 'Transitional Credits under GST'**

Transitional credit provisions are important for both the Government and business. For business, these credits should be carried forward properly to give them benefit of taxes they had already paid on inputs or input services in the pre-GST regime. From the view point of the Government, the amount of admissible transitional credits will determine the extent of cash flow of GST revenue and hence in the interest of revenue, only admissible and eligible transitional credits should be carried forward into GST.

The Subject Specific Compliance Audit of transitional credit claims under the GST regime was conducted for the period from July 2017 to March 2020. During the period, 333 transitional credit cases involving money value of ₹ 46.72 crore were processed in 15 Sales Tax Charges under the Commissioner of Taxes, Tripura. A sample of 43 cases having money value of ₹ 32.97 crore was scrutinised and discrepancies in 11 cases (26 *per cent*) with money value of ₹ 6.28 crore had been noticed.

Significant deficiencies *viz.* claim of transitional credits without credit balance in VAT returns, claim of transitional credits against TDS Certificate and claim of transitional credit without furnishing VAT returns, *etc.* were noticed during audit. To detect such erroneous claims on transitional credit, verification and prompt remedial action on the part of the Taxes Organisation is crucial. It was observed that the Organisation had completed verification of only 74 cases out of total 333 transitional credit claims amounting to ₹ 948.56 lakh under the jurisdiction, which reflects lack of adequate effort of the Organisation in verification of transitional credit claims and absence of time bound action.

***Paragraph 5.2***

## Compliance Audit Paragraph

### FOREST DEPARTMENT

#### Improper storage of timber resulted in loss of revenue

Failure on the part of the Department to establish proper storage facilities, delay in calling of tender, and non-disposal of timber in time resulted in loss of revenue to the Department of ₹ 50.11 lakh.

*Paragraph 5.3*

### Chapter-VI

#### Follow up of Audit observations

As of September 2022, 13 out of 18 departments did not submit explanatory notes on 68 paragraphs (51 paragraphs and 17 performance audits) out of 87 paragraphs (63 paragraphs and 24 performance audits) of Audit Reports awaiting discussion by the Public Accounts committee (PAC) relating to the years 2006-07 to 2018-19.

*Paragraph 6.1.1(a)*

As of September 2022, three departments did not submit explanatory notes on 16 paragraphs (13 paragraphs and three performance audits) out of 19 paragraphs (14 paragraphs and five performance audits) of Audit Reports awaiting discussion by the COPU relating to the Audit Reports from the years 2012-13 to 2018-19.

*Paragraph 6.1.1(b)*

Analysis of the position of outstanding IRs showed that 2,988 paragraphs included in 414 IRs issued during the last five years up to 2021-22 were pending for settlement as of September 2022. Of these, even the first reply had not been received in respect of 1,101 paragraphs involving 148 IRs in spite of repeated reminders.

*Paragraph 6.3*

There are 2,988 paragraphs involving ₹ 2,846.89 crore relating to 414 IRs issued during the last five years 2017-18 to 2021-22 which remained outstanding at the end of 30 September 2022 under Social, Economic, Revenue and General Sectors.

*Paragraph 6.5*