

OVERVIEW

This Audit Report contains forty eight Audit Paragraphs and six Audit Reviews apart from comments on the Finance and Appropriation Accounts. As per existing arrangement, copies of the draft Audit Paragraphs and draft Audit Reviews are sent to the concerned Secretary to the State Government by the Principal Accountant General, demi officially with a request to furnish replies within 6 weeks. The Secretaries are also reminded demi-officially by the Principal Accountant General for replies. However despite such efforts, in respect of 34 Audit Paragraphs and all the six Reviews, no response was received from the concerned Secretary to the State Government. The matter was also brought to the notice of Chief Secretary by the Principal Accountant General.

1 Review of the State's Finances

The assets of the State Government grew by only 13.5 *per cent* during 2000-2001 while the liabilities grew by 18.1 *per cent* mainly as a result of 21.9 *per cent* growth in the deficit in the Government account. The share of revenue receipts went up from 74 *per cent* of the total receipts of Government in 1999-2000 to 76.7 *per cent* during 2000-2001. While the share of recoveries of loans and advances went up marginally from 1.4 *per cent* to 1.5 *per cent*, the net receipts from the Public Account decreased from 10.6 *per cent* to 5.6 *per cent* due to decrease in deposits and advances.

The share of revenue expenditure to total expenditure went down from 93.9 *per cent* to 91 *per cent* and remained significantly higher than the share of revenue receipts, leading to a revenue deficit of Rs 3436 crore during 2000-2001. Balance from Current Revenues was negative since 1997-98, indicating that Government had to depend only on borrowings to meet its plan expenditure.

Interest payments increased by 112 *per cent* from Rs 1476 crore in 1996-97 to Rs 3124 crore in 2000-2001. The interest ratio which is the ratio of net interest burden to revenue receipts less interest receipts shot up from 0.10 to 0.15 over the five year period.

The recovery of loans and advances by State Government went down from Rs 1217 crore in 1997-98 to Rs 359 crore in 2000-2001. The outstanding loan amount has increased from Rs 3507 crore at the end of 1997-98 to Rs 4125 crore at the end of 2000-2001.

The ratio between capital outlay and capital receipts declined from 0.60 in 1996-97 to 0.28 in 2000-2001 indicating a worsening sustainability, as a substantial part of the capital receipts were not available for capital formation or investment.

As on 31 March 2001, 49 Government companies, in which Government had invested Rs 1196.77 crore, were running under loss with accumulated losses

of Rs 2118.53 crore upto March 2000 (the period for which the accounts were rendered). Even the companies which were making profits were giving only a marginal return on investment ranging from 1.23 *per cent* to 2.08 *per cent* during 1996-97 to 2000-2001. Thus, while the Government was raising high cost borrowings (at 10.50 *per cent* to 13.85 *per cent* rate of interest) from the market, its investments in Government companies etc. fetched insignificant returns.

Revenue realised from 5 major and 47 medium irrigation projects with a total capital outlay of Rs 1928.95 crore was only 0.36 *per cent* of the capital outlay and was not sufficient to cover even the direct working expenses of Rs 52.16 crore. The schemes suffered a net loss of Rs 136.25 crore in 1999-2000 of which the loss under 5 major irrigation projects was substantial (Rs 93.75 crore).

The revenue deficit of Rs 3436 crore in 2000-2001 was fully met by borrowings (Rs 3876 crore). The fiscal deficit of Rs 5077 crore was financed by net proceeds of the Public Debt (Rs 3876 crore) and from the surplus of Public Account (Rs 1201 crore). The ratio of Revenue deficit to Fiscal deficit increased from 0.45 in 1996-97 to 0.68 in 2000-2001 indicating that a larger share of the borrowings was applied to meet the revenue expenditure.

The amount of outstanding guarantees given by Government as on 31 March 2001 was Rs 6780 crore. Rupees 0.53 crore were received as guarantee commission during 2000-2001, while Rs 4.54 crore were outstanding for recovery as on 31 March 2001 from 4 Government companies/Corporations and from Cooperative institutions.

