

Chapter I

Social, General and Economic Sectors(Non-PSUs)

1.1 Trend of Expenditure

The comparative position of expenditure incurred by the Government during the year 2021-22 and in the preceding two years is given in Table 1.1.

Table 1.1: Comparative position of expenditure

(₹ in crore)

Disbursements	2019-20	2020-21	2021-22
General services	3942.72	4144.19	4960.86
Social services	2739.16	2919.06	3880.00
Economic services	3136.87	3048.89	3256.05
Grants-in-aid and contributions	1803.91	1980.52	2129.97
Total	11622.66	12092.66	14226.88
Percentage of increase of Revenue Expenditure from year 2019-20	-	4.04	22.41
Capital Expenditure			
Capital outlay	1660.24	1996.67	2680.93
Loans and advances disbursed	13.42	1.61	3.87
Repayment of public debt	1024.93	751.15	971.26
Total	2698.59	2749.43	3656.06
Grand total	14321.25	14842.09	17882.94
Percentage of increase of total expenditure from year 2019-20	-	3.64	24.87

(Source: Finance Accounts of the State for the respective years)

The total expenditure of the State increased by 24.87 per cent from ₹ 14,321.25 crore in 2019-20 to ₹ 17,882.94 crore in 2021-22. The revenue expenditure of the State increased by 22.41 per cent from ₹ 11,622.66 crore in 2019-20 to ₹ 14,226.88 crore in 2021-22.

The share of revenue expenditure to total expenditure was 81 per cent during 2020-21, which decreased to 80 per cent during 2021-22, with a corresponding increase in the share of capital expenditure to 20 per cent as compared to 19 per cent during 2020-21.

1.2 Authority for Audit

The authority for audit by the Comptroller and Auditor General (CAG) is derived from Articles 149 and 151 of the Constitution of India. The Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 {CAG's (DPC) Act} further reinforces this authority. The CAG conducts audit of expenditure of the departments of Government of Goa under Section 13 of the CAG's (DPC) Act.

The CAG is the sole auditor in respect of 14¹ Autonomous Bodies which are audited under the provisions of Section 19 and 20 of the CAG's (DPC) Act. In addition, the CAG also conducts audit of bodies/authorities which are substantially funded by the Government, under Section 14 of the CAG's (DPC) Act. Principles and methodologies for various audits are prescribed in the Auditing Standards and the Regulations on Audit and Accounts (Amendments), 2020 issued by the CAG.

1.3 Planning and conduct of Audit

There are 65 departments in the State headed by Chief Secretary/Principal Secretaries/Secretaries. They are assisted by Directors/Commissioners and subordinate officers under them. In addition, there are 14 Autonomous Bodies, which are audited by the Principal Accountant General, Goa (PAG).

Audit process starts with the assessment of risks faced by various departments of Government. The risks are assessed on the basis of expenditure incurred, criticality/complexity of activities, levels of delegated financial powers, internal controls, media coverage and concerns of stakeholders. Previous audit findings are also considered in this exercise. Based on this risk assessment, the frequency and extent of audit is decided.

After completion of audit of each unit, Inspection Reports (IRs) containing audit findings are issued to the Heads of the departments. The departments are requested to furnish replies to audit observations within four weeks of receipt of the IRs. Whenever replies are received, audit observations are either settled or further action for compliance is advised. The important audit observations arising out of these IRs are processed for inclusion in the Audit Reports. The Audit Reports are submitted to the Governor of the State under Article 151 of the Constitution of India.

1.4 Lack of responsiveness of Government to Audit

1.4.1 Inspection Reports outstanding

The PAG arranges to conduct periodical inspections of Government departments to test-check their transactions. Maintenance of important accounting and other records as per prescribed rules and procedures are also verified during the audit. These are followed up with IRs, which are issued to the Heads of the offices inspected, with copies to the next higher authorities. Half yearly reports of pending IRs are sent to the

¹ Goa Tillari Irrigation Development Corporation (GTIDC) has been merged with Water Resources Department w.e.f. 01/10/2014. As per revised manual of Financial Management & Procurement for Scheme "Samagra Shiksha Abhiyan", certification audit was discontinued from the financial year 2019-20.

Secretaries of the concerned departments. This facilitates monitoring of the action taken on the audit observations included in these IRs.

As of June 2022, 743 IRs (3,212 paragraphs) were outstanding for want of compliance. Year-wise details of IRs and paragraphs outstanding are detailed in **Appendix 1.1**.

1.4.2 Response of departments to the draft paragraphs

Three draft paragraphs and two long paragraphs were forwarded (January 2023 - May 2023) to the Secretaries of the concerned departments. The Government's replies to these draft paragraphs were required to be received within four weeks. However, replies have not been received in respect of one long paragraph and three draft paragraphs till date (April 2024), despite issue of reminders.

1.4.3 Follow up on Audit Reports

Timeline for follow up of Audit Reports is prescribed in the Internal Working Rules of the Public Accounts Committee of the Goa Legislative Assembly. Accordingly, the Administrative departments were required to furnish Explanatory Memoranda (EM) to the PAG for vetting. The EMs in respect of the paragraphs included in the Audit Reports were to be furnished to the State Legislature within three months from the date of tabling of the Audit Report.

Ten departments as detailed in **Appendix 1.2** had not submitted EMs for 15 paragraphs pertaining to Audit Reports for the years 2016-17 to 2020-21 (April 2024).

Tourism Department

1.5 Implementation of Swadesh Darshan Scheme in Goa

The Swadesh Darshan Scheme (SDS) for integrated development of theme-based tourist circuits in the country was launched in January 2015 by the Ministry of Tourism (MoT), GoI. In Goa, the Scheme was implemented in two phases-Coastal Circuit-I and Coastal Circuit-II. Goa Tourism Development Corporation (GTDC) was the implementing agency.

'Development of Coastal Circuit-I' (Sinquerim-Baga, Anjuna-Vagator, Morjim-Keri, Aguada Fort and Aguada Jail) was selected for this audit. Eight projects were sanctioned under this circuit.

It was observed in audit that the identification of projects and project preparation were not in line with the focus areas given in the Scheme Guidelines.

Deficiencies in planning and execution were observed in all projects. Lack of coordination with the governing local Panchayati Raj

Institutions (PRIs) during project preparation resulted in relocation of the Aguada Helipad site as the local residents opposed construction of the helipad subsequently. The Morjim Khind Project was executed on leased land in contravention of Scheme Guidelines. Buses for the Aguada Fort project, equipment for sound and light show at Aguada Jail project were procured before the project site was ready, leading to idling or diversion of the assets.

There was ineffective Operation and Maintenance (O&M) in three out of eight projects and the assets created were missing or in an abandoned/deteriorating state, though GTDC informed that O&M partner was selected for all the projects. Parking areas developed under the scheme in Anjuna and Morjim were not being used for the intended purpose. Thus, the goal of creation of a better tourist infrastructure remains to be achieved as envisaged under the SDS.

1.5.1 Introduction

The Swadesh Darshan Scheme (SDS)-Integrated Development of Theme Based Tourist Circuits is a 100 *per cent* Central Sector flagship Scheme of the Ministry of Tourism (MoT) launched in January 2015 for the development of tourism infrastructure in the country. MoT identified 15 different circuits² across the country for development. In Goa, the Scheme was divided into two phases, Coastal Circuit-I and Coastal Circuit-II and implemented by the Goa Tourism Development Corporation (GTDC). MoT conveyed (June 2016) administrative and financial sanction (₹ 99.99 crore) for nine³ projects under ‘Development of Coastal Circuit-I (Sinquerim-Baga, Anjuna-Vagator, Morjim-Keri, Aguada Fort and Aguada Jail) and 18 projects (₹ 99.35 crore) under ‘Development of Coastal Circuit-II (Rua De Ourem Creek-Dona Paula-Colva-Benaulim) with total central financial assistance of ₹ 199.34 crore.

1.5.2 Audit Objectives

The Audit was conducted to ascertain whether;

- i) The projects were planned as per the Scheme Guidelines and objectives;
- ii) The identified projects were executed in an efficient and effective manner to achieve integrated development of quality world class infrastructure; and

² Himalayan Circuit, Northeast Circuit, Krishna Circuit, Buddhist Circuit, Coastal Circuit, and 10 others.

³ Nine projects were sanctioned but one project ‘Providing handicap friendly access and illumination across the creek at Junaswada Beach, Mandrem Beach in Pernem’ was later (20/05/2020) dropped by the Ministry due to delay in receipt of NOC from Goa Coastal Zone Management Authority (GCZMA).

- iii) The executed projects had robust operation and maintenance plan and the assets created were utilised properly.

1.5.3 Audit Scope & Methodology

Audit was conducted during October 2021 to May 2022 for the period from 2015-16 to 2021-22. The Coastal Circuit-I (Sinquerim-Baga, Anjuna-Vagator, Morjim-Keri, Aguada Fort and Aguada Jail) with a central financial assistance of ₹ 97.65⁴ crore for eight projects (Appendix 1.3) was selected for the Audit.

Audit findings

1.5.4 Identification and planning of projects

The audit was conducted to check whether the projects were planned as per the Scheme Guidelines and objectives. Audit observed instances of Detailed Project Reports (DPRs) not being compliant with Scheme guidelines, defective planning, execution of projects in private/trust land, non-obtaining of NOC, *etc.* Details are discussed in the following paragraphs.

1.5.4.1 Non-adherence to Scheme Guidelines while identifying projects

As per condition 4.4 of the Scheme Guidelines (January 2015), DPRs of the projects were to be prepared considering the carrying capacity of the destination, showcasing of handicrafts, souvenirs, performing arts of the area, local product development plan, *etc.* A procurement plan for equipment and components which needed to be installed after completion of appropriate civil work *etc.*, was to be prepared. A workshop of various stakeholders was to be held to discuss various aspects like sustainability/environmental impact of the projects and its recommendations were to be included in the DPR. Scheme guidelines also prescribed some focus areas to be considered while preparation of DPR.

GTDC engaged (November 2015) a lead consultant⁵ to prepare the DPR for Coastal Circuit-I and the final DPR was submitted to MoT on 31 March 2016 and MoT accorded approval in June 2016. The DPR included projects that would improve access to beaches, improved infrastructure such as public conveniences, CCTV, drinking water provision, good signages and overall improvement of the sites. Five of the eight projects primarily focused only on amenities like public toilets, parking, Tourist Information Centre (TIC), *etc.*, and did not specifically consider projects providing diverse tourism experiences, conserving and

⁴ Cost of work ₹ 93 crore + other charges (contingencies and architectural fee) ₹ 4.65 crore

⁵ M/s Darashaw & Company

promoting local arts, culture, handicrafts, cuisine, *etc.*, as envisaged. Further, certain key focus areas mentioned in the Scheme Guidelines were not considered in the DPR as detailed in **Table 1.2**.

Table 1.2: Compliance to Scheme Guidelines for project identification in DPR

Sl. No.	Focus area as per Scheme Guidelines	Compliance status as observed by Audit
1	Use of clean renewable energy, eco-friendly material, recycling, reuse	Not considered in any of the eight projects.
2	Showcasing of handicrafts, souvenir, local product development plan, performing art of the area	Applicable in the case of public infrastructure projects and in Development of Aguada Jail project as envisaged in DPRs, but not implemented.
3	Components for maintaining cleanliness at the destination like solid waste management plan	Applicable in the case of all the eight projects, however, audit observed that only STPs were constructed in two projects (Provision of public infrastructure projects and Development of Aguada Jail).
4	Procurement plan for equipment and component which need to be installed after completion of appropriate civil work	As per the DPR, equipment was required for the Aguada Fort and Aguada Jail projects. However, procurement plan was not prepared for these projects.
5	Robust O&M plan for public facilities	Basic principles of O&M such as financing of O&M, training for O&M, <i>etc.</i> , mentioned in the DPR without any plan for the projects.

Thus, various amenities were created in sites along North Goa's coastline, without specifically creating a tourist circuit with well-defined entry and exit points and displaying of information about various locations in the circuit to motivate tourists to visit all the places on the circuit as envisaged in the scheme guidelines.

Also, other stakeholders such as local bodies or departments were not consulted on issues like sustainability/environmental impact before the preparation of DPRs as was envisaged. This resulted in delayed clearances and opposition from locals as discussed in succeeding paragraphs.

1.5.4.2 Planning for execution of projects

As per the condition (Sl.No.3) in the MoT's sanction order dated 01 June 2016, 'the Government of Goa shall make land available free of cost for the project- Development of Coastal Circuit-I (Sinquerim-Baga, Anjuna-Vagator, Morjim-Keri, Aguada Fort and Aguada Jail) and no portion of the sanctioned project should be executed/implemented on land/property owned by a private individual or trust'.

Availability of land not ensured as per the Sanction order

- An old helipad at Aguada Fort was proposed (31 March 2016) for upgradation and improvement⁶ at a cost of ₹ 3.44 crore in the DPR. However, due to opposition from locals, the helipad site was shifted (16 April 2019) to a land parcel at Old Goa available with GTDC.
- The development under Morjim Khind project included creation of parking facilities, yogshala and meditation center and cafeteria, etc. This project was developed on a land taken on lease (09 July 2019) from a temple trust in contravention of the conditions specified in the Sanction order.

1.5.5 Execution of projects

The objective of the audit regarding execution of projects was to see if the identified projects were executed in an efficient and effective manner to achieve integrated development of quality world class infrastructure. The Ministry of Tourism vide Sanction order dated 01 June 2016 had instructed that the State Government/GTDC shall follow PWD Schedule of Rates and also follow all codal formalities while executing the projects. Also, the State Government should take all necessary clearances required as per prevailing rules and regulations including those relating to environment, forest and pollution control before undertaking the projects.

Audit noticed various inefficiencies and shortcomings in the execution of projects as discussed in succeeding paragraphs.

1.5.5.1 Unfruitful expenditure of ₹ 3.94 crore due to shifting and non-utilisation of sound and light show equipment

As per Section 15.1 of CPWD Works Manual 2014, before approval of Notice Inviting Tender, availability of clear site is desirable. Also, as per the Scheme Guidelines (January 2015), DPR should be prepared as per the tool kit of MoT and necessary procurement plan had to be prepared for equipment, etc., which needed to be installed after completion of the civil work.

Audit observed that the sanction⁷ (June 2016) for the project for Development of Aguada Jail as a Tourist Destination consisted of two main components: Civil construction works and equipment for the sound and light show.

GTDC floated tender (04 October 2016) for the procurement of sound and light show equipment and awarded the work in June 2017. The

⁶ The project components included resurfacing, fencing, public amenities, café shops, reception, parking.

⁷ Sanction conveyed by the Ministry of Tourism, Government of India, with reference to the proposal (March 2016) of GTDC.

equipment were supplied on 29 July 2018, however, tender for the civil works under this project was awarded subsequently, on 08 March 2019, with the civil works having been completed in March 2021.

As the Aguada Jail site was not ready when the sound and light show equipment were received, GTDC agreed and approved (21 September 2018) to shift the equipment from Aguada Jail to Baga Beach to utilise the equipment, till the Aguada project is completed. These equipment costing ₹ 3.94 crore were transferred to a private agency⁸ without a formal agreement. However, the equipment were not shifted back from Baga to Aguada Jail and instead, it was proposed in the GTDC Board meeting of October 2020 that a new sound and light show equipment be installed at Aguada Jail while retaining the shifted sound and light show equipment at Baga. Accordingly, GTDC floated a fresh tender and similar sound and light show equipment amounting to ₹ 3.25 crore were purchased (February 2021) from the same agency for Aguada Jail, even before the civil works were completed (March 2021).

Regarding tendering in October 2016 before the site was ready, GTDC replied (29 December 2021) that, to achieve the targets, preparation of detailed estimates, technical sanctions, tendering process, *etc.*, were carried out simultaneously for both the works (the construction works and procurement of the equipment for the sound and light show). While the tender of sound and light show was concluded, the civil works at Aguada Jail could not be finalised in time due to non-receipt of NOCs and ban on issue of work orders (25 July 2018) by the State Finance Department.

