

OVERVIEW

This Audit Report contains 36 31 Audit Paragraphs including three general paragraphs and eight six Audit Reviews including two long paragraphs apart from comments on the Finance and Appropriation Accounts. As per the existing arrangement, copies of the draft Audit Paragraphs and draft Audit Reviews are sent to the concerned Secretaries to the State Government by the Principal Accountant General demi-officially with a request to furnish replies within six weeks. The Secretaries are also reminded demi-officially. Despite such efforts, in respect of 15 Audit Paragraphs and two Reviews, no response was received from the Secretaries concerned. The matter was also brought to the notice of the Chief Secretary to the Government. of Tamil Nadu.

1 Review of the State's Finances

Revenue receipts of the State increased from Rs 16328 crore in 1999-2000 to Rs 23706 crore in 2003-04. During the current year the revenue receipts grew by 13.8 *per cent* over last year due to increase of 11.2 *per cent* in tax revenue, 12.5 *per cent* in non-tax revenue, 16.3 *per cent* in central tax transfer and 33.8 *per cent* in Grants-in-aid from Government of India. Arrears of revenue amounted to Rs 7247 crore and represented 40.2 *per cent* of tax and non-tax revenue of the current year. The share of revenue receipts to the total receipts went down from 78.8 *per cent* during 2001-2002 to 74.2 *per cent* in 2002-03. The share of recoveries of loans and advances increased marginally from 1.4 *per cent* to 1.5 *per cent* over the last year. The share of receipts from the Public Debt increased steeply from 14.4 *per cent* to 25.8 *per cent*.

The share of revenue expenditure in total expenditure went up from 90.3 *per cent* in 2001-02 to 91.4 *per cent* during 2002-03 and remained significantly higher than the share of revenue receipts, leading to a high revenue deficit of Rs 4851 crore. Total expenditure of the State increased from Rs 22024 crore in 1999-2000 to Rs 29872 crore in 2003-04. The rate of growth of total expenditure declined from 17.3 *per cent* in 2002-03 to 6.6 *per cent* in 2003-04. The decline in revenue expenditure by 1.6 *per cent* and the increase in revenue receipts by 13.8 *per cent vis-à-vis* the previous year reduced the State's revenue deficit from Rs 4851 crore in 2002-03 to Rs 1565 crore in 2003-04. This positive development enabled reduction of Fiscal deficit and Primary deficit as well. However, the percentage of total expenditure to revenue receipts during 2003-04 was 126 indicating that about 80 *per cent* of the State's total expenditure was met from its current revenue, leaving the balance to be financed by borrowings. Also the fiscal liabilities of the State were more than twice its revenue receipts.

The capital State Government passed the "Tamil Nadu Fiscal Responsibility Act, 2003" in May 2003 to manage the revenue and fiscal deficits and outstanding debt to sustainable level in the coming years. Medium Term Fiscal Reforms Programme and the Memorandum of Understanding were sent to Government of India and its acceptance/approval is awaited. expenditure and

loans and advances disbursed increased by 120.5 *per cent* and 45.3 *per cent* over last year's figures while the non-development expenditure consisting of expenditure on General Services and interest payments accounted for 36.3 *per cent* of total expenditure, there was a steady decline in the share of Social Services from 35.9 *per cent* to 33.9 *per cent* during 1999-2004.

Though the targets set for 2003-04 under the Medium Term Fiscal Reforms Plan were mostly achieved, the ratio of outstanding guarantees to Gross State Domestic Product is on an increasing trend indicating that the cap specified in the Fiscal Responsibility Act could be touched within the next few years.

Government companies and co-operative units etc. with an aggregate investment of Rs 1383 crore were incurring a loss which had accumulated to Rs 4261.84 crore as of March 2004. Overall, such investments fetched only a meagre return of 1.2 *per cent* during 2003-04 while Government continued to borrow funds at a higher rate of interest (5.85 to 6.40 *per cent*).

Revenue realised during 2002-2003 from five major and 47 medium irrigation projects involving a capital expenditure of Rs 2164.31 crore was only 0.20 *per cent* (Rs 4.24 crore) and was not sufficient to cover even the direct working expenses of Rs 92.61 crore. These projects suffered a net loss of Rs 203.54 crore of which five major irrigation projects contributed to a substantial portion of this loss (Rs 133.47 crore).

(Paragraphs 1.1 to 1.1245)

2 *Appropriation Audit and control over expenditure*

During 2003-2004, expenditure of Rs 36912.4756 crore was incurred against the total grants and appropriations of Rs 45059.77 crore, resulting in a saving of

Rs 8147.30 crore (1.65 *per cent*). The overall saving was the result of saving of Rs 8301.91 crore in 47 grants and 34 appropriations under Revenue section, 26 grants under Capital section and 11 grants and one appropriation (Public Debt repayments) under Loans section, offset by excess of Rs 154.61 crore in two grants and five appropriations under Revenue section and five grants under capital section. The excess expenditure of Rs 154.61 crore requires regularisation under Article 205 of the Constitution of India.

Supplementary provision of Rs 3738.08 crore obtained during the year constituted nine *per cent* of original budget provision of Rs 41321.69 crore. Supplementary provision of Rs 107.323 crore obtained in March 2004 in 32 34 and 12 Voted grants under Revenue section and Capital sections respectively and in six ,charged appropriations proved unnecessary in view of the final saving in each grant/appropriation being more than the supplementary provision. On the other hand, in two grants (Grant No. 33 and 40) and in one charged appropriation (Debt charges), supplementary provision obtained proved insufficient, resulting in an uncovered excess expenditure of Rs 154.16 crore.

Substantial surrenders of Rs 8376.89 crore representing 74 *per cent* of total provision in respect of 116 schemes were made on account of either non-

implementation or slow implementation of schemes. Of these, cent *per cent* surrender of Rs 390.16 crore was made in 34 schemes.

Re-appropriation proved excessive or insufficient and resulted in savings/excess over Rs 10 lakh in 579 sub-heads of which the excess/savings was more than Rs one crore in 98 cases.

Resumptions to Consolidated Fund under the grants continued to be persistent and significant leading to variations (excess/saving) between the final modified grant/appropriation and actual expenditure, indicating inadequate control over expenditure.

(Paragraphs 2.1 to 2.896)

3 *Performance of the Villupuram District Administration in selected areas*

Villupuram District is one of the backward districts in the State and ranked 28th among the 29 districts in terms of human development index. Though the District Planning cell and the District Planning Committee were established in the district in October 1999 and February 2002 respectively neither the District Development Plan nor the Annual plans were prepared till date resulting in specific needs of the district not being adequately addressed.

A review of the performance of the District Administration in selected sectors revealed the following.

- Though the target for enrolment in respect of primary classes was 100 *per cent* with no drop out under Sarva Shiksha Abhiyan, 4116 children were not enrolled in primary classes as of March 2004 and drop out rate was six *per cent* in 2003-04.
- Shortfall in supply of text books ranged between five and nine *per cent* during 1999-2002 and the shortfall in supply of uniforms ranged between two and 23 *per cent* during 1999-2003 due to wrong assessment by Headmasters of the test-checked schools.
- Norms prescribed in the Ninth Plan document were not adhered to for opening of new Primary and Middle schools in unserved habitations.
- About 68 *per cent* of the rural habitations, 75 *per cent* of Town Panchayats and all Municipalities in the district were not providing adequate quantity of safe water.
- No augmentation work was taken up in Villupuram Municipality to meet the increasing demand for water due to non-functioning of Municipal council and non-approval of scheme formulated in August 2002.

(Paragraph 3.12)

4 *Implementation of the Child Labour (Prohibition and Regulation) Act, 1986*

The Child Labour (Prohibition and Regulation) Act, 1986 bans the employment of children of less than 14 years age in specified occupations and processes and lays down penalties for their employers.

A review of the implementation of the Act revealed (a) wide variations in data on estimation of child labour identified through various surveys, (b) failure of the system to reach out to the child labour in unorganised sectors and (c) non-achievement of the objective of rehabilitating all the identified children through special schools.

- National Child Labour Project could not fully achieve its objective of rehabilitation of identified child labour mainly due to closure of special schools, shortage of vocational instructors and absence of a proper system for following up the mainstreamed children.
- Under Child Labour Rehabilitation Project in Chennai slums, enrolment of identified child labour in transit schools was poor and there was no follow up of mainstreamed children for preventing their relapse into child labour.
- Despite the judgement of the Supreme Court and setting apart specific funds for this purpose, the State Government could not rehabilitate 9485 child labourers identified as employed in hazardous occupations.