Only 71 *per cent* of the borrowings under internal debt was available for investment and other expenditure after meeting repayment obligations, during 2000-2001.

Analysis of financial data for the Government of Tamil Nadu showed that revenue expenditure was being increasingly financed by borrowings. Substantial increase in interest payments consequent to the increased borrowings over the years coupled with the falling Balance from Current Revenues affected the financial position of the State, aggravating the imbalance between Assets and Liabilities; and other fiscal indicators changed for the worse.

(Paragraphs 1.1 to 1.11)

2 *Appropriation Audit and control over expenditure*

During 2000-2001, expenditure of Rs 32256.50 crore was incurred against the total grants and appropriations of Rs 32011.76 crore resulting in an excess of Rs 244.74 crore (0.8 *per cent*). The overall excess was the result of saving of Rs 1994.73 crore in 55 grants and 44 appropriations offset by excess of Rs 2239.47 crore in 6 grants and 7 appropriations. The excess of Rs 2239.47

crore requires regularisation by the Legislature under Article 205 of the Constitution.

Supplementary provision of Rs 5125.08 crore obtained during 2000-2001 constituted 19 *per cent* of original budget provision of Rs 26886.68 crore. Eighty-nine *per cent* of funds were provided in Supplementary Estimates in February 2001. Supplementary provision of Rs 240.83 crore obtained in February 2001 in 33 grants and 14 appropriations proved unnecessary in view of the final saving in each grant/appropriation being more than the supplementary provision. On the other hand, in 4 grants, supplementary provision obtained during the year proved insufficient, resulting in uncovered excess expenditure of Rs 143.96 crore.

Significant excess was persistent in one grant (Grant 35). Persistent savings of 5 *per cent* and above were noticed in 9 grants and 6 appropriations.

In respect of 64 schemes, out of the total provision of Rs 639.08 crore, Rs 534.32 crore (83 *per cent*) were surrendered either due to non-implementation or slow implementation of the schemes.

Expenditure of Rs 808.04 crore was incurred during March 2001 in 16 cases, wherein the expenditure exceeded Rs 10 crore and also was more than 50 *per cent* of the total expenditure, which revealed rush of expenditure during the last month of the financial year.

In 59 schemes, expenditure of Rs 135.50 crore was incurred which attracted the limitations of New Service/New Instrument of Service for which approval of Legislature or advance from Contingency Fund should have been obtained.

(Paragraphs 2.1 to 2.11)

3 *Integrated Audit and Manpower Management Audit of Water Resources Organisation*

The objective of Water Resources Organisation is to ensure effective management and distribution of surface and ground water for its optimum utilisation in a rational and scientific manner to maximise agricultural production and productivity of all the water using sectors. Audit revealed that the department failed to utilise the available water resources effectively. There was a large gap between the irrigation potential created and utilised in respect of surface water. Inefficient scheme formulation resulted in non-creation of irrigation potential envisaged and poor execution and improper maintenance contributed to non-utilisation of potential created.

- Only four *per cent* of irrigation potential created under 10 projects was actually utilised.
- While water was not utilised for irrigation in two projects, the irrigation efficiency was only 22 *per cent* in the remaining 8 projects.

- Due to delay in land acquisition and finalisation of design there was an avoidable time overrun of three to fifteen years in four projects and cost overrun of Rs 169.61 crore in eight projects.
- Non-preparation of estimates based on the out-turn achieved by Government earth moving machinery resulted in extra liability of Rs 23.09 crore in the works of desilting rivers, drains and channels in Cauvery delta.
- There was an extra expenditure of Rs 6.34 crore in executing schemes under Tamil Nadu Water Resources Consolidation Project due to not following Indian Standard Specifications, additional payments made for works already included in contracts, poor investigation, change of design and delay in finalising tenders.
- Inadmissible payment of secured advance resulted in unintended benefit of Rs 1.02 crore to 21 contractors.
- Issue of letter of credit for more than the required amount and diversion of unutilised letter of credit resulted in expenditure in excess of the approved grant.
- Manpower employment was not based on the work load; cost of excess manpower deployed was Rs 19.87 crore.