The reply of GTDC was not acceptable as NOCs for the availability of site were not ensured by GTDC before initiating the tender and awarding the work. Further, the work order for the sound and light show could have been issued just prior to the completion of civil works at the Aguada Jail site. This apart, the details of the ban on the issue of work orders by the Finance Department were not furnished to Audit.

GTDC also replied that the equipment was shifted to Baga parking site in order to protect the same from rusting, damage and pilferage, and that though the work of sound and light show was completed and tested at Baga, it could not be put to use as there were no tourist footfalls due to Covid-19 pandemic.

The reply *ibid* was also not acceptable, as GTDC had decided in September 2018 to shift the equipment from Aguada⁹ to Baga beach while the Covid-19 pandemic commenced much later. Further, during

⁸ GTDC leased Baga parking to an agency Short Fuse Studio (OPC) for parking and 3D show.

⁹ As per DPR, equipment were to be installed at Aguada.

site inspection of Baga parking site (23 February 2024), it was seen that the show had not yet commenced at Baga, though the equipment was installed. This indicated that despite shifting the equipment to Baga, efforts were not made to put them to use even as of February 2024, nearly two years after the pandemic. Pictures from the joint site inspection at Baga parking (23 February 2024) are depicted below.



Thus, procuring sound and light show equipment for Aguada Jail before the completion of civil works resulted in unfruitful expenditure of ₹ 3.94 crore on their procurement and shifting, without ensuring their utilisation, besides bringing about lapse of their warranty, due to their not being put to use.

1.5.5.2 Non-adherence to approved DPR in the work of “Provision of public infrastructure”

As per paragraph 4.6 of the Scheme Guidelines (January 2015), if there was any escalation/variation from the approved DPR, State Government must inform MoT and seek its approval before commencing work on the component.

The work of construction of 10 public toilet blocks¹⁰ at 10 locations¹¹ in North Goa was one of the sub-components of the work of “Provision of Public Infrastructure”. The work¹² was awarded for ₹ 14.58 crore on 09 December 2016 with stipulation to complete the work in 300 days (excluding monsoon period) from the date of issue of work order.

During audit, it was noticed that though the work order was issued for 10 permanent toilet blocks for ₹ 14.58 crore, toilet blocks were

¹⁰ Toilet block at one location includes lady’s toilet, gents’ toilet and Divyang toilet, urinals, shower rooms, changing rooms, locker rooms and drinking water facilities, etc.

¹¹ Morjim, Vagator, Baga parking, Baga Titos, Anjuna, Calangute, Junashwada, Mandrem, Arambol and Keri

¹² Technical sanction of ₹ 14.87 crore (16/09/2016) and the Estimated cost of ₹ 13.91 crore

constructed only at five¹³ locations, which included two new locations (Ashwem and Candolim), in deviation from the planned locations. These five toilets blocks were constructed at a cost of ₹ 14.21 crore with an approximate cost of ₹ 2.85 crore for each toilet block against the estimated cost of ₹ 1.39 crore per toilet block. This was in contravention of the DPR and the cost of each toilet block constructed was double the estimated amount. Also, no approval was sought by GTDC from MoT, regarding the cost escalation and deviation from DPR, though required as per the Scheme Guidelines.

Some images of permanent toilets blocks have been depicted below.

	
<p><i>Toilet blocks at Candolim (outside)</i> (02 Aug 2024)</p>	<p><i>Toilet blocks at Candolim (inside)</i> (02 Aug 2024)</p>
	
<p><i>Toilet blocks at Anjuna (outside)</i> (02 Aug 2024)</p>	<p><i>Toilet blocks at Anjuna (inside)</i> (02 Aug 2024)</p>

On the above being pointed out, GTDC stated (14 March 2022) that to create the said infrastructure to world class permanent toilet blocks and for durability, new items were introduced. Similarly, additional items like STP, Locker rooms, Water ATM, etc., were provided with the approval (21 September 2018) of the GTDC's Board. Further, as the toilet blocks are located on sandy strata, it required a raft foundation, all of which led to a rise in the cost of toilet block units. Further, GTDC stated that total 10 toilet bocks (each toilet complex has two blocks *i.e.*, a male and a female blocks) at five locations have been constructed.

¹³ Baga parking, Baga Titos, Anjuna, Ashwem, Candolim

The reply was not convincing as 10 toilet blocks at 10 different locations had to be constructed, while these toilets blocks were constructed at only five sites at a cost of ₹ 14.21 crore, against the work order cost of ₹ 14.58 crore meant for the construction of 10 toilet blocks. Further, escalation of the cost for each toilet block from ₹ 1.39 crore to ₹ 2.85 crore, which included cost of raft foundation due to sandy strata, also indicated that DPR was prepared without due diligence.

1.5.5.3 Assets not used for intended purposes

As per the DPR, four buses were to be used for circuiting around Fort Aguada, Aguada Jail and the TIC and would provide tourists with a complete experience of heritage, history and architecture. An amount of ₹ one crore was earmarked for the purchase of these buses. The Ministry advised (18 March 2016) to reduce the number of buses to two from four and in its place to increase the number of public conveniences. However, GTDC purchased four buses costing ₹ 96.56 lakh (excluding insurance and registration charges) in October 2016 and December 2016 even though Aguada Jail site where the buses were to be used was not ready until March 2021.

Scrutiny of the logbooks of the four buses revealed that all the buses were used for plying staff and for private bookings which was against the objective of the purchase. The revenue generated by these buses in five years (December 2016 to December 2021) period was ₹ 11.72 lakh while the expenditure on their maintenance was ₹ 7.88 lakh. Thus, the expenditure of ₹ 96.56 lakh incurred on the purchase of buses in advance proved injudicious as the intended objective was not achieved and the revenue earned through their use on other than the intended purpose was negligible.

GTDC replied (31 March 2022) that as the project of Aguada Jail got delayed due to non-receipt of necessary clearances, it was decided to put the buses to alternate uses to avoid structural damage and deterioration and for revenue generation as well.

The reply was not tenable as the Department, contrary to the advice of the MoT, procured four buses. Further, there was a failure to conduct a comprehensive evaluation of tourist footfall and the anticipated completion date of the Aguada Fort's renovation work, which resulted in the buses being procured much ahead of the requirement.

1.5.5.4 Wasteful expenditure of ₹ 1.65 crore on construction of Tourist Information Centre and public amenities at Terekhol

This project was one of the sub-components of the work “Provision of public infrastructure” sanctioned (June 2016) under SDS (Coastal Circuit-I). The work of Construction of TIC including souvenir shops

and toilet blocks at five locations¹⁴, installation of solar panels and providing signages at various places in North Goa was awarded for an amount of ₹ 7.45 crore in December 2016.

The main aim of constructing TIC was to facilitate tourists to get information about their travel requirements in and around Goa. The DPR *inter-alia* mentioned that the sites were selected based on the tourist footfall as well as probability of tourists visiting and availing the service provided at the TIC.

Audit observed that out of five approved locations in the DPR, two TICs planned at Anjuna and Ashwem, were constructed at different locations, at Terekhol Fort and Candolim. The Terekhol Fort, located at the northern tip of Goa where prefabricated toilet blocks and TIC were installed and leased¹⁵ (18 November 2014) to M/s Sanya Resorts & Hospitality Pvt. Ltd. (the licensee) for a period of 33 years and was being used as a hotel.

As per the lease agreement¹⁶, the licensee was responsible for operation and maintenance of the Terekhol Fort and has to provide¹⁷ good hygienic toilet facilities in the premises for use of tourists and locals who visit the fort. GTDC was responsible¹⁸ for providing non-monetary assistance and help with obtaining statutory permissions from Government authorities. However, GTDC incurred an expenditure of ₹ 1.65 crore¹⁹ on this location under SDS for installation of prefabricated toilet blocks and TIC which was actually the responsibility of the licensee M/s Sanya Resorts & Hospitality Pvt. Ltd., as per their lease agreement (18 November 2014).