(Paragraph 3.246.1)

5 Integrated Audit of Backward Classes, Most Backward Classes and Minorities Welfare department

A review of the functioning of the Department revealed (a) that schemes with high emphasis on education of the Backward Classes (BC) /Most Backward Classes (MBC)/Denotified communities (DNC) suffered due to belated disbursement of scholarship of Rs 11.96 crore and incentives of Rs 12 crore to rural girl students, (b) non-supply of special guides at the beginning of each year to hostel students, (c) short supply/non-supply of text books and uniforms to eligible students and (d) negligible utilisation of free house sites distributed due to non-availability of infrastructural facilities.

- Addition of project period interest with the estimated cost of constructing hostels resulted in additional liability of Rs 2.69 crore towards interest on a loan availed for the purpose.
- Though 5515 persons were trained in heavy vehicle driving during 1996-2000 at a cost of Rs 7.89 crore, data regarding the trainees who secured employment was not ascertained. This led to non-continuance of the scheme after 2001-2002. Also Rs 64 lakh given for this purpose was not got refunded from Institute of Road Transport.
- Out of 1.93 lakh pattas for house sites distributed free during 1981-2004, only a meagre 5000 houses (three *per cent*) were constructed in the State despite the Government stipulation that the houses were to be constructed within six months of distribution of 'pattas'. Government decided to provide the necessary infrastructural facilities only in December 2001. Further, in 16 districts 4176 plots acquired at a cost of Rs 84.76 lakh remained undistributed as of April 2004.

➤ The administrative structure of the Department from Government to the grass root level has inbuilt inconsistencies and remedial action has to be taken by Government to streamline the administration.

(Paragraph 3.346.1)

6 Puratchi Thalaivar MGR Nutritious Meal Programme

Puratchi Thalaivar MGR Nutritious Meal Programme was launched in 1982 with a view to providing adequate nutrition to economically disadvantaged children of age group 2 to 5 years and was later extended to students and providing social security to the disabled. of age up to 15 years. Besides combating malnutrition, the programme sought to act as an incentive for increasing enrolment in schools and for reducing dropouts.

A review of the programme revealed the following:

- A quantity of 38820 MT of fine rice received from Government of India under National Programme of Nutritional Support to Primary Education, was substituted by common rice.
- Supply and use of Double Fortified Salt in seven goitre prone districts against the recommendations of UNICEF and the National Institute of Nutrition resulted in extra expenditure of Rs 27.15 lakh during 2002-04.
- Despite recommendations of the Public Accounts Committee, measuring devices for weighing food ingredients had not been provided to the noon-meal centres.
- There were shortfalls in conducting inspections by the Personal Assistant (NMP) in various districts during 2002-04. Similarly the Block Development Officers did not conduct required number of inspections during 1999-2004 in three sample districts. This trend is indicative of inadequate level of assistance.

(Paragraph 3.475)

7 Review of Indian Systems of Medicine and Homoeopathy

With a view to encourage and popularise traditional Indian Systems of Medicine and Homoeopathy and to bring out their benefits, State Government set up a separate Directorate of Indian Medicine and Homoeopathy in 1970 under the Health and Family Welfare Department. However, even as of 2003-04, the Directorate did not have any statistical data to indicate the effectiveness of these systems of medicine in treatment of diseases. The vacancies in the posts of Assistant Medical Officers resulted in shortfall in provision of services to the extent of 15 days or more in a month in 56 per cent and 68 per cent of the months in two test-checked districts during 1999-2003. About 46 per cent of the in-patients in Arignar Anna Government Hospital of Indian Medicines, Chennai did not complete the treatment during 1999-2004 as they either abandoned the treatment or got themselves discharged against medical advice.

- Out of Rs 60 lakh released as grant by Government of India for procurement of equipments for drug testing laboratory, Rs 27.88 lakh were not utilised.
- Four Research Units established in Arignar Anna Government Hospital of Indian Medicines did not carry out any research activity due to lack of modern machineries/equipments and staff.

(Paragraph 3.53)

8 Integrated Sanitary Complexes for women

To improve rural sanitation, Government sanctioned a State Plan scheme for construction of Integrated Sanitary Complexes for women to provide toilets, bathrooms, space for washing and water tubs in each of 12618 Village Panchayats in two phases during 2001-03. The cost of the project was met by

obtaining loan from the Housing and Urban Development Corporation Limited and partially by providing State contribution dovetailing other schemes like Member of Legislative Assembly Constituency Development Scheme and Total Sanitation Campaign.

