

CHAPTER IV: AUDIT OF TRANSACTIONS (CIVIL DEPARTMENTS)

AGRICULTURE DEPARTMENT

4.1 Non-utilisation of Central Assistance

The Director of Agriculture drew central assistance of Rs. 42.97 lakh between 2001-02 and 2003-04 for implementation of computer based Agri-Network System, of which Rs. 42.10 lakh remained unutilized.

Government of India (GOI) released Rs. 42.97 lakh between 2001-02 and 2003-04 under the Integrated Cereal Development Programme – Rice (ICDP) for implementation of computer based Agri-Network System (ANS) in Agriculture Department. The main objectives of the scheme were to create and manage a sound database for monitoring of Plan schemes, reporting and preparation of the budget of the department as a whole. The scheme also laid emphasis on analyzing the research data, forecasting of crop prospect, estimating of yields of different crops and deployment of networking systems in extension activities of the department.

Test-check (October 2004) of records of the Director of Agriculture revealed that the Director drew Rs. 42.97 lakh between March 2002 and March 2004 and spent (October 2002) Rs. 0.87 lakh for purchase of two computers. Balance funds of Rs. 42.10 lakh was retained in the shