

CHAPTER IV AUDIT PARAGRAPHS

4.1 Excess/extra expenditure

IRRIGATION DEPARTMENT

4.1.1 Excess expenditure on labour

Excess expenditure of Rs. 11.22 lakh on labour component.

The Schedule of Rate (SOR) of the State applicable to the Irrigation Department is used to calculate the cost per unit of each item of work comprising three components, viz, (i) material cost, (ii) labour cost, and, (iii) contractor's profit. For each item of work, the cost and quantity of labour required per unit are specified in the Analysis of Rate (AOR) on the basis of which the SOR is prepared. The actual cost and quantity of labour required for execution of a particular quantity of work can, thus, be worked out from the AOR.

Scrutiny of records (December 2003) of the Irrigation Department revealed a systemic flaw in the execution of works taken up departmentally. The cost and quantity of labour required in such works were not worked out separately and included in the abstract of estimates as prescribed under para 56 of the Sikkim Public Works Manual. Thus, there was no way to check the engagement of excess labourers in the works during the course of their execution.

On the basis of AOR, Audit worked out the requirement of labour and labour cost in respect of 11 works executed departmentally during 2002-03 and 2003-04. It was seen that the Department was incurring more expenditure on labour than was actually required due to engagement of excess labourers. The excess expenditure on labour was met from the savings on account of (i) contractor's profit, (ii) cost overheads included in the work estimates and (iii) savings in the material component of the works due to procurement of materials at a lower cost (Details in *Appendix-XX*).

In the case of 11 works examined, the expenditure on labour component was Rs. 20.60 lakh against Rs. 9.38 lakh as worked out in Audit indicating an excess expenditure of Rs. 11.22 lakh.

Reply (October 2004) of the Government/Department that prevailing local rate of labourers was Rs. 75 to Rs. 100 per day as against the Government approved rate of Rs. 50 per day and thus there was more expenditure on labour is not acceptable as labourers were paid at Government approved rate of Rs. 50 per day only.

ROADS & BRIDGES DEPARTMENT

4.1.2 Excess expenditure on road works

Reckoning of higher fuel consumption norm of 12.5 litres per hour led to inflation in the cost of road work resulting in excess expenditure of Rs. 26.81 lakh.

The Analysis of Rate (AOR) of the Roads & Bridges Department (R&B) for various items of road work like laying hand packed stone soling, road metalling and premix carpeting includes the element of cost of fuel of a road roller of 8 to 10 ton capacity. Scrutiny of AOR of 2001 revealed (January 2004) that the fuel consumption of a road roller was taken as five litres per hour for all items of road work excepting the item '*providing and laying hand packed stone soling 150 mm thick with clean hard selected stones*' for which the fuel consumption was wrongly taken at 12.5 litres per hour. This resulted in inflation of the cost of this item of work by Rs. 56* per cubic metre.

Test check of 24 works (January 2004) showed excess expenditure of Rs. 26.81 lakh¹ in the execution of 43,511.752 cubic metres of the above item of work.

In reply (April 2004) Government/Department accepted the mistake and informed that the anomaly has since been rectified in AOR 2002.

4.1.3 Excess expenditure on drain works

Insertion of extraneous road roller component in drain works, while framing Analysis of Rate, led to excess expenditure of Rs. 7.29 lakh in execution of drain works.

The Roads & Bridges Department (R & B) executes various types of drain works viz, Cross drain, Box drain, 'V' shaped drain etc.; the cost of which is built up of (i) foundation excavation in mixed soil, (ii) hand packed stone soling and (iii) 1:2:4 plum concrete. It was noticed during Audit (January 2004) that while working out the rate for Analysis of Rate (AOR) 2001 for the component '*hand packed stone soling*,' the Department erroneously included road roller component of 0.50 day for 10 cum. Since it was not feasible to deploy road roller in drain works, cost of stone soling through manual labour was incorporated in AOR 1997. However, during subsequent revision of AOR in 2001 the Department included road roller component in drain works, over and above the required quantity of labour component, which inflated the cost of drain works by Rs. 1,437.50/10 cum.

* The cost of this item of work in the AOR(2001) was Rs.353.20 per cum calculated on the basis of 12.5 litres (at Rs.16.75 per litre of diesel) of fuel consumption per hour, whereas the cost worked out by Audit was Rs.297.20 per cum on the basis of 5 litres of fuel consumption per hour.

¹ The amount of additional expenditure has been arrived at by multiplying the quantity of the item of work executed with the excess rate per cubic metre and the percentages by which tendered rates exceeded the estimates.

Thus, erroneous insertion of road roller component in framing rate for execution of drain works in AOR 2001 led to excess expenditure of Rs. 7.29 lakh in 48 payment vouchers alone, for 13,936 Rm. of box drain, 97 units of cross drain and 97 Rm. of 'V' shaped drain.

While accepting the fact, the Government/Department informed (September 2004) that the anomaly would be rectified in the Schedule of Rate 2004, which was under preparation.

RURAL MANAGEMENT & DEVELOPMENT DEPARTMENT

4.1.4 Extra expenditure on land acquisition

Inspite of clear stipulation in notification to the contrary, the Department accepted land owners' claim for higher compensation, resulting in extra expenditure of Rs. 75 lakh.

For the purpose of setting up a Pilgrimage-cum-Cultural Centre in South Sikkim, Land Revenue Department issued a notification (2 January 2003) under section 4 (1) of the Land Acquisition Act 1894 (Act 1 of 1894) informing the public that land measuring 3.6020 hectare in Solaphok – Mikhola and Assangthang blocks would be required for aforesaid public purpose. Considering the urgency to acquire the land, notification under section 17 (4) *ibid* was invoked and, thereby, the provision of section 5-A of the Act, would not be applicable in the instant case. It was noticed (February 2004) that the Government assessed (December 2002) the market value at Rs. 71.16 lakh through District Collector (DC), South with reference to the prevailing market rate (fixed by the Government on 18 May 2001) for the said land in the area. The market value included the value of structures and 30 *per cent* solatium on both *i.e* land and structure. Subsequently based on representations submitted by the land owners to the Secretary, Ecclesiastical Affairs Department, value of land was reassessed to Rs. 1.47 crore (at the rate of Rs. 7.50 lakh/hectare) by DC and paid (January 2003) to the land owner, resulting in extra expenditure of Rs. 75 lakh.

Although it was stated by the DC in his report (December 2002) that the revised assessment was done on the basis of registered land in the locality the details stated to have been worked out in Annexure 'B' were not kept on record. Therefore, the correctness of the market value on reassessment could not be verified in Audit. However, the fact remains that the market rate declared by the Government on 18 May 2001 was found alarmingly inflated from Rs. 1.46 lakh per hectare to Rs. 7.50 lakh in December 2002 which could hardly be justified. In addition, the land owners had not represented for enhanced compensation with Land Acquisition Officer, who is the designated authority as per Land Acquisition Act. There was obvious overlapping of procedural requirements as the reassessment was purported to have been done by the DC at the instance of

Secretary, Ecclesiastical Affairs Department who happened to be the user Department.

The matter was reported to the Government/Department, (July 2004); no reply was received.

SOCIAL WELFARE DEPARTMENT

4.1.5 Excess expenditure

Failure of the Department to exercise proper checks before selecting beneficiaries for old age pension, led to conferring of benefits amounting to Rs. 29.22 lakh to ineligible persons.

The Government of Sikkim introduced the Sikkim Old Age Pension Scheme (SOAPS) in 1981 under which the holder of a Below Poverty Line (BPL) certificate aged 65 years and above would get a pension of Rs. 100 per month. The Central Government introduced the 100 *per cent* fully funded National Old Age Pension Scheme (NOAPS) on 15 August 1995 to provide old age pension of Rs. 75 per month for male/female destitutes aged 65 years and above. In 1998-99 and 1999-2000, NOAPS beneficiary's pension was supplemented by an additional amount of Rs. 25 per month from SOAPS. From 2000-01, all SOAPS beneficiaries were brought under NOAPS and simultaneously these persons were given Rs. 125 per month from SOAPS in addition to Rs. 75 per month they received under NOAPS.

Test check of 900 beneficiaries out of 10,104 beneficiaries covered during 2000-03 in East and North districts revealed that the benefits of old age pension in 443 cases were awarded (between April 2000 and December 2002) to ineligible persons as detailed below:

No. of cases	Irregularities observed	Amount (Rs. in lakh)
65	The application forms for grant of OAP were not available with the Department	4.29
46	In application forms neither the thumb impression nor signature of the applicant was affixed	3.04
56	Pension awarded below the age of 65 years	3.69
2	The applicants do not come under BPL status	0.11
104	The applicants' date of birth was certified by the Panchayats but not supported by any documentary evidences	6.87
170	BPL certificates were not attached with the pension application form	11.22
443	Total	29.22

The above instances, besides casting doubts on the genuineness of the cases, revealed the Department's failure to exercise even the most cursory check while processing the applications and the virtual abdication of its responsibility to administer the scheme strictly as per the stipulated guidelines. Since the irregularities were detected in as many as 443 cases (49 *per cent*) of the 900 cases

checked, the possibility of a like percentage of omission emerging for the total number of 10,104 beneficiaries was more than a distinct possibility.

The Department while informing (August 2004) that selection guidelines for identification of beneficiaries for current year were strictly adhered to stated that income certificate etc. have been sought from the beneficiaries which will be shown to next Audit. As regards birth certificates, the Department informed that old people did not possess birth certificates or any other documents in support of their age and therefore, certification by Panchayats was taken as correct.

The reply was not acceptable as the documents such as Income Certificate etc. should have been kept with the Department.

4.1.6 Excess payment in purchase of building

Purchase of land at exorbitant rate from private party led to excess expenditure of Rs. 16.50 lakh.

While the requirement of accommodation for housing the Rehabilitation centre for spastic children was under active consideration, the Department received (December 2001) an unsolicited offer from an individual for outright purchase of his land and three storey building under construction at Development Area, Gangtok for an asking price of Rs. 30 lakh. On the same day, the Department wrote to the Building and Housing Department (BHD) to evaluate the building. The BHD in January 2002 replied that the value of the building was Rs. 7.49 lakh. On the same day the seller made another offer to the Department reducing his price to Rs. 25.93 lakh (922 square feet of land @ Rs. 2,000 per square feet plus Rs. 7.49 lakh for the building).

Since the Department found this price on the higher side, it referred the offer to the District Collector (DC), East in February 2002 for valuation of the land only. However, without waiting for the DC's response and for reasons not on record, the Department also approached a Government approved "valuer of buildings" (an individual) in February 2002, who valued the land (16 February 2002) at Rs. 18.44 lakh. On the strength of this valuation, the Department bought the land and the building under construction for Rs. 25.93 lakh (land Rs. 18.44 lakh + building Rs. 7.49 lakh) and made the payment in March 2002. It was noticed that during the period of purchase (March 2002), the market rate of land at Development Area was Rs. 210 per square feet, including *solatium*.

The transaction was characterised by acceptance of a single unsolicited offer in haste, flouting the provisions of the Land Acquisition Act, 1894 which requires that all land acquisitions are to be made through the DC at a fair market price to be assessed by him. Approaching and agreeing to the valuation of the land by a "valuer of buildings" who is not competent to value the land highlighted the extent of violation of procedure by the different functionaries involved in pushing through the matter to the advantage of the owner of the land and building. Therefore, undue favour was shown to the land owner in purchasing the land and building at 952 *per cent* over and above the Government notified market rate for land and this resulted in an excess payment of Rs. 16.50 lakh.

In reply (September 2003) the Government/Department stated that no one was willing to sell the housing property in prime commercial area at Government valuation and, therefore, value assessed by Government approved valuer was accepted by the Department. The Department also added that purchase/ sale of such property was usually done at negotiated price.

In its subsequent reply (August 2004), while reiterating its earlier reply, the Department added that in the instant case, a half completed reinforced cement concrete structure standing on land measuring 922 sq.ft. was bought and, thus, was not a case of land acquisition but a half completed building sold by Urban Development & Housing Department to an individual. They further contended that Land Acquisition Act, 1894 which is applicable for acquiring agricultural and other land is not applicable in the instant case.

The reply is not acceptable as the requirement of such land and building was not made public through suitable advertisement in the media and the rate paid was much higher than the Government approved rate of Rs. 210/sqft.(March 2002).

4.2 Loss of Government money

POWER DEPARTMENT

4.2.1 Loss due to injudicious hiring of transformers

Injudicious hiring of transformers by the Department instead of buying them led to loss of Rs. 9.23 lakh to the Government.

Power distribution transformers of different capacities are important equipment of the Power Department which help to maintain power supply to the public. Thus, it is of utmost importance that required quantity of transformers are always kept in reserve for replacing the broken down transformers on emergency basis. It was noticed (February 2004) that during December 2000 to February 2001, seven transformers installed at various places in and around Gangtok broke down, during which time Department had no transformers in stock to replace the damaged transformers. In order to mitigate the problems, Department borrowed seven transformers from a private agency on verbal orders of the Addl. Chief Engineer (no written order was placed on the Agency). Out of these seven transformers, three were purchased and the remaining four were retained on hire for periods ranging between 305 and 645 days during December 2000 to February 2002 for which hire charges amounting to Rs. 14.59 lakh were paid (March 2003) to the agency. It was, however, noticed that the Department would have saved Rs. 1.23 lakh, had the Department procured these transformers instead of hiring them at prevailing price of Rs. 13.35 lakh as against the payment of rent of Rs. 14.58 lakh. Procurement of transformers instead of hiring them would have also resulted in gaining assets to the extent of Rs. 8 lakh even after allowing depreciation at the rate of 15 *per cent* per annum. Thus, injudicious hiring of transformers by the Department for a long period led to an ultimate loss of Rs. 9.23 lakh to the Government.

The Government/Department stated (June 2004) that hiring of transformers was resorted to for handling the unprecedented failure of transformers, the replacement of which was not possible as the Department did not have enough funds.

The Government/Department further (August 2004) stated that the mishap, which took place between December 2000 and February 2001, could not be anticipated and, thus, requirement of funds could not be projected in supplementary provisions or budget.

The reply was not acceptable as the Government/Department had sufficient funds under the head "Transmission & Distribution, Other Distribution Scheme" during 2001-02, which was eventually surrendered (Rs. 60.15 lakh). Further, Department could have projected its funds requirement in supplementary budget 2000-01 and regular budget of 2001-02.

**RURAL MANAGEMENT & DEVELOPMENT
DEPARTMENT**

4.2.2 Loss due to issue of materials at lower rates

Failure to revise the issue rate of GCI sheet led to loss of Rs. 28.88 lakh to the Government.

Para 136 of the Sikkim Public Works Department (SPWD) code stipulates that issue rate should be fixed normally at the beginning of each year. However, in case of appreciable fluctuations in the cost of materials of controlled items like steel and cement, the issue rate should be revised to bring it on par with the market rate from time to time.

Scrutiny of records revealed (September 2003) that the Department purchased (March 2003) 292 MT (24,808² sheets) of GCI sheets at the rate of Rs. 36,702 per MT (Rs. 431.96 per sheet) for use in construction of 25 model houses in each of the 26 assembly constituencies. Though the GCI sheets were purchased at Rs. 431.96 per sheet they were issued to the contractors at the recovery rate of Rs. 337.40 per sheet which was lower by Rs. 94.56 per sheet.

Thus, non-revision of issue rate of GCI sheets at par with the market rate led to loss of Rs. 28.88 lakh³.

The matter was reported to Government (May 2004); no reply was received.

² 292 MT X 1,000 / 11.77 kg (weight of each GCI sheet).

³ 26 constituencies X 25 model houses X 47 nos. of GCI sheets in each house X Rs. 94.56/ sheet

4.3 Avoidable/unauthorised expenditure

RURAL MANAGEMENT & DEVELOPMENT DEPARTMENT

4.3.1 Avoidable cost escalation

Failure of the Department to supply the required materials led to cost escalation of Rs. 19.19 lakh and time overrun of two years.

Rural water supply scheme (RWSS) at Rang and Khani gaon in South Sikkim District, a scheme funded under Non lapsable pool of central resources was put to tender (November 1999), for execution of civil work portion at an estimated cost of Rs. 44.06 lakh. The Department awarded the work (November 1999) to the contractor at the negotiated rate of 14 *per cent* above the estimate with the stipulation to complete the work by August 2000. However, the contractor completed the work by August 2002 *i.e.* two years behind schedule, during which time the cost of Galvanised Iron (GI) pipe and cement had increased by 60 *per cent* and 16 *per cent* respectively and accounted for cost escalation aggregating Rs. 19.19 lakh. The delay in completion of work was attributed (March 2002) to non-availability of these items with the Department. However, Audit verified (March 2002) that during April 1997 to March 2002 the average stock holding of GI pipe and cement in the departmental stores at Jorethang and Tadong was 6,39,413.13 MT and 33,334 bags respectively. The Department's plea of shortage of materials was, therefore, incorrect. Non supply of these available materials to the contractor not only delayed completion of the work by two years but also resulted in avoidable escalation in the cost of the work by Rs. 19.19 lakh.

Contention (August 2004) of the Government/Department that cost escalation was mainly due to preparation of estimates as per Schedule of Rate 1994 and issue rate applicable on the date of issue of materials from stores (*w.e.f.* February 2000) is also not tenable as the contractor was allowed to procure materials by himself.

4.3.2 Unauthorised expenditure

Inspite of specific prohibition in the scheme guidelines and subsequent reiteration by Government of India, Rural Management & Development Department irregularly diverted the scheme funds towards construction of bridges and transportation of food grains aggregating Rs. 14.05 lakh.

Jawahar Gram Samridhi Yojana (JGSY), a 100 *per cent* Centrally sponsored scheme, is implemented in the State for rural upliftment through creation of infrastructure. Scheme guidelines (effective from April 1999) and instructions issued thereafter (December 2001) specifically prohibited incurring of expenditure towards construction of bridges. It was also ordered therein that the

cost of transportation of food grains allotted under the scheme should be met from State funds.

Audit scrutiny (July 2003) revealed that the Project Director/JGSY cell with the concurrence of Chairperson/JGSY i.e. Commissioner-cum-Secretary of Rural Management & Development Department spent Rs. 14.05 lakh between July 1999 and March 2002 towards construction of bridges⁴ (Rs. 9.05 lakh) and transportation of foodgrains (Rs. 5 lakh). Expenditure of Rs. 14.05 lakh was, therefore, unauthorised and irregular.

While no reply was furnished as to the transportation cost, the Government/Department conceded that construction of bridges was not permissible according to the guidelines and assured (July 2003) that the point was noted for future compliance.

In its subsequent reply (August 2004) the Department contended that bridges were constructed on need basis and the guidelines of Jawahar Rojgar Yojana (JRY) authorised panchayats to be sole arbiter of the scheme funds. The reply of the Department was not acceptable as the JRY was replaced by JGSY, the guidelines of which prohibited the construction of bridges from scheme funds.

4.4 Undue benefits

ROADS & BRIDGES AND BUILDING & HOUSING DEPARTMENTS

4.4.1 Undue financial benefit to the contractors

Incorrect inclusion of 10 per cent contractor's profit in the rates of materials supplied departmentally to contractors led to undue benefit of Rs. 20.85 lakh.

Paragraph 57 of the Sikkim Public Works Manual lays down that *"in the case of materials supplied departmentally, the rates allowed to the contractor should not provide any profit on the cost of materials"*.

Scrutiny of records of the Roads & Bridges (R&B) and Building & Housing (B&H) Departments in January and March 2004 respectively, revealed that the contractors were allowed rates including 10 per cent profit on the materials supplied departmentally to them in violation of the codal provision. This resulted in undue benefit to the contractors to the extent of Rs. 20.85 lakh (R&B Rs. 17.06 lakh and B&H Rs. 3.79 lakh).

B&H Department stated (June 2004) that the contractors quoted their rates taking all the inputs required for the work in terms of the conditions published in the Notice Inviting Tenders and, therefore, it was not correct to say that inclusion of 10 per cent contractor's profit on materials supplied by the Department had given

⁴ Log bridges 11 nos (Rs. 5,86,110) and RCC bridges 4 nos (Rs. 3,19,040)

undue benefit to them. They further contended that if contractor's profit was not included in the rate, the contractors would have quoted much higher rates.

R&B Department contended (August, 2004) that element of contractor's profit included on materials supplied departmentally did not result in undue benefit to the contractors and informed that the element of 10 *per cent* contractor's profit on materials supplied departmentally would be excluded from the Analysis of Rates for 2004-05, which is under preparation.

The replies of the Government/departments are not acceptable as the Manual specifically forbade inclusion of contractor's profit in the rates on materials supplied departmentally. Further, B & H Department's contention that the contractors would have quoted higher rate was hypothetical as the estimate rates were confidential and the tenders were on percentage basis and not on item-wise rate. Therefore, the addition of 10 *per cent* profit element for the departmentally supplied materials resulted in avoidable extra payment of Rs. 20.85 lakh besides the tender percentage at 5 to 10 *per cent* on the profit element also.

4.5 Regularity issues

FOREST DEPARTMENT

4.5.1 Improper utilisation of Centrally sponsored scheme funds

Wild life circle of Forest Department diverted Rs. 9.16 lakh towards establishment cost and attached three vehicles valuing Rs. 14.10 lakh meant for patrolling purposes to the Minister and Senior Officers.

Central Zoo Authority and Ministry of Environment and Forest, Government of India approved and sanctioned different schemes, as detailed in *Appendix-XXI* for construction and developmental activities in the parks/ sanctuaries. It was seen that while undertaking construction, the Department incurred expenditure of Rs. 9.16 lakh towards payment of salaries, repair of vehicles, purchase of office stationeries, equipment, eatables etc. which were not related to the scheme objective and were, thus, beyond the scope of the scheme. The reply (November 2003) that the funds were diverted with the approval of the competent authority and were within permissible limits was not acceptable as approval of the Government of India was not obtained for these diversions. Further, it was also seen that an amount of Rs. 21.66 lakh was spent during 2001-03 towards procurement of vehicles (4) and motorbikes (5) for patrolling purposes from the funds sanctioned by Government of India, based on the proposals of the Project Officers-in-charge of various sanctuaries. However, three vehicles meant for Singhba Rhododendron sanctuary, Maenam wildlife sanctuary and Fambonglha wildlife sanctuary were not being used for the purpose of patrolling but were attached to the Chief Conservator of Forest (Territorial), the Minister of Forest and the Field Director (Kanchanjunga National Park) respectively. Thus, the expenditure of Rs. 14.10 lakh incurred on procurement of these vehicles was

outside the scope of the scheme and not yielding the result for which they were procured.

The reply (November 2003) of the Government/Department that all the vehicles were directly engaged in the developmental activities of the national parks and sanctuaries, was not tenable as the vehicles were not being utilised for patrolling purposes, for which the sanctions were exclusively accorded by Government of India.

4.6 General

Audit arrangement for local bodies

Introduction

4.6.1 Autonomous bodies and authorities are set up to discharge generally non-commercial functions on public utility services. These bodies and authorities generally receive substantial financial assistance from the Government. The grants are intended essentially for construction and maintenance of educational institutions, hospitals, charitable institutions, improvement of roads and other communication facilities under municipalities and local bodies.

During 2003-04, financial assistance of Rs. 22.10 crore was released to various autonomous bodies and institutions, broadly grouped as under:

Table-4.1

(Rupees in crore)

Sl.	Name of institutions	No. of sanction	Amount of assistance paid
1.	Universities and Educational Institutions	12	1.42
2.	Zilla Parishad and Panchayati Raj Institutions	17	1.21
3.	Development Agencies	4	6.51
4.	Hospitals and other Charitable Institutions	5	0.01
5.	Other Institutions	98	12.95
	Total	136	22.10

- The total figure of Rs. 22.10 crore is based on departmental figures.