As additional infrastructure at the fort was to be provided by the licensee, the expenditure incurred towards creation of public amenities at the fort site by the GTDC was, thus, avoidable.

Further, audit observed that the TIC was constructed behind the fort and was not visible while entering the fort/hotel premises. No signages either for the TIC or public amenities were in place, to indicate the presence of the facility there. Further, the facility remained closed and was not in use

¹⁴ Calangute, Anjuna, Baga, Morjim and Ashwem

¹⁵ Lease was only in Terekhol fort, while other locations were maintained by GTDC.

¹⁶ (Clause 72. a)

¹⁷ (Clause 73.a.iv)

¹⁸ (Clause 24 and 74.c)

¹⁹ Three Prefabricated TIC @ ₹ 25,96,000= ₹ 77,88,000, Six Split Air conditioner @ ₹ 75,465= ₹ 4,52,790, 36 W, Hanging LED lights 30 Nos. @ ₹ 36,570= ₹ 10,97,100, Solar panel two Nos. @ ₹ 13,32,850= ₹ 26,65,700, One Ladies toilet (mobile) = ₹ 21,18,500, One Gents Toilet (mobile) = ₹ 21,18,500 and one Divyangjan toilets (mobile)= ₹ 2,60,000 Totaling to ₹ 1,65,00,590.

since inception, rendering the expenditure of ₹ 1.65 crore incurred on installation of toilet blocks and TIC, infructuous also.

Images of TIC and toilet blocks are given below.



GTDC stated (30 March 2022) that a wellness center and golf course were proposed in the area which would attract a large number of high-end foreign tourists.

The reply was not tenable, as the wellness center and golf course are still in the planning stage (31 March 2022). The fact that the toilet blocks and TIC were not put to use/non-operational (27 February 2024) since their creation/inception, indicated that the expenditure incurred did not serve the intended purpose.

Thus, on several counts, identification of projects and project preparation were not in line with the focus areas outlined in the Scheme Guidelines and deficiencies in planning were observed in several projects. Lack of coordination with the local bodies during project preparation resulted in the relocation of the Aguada Helipad site due to local opposition. The Morjim Khind Project was executed on leased land in contravention to the conditions specified in the Sanction order. Deficient project planning and inability of GTDC in ensuring availability of hindrance free land/NOCs resulted in considerable delays in the execution of projects. Absence of a well-structured procurement plan led to equipment and infrastructure remaining either idle or underutilised. Moreover, deviations from the original plan resulted in escalation of project costs for the toilet blocks.

Recommendation 1: The Department may ensure that works are taken up only after adequate planning, including feasibility studies where necessary, to prevent execution delays. Proper co-ordination may be ensured at the planning stage itself, where other departments/agencies are involved.

Recommendation 2: The Department may fix responsibility and take suitable action against the official(s) concerned for inadequate planning that led to the buses being procured much ahead of the requirement and not being used for their intended purpose.

Recommendation 3: The Department may also ensure that all works are carried out as per the sanction and deviation(s) are not resorted to without soliciting prior approval from the competent authority.

1.5.6 Operation and Maintenance of projects created under the Scheme

Operation and Maintenance (O&M) activities are crucial for proper upkeep and optimum functioning of the assets and to derive intended benefits for a desired period. The audit sought to see whether the executed projects had robust O&M plans and the assets created were utilised properly. It was observed during site visits that there were ineffective plans found in place in a few projects and most of the assets created under the Scheme were lying in an abandoned/deteriorating state, as discussed below.

1.5.6.1 Poor Operation and Maintenance

As per the Scheme Guidelines (January 2015) Paragraph 4.1, the public facilities created under the project shall have a robust O&M plan on pre-agreed service standards. However, there was ineffective O&M in three out of eight projects as described in **Table 1.3**.

Table 1.3: Status of O&M plan

Sl. No.	Name of the Project Component	Project Cost (₹ in crore)	Audit findings during joint site visit	GTDC Reply
1	Development of Morjim Khind	5.89	13 Dec 2021 Site including food court non-operational, sculpture damaged, water fountain partially functional, unusable boating facility.	O&M activity was hindered due to the Covid-19 pandemic and the cyclone that hit Goa in May 2021. Premises handed over to O&M partner on 09 Dec 2020.
2	Development of Anjuna Beach	16.40	29 Nov 2021 and 05 Jan 2022 Parking lying abandoned, light fixtures broken, assets missing, CCTV not functional.	The infrastructure could not be maintained due to Covid-19 pandemic and because of cyclone that hit Goa and that O&M agreement has been executed on 03 Jan 2022.

Sl. No.	Name of the Project Component	Project Cost (₹ in crore)	Audit findings during joint site visit	GTDC Reply
3	Provision of Public Infrastructure²⁰			
A	Mobile toilet	0.45	20 Dec 2021 Completely damaged at Keri beach.	Damage due to cyclone, tender called for repair and put to use again.
B	CCTV, Water ATM, Lockers, STP	1.71	29 Nov 2021 and 22 Dec 2021 Non-operational at all five ²¹ locations.	Due to Covid-19 pandemic all the facilities were shut including Water ATM, CCTV, Locker and STP.
C	Souvenir Shop, Coffee shop, RO plant		Not available in any TIC	

Replies of GTDC in this regard, were not acceptable in view of the following:

1. The Morjim Khind site was handed over to O&M partner (09 December 2020), but the site was found closed during joint site visit on (13 December 2021) and the assets were found to be damaged and in an unusable condition. Further, during joint site inspection on 27 February 2024 it was seen that food court was being renovated and five wooden cottages, not being part of the original plan, were being constructed next to the food court, on the parking area which was repurposed to accommodate the cottages.
2. Two joint site visits at Anjuna Parking were conducted by audit on 29 November 2021 and 26 May 2022 respectively to verify the actual number of steel benches and dustbins physically²² available at the site. These visits revealed that out of the assets installed, 127 steel benches and 62 dustbins were neither available on site nor found in the vicinity. Despite O&M agreement, the site was non-functional. During the site visit further on 23 February 2024, it was observed that the parking area has been converted into a go-cart racing track, gaming zone, etc.
3. Mobile toilets at Keri beach were completely damaged. While the cyclone damage occurred in May 2021, no repairs were done as seen during the site visit in December 2021. Further, during the site visit on 27 February 2024, it was observed that the damaged structure had








²⁰ Toilets, TICs, Signages, CCTV, Water ATM, Locker, STP




²¹ Baga Titos, Baga parking, Candolim, Anjuna, Water ATM not planned in Ashwem

²² As per Measurement Book, large number of steel benches (150) and dustbins (80) were installed. But 127 steel benches and 62 dustbins were found missing during both site inspections.

been removed from the site and there was no toilet facility available in the area.

4. During the site visit on 23 February 2024, it was observed that STPs were functional at Baga and Anjuna parking sites and CCTVs were partially functional at Candolim, Baga Titos and Anjuna, while other items remained non-functional at all the locations. Some images from the joint site visits of Morjim Khind, Anjuna parking, Keri beach, Baga and Candolim beach projects are given below.

		
<i>Damaged sculpture at Morjim Khind (27 Feb 2024)</i>	<i>Broken boating ramp at Morjim Khind (27 Feb 2024)</i>	<i>Cottages constructed on parking area at Morjim Khind (27 Feb 2024)</i>
		
<i>Abandoned Anjuna parking (29 Nov 2021)</i>	<i>Go-cart track installed at Anjuna parking (23 Feb 2024)</i>	<i>Damaged toilet block at Keri beach (20 Dec 2021)</i>
		
<i>Toilet block removed from Keri beach (27 Feb 2024)</i>	<i>Non-functional Water ATM Candolim beach (23 Feb 2024)</i>	<i>Non-functional CCTV, Baga beach (23 Feb 2024)</i>

		
<p><i>Open and hazardous electrical panel, Candolim STP (23 Feb 2024)</i></p>	<p><i>Non-functional STP, Candolim beach (23 Feb 2024)</i></p>	<p><i>Non-functional Lockers, Baga Titos (27 Feb 2024)</i></p>

Thus, there was ineffective/poor maintenance of assets which resulted in their disuse rendering the assets infructuous. This defeated the intended purpose of creation of world-class infrastructure and increasing tourist potential under SDS.

