

OVERVIEW

This Report contains four Chapters. Chapter-I provides a background on the formation of the Autonomous District Council, rules for the management of the District Fund and relevant constitutional provisions on maintenance of accounts. Chapter-II gives an overview on the financial position of the Council during the year. Chapter-III deals with audit comments on Annual Accounts of the Council for the year 2017-18 and contains three sections *viz.* District Fund, Deposit Fund and Cash Management. Chapter-IV of the Report deals with the audit findings pertaining to compliance audit of the Council and contains eight paragraphs.

Chapter-I Constitution, Rules and Maintenance of Accounts

Tripura Tribal Areas Autonomous District Council (TTAADC) is established under the Sixth Schedule of the Constitution of India with an objective to empower the indigenous people to govern themselves, to ensure all round development and to protect and preserve their culture, customs and traditions.

Council has the power to assess, levy and collect, within the autonomous district, revenue in respect of land and buildings, taxes on professions, trade, callings and employment, animals, vehicles and boats, tolls on passengers and goods carried in ferries and for the maintenance of schools, dispensaries and roads as listed in Paragraph 8 of the Sixth Schedule.

Paragraph 1.1

The Accounts of the Council is being maintained as per the format prescribed by Comptroller and Auditor General (C&AG) of India. C&AG of India conducted audit of the Annual Accounts in terms of Paragraph 7 (4) of the Sixth Schedule of the Constitution. There was delay in submission of complete Annual Accounts for the year 2017-18 to the Principal Accountant General (Audit) by nine months.

Paragraph 1.4

Recommendations

The Council may ensure timely submission of Annual Accounts to the Accountant General (Audit) to adhere with the prescribed timeline.

The Council needs to strengthen its internal control mechanism, take action on deficiencies in Cash management.

The Council may seek help from the State Government and may utilise its training facility for training and capacity building at all levels in the administrative hierarchy of the Council to ensure proper bookkeeping, record maintenance, supervision, control and monitoring.

Chapter-II Autonomous District Council Fund

Total receipts of the Council decreased by 11.88 *per cent* from ₹ 649.49 crore in 2016-17 to ₹ 572.30 crore in 2017-18.

During 2017-18, transfer fund decreased by 34.33 *per cent* (from ₹ 397.13 crore in 2016-17 to ₹ 260.81 crore in 2017-18), the State share of Taxes increased by 81.64 *per cent* (from ₹ 67.93 crore in 2016-17 to ₹ 123.39 crore in 2017-18) and Own revenue receipts increased by 83.47 *per cent* (from ₹ 9.98 crore in 2016-17 to ₹ 18.31 crore in 2017-18) while State Plan fund for ADC was static compared to previous year.

Tripura Tribal Areas Autonomous District Council (TTAADC) could utilise only 58 *per cent* of the total available funds of ₹ 974.60 crore during 2017-18 and fund of ₹ 405.37 crore was lying unutilised as closing balance at the end of 2017-18.

Paragraph 2.2

Recommendations

The Council may take steps to increase its own revenue receipts so that it is able to improve spending on programmes and schemes of the Council.

The Council may undertake detailed budgetary analysis and reviews to identify untapped eligible revenue resources and for estimating revenue receipts more accurately.

The Council should map its administrative expenditure with respect to its income from own sources and spend wisely on revenue generation activities for financial sustainability.

A synopsis of the important findings contained in the Report is presented below:

3. Comments on Accounts

Receipts of the Council were understated by ₹ 7.63 crore in the Annual Accounts of the Council as 10 Drawing and Disbursing Officers (DDOs) received the funds directly from various departments of the State Government for implementation of schemes which were not accounted for by the DDOs in their accounts.

(Paragraph 3.3.1.1)

Capital outlay was understated by ₹ 22.50 crore and Revenue expenditure was overstated to that extent in the Annual Accounts of the Council.

(Paragraph 3.3.2.1)

Closing bank balance of the Council was understated by ₹ 7.56 crore due to non-inclusion of investment made in fixed deposit by the Council.

{Paragraph 3.5.1(i)}

The closing balance of the Council was understated as the unspent balances of ₹ 5.59 crore lying with the Sub-Zonal Development Officers and the Implementing Officers were not reflected in the Annual Accounts of the Council in 2017-18.