Delay in furnishing utilisation certificates

4.6.2 The financial rules of the Government require that where grants are given for specific purposes, certificates of utilisation should be obtained by the departmental offices from the grantees and after verification, these should be forwarded to the Accountant General within one year from the date of sanction unless specified otherwise.

Of the 136 utilisation certificates due in respect of grants aggregating Rs. 22.10 crore paid during the period 2003-04, only 53 certificates for Rs. 13.49 crore had been received by the grant releasing departments by 30 September 2004 and 83

certificates for an aggregate amount of Rs. 8.61 crore were in arrears. Department-wise break-up of outstanding utilisation certificates was as follows:

Table-4.2*(Rupees in lakh)*

Department	Number of certificates	Amount
Agriculture	2	3.00
Animal Husbandry & Veterinary Services	2	22.00
Co-Operation	11	10.71
Culture	3	1.00
Fisheries	3	3.97
Forest	1	7.00
Health and Family Welfare	2	5.40
Horticulture	2	6.75
Industries	1	0.75
Irrigation	1	0.40
Rural Management & Development	8	730.20
Social Welfare	5	8.00
Sports and Youth	15	6.54
Tourism	27	55.50
Total	83	861.22

Audit arrangement

4.6.3 The Audit of accounts of the following bodies had been entrusted to the Comptroller and Auditor General of India for a period of five years as detailed below:

Table-4.3

Sl.	Name of body	Period of entrustment	Date of entrustment
1.	Sikkim Khadi and Village Industries Board	2000-01 to 2004-05	15 December 1999
2.	Sikkim Co-operative Milk Producers' Union Limited	2003-04 to 2007-08	18 November 2002
3.	Sikkim Co-operative Supply and Marketing Federation Limited.	2000-01 to 2004-05	02 November 2000
4.	Panchayati Raj Institutions	2001-02 to 2005-06	27 August 2001

The primary Audit of local bodies (Zilla Parishads, Gram Panchayats), educational institutions and others is conducted by the State Government. The Audit of co-operative societies is also conducted by the State Government. Only four bodies/authorities attracted Audit under section 20 (1) of the Comptroller and Auditor General's (DPCs) Act 1971.

The status of submission of accounts by them and completion of Audit as of September 2004 is given below:

Table-4.4

Sl.	Name of body	Annual accounts	
		Received upto	Audited upto
1	Sikkim Khadi and Village Industries Board	1998-99	1998-99
2	Sikkim Co-operative Milk Producers' Union Limited	2002-03	2000-01
3.	Sikkim Co-operative Supply and Marketing Federation Ltd.	2001-02	2001-02
4.	Panchayati Raj Institutions (PRI)	Accounts were not prepared by PRIs so far	

Against the 17 Institutions which attracted Audit under section 14 of the Comptroller and Auditor General's (DPC) Act 1971, the position of accounts audited as of September 2004 is given below:

Table-4.5

Sl.	Name of Body	Annual Accounts	
		Finalised upto	Audited upto
1.	State Leprosy Officer, East, Gangtok	2003-04	2003-04
2.	Distt. Leprosy Officer, Gangtok	2003-04	2001-02
3.	Distt. Leprosy Officer, West	2003-04	2001-02
4.	Distt. Leprosy Officer, North	2003-04	2001-02
5.	Distt. Leprosy Officer, South	2003-04	2001-02
6.	Sikkim Renewable Energy Development Agency (SREDA)	2002-03	2002-03
7.	Sikkim Research Institute of Tibetology	2003-04	2003-04
8.	Institute of Hotel Management	2003-04	2003-04
9.	Society for Prevention and Control of Blindness	2003-04	2003-04
10.	National Aids Control Project	2003-04	2003-04
11.	Sikkim Institute of Rural Development	2002-03	2002-03
12.	Tashi Namgyal Academy	2001-02	2001-02
13.	Sikkim Rural Development Agency	2002-03	2002-03
14.	Council of Science & Technology	2003-04	2003-04
15.	Paljor Namgyal Girls Senior Secondary School	2001-02	2001-02
16.	Sikkim State Illness Assistance Fund Association	2001-02	2001-02
17.	Sikkim Urban Development Agency	2002-03	2002-03