(Paragraph 4.1)

4 Implementation of Environmental Acts and Rules relating to Air-pollution and Waste Management

Government of India enacted the Air (Prevention and Control of Pollution) Act, 1981 with the objective of prevention, control and abatement of air pollution and the Environment (Protection) Act, 1986 for protection and improvement of environment. Government of India also made rules under Environment (Protection) Act. The entire area within the State of Tamil Nadu was declared as air pollution control area by State Government from October 1983.

A review of implementation of Environmental Acts and Rules relating to air pollution revealed cases of industries operating without consent, shortfall in obligatory inspection of industries, inadequacy in Ambient Air Quality and Stack Monitoring surveys, underutilisation of pollution testing equipment worth Rs 99.66 lakh, issue of fitness certificate to 1.58 lakh transport vehicles without conducting pollution tests, failure to set up common facilities for disposal of hazardous wastes despite incurring an expenditure of Rs 32 lakh on Environmental Impact Assessment studies conducted at two sites and failure to set up facilities for disposal of Bio-medical waste by the identified hospitals/nursing homes.

(Paragraph 3.3)

5 Prevention and control of diseases

Tuberculosis and Blindness are two major diseases which are widely prevalent in the State. Revised National Tuberculosis Control Programme was implemented from 1993 with emphasis on cure of the disease through Directly Observed Treatment short-course Chemotherapy. Review of the programme revealed that the Chemotherapy was not introduced in 7 districts and implemented belatedly in 23 districts; targets fixed by Government of India for new case detection were found to be very much on the lower side.

- There were shortfalls upto 100 per cent in sputum examination in 68 Primary Health Institutions mainly due to vacancies in the post of Laboratory Assistants and expected rate of sputum conversion after two to three months of treatment were not achieved in four out of six districts.

- Only fifty one *per cent* of patients detected with disease during 1996-2000 had completed treatment. Discontinuance of treatment was mainly due to failure of patients to turn up.

- Inadequate sputum culture facilities and shortage of staff also contributed to poor performance.

National Blindness Control Programme and a World Bank Assisted Cataract Blindness Control Project were being implemented in the State from 1976 and 1994 respectively with the goal of reducing the prevalence of blindness to 0.3 per cent by 2000 AD. Review of these programmes revealed that the physical targets for cataract surgeries were fixed by Government of India arbitrarily without considering all the required parameters, resulting in a backlog of 5.61 lakh cataract operations as of March 2001, constituting 0.9 per cent of the projected population against the targeted prevalence of 0.3 per cent.

- The main reasons for the poor reduction of prevalence rate were poor performance under Government sector, mainly due to less number of cataract surgeries performed by the surgeons and poor performance of Para Medical Ophthalmic Assistants in mobilising and enrolling patients for surgeries.

- Poor utilisation of funds under Information, Education and Communication activities and of funds provided for furnishing eye wards and operation theatres, consumables etc. and poor followup were noticed.

(Paragraph 3.4)

6 Soil Conservation Schemes

Soil Conservation Schemes are implemented with the objective of protecting soil from erosion, preventing run-off and ensuring soil stabilisation. Various soil conservation measures like contour bunding, farm forestry, silt detention tanks, check dams etc. were implemented with the consent of the farmers. Perusal of records relating to various soil conservation measures undertaken in hills and plains and under Integrated Tribal Development Programme, Western Ghat Development Programme, Hill Area Development Programme and River Valley Project revealed that there were delays in preparation of project reports, and ineligible watersheds having less than 50 per cent dry

land were selected for execution of works during 1996-2001. Watersheds were selected annually instead of selecting the same watershed continuously for five years. Ryots/tribals were not involved in the works thus denying them employment opportunities for improving their economic status.

- Non-adoption of appropriate rate for earth work based on the type of soil, execution of contour bunding works in ineligible watersheds and execution of sowing and plantation works in wastelands under River Valley Project resulted in unnecessary extra expenditure of Rs 6.78 crore.
- There was an overpayment of Rs 1.35 crore during 1996-99 in the execution of minor check dams due to non-utilisation of half buried boulders at site.
- Registers of Rights and Liabilities were prepared belatedly by Agricultural Engineering Department and given to Revenue Officials. Recovery of loan from the beneficiary farmers continued to be poor, and there was no proper mechanism to watch the recoveries.
- Also despite the formation of a corpus fund, interest on such fund was not utilised for the maintenance of assets formed under River Valley Project and Western Ghat Development Project.

(Paragraph 3.2)

7 Non-Formal Education Scheme

The National Policy on Education, 1986 envisaged the programme of Non-Formal education as integral component of the strategy to achieve the universalisation of elementary education. The Centrally sponsored scheme of Non-Formal education was introduced in 1995. It was aimed at children in the age group of 6 to 14 years who were school dropouts, working children and girls who could not attend whole day schools and was to facilitate their entry into regular schools on completion of the non-formal education. While some centres were run by the State Government, many centres were run by voluntary agencies. Review of the scheme revealed that its implementation was not satisfactory and the desired objective of entry into formal education system, of children passing out of non-formal system was not achieved.

Some of the significant findings are:

- restriction of expenditure on the scheme to the Central Government grant received; belated commencement of 9000 non-formal education centres in 90 areas in 18 districts in December 2000 despite the sanction of Central grant of Rs 2.92 crore in March 2000; Government unilaterally approved creation of posts in running time scales of pay as against the fixed pay envisaged.
- the actual number of dropouts and non-starters to be enrolled under non-formal education was not assessed through a scientific survey; the learners were not given certificates on completion of the course which will facilitate their entry into the formal stream.

(Paragraph 3.5)

8 *Development Schemes for Scheduled Castes and Scheduled Tribes population in Dharmapuri District*

Various schemes for the welfare of Scheduled Castes/Scheduled Tribes are being implemented in Dharmapuri District with an approach to overcome social, educational and economic backwardness. Some of the schemes were implemented by the District Adi-draavidar Welfare Officer and the remaining by the District Manager, Tamil Nadu Adi-draavidar Housing and Development Corporation and by the line departments like Animal Husbandry, Horticulture etc. Review of some schemes in Dharmapuri District revealed that there was no system to assess the benefits derived by the Scheduled castes/Scheduled Tribes population as the data of income generated by the schemes, the number of beneficiaries who crossed the poverty line or utilisation of subsidy/loan for the intended purpose were not available.

- Rupees 4.36 crore released by Government of India during 1995-2001 under Article 275 (1) of the Constitution of India for the welfare of Scheduled Tribes was not utilised as of March 2001. Cent *per cent* verification of assets created out of loan/subsidy given to beneficiaries was not conducted.
- Recovery of term loan and margin money was poor under the schemes financed through National Scheduled Castes and Scheduled Tribes Finance and Development Corporation.
- Out of 25984 beneficiaries issued with house-site pattas during 1995-2001, 25204 beneficiaries (97 *per cent*) did not construct houses, vitiating the main objective of the scheme. There was no effective monitoring or evaluation of the impact of the schemes.

(Paragraph 3.1)

9 *Rural Water Supply Programme*

- In order to provide safe and potable drinking water in identified problem villages where 40 litres *per capita* per day of potable water was not available and to solve problems of excess salinity, fluoride and iron content, Tamil Nadu Water Supply and Drainage Board implemented Rajiv Gandhi National Drinking Water Mission launched by Government of India. A review of various components of the programme in nine out of 28 districts revealed that the annual accounts of the Board did not directly reveal the expenditure incurred; the re-survey conducted in 1999 revealed the re-emergence of 8782 not covered and 17149 partially covered habitations; testing of water samples by the Board in March 2000 revealed that 35.4 *per cent* and 18 *per cent* of water samples from hand pump and power pump sources were non-potable and the quality of water was very poor in eight districts. No funds were earmarked for operation and maintenance; the number of trained persons at village level was not adequate to maintain the assets created and the poor maintenance contributed to re-emergence of problem villages.

(Paragraph 6.20)

10 Accelerated Urban Water Supply Programme

- With a view to provide safe and adequate drinking water supply to towns having population of less than 20000 and to improve their environment and quality of life, Tamil Nadu Water Supply and Drainage Board implemented Accelerated Urban Water Supply Programme from 1993-94 with 50 *per cent* grant from Government of India, 45 *per cent* grant from State Government and 5 *per cent* contribution from local bodies. Though Rs 16.93 crore were released by Government of India till March 2001, State Government released only Rs 8.20 crore to the Board. Of the 34 schemes taken up for execution at a total cost of Rs 44.60 crore, 17 schemes only were completed. Of these, 3 were not put to use due to poor quality of water and creation of insufficient source. There was also delay in execution of two schemes due to delay in foreclosure of contract and unsuitability of the site for source creation.

(Paragraph 6.21)

11 Blocking of funds

(i) Ineffective assessment and allotment policy of the Tamil Nadu Housing Board had led to blocking of funds to the tune of Rs 59.53 crore on 2069 flats/houses constructed in six schemes.

(Paragraph 6.7)

(ii) Belated/non-issue of guarantee by Government for availing loan and non-identification of alternative beneficiaries by the Weavers Cooperative Societies under the centrally sponsored “workshed *cum* housing scheme” for handloom weavers led to blocking of funds of Rs 3.43 crore.

(Paragraph 3.14)

(iii) Lack of diligence in taking action by the Director of Animal Husbandry on the purchase of pigs under Integrated Piggery Development scheme resulted in non-utilisation of central assistance of Rs 88.14 lakh for over two years.

(Paragraph 3.8)

(iv) Release of Risk Fund subsidy to Large Sized Multipurpose Cooperative Societies every year without ascertaining the utilisation of funds released earlier and failure of the Registrar of Cooperative Societies to identify the bad debts of the societies periodically, resulted in blocking of Rs 83.10 lakh towards such subsidy along with accrued interest of Rs 2.03 crore.

(Paragraph 3.10)

(v) Premature drawal of Government contribution of Rs 50 lakh towards the establishment of an Information Technology Incubator Centre at Coimbatore even before identification of location for the centre, resulted in blocking of the amount outside Government account.

(Paragraph 3.23)

(vi) Defective formulation of project proposal by Commissioner of Tourism resulted in blocking of Rs 18.45 lakh including a central assistance of Rs 12.30 lakh for more than four years.

(Paragraph 3.20)

12 Non-achievement of objectives

(i) Non-assessment of demand for plots prior to commencement of the project of establishing a growth centre at Bargur resulted in deferring the project due to lack of demand from entrepreneurs after spending Rs 8.42 crore.

(Paragraph 3.19)

(ii) Special Central Assistance of Rs 50 lakh received from Government of India in March 1991 for extending financial assistance to cooperative societies for the benefit of Adi-dravidars remained unutilised for the intended purpose.

(Paragraph 3.6)

13 Unintended benefit to contractor

Permission given by Chennai Metropolitan Water Supply and Sewerage Board to the contractor to use cheap filling material instead of sea sand to fill trenches in the Leak Detection and Rectification works resulted in an undue benefit of Rs 7.42 crore to the contractor.

(Paragraph 6.11)

14 Unfruitful/Infructuous expenditure

(i) Despite the recommendation of two committees to revive only eight out of eighteen cooperative spinning mills in the State, the Government decided to revive all the eighteen mills by giving relief package; Rs 50.34 crore spent on seventeen mills for their revival became unfruitful as the mills had not become viable.

(Paragraph 6.6)

(ii) Injudicious decision of Government in resorting to decentralised purchase of masoor dal through cooperative societies during May 1999 to October 1999, disregarding the logistics support and wholesale price

advantage available in centralised purchase through Tamil Nadu Civil Supplies Corporation, resulted in an avoidable expenditure of Rs 5.24 crore.

(Paragraph 5.3)

(iii) Cultivation assistance of Rs 2.51 crore given to oil palm growers for maintenance of oil palm seedlings proved infructuous due to poor survival of seedlings. No action was taken to identify the reasons for poor survival or to overcome the problems.