As of March 2004, only 8278 complexes had been completed against the targeted 12618 complexes. This was mainly due to delay in completion of first phase and belated commencement of second phase.

➤ Scrutiny of records in connected offices and in three sample districts revealed delay in completion/putting into use of the complexes, non-usage due to lack of electricity connection, poor/non-optimum use of constructed complexes and absence of maintenance due to non-involvement of user groups, incorrect classification of loan as urban infrastructure with higher rate of interest resulting in an additional interest liability of Rs 1.34 crore, unjustified loan amount of Rs 1.77 crore towards Administration and Supervision charges and unnecessary expenditure of Rs 28.83 lakh towards construction of pump rooms in 536 complexes wherein submersible pumps were installed. Also, the monitoring during construction and post-construction was not largely achieved due to non-formation/belated formation of Block level committees.

(Paragraph 3.65)

99 Drought relief measures in Animal Husbandry Department

Out of Rs 20 crore released by Government of India in December 2002 to the State Government for drought relief measures from National Calamity Contingency Fund towards fodder, Rs 10 crore were released on the recommendation of the State Level Committee. Contrary to guidelines that such funds be used for providing immediate benefit, Rs 7.38 crore out of this amount was utilised for establishment of infrastructure for development of fodder inputs, a long term approach.

Though Government requested in December 2003 to obtain utilisation certificate for the amount spent and to surrender the unspent amount, further orders were issued by Government itself for releasing Rs 76.10 lakh to Principal Chief Conservator of Forests in January 2004 and Rs 1.51 crore to Rural Development Department in June 2004. Such belated and piecemeal sanction and transfer indicated the absence of definite and decisive plans initially to combat drought.

➤ Though 28 districts were declared as drought affected, funds for drinking water facilities and for protection of livestock against diseases were released only for 22 districts.

➤ Though the protection of livestock against diseases was proposed on the ground that shortage of feed and fodder during drought period would reduce their vitality and immunity to diseases, Animal Husbandry Department proposed to protect only 25 per cent of the cattle population in 22 districts. Even against the reduced target of 82.51 lakh, only 27.20 lakh cattle (33 per cent) were vaccinated due to short supply of vaccines by Tamil Nadu Medical Service Corporation.

(Paragraph 3.73.12)

110 Blocking of funds

(i) Poor planning, lack of infrastructure and defective pricing policy of Tamil Nadu Housing Board led to blocking of Rs 96.43 crore on 18,755 plots in 17 schemes completed between March 1996 and December 2002 by nine divisions.

(Paragraph 6.7)

(ii) Government released Rs 6.50 crore to Tamil Nadu Cooperative Milk Producers' Federation even before approval of the rehabilitation scheme by Government of India. Government permitted retention of the amount outside Government account, despite its critical cash position.

(Paragraph 6.4)

(iii) The implementation of Shelter Upgradation Programme, a cent *per cent* Centrally sponsored programme for construction and/or upgradation of houses for urban poor was not successful, mainly due to the difficulty in recovering the beneficiary contribution of 10 *per cent* either from own source or by way of loan; for want of tie-up with banks; huge Central assistance with interest to the tune of Rs 6.26 crore was lying unutilised outside Government account for periods ranging from one to two years as of March 2003.

(Paragraph 3.21)

(iv) Non-conducting of soil investigation and non-selection of suitable site before formulation of proposals for the construction of ten fish landing centres resulted in delay and non-completion even after three years since the commencement of works. Besides, Rs 5.67 crore incurred on the project was blocked without achieving the objective of providing safe landing and berth facilities to fishing vessels.

(Paragraph 3.9)

(iv) Government funds amounting to Rs 4.75 crore earmarked towards Government contribution to District Child Labour Rehabilitation cum Welfare Fund for giving compensation to the child labourers identified in hazardous occupation as per Supreme Court's directions were prematurely transferred and kept unutilised in Public Account since March 1999. Only Rs 7.85 lakh was utilised and Government ordered in April 2003 that the unutilised balance of Rs 4.67 crore be refunded to Government account.

(Paragraph 3.20)

(vi) Delay in construction of school buildings for Model Tribal Residential School at Vellimalai resulted in unutilised Central assistance of Rs 2.01 crore; the quality of education was poor due to lack of qualified teachers.

(Paragraph 3.6)

(vii) A Corpus Fund of Rs 60 lakh was created in September 1999 by Government for declaring the Chennai Medical College and Research Institute as Deemed University. Even after the withdrawal of Deemed University status by Government of India in March 2001, Rs 85.59 lakh, including the

interest earned, remained in the Corpus Fund outside Government account. for over 3 years.

(Paragraph 3.16)

(viii) Failure to provide access to the land acquired at a cost of Rs 55.51 lakh by Tamil Nadu Housing Board resulted in blocking of funds for over 14 years.

(Paragraph 6.8)

(viiiix) Rupees 48.14 lakh drawn from Government account for payment to private Anaesthetists and Obstetricians under Reproductive and Child Health Project remained locked up in Savings Bank accounts, outside Government account for over two years.

(Paragraph 3.17)

1021 Wasteful/Unfruitful /infructuous/wasteful expenditure

(i) Commencement of the Chennai Sewerage Renovation and Function Improvement Project by Chennai Metropolitan Water Supply and Sewerage Board without first firming up commitment from the concerned major industries for utilising the renovated sewage resulted in unfruitful expenditure of Rs.138.93 crore (including interest) incurred on the project.

(Paragraph 4.1.1 3.19)

(ii) Defective execution of works for augmentation of the sewerage system and its poor maintenance by Tamil Nadu Water Supply and Drainage Board defeated the objective of prevention of pollution of Udhagamandalam lake despite an expenditure of Rs 12.45 crore. Besides, Rs 1.42 crore were spent for cleaning the lake.

(Paragraph 4.1.2 4.1)

(iii) Carrying out rehabilitation works of the tank bund of Willingdon Reservoir in Thittakudi taluk of Cuddalore District without proper investigation resulted in wasteful expenditure of Rs 5.04 crore. This included an avoidable extra expenditure of Rs 1.21 crore due to allowing excess lead for transportation of red earth and cost of earth.

(Paragraph 4.1.34.3)

(iv) Commencement of the work of widening and strengthening the existing Alappakkam railway feeder road and Alappakkam – Periakuppam road for a petroleum refinery without completing acquisition of land and obtaining the required contribution in full from the refinery resulted in expenditure of Rs 2.86 crore being largely unfruitful.

(Paragraph 4.1.4 4.2)

(v) Designing a canal for a higher capacity than required to utilise the surplus water from Suruliyar river resulted in wasteful expenditure of Rs 97.85 lakh.

(Paragraph 4.1.5 6.10)

(vi) Due to reversal of Government decision, expenditure of Rs 87.82 lakh on an aborted enumeration for identification of BPL families for issue of new ration cards during January 2002 became infructuous.

(Paragraph 3.13)

1132 Extra expenditure/Avoidable / Extra expenditure/expenditure/overpayment

(i) Government paid Rs 18.47 crore as concession to power tariff though no liability on account of such a commitment existed.

(Paragraph 4.2.1 3.14)

(ii) The failure of the Chief Engineer and Director, Highways Research Station to follow the latest census and the revised specifications in widening and strengthening the radial roads leading to Madurai resulted in an avoidable extra expenditure/liability of Rs 9.46 crore.

(Paragraph 4.2.2 4.4)

(iii) Provision of bituminous concrete on roads taken from Chennai Corporation by Highways Department for improvement and maintenance in excess of standard requirement resulted in avoidable extra expenditure of Rs 6.33 crore.

(Paragraph 4.2.3 3.7)

(iv) Payment by Commissioner of Handlooms and Textiles for cloth for uniforms supplied by Tamil Nadu Textile Corporation, Coimbatore and Tamil Nadu Handloom weavers Co-operative Society (Co-optex), Chennai without accounting for the elongation of cloth during processing resulted in avoidable extra expenditure of Rs 2.98 crore.

(Paragraph 4.2.4 4.5)

(v) Entering into an agreement containing vital omissions with a foreign consultant under Tamil Nadu Road Sector Project by its Project Director and delay in providing him necessary data and facilities resulted in an avoidable payment of Rs 2.97 crore to him.

(Paragraph 4.2.5 3.15)

(vi) The distribution network from the water distribution station for Choolaimedu zone was strengthened at a cost of Rs 32.75 crore and commissioned in May 2001. Leakages in the strengthened distribution network resulted in sub-optimal use of pumping capacity created and an unfruitful expenditure of Rs 1.44 crore.

(Paragraph 4.2.6)

(vii) Unjustifiable increase in the width of a Jeep track by the Executive Engineer, Periyar Improvements Division VII, Madurai and allowing rates higher than admissible for the quantity of earth conveyed from longer distances by the Superintending Engineer, Periyar Vaigai Basin Circle in respect of two sub-works taken up for providing irrigation facilities resulted in avoidable extra commitment of Rs 1.12 crore.

(Paragraph 4.2.7 4.8)

(viii) Failure to investigate field conditions and to follow the prescribed procedure before sending Land Plan Schedules under Chennai City Waterways Project and poor co-ordination with Revenue Department resulted in abnormal delay in land acquisition and caused avoidable expenditure of Rs 1.09 crore.

(Paragraph 4.2.8 4.8)

12 Blocking of funds

(i) Failure to implement the High Court order for allotment of flats/houses/plots by the Tamil Nadu Housing Board under Government Discretionary Quota resulted in blocking of at least Rs 26.13 crore.

(Paragraph 4.3.1)

(ii) Due to incorrect estimation by State Government, Rs 11.46 crore was received in excess from Government of India for the scheme of free supply of bicycles to Scheduled Castes/Scheduled Tribes/Scheduled Caste Convert girl students of class XI and XII which remained unutilised for more than two years besides resulting in an avoidable interest liability of Rs 4.23 crore.

(Paragraph 4.3.2)

(iii) To avoid lapse of budget grant, Rs five crore pertaining to schemes awaiting sanction was drawn by the Commissioner of Tourism in March 2004 and kept outside Government account. Similarly, Rs 40 lakh were drawn in March 2002 far in advance of requirement and deposited outside Government account for works in a banned area resulting in its retention for more than two years.

(Paragraph 4.3.3)

(iv) Non-maintenance of accounts of Self Sufficiency Scheme for the State as a whole by the Director of Rural Development resulted in non-ascertaining of details of unutilised funds with District Rural Development Agencies though Rs 2.69 crore was available as of March 2004 with 10 District Rural Development Agencies. Four District Rural Development Agencies spent Rs 63.01 lakh towards purchase of furniture under the scheme in violation of Government instructions.

(Paragraph 4.3.4 6.9)

(iii) While releasing grants to the Tamil Nadu Maritime Board based on the projected budget deficit, Rs 1.84 crore was irregularly released by Government by taking into account depreciation as expenditure. Also Government did not adjust the unutilised amount out of the earlier grants lying with the Board while releasing deficit grants.

(Paragraph 6.5)

(iv) Due to submission of defective claims under Group accident Insurance Schemes, benefit of Rs 1.27 crore had not reached 433 fishermen as of March 2003.

(Paragraph 3.10)

3.6 Computerisation of Land Records

Government of India initiated a scheme for the “Computerisation of Land Records” in January 1990 of the purpose of effective land reforms. The software was developed by National Informatics Centre. Though the scheme encompassed digitization of land details, ownership details (“A” Register) and ownership details (Chitta) were taken up for computerisation in the state. On account of faulty planning, poor implementation and monitoring, the scheme which commenced in 1992 is yet to reach a functional level despite incurring an expenditure of over Rs 13 crore – The data captured had a high percentage of error due to non-provision of adequate controls for ensuring completeness and correctness, rendering it unreliable.

Capture of past data entrusted to external agencies required repeated corrections with reference to original records at the village level was a major contributor to the delay. No arrangement was made with the Registration Department for continuous flow of records for updation of data.

- The deficiencies noticed in the pilot study in one district were not rectified while extending the scheme to all districts, defeating the very purpose of the scheme.
- The data design adopted for the scheme was not ideal for achieving the ultimate objectives of the scheme like consolidation of land holdings, extent of land of different types held by individuals indifferent places etc.
- Due to incorrect capture of data on relation ship, 71 per cent of the records capture in the Chitta files required correction and in 3.34 lakh records, the relation ship column remained blank.
- Scheme funds received from Government of India and deposited with ELCOT, though reported to Government of India as spent, Rs 1.69 crore was diverted for other expenditure not contemplated under the scheme.
- While Rs 61 lakh incurred on touch scree kiosks became unfruitful, Rs 41 lakh on the unnecessary purchases was avoidable.

(Paragraph 3.6)

(v) Rupees 2.80 crore of Central assistance received under Operation Black Board (closed in March 2002) was lying unutilised in Personal Deposit account of Tamil Nadu Text Book Corporation (Rs 2.56 crore) and Savings Bank Account of Director, Elementary Education (Rs 0.44 crore) despite Government of India instructions in January 2002 for transferring it to the scheme Sarva Shiksha Abhiyan, the substituted scheme.

(Paragraph 4.3.5)

(vi) Government resorted to off-budget borrowing of Rs 69.25 crore during 2001-02 for implementing Anna Marumalarchi Thittam and thereby circumvented exhibiting liability of repayment of loan in its accounts resulting in understatement of debt liabilities. Though the scheme was discontinued from April 2003, unutilised funds of Rs 2.22 crore due for refund to Government were lying with 11 DRDAs for more than a year.

(Paragraph 4.3.6 6.9)

(iii) While releasing grants to the Tamil Nadu Maritime Board based on the projected budget deficit, Rs 1.84 crore was irregularly released by Government by taking into account depreciation as expenditure. Also Government did not adjust the unutilised amount out of the earlier grants lying with the Board while releasing deficit grants.

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(Paragraph 3.6)

1343 Other points of interest

- (i) Failure of the Tamil Nadu Housing Board since 1970 to take over vacant land currently valued at Rs 12.70 crore facilitated its encroachment, the eviction of which could not be ensured by Revenue Department.

(Paragraph 4.4.2 6.9)

- (iii) While releasing grants to the Tamil Nadu Maritime Board based on the projected budget deficit, Rs 1.84 crore was irregularly released by Government by taking into account depreciation as expenditure. Also Government did not adjust the unutilised amount out of the earlier grants lying with the Board while releasing deficit grants.

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(Paragraph 3.6)

(ii) Failure to watch payment of interest on a Government loan of Rs 10 crore released in January 1996 and February 1997 to Chennai Metropolitan Development Authority resulted in loss of interest of Rs 7.57 crore accrued during the moratorium period and penal interest.

(Paragraph 4.4.3 6.9)

(iii) While releasing grants to the Tamil Nadu Maritime Board based on the projected budget deficit, Rs 1.84 crore was irregularly released by Government by taking into account depreciation as expenditure. Also Government did not adjust the unutilised amount out of the earlier grants lying with the Board while releasing deficit grants.

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- The deficiencies noticed in the pilot study in one district were not rectified while extending the scheme to all districts, defeating the very purpose of the scheme.
- The data design adopted for the scheme was not ideal for achieving the ultimate objectives of the scheme like consolidation of land holdings, extent of land of different types held by individuals indifferent places etc.
- Due to incorrect capture of data on relation ship, 71 per cent of the records capture in the Chitta files required correction and in 3.34 lakh records, the relation ship column remained blank.
- Scheme funds received from Government of India and deposited with ELCOT, though reported to Government of India as spent, Rs 1.69 crore was diverted for other expenditure not contemplated under the scheme.
- While Rs 61 lakh incurred on touch scree kiosks became unfruitful, Rs 41 lakh on the unnecessary purchases was avoidable.

(Paragraph 3.6)

(iii) The Principal, Sainik school, Amaravathy Nagar unauthorisedly retained the unutilised amount of Rs 1.03 crore out of the scholarship grants given to the school during 1999-2003 without refunding it to Government and also submitted excess claims of Rs 27.90 lakh.

(Paragraph 4.4.4 6.9)

(iii) While releasing grants to the Tamil Nadu Maritime Board based on the projected budget deficit, Rs 1.84 crore was irregularly released by Government by taking into account depreciation as expenditure. Also Government did not adjust the unutilised amount out of the earlier grants lying with the Board while releasing deficit grants.

(Paragraph 6.5)

(iv) Due to submission of defective claims under Group accident Insurance Schemes, benefit of Rs 1.27 crore had not reached 433 fishermen as of March 2003.

(Paragraph 3.10)

3.6 Computerisation of Land Records

Government of India initiated a scheme for the “Computerisation of Land Records” in January 1990 of the purpose of effective land reforms. The software was developed by National Informatics Centre. Though the scheme encompassed digitization of land details, ownership details (“A” Register) and ownership details (Chitta) were taken up for computerisation in the state. On account of faulty planning, poor implementation and monitoring, the scheme which commenced in 1992 is yet to reach a functional level despite incurring an expenditure of over Rs 13 crore – The data captured had a high percentage of error due to non-provision of adequate controls for ensuring completeness and correctness, rendering it unreliable.

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(Paragraph 3.6)