1.5.6.2 Non-operational Tourist Information Centres and damaged signages

As discussed in Paragraph 1.5.5.4, work of Construction of Tourist Information Centre (TIC) including souvenir shop, toilet block at five²³ locations including installation of solar panels and providing and fixing signages at various places in North Goa was awarded (15 December 2016) to M/s Ashoka Developers for an amount of ₹ 7.45 crore. During the joint site visit²⁴, missing/deteriorating/non-working assets were seen as discussed below.

Tourist Information Centre (TIC)

- Only Tourist help desk was functional at four TICs, whereas, other services like souvenir shop and cafeteria were not available. TIC at Terekhol fort was non-functional (Paragraph 1.5.5.4) and was being used for other than the intended purpose (storage).
- No toilet facility was available at Calangute TIC while TICs at Candolim and Calangute were occupied by the tourist police.
- RO plant equipment were found missing from Calangute and Baga parking TICs.



²³ Candolim, Terekhol, Calangute, Morjim and Baga parking

²⁴ On 20 December 2021, 23 February 2024 and 27 February 2024

		
<i>Deserted Terekhol TIC (27 Feb 2024)</i>	<i>TIC used for personal/storage purpose (27 Feb 2024)</i>	<i>Only help desk functional, Candolim TIC (23 Feb 2024)</i>
		
<i>Missing RO equipment Baga parking (23 Feb 2024)</i>	<i>Missing RO equipment Calangute (20 Dec 2021)</i>	<i>Incomplete Toilet block at Calangute TIC (23 Feb 2024)</i>

Signages

- One of the signages on the way to Terekhol fort was found uprooted and kept aside. Location signages were installed at all the 12 GTDC residencies (hotels). However, these properties already had visible signage and installation of duplicate signages nearby was thus, avoidable.

	
<i>Uprooted Signages (27 Feb 2024)</i>	<i>Duplicity of signages in same location (05 January 2022)</i>

On being pointed out, the GTDC stated (30 March 2022) that O&M for the TICs was awarded on 19 May 2021 but their operation was hit due to cyclone, and was not operational at the time of audit visit but the same was fully operational now. GTDC further stated that the RO plants being not in use, their structure and equipment were partially damaged and needed repairs. Given the personnel shortage, there was irregular maintenance which led to vandalism at the site and also resulted in the site appearing abandoned.

Reply of GTDC regarding TICs being non-operational due to cyclone (May 2021) was not acceptable, as TICs at Candolim, Calangute, Baga and Morjim were partially operational with only tourist help desk. The Terekhol TIC was still in an abandoned state as was observed during the site visit by audit (27 February 2024).

Thus, poor maintenance of assets resulted in their disuse, rendering the creation of assets unfruitful. The TICs were either non-operational/partially operational and the signages were found damaged for want of regular maintenance. Hence, the intended purpose of creation of a better tourist infrastructure remains to be achieved as envisaged under the SDS.

Recommendation 4: The Department may ensure that O&M of assets is effective to prevent assets from being under/non-utilised.

Department of Rural Development

1.6 Implementation of National Social Assistance Programme in Goa

The National Social Assistance Programme (NSAP), a 100 per cent centrally assisted Scheme was launched in 1995 to provide a basic level of financial support to needy persons who have little or no regular means of subsistence, people living below poverty line (BPL) and vulnerable groups in the society. Audit of implementation of this Scheme in Goa by the Department of Rural Development through District Rural Development Agency (DRDA) for the period from 2017-18 to 2021-22 revealed that due to non-utilisation of available funds as at the end of March 2016 by the State, non-submission of reconciled Utilisation Certificates, further proposals, etc., funds were not sanctioned by the Centre from 2016-17 till 2021-22. As a result, the State lost out on central assistance that could have augmented its resources for social welfare. Out of a total of 13,627 beneficiaries identified during 2017-2022, only 9,051 beneficiaries were paid pension, for a period of two months only in 2020-21.

It was further observed that there was no system for verification of status of existing beneficiaries, which led to instances of deprivation of

enhanced entitlements to eligible beneficiaries under the Scheme. A State social assistance Scheme for similar target groups, called the Dayanand Social Security Scheme (DSSS) was implemented by the Directorate of Social Welfare (DSW) since January 2002 in the State.

1.6.1 Introduction

The National Social Assistance Programme (NSAP) Scheme²⁵ came into effect in 1995 as a 100 *per cent* centrally assisted Scheme extended to the states and administered by the Ministry of Rural Development (MoRD). It aims to provide a basic level of financial support to needy persons who have little or no regular means of subsistence, people living below poverty line (BPL) and vulnerable groups in the society. Implementation of four²⁶ out of five NSAP Sub-schemes, *viz.*, Indira Gandhi National Old Age Pension Scheme (IGNOAPS), Indira Gandhi National Widow Pension Scheme (IGNWPS), Indira Gandhi National Disability Pension Scheme (IGNDPS) and National Family Benefit Scheme (NFBS), was examined by Audit in the State. The eligibility criteria and assistance provided under these schemes are detailed in **Table 1.4**.

Table 1.4: NSAP Sub-schemes, eligibility criteria and Central Assistance

Sub-schemes	Eligibility criteria	Central assistance
IGNOAPS	A person belonging to BPL category who has attained age of 60 years	₹ 200 per month (60-79 years) ₹ 500 per month (80 years and above)
IGNWPS	A widow belonging to BPL category who has attained age of 40 years	₹ 300 per month (40-79 years) ₹ 500 per month (80 years and above)
IGNDPS	A disabled person with disability level of 80 <i>per cent</i> and above belonging to BPL category and above the age of 18 years	₹ 300 per month (18-79 years) ₹ 500 per month (80 years and above)
NFBS	In case of the death of the primary breadwinner between 18-59 years of age in a family belonging to BPL category	₹ 20,000 as a one-time assistance

(Source: NSAP guidelines, 2014)

The Department of Rural Development implements the Scheme through the District Rural Development Agency (DRDA) through DBT²⁷ mode.

²⁵ At present NSAP includes five Sub-schemes, of which, three are pension schemes:- (i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS), (ii) Indira Gandhi National Widow Pension Scheme (IGNWPS), and (iii) Indira Gandhi National Disability Pension Scheme (IGNDPS).

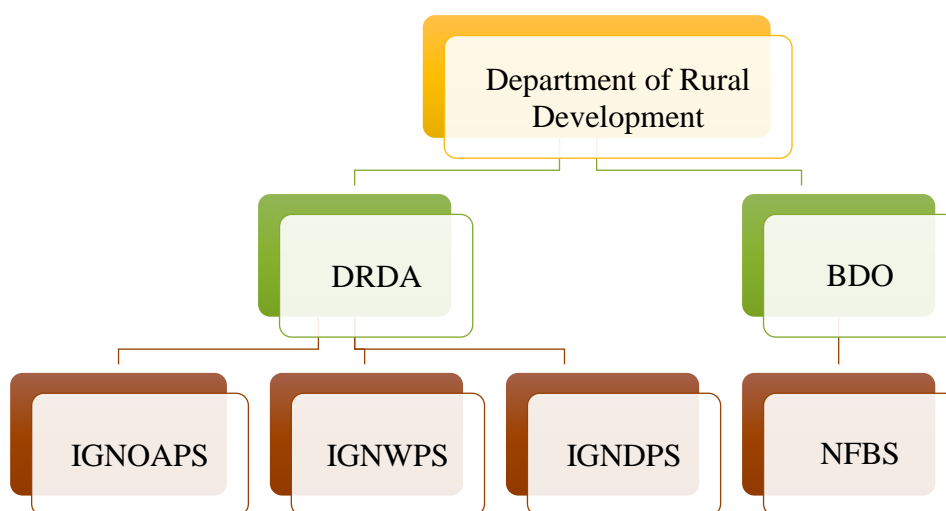
The other two Sub-schemes are not pension schemes, *viz.* (iv) National Family Benefit Scheme (NFBS) - a one-time assistance to the bereaved family in the event of death of the breadwinner, and (v) Annapurna scheme - food security to the eligible old age persons who have remained uncovered under IGNOAPS.