(Paragraph 3.7)

(iv) Inner ring road work in Hosur town was stopped due to non-provision of funds after partial execution. The expenditure of Rs 1.94 crore was unfruitful since the objective of relieving traffic congestion was not achieved.

(Paragraph 4.3)

(v) Failure of the Chief Engineer (East Coast Road and Rural Roads) to provide the correct design for the causeway across Palar river in Kancheepuram district resulted in repeated damages and rendered the expenditure of Rs 1.87 crore incurred on the work unfruitful besides non-achievement of the objective.

(Paragraph 4.4)

(vi) Non-submission of timely proposals for purchase of essential equipment and provision of staff resulted in the non-utilisation of entire sixth floor of Paediatric Block constructed at a cost of Rs 31.27 lakh in Government Stanley Hospital for the last seven years besides the expenditure remaining unfruitful.

(Paragraph 3.16)

(vii) Gamma Camera received in 1998 for Nuclear Medicine Laboratory in Government Arignar Anna Memorial Cancer Hospital, Kancheepuram could not be commissioned because the Civil works and inpatient ward on which Rs 24.73 lakh were spent had not yet been cleared by Bhabha Atomic Research Centre for radiation safety.

(Paragraph 3.17)

15 *Avoidable payment/Extra expenditure/over-payment*

(i) Use of higher class Ductile Iron pipes in strengthening of distribution system under Second Chennai Water Supply Project by the Chennai Metropolitan Water Supply and Sewerage Board resulted in extra liability of Rs 16.95 crore.

(Paragraph 6.10)

(ii) Belated remittance of General Provident Fund subscription/recovery of advance to the tune of Rs 32.45 crore to the interest bearing Personal Deposit account of the Chennai Corporation and non-remittance of such subscription and recovery of Rs 58.20 crore resulted in a loss of interest of Rs 14.09 crore to the Corporation.

(Paragraph 6.16)

(iii) Non-adoption of the specifications prescribed by Indian Roads Congress and the guidelines issued by Ministry of Surface Transport by the Chief Engineer (Highways), Mechanical, in the work of Improvements to Radial Roads leading to Chennai resulted in avoidable extra expenditure of Rs 5.85 crore.

(Paragraph 4.2)

(iv) Drawal of entire loan by Tamil Nadu Police Housing Corporation prematurely instead of restricting the drawal to the year's requirement resulted in avoidable payment of interest of Rs 4.02 crore.

(Paragraph 3.18)

(v) The decision of Government to allow Tamil Nadu Oilseeds Growers Cooperative Federation Limited to purchase and supply palmolein to Tamil Nadu Civil Supplies Corporation under Nutritious Meal Programme instead of allowing direct purchase by Tamil Nadu Civil Supplies Corporation, resulted in an extra expenditure of Rs 2.08 crore towards overhead charges during October 1994 to March 2001.

(Paragraph 5.4)

(vi) Failure of the Commissioner of Corporation of Chennai to restrict the drawal of loan instalments obtained towards construction of nine mini-flyovers according to the requirement resulted in accumulation of unutilised loan amount and avoidable interest liability of Rs 1.43 crore.

(Paragraph 6.18)

(vii) Payment of road cut restoration charges under "Leak detection and rectification" work by the Chennai Metropolitan Water Supply and Sewerage Board to the Corporation of Chennai at uniform rates for all the three zones

resulted in excess payment of Rs 82.66 lakh and avoidable interest liability of Rs 89.34 lakh on advance payment.

(Paragraph 6.12)

(viii) Although the width of Vandalur-Walajabad road was increased by 1.5 metres under Radial Roads Scheme, payment was made as though the width of the road was increased by 2 metres resulting in a fictitious payment of Rs 23.04 lakh; besides there was also an extra expenditure of Rs 1.38 crore on unnecessary provision of Dense Bituminous Macadam.