{Paragraph 3.5.1(ii)}

The closing balance of the Council was understated by ₹ 64.11 crore due to difference in figures between the Cash Book of Executive Officer (Finance) and Annual Accounts of the Council.

{Paragraph 3.5.1(v) (a,b)}

The difference of ₹ 26.32 crore in the closing cash balances shown in the Annual Accounts of the Council and the actual balances as per Cash Book of 35 DDOs remained un-reconciled.

{Paragraph 3.5.1(vii)}

Due to non-preparation of Bank Reconciliation Statement as on 31 March 2018 by four DDOs there was a difference of ₹ 6.83 crore between Cash Book and Bank Statement.

(Paragraph 3.6)

Recommendations

Council may adhere to the prescribed format of accounts for transparency and completeness in Annual Accounts.

The Council may ensure proper accounting of all receipts for implementation of schemes.

Council is advised to devise a system of periodical review of accounting records to identify mistakes within the accounting period so that corrective action is taken.

The Council may formulate its own Accounting Policies for preparation of Annual Accounts in support of the accounting treatments.

4. Compliance audit

Audit noticed the following irregularities in implementation of various works under Rastriya Krishi Vikash Yojana (RKVY):

The Council incurred unfruitful expenditure of ₹ 97.50 lakh on cage-culture in Dumbur Reservoir due to absence of skilled staff, lack of supervision, wrong site selection, etc.

There was an idle expenditure of ₹ 24.84 lakh on construction of three mini ice plants as they could not be made operational due to absence of power supply and delay in installation of machineries and freezing devices.

The Council incurred an expenditure of ₹ 43.59 lakh on construction of 30 seated farmers hostel building which could not be put to use as the same was not yet inaugurated.

There was unfruitful expenditure of ₹ 72.43 lakh on implementation of Cross Breed Heifer project due to sale and death of cows.

Further, the Council incurred an idle expenditure of ₹ 66.05 lakh on implementation of Murrah Buffalo project due to poor planning. Besides, the objectives of the project were also defeated.

(Paragraphs 4.1.1 to 4.1.5)

Due to non-supply of poly bag plants for rubber plantation by the supplier within the stipulated time and by not carrying out second year maintenance, the entire expenditure of ₹ 99.41 lakh became wasteful.

(Paragraph 4.2)

An expenditure of ₹ 9.45 lakh on plantation of drumsticks was wasteful as the stem cuttings dried up due to late plantation.

(Paragraph 4.3)

Due to lack of co-ordination with the State Public Works Department (PWD), the Council had incurred wasteful expenditure of ₹ 21.93 lakh on construction of three abutment walls for improvement of road as the State PWD had constructed RCC bridge under Pradhan Mantri Gram Sadak Yojana (PMGSY).

(Paragraph 4.4)

Due to absence of feasibility study and non-availability of water throughout the year, there was an unfruitful expenditure of ₹ 25.50 lakh on water lifting facilities for fish breeding and production.

(Paragraph 4.5)

There was a doubtful expenditure of ₹ 8.40 lakh on installation of Mini Deep Tube Well (MDTW) due to non-availability of three stage photographs of MDTW and electricity bills in the name of beneficiaries.

(Paragraph 4.6)

Due to non-selection of beneficiaries by the Village Committees, there was an idle expenditure of ₹ 17.91 lakh on construction of market stalls as the same were not allotted till October 2021.

(Paragraph 4.7)

An expenditure of ₹ 22.49 lakh incurred on preparation of three statues along with ornamental decoration of their bases was unfruitful as they were lying in the Council's museum for 48 months till October 2021.

(Paragraph 4.8)

Temporary advances of ₹ 4.47 crore given to different Implementing Officers (IOs) during 2017-18 for execution of different works, were outstanding due to non-submission of adjustment bills by the IOs.

(Paragraph 4.9)

Recommendations

The Council may ensure timely supply of material by suppliers for implementation of projects.

The Council may co-ordinate with the State Government agencies before implementation of projects to avoid delay.

The Council may make proper plan before taking up of any projects to avoid unfruitful and wasteful expenditure.

The Council may take initiatives to obtain adjustment bills from the Implementing Officers immediately after completion of work and a monitoring mechanism may be put in place for tracking the outstanding advances given to the Implementing Officers.

Internal controls be strengthened for proper functioning of the Council.