²⁶ Excluding Annapurna Scheme related to food security where 10 kg of grain is given per month to eligible old aged persons who remained uncovered under the IGNOAPS.

²⁷ Direct Benefit Transfer

In case of NFBS Sub-scheme, the Block Development Offices (BDOs) were implementing the Scheme, as shown in **Chart 1.1**.

Chart 1.1: Implementing Agencies of the NSAP Sub-schemes



The audit of NSAP Scheme was carried out to assess the efficiency and effectiveness of its implementation in the State. Audit covered the period from 2017-18 to 2021-22 and scrutinised records maintained at DRDA and BDOs. Audit selected eight²⁸ Village Panchayats (VPs) out of the total four selected Blocks/Talukas from the two²⁹ districts based on random sampling, wherein 230³⁰ beneficiaries were sampled for survey.

Audit findings

1.6.2 Non-adherence of Scheme guidelines leading to non-receipt of central funds

As per Paragraph 4.2.1 of NSAP Guidelines, 2014, the funds for NSAP schemes are released to the State in two instalments, of which the second instalment is released upon submission of specified documents such as Utilisation Certificates (UCs), non-diversion certificate, *etc.*

As per Paragraph 4.3 of NSAP Guidelines, 2014 the first instalment for the next year is released automatically to all the states who have availed the second instalment in the previous year. However, states that did not receive the second instalment in the previous year had to submit proposals for the first instalment for the next year along with the documents that were to be submitted for the release of second instalment of the previous year. Further, the Guidelines (Paragraph 5.2.2) also stipulate that the State should maintain a database of eligible

²⁸ Sangolda, Ucassim Palem, Morjim, Tuem, Cortalim, Majorda, Chandor Cavorem, Davorlim

²⁹ Goa has two districts North Goa & South Goa

³⁰ 200 samples for three Pension schemes and 30 samples for NFB (Death benefit) Scheme

beneficiaries and upload it in the public domain. Audit observed the following:

- **Non-submission of timely reconciled UCs:** The responsibility of identifying beneficiaries and managing the funds including implementation of the Scheme was assigned to the DRDA. However, the funds were transferred by DRDA to the Directorate of Social Welfare (DSW) for disbursement of benefits to NSAP beneficiaries, as the DSW implemented a State social security Scheme DSSS for same/similar target³¹ groups. In July 2014, MoRD halted the release of funds to the State under NSAP from 2013-14 onwards, citing unspent balances and pending submission of UCs. The last transfer (₹ 40 lakh) to DSW was made during 2016-17 from the unspent balance³² available with the DRDA (31 March 2016). It was only in July 2020 that the DRDA submitted consolidated UCs for the period from 2015-16 to 2019-20. Further, these UCs were not reconciled with the audited report of NSAP.

Thus, due to non-utilisation of funds and non-submission of timely reconciled UCs, financial assistance under NSAP could not be availed by the State from Government of India from 2013-14 onwards.

- **Non-submission of claims/proposal:** Audit observed that MoRD had informed (December 2017) the Government of Goa that the State did not submit any proposal/claim for release of funds under NSAP since 2012-13 and requested them to submit proposal/claim in the prescribed format. Subsequently, the DRDA sought funds amounting to ₹ 12.60 crore (₹ 6.30 crore annually) in April 2018 from MoRD, citing a beneficiary count of 21,500 (for 2016-17 and 2017-18). However, the DRDA did not have a database of eligible beneficiaries, as it did not take up the exercise for identification of beneficiaries for coverage under the Scheme until 2020-21. Further, the proposal/claim was not submitted along with requisite documents³³ and unspent funds of ₹ 1.41 crore (as on 31 March 2018) lying with the DRDA were not considered for calculating the demand. On account of the flawed proposal, MoRD did not release the funds requested by the State. However, yet again, the Department neither submitted the corrected proposal nor did it pursue the matter with the MoRD for release of funds under the Scheme.

³¹ Senior citizens, disabled persons with more than 80 *per cent* disability and widows were benefitted under the DSSS.

³² ₹ 2.28 crore (DRDA utilised the unspent grants to pay beneficiaries of NFBS and two instalments (December 2020 and January 2021) under IGNOAPS, IGNWPS, and IGNDPS, leaving a balance of ₹ 24.22 lakh as on 31/03/2022.

³³ Application in the prescribed format (Annexure VI), UCs for previous financial year and current year (Annexure VII), Audit Report of the previous financial year, *etc.*

Thus, due to non-submission of proposal/claim to the MoRD in the prescribed format along with requisite documents and non-updation of database of beneficiaries, assistance under NSAP could not be availed by the State from 2013-14 onwards from the GoI.

The Government accepted the audit observation (March 2024) and stated that the UCs and the proposal have been prepared and will shortly be submitted to MoRD for the uninterrupted flow of funds from MoRD.

1.6.3 Poor implementation of the Scheme

NSAP guidelines, 2014 prescribed regular monthly disbursement of pensions and benefits preferably at the door-step of beneficiaries. However, audit observed that out of the four Sub-schemes under NSAP, while the Sub-scheme NFBS was implemented throughout, the remaining three were implemented only in 02 out of 60 months of the audit period (2017-22). The details of beneficiary coverage and expenditure under NSAP in the State during 2017-22 are given in Table 1.5.

Table 1.5: Beneficiary coverage and expenditure for NSAP schemes during 2017-22

NSAP Sub-schemes	Beneficiaries and Expenditure	Number of beneficiaries and expenditure				
		2017-18	2018-19	2019-20	2020-21	2021-22
IGNOAPS	Beneficiaries	0	0	0	4804	0
	Expenditure (₹ in lakh)	0	0	0	22.37	0
IGNWPS	Beneficiaries	0	0	0	3917	0
	Expenditure (₹ in lakh)	0	0	0	23.51	0
IGNDPS	Beneficiaries	0	0	0	330	0
	Expenditure (₹ in lakh)	0	0	0	1.97	0
NFBS	Beneficiaries	213	157	70	250	29
	Expenditure (₹ in lakh)	36.65	29.20	13.40	40.35	5.80
Total	Beneficiaries	213	157	70	9301	29
	Expenditure (₹ in lakh)	36.65	29.20	13.40	88.20	5.80

(Source: Data provided by DRDA)

As per the **Table 1.5**, 9,051³⁴ beneficiaries (₹ 47.85 lakh) were paid pension for two months (December 2020 and January 2021) under IGNOAPS, IGNWPS and IGNDPS in June 2021 by the DRDA. A total of 719 beneficiaries (₹ 125.40 lakh) were benefitted under the NFBS during 2017-22.

Audit observed that instead of transferring the funds to the DSW for disbursement of pension benefits, two instalments were released to the beneficiaries directly by the DRDA during 2020-21. However, DRDA did not further disburse the pension to the eligible beneficiaries despite the availability of unutilised funds of ₹ 24.22 lakh (31 March 2022).

Director, DRDA cited (January 2023) non-receipt of funds from GoI as reason for not disbursing the monthly payments to the eligible beneficiaries under the Scheme.

The matter was referred to the Government in May 2023 and the Government replied (March 2024) that beneficiaries entitled under the NSAP Scheme are paid on a monthly basis by the DSW. Further, it was also stated that due to delay in receipt of funds from MoRD, the same could not be transferred to DSW.

The reply from the Government is not acceptable as the amount disbursed by the DSW on a monthly basis pertains to the DSS Scheme and not NSAP Scheme, which is evident from the fact that the DRDA had not transferred funds to DSW from 2016-17 onwards and the disbursement to NSAP beneficiaries was made by the DRDA itself directly during 2020-21. The non-release of funds by MoRD is attributable to DRDA's non-compliance to Scheme guidelines, such as non-utilisation of funds, non-submission of reconciled UCs and NSAP proposal to GoI.