(Paragraph 4.5)

(ix) Provision of sand-lime mix by Chennai Metropolitan Water Supply and Sewerage Board instead of sand in the construction of nine water distribution stations resulted in an avoidable expenditure of Rs 1.33 crore.

(Paragraph 6.13)

(x) Undue delay by Government in approving the unit cost on non-tendered items in the works of construction of Hockey and Tennis Stadia and an Aquatic Complex, despite specific contract provisions resulted in avoidable litigation involving an expenditure of Rs 17.53 lakh and in avoidable payment of Rs 92 lakh as interest to the contractor.

(Paragraph 3.25)

(xi) Failure of the Tamil Nadu Housing Board to confirm the market rate of marble stone from Public Works Department resulted in avoidable extra expenditure of Rs 79.36 lakh in the work of construction of Legislators' complex in Chennai.

(Paragraph 6.8)

(xii) Payment of electricity charges by the Commissioner for Milk Production and Dairy development at High Tension tariff rates and recovery of consumption charges from the residents of the milk colony at Madhavaram at Low Tension tariff rates resulted in an avoidable expenditure of Rs 48.02 lakh during June 1992 to June 2001.

(Paragraph 3.9)

(xiii) Proposal of the Chief Engineer (Highways) Designs and Investigation, to lay Water Bound Macadam instead of Lean Bituminous Macadam for strengthening the existing surface of Mount-Poonamallee Road, resulted in change of specification during execution and extra expenditure of Rs 42.04 lakh.

(Paragraph 4.6)

(xiv) Provision of higher thickness for Thiruneermalai-Thirumudivakkam road by the Chief Engineer (Highways), Designs and Investigation, though the traffic census warranted only lesser thickness, resulted in extra expenditure of Rs 37.85 lakh.

(Paragraph 4.7)

(xv) Non-adoption of domestic tariff for consumption of electricity in refugee camp at Mandapam resulted in an avoidable extra expenditure of Rs 34.99 lakh during the period October 1997 to July 2000.

(Paragraph 3.21)

(xvi) Chennai Metropolitan Water Supply and Sewerage Board paid road cut restoration charges to Ambattur Municipality in the work of replacing the existing water main with cast iron pipes in Mogappair and Anna Nagar West Extension Area during 1998-99 without checking the correctness of the claim, resulting in extra expenditure of Rs 32.32 lakh.

(Paragraph 6.14)

16 *Deferred revenue relating to autonomous body*

(i) Failure of the Commissioner of Corporation of Chennai to ascertain annual additions and alterations to the properties of Chennai Port Trust and its incorrect assessment as Government property resulted in under-assessment of property tax to the tune of Rs 4.24 crore.

(Paragraph 6.17)

(ii) Commissioner, Corporation of Chennai failed to raise demands on Cooperative societies for levy of Company tax as contemplated in the Madras City Municipal Corporation Act; tax due but not levied on 237 cooperative societies during 1993-2001 was Rs 32.04 lakh.

(Paragraph 6.19)

17 *Other points of interest*

(i) A review of the Computerised functions of the Department of Rural Development revealed that the computerisation had not stabilised even after three years of usage. The application software developed externally remains deficient even after three years, rendering the computerisation ineffective. The system was devoid of suitable controls which resulted in incorrect data in several forms creeping into the database. Besides, the decentralisation of the purchase of computers and peripherals worth Rs 2.02 crore resulted in unnecessary purchases, extra expenditure, non-uniformity of hardware and several other discrepancies.

(Paragraph 3.22)

(ii) Under the project “Green belt for abatement of pollution and environment improvement”, the estimates forwarded to Government of India with the project proposal were overpitched to an extent of Rs 1.51 crore; expenditure incurred on certain items was more than that prescribed in the guidelines of Principal Chief Conservator of Forests; there was an avoidable extra expenditure of Rs 41.38 lakh on digging larger size pits.

(Paragraph 3.12)

(iii) An amount of Rs 1.68 crore due to be recovered towards remuneration paid to the Special Officers of 1235 cooperative societies/ primary agricultural cooperative banks remained uncollected by the circle Deputy Registrars concerned.

(Paragraph 3.11)