Recommendation 5: The Department may take necessary action to ensure utilisation of unspent balances and submission of reconciled UCs and audit reports to MoRD for immediate resumption of NSAP implementation in the State.

1.6.4 Non-conduct of survey to update beneficiary data

Paragraph 3.12 of NSAP Guidelines 2014 mandates the annual verification of beneficiaries to update the existing list of eligible beneficiaries, for which states may form special verification teams. As per Paragraph 2.3, the pension claim should increase to ₹ 500 per month once the beneficiary attains the age of 80 years.

Audit observed that DRDA did not constitute special verification teams for annual verification of beneficiaries during 2017-22. Further, there

³⁴ IGNOAPS: 4,804 + IGNWPS: 3,917+ IGNDPS: 330 = 9,051

was no mechanism in place for verifying the status of existing beneficiaries or for exclusion of ineligible beneficiaries. On scrutiny of payment database, audit further observed that out of the 3,917 IGNWPS beneficiaries, 112 who had attained the age of 80 during 2017-22 were not paid the enhanced pension³⁵ as per the guidelines.

Thus, due to non-constitution of verification teams and in the absence of any other monitoring mechanism by the Department either at the Local body level or DRDA level, there was no system to monitor eligibility of beneficiaries under the Scheme. This resulted in failure in extending the enhanced entitlements to beneficiaries above the age of 80 years available under the Scheme.

The matter was referred to the Government in May 2023 and the Government accepted the audit observation and stated (March 2024) that verification teams will be formed. The Government also stated that no beneficiary was deprived of benefits due to their inclusion under the State run DSS Scheme as the payments for both schemes are being made by the Department of Social Welfare, to whom the amount for NSAP is transferred by the DRDA.

However, it is seen that 112 beneficiaries indeed received a lesser amount than their eligibility and without adequate verification processes in place, the contention that no beneficiary was deprived of benefits due to inclusion in the DSSS is not tenable. Further, the DRDA's claim that funds under NSAP are being transferred to DSW periodically is incorrect as no funds were transferred to DSW during the audit period and payments to NSAP beneficiaries were made by the DRDA directly to their bank accounts for a period of two months (December 2020 and January 2021) in June 2021.

Recommendation 6: DRDA may put in place mechanisms for proactive identification of eligible beneficiaries and annual verification of existing beneficiaries.

Public Works Department

1.7 Misappropriation of Government money

Failure of the Head of the Office to exercise mandatory checks of Cash book transactions weakened the internal control system and resulted in non-detection of misappropriation of ₹ 15,86,344 done by the cashier in Public Works Division VI, Margao.

The Government of Goa (Receipts and Payments) Rules, 1997 stipulates that all monetary transactions should be entered in the Cash book as soon

³⁵ Amounting to ₹ 44,800 (112 x 2 months x ₹ 200)

as they occur and should be attested by the Head of Office (HoO) as token of check (Rule 13) and money deposited into the accredited bank for crediting in the Government account without undue delay (Rule 5). The Cash book should be closed regularly and checked by the HoO every month. All the remittance of receipts to the bank should also be attested by the HoO after verifying them.

Audit scrutiny (November 2022) of the records of Public Works Division VI (Roads), Margao, revealed that the Division Cash book had an opening balance of ₹ 13,712 (01 January 2021) and cash receipts³⁶ of ₹ 28,66,864 on behalf of the Government from January 2021 to September 2022. However, neither were all entries recorded in the Cash book nor had the HoO³⁷ verified the transactions and attested the Cash book as required under the rules. Out of the total receipts of ₹ 28,80,576 (inclusive of opening balance), only ₹ 12,94,232³⁸ was deposited in Government account in five different months, indicating a short deposit of ₹ 15,86,344. The non-maintenance of Cash book as per financial rules and non-remittance of Government money by the cashier remained undetected due to non-exercise of mandatory periodical checks by the HoO.

During the audit period (02 November 2022 to 18 November 2022), the cashier remitted ₹ 4,18,986³⁹ into Government account and further, on being pointed out by Audit (18 November 2022), the Executive Engineer (EE) Division VI (HoO), directed the cashier to immediately deposit the balance amount into the Government account. Accordingly, an amount of ₹ 11,82,056⁴⁰ (with a resultant balance of ₹ 11,184⁴¹) was remitted (14 December 2022) into Government account by the cashier.

The EE replied (March 2023) that the cashier had used Government money for his personal use and was removed from the charge of cashier (October 2022) and issued memo for his misbehavior.

The reply was not acceptable as no disciplinary action was initiated for the misappropriation of cash against the erring official by the Division. Moreover, the Division Office had not reviewed/conducted a detailed scrutiny of the Cash book for all the previous years during which the said

³⁶ On account of issuing No Objection Certificates for road cutting, RTI fees, etc.

³⁷ Executive Engineer also having Drawing and Disbursing Officer responsibilities.

³⁸ January 2021- ₹ 4,30,134, September 2021- ₹ 11,579, December 2021- ₹ 3,12,872, June 2022- ₹ 3,057 and July 2022- ₹ 5,36,590

³⁹ ₹ 1,60,338 (four challans dated 09 November 2022) + ₹ 2,58,648 (six challans dated 14 November 2022) = ₹ 4,18,986

⁴⁰ Including balance of receipt of month of October 2022; ₹ 25,882 (Receipt of October 2022; ₹ 2,75,555 – Remittance of October 2022, ₹ 2,49,673= Balance ₹ 25,882)

⁴¹ Total receipt upto October 2022, ₹ 31,56,131 (including OB of ₹ 13,712) minus Total remittance upto December 2022, ₹ 31,44,947 = ₹ 11,184

cashier had held the charge and thus, possibility of a larger fraud remaining undetected during the past periods cannot be ruled out by Audit. Thus, the failure of the HoO in exercising the mandatory checks of Cash book transactions as prescribed in the financial rules resulted in misappropriation/misuse of Government money amounting to ₹ 15,86,344. Besides, the possibility of larger frauds remaining undetected could not be ruled out for want of in-depth enquiry by the competent authority.

The matter was referred to the Government in March, June and October 2023; their reply is awaited (April 2024).

Recommendation 7: Responsibility may be fixed on the delinquent official(s) for misappropriation of Government receipts for personal use and non-remittance of Government money, and disciplinary action may be initiated accordingly.

Department of Urban Development

1.8 Loss of ₹ 45 lakh *plus* interest due to non-renewal of agreements and non-collection of annual advertising fee

The Corporation of the City of Panaji (CCP) did not renew the advertising agreements despite recommendations of the Standing Committee, which led to a loss of ₹ 45 lakh *plus* interest (December 2014 to June 2022) to the CCP.

Corporation of the City of Panaji (CCP) has the mandate⁴² to maintain bus stops and regulate advertisements in the streets. The CCP signed three concession agreements with M/s Primeslots Events Pvt. Ltd. (PEPL) for providing and maintaining bus shelters (11 January 2005), information signages (10 November 2008) and traffic signages (12 December 2008) respectively. These agreements were valid for a period of 10 years (bus shelter) and five years (two agreements for signages), extendable by five and three years respectively, on mutual consent. The agreements for signages allowed for utilising the advertisement spaces available on the boards at bus shelters and signages, for commercial purpose against payment of user charges⁴³ to the CCP. From the year 2013, when the two agreements were about to expire, the concessionaire repeatedly⁴⁴ requested for extension of the agreements and offered (10 November 2014) to pay a combined annual fee of ₹ six lakh per annum for all the three types of agreements for

⁴² Part IX A and Article 243 W read with Schedule 12

⁴³ Bus shelters = ₹ 1,500 annually per shelter, traffic/mandatory/cautionary signages = ₹ 300 annually per signage and information signages = ₹ 500 annually per signage.

⁴⁴ On 14 Aug 2013 for Traffic signage agreement and 19 Sept 2013 for Bus shelter signage agreement and on 19 March 2014, 14 July 2014, 20 Aug 2014 and 10 Oct 2014 for extension of agreements of both the Traffic and Information signages.

extension with effect from November 2014. Though this offer was accepted (14 November 2014) by the Standing Committee of the CCP, the agreements were not renewed for which reasons were not found on record. The concessionaire, however, continued his commercial operations of advertising in bus shelters and signages. Though the CCP demanded (April 2017) ₹ six lakh *per annum* from PEPL, the advertising agency as decided by the Standing Committee till 2019, there were no payments made by PEPL. As the default continued, the CCP floated a new tender (19 January 2021) for the removal of old signboards and bus shelters and installation and maintenance of new signboards and bus shelters along with advertisement rights. The tender was awarded (June 2022) to the successful bidder⁴⁵ for an annual license fee of ₹ 31 lakh. Meanwhile, a tender with similar component⁴⁶ of work involving demolition and reconstruction of modern bus stand under Smart City Mission (SCM) was floated (01 October 2021) by Goa Tourism Development Corporation Ltd. (GTDC) on behalf of M/s Imagine Panaji Smart City Development Ltd. (IPSCDL⁴⁷). PEPL bagged (June 2022) the new contract initiated by IPSCDL. Consequently, the CCP cancelled (08 August 2022) its work order citing the reason of duplication of the work. The contract by IPSCDL to PEPL was for design, development, operation and maintenance of bus shelters.

Further, a survey conducted⁴⁸ (17 October 2022) by the CCP to identify illegally displayed advertisement boards/signboards revealed that PEPL continued to illegally display the advertisements on the existing bus shelters. Consequently, the CCP issued a show cause notice (12 December 2022) to PEPL, directing them to remove the illegally displayed advertisement boards/signboards.

Thus, non-renewal of the agreements by CCP, as decided in Standing Committee meeting *w.e.f.* November 2014 and not taking actions such as taking over the bus shelters spaces and signages spaces, delay in floating of fresh tender for advertisement rights, enabled PEPL to continue with illegal display of advertisements. Thus, allowing the concession agreement to continue beyond November 2014 without formal renewal and continuing failure to take remedial steps⁴⁹ for

⁴⁵ M/s Digital Designer

⁴⁶ Component of 'Design Development, Operation and Maintenance of Bus shelters and Platforms at various locations in Panaji and Surrounding Areas' under work of 'Development of Intelligent Public Transport Infrastructure in Panaji under Smart Cities Mission'

⁴⁷ IPSCDL has been formed as Special Purpose Vehicle for the implementation of Smart City Mission.

⁴⁸ In compliance with the instruction issued by the Dy. Collector, Panaji.

⁴⁹ Section 144- Presentation of bill, 145- Notice of demand, 146- issue warrant and 149- to attach any movable or immovable property of the person to recover dues.

revenue recovery, resulted in loss of ₹ 45 lakh⁵⁰ plus interest thereon to the CCP.

The matter was referred to the Government (April, June and October 2023); their reply is awaited (April 2024).

Recommendation 8: The CCP may fix the responsibility and take suitable action on the official(s) concerned for failing to renew agreements or reclaim spaces, thereby allowing the illegal display of advertisements to continue without any revenue realisation.

1.9 Loss of public funds (₹ 86.81 lakh) on account of repair of private roads

Mapusa Municipal Council (MMC) executed road works in 11 private properties without invoking Section 170 of the Act, which resulted in loss of opportunity to recover the expenses (₹ 86.81 lakh) from the owners.

As per Section 170(1)⁵¹ of the Goa Municipality Act, 1968 (Act), Municipal Council may issue written notice to the owners of private streets to take up the improvement of their street which is necessary for public health, convenience or safety. Further, Section 170(3)⁵² of the Act, stipulates that if the notice under Sub-section (1) is not complied with and such work is executed by the Council as provided in Section 313⁵³, the expenses thereby incurred shall be apportioned by the Council among such owners for their refund by all concerned.

⁵⁰ ₹ Six lakh per year for seven and half years (From December 2014 to June 2022)

⁵¹ Where a Council considers that in any street not being a public street, or in any part thereof, within the municipal area, it is necessary for the public health, convenience or safety that any work should be done for the levelling, paving, metalling, flagging, channelling, draining, lighting or cleaning thereof, the Council may by written notice require the respective owners of the lands or buildings fronting, adjoining, or abutting upon such street or part, thereof, to carry out such work in a manner and within a time to be specified in such notice.

⁵² If the notice under Sub-section (1) is not complied with and such work is executed by the Council as provided in Section 313, the expenses thereby incurred shall be apportioned by the Council between such owners in such manner as it may think fit regard being had to the amount and value of any work already done by the owners or occupiers of any such lands or buildings.

⁵³ Where by or under this Act, any person is required to execute any work or do anything and default is made in the execution of such work or the doing of such thing, the Council, whether any penalty is or is not provided for such default, may cause, such work to be executed; and the expenses thereby incurred shall, unless otherwise expressly provided in this Act, be paid to the Council by the person by whom such work ought to have been executed, and shall be recoverable in the same manner as an amount claimed on account of a property tax, either in one sum or by instalments, as the Council may deem fit.

During scrutiny of construction files of MMC it was observed that the Chief Officer of MMC sought (27 April 2016) clarification from the Department of Urban Development (DUD) regarding taking up of road/footpath maintenance works in private societies' premises. The DUD directed MMC to follow Section 208⁵⁴ of the Act (09 May 2016).

Accordingly, ward councilors of MMC proposed to undertake hot mixing of various roads including road works in 11 different residential complexes within the jurisdiction of MMC and resolved (06 March 2018) to undertake the work under Section 208 of the Act. MMC obtained no objection certificates (NOC) from all 11 private owners/societies to execute the road works.

The Chief Project Officer, Goa State Urban Development Agency accorded (07 May 2018) technical sanction for the amount of ₹ 1.67 crore. Administrative Approval was given (21 May 2018) by the Director of Urban Development for ₹ 1.39 crore out of funds granted from 14th Finance Commission and ₹ 27.68 lakh from the Municipal Fund. The work was e-tendered with an estimated cost of ₹ 1.62 crore and was awarded (13 December 2018) for ₹ 1.69 crore. The work was completed (28 December 2018) at a total cost of ₹ 1.83 crore, out of which expense of ₹ 86.81 lakh was incurred for the improvement and maintenance of private streets.

As MMC itself undertook road works of private streets without invoking Section 170(1) and 170(3) of the Act, opportunity to recover expenses from the owners was lost. Further, as Section 208 of the Act deals with drainage works only, considering the Director of Urban Development's direction and undertaking the road works by the MMC under Section 208 of the Act was thus, irregular.

On this being pointed out by Audit, the Chief Officer (MMC) stated (February 2022) that after completing all the codal formalities, work was undertaken as per provisions of Section 208 of the Goa Municipality Act, 1968 and also assured (January 2023) that the observation has been noted and due care would be taken in future during execution of development works of private streets.

⁵⁴ Chapter XIII Drainage: (1) The Council may, if it thinks fit, cause any work, the execution of which may be ordered by or on behalf of the Council under any of the foregoing provisions of this Chapter (related to Drainage), to be executed by municipal or other agency under its own orders, without first of all giving the person by whom the same would otherwise have to be executed the option of doing the same. (2) The expenses of any work so done shall be paid by the person aforesaid, unless the Council shall, by a general or special order or resolution, sanction the execution of such work at the charge of the municipal fund.

The reply was not acceptable, as the Act explicitly stipulates that expenses related to improvement works on private streets should be borne by the owners themselves. Notably, there exists no provision within Section 208 of the Act that permits repair and maintenance activities for private streets.

Thus, failure to invoke Section 170(1) and 170(3) and execution of works under Section 208 by the MMC was in contravention of the provisions set forth in the Act. As a consequence, expenditure incurred in this regard (₹ 86.81 lakh) was a loss to the municipality.

The matter was referred to the Government in February, June and October 2023; their reply was awaited (April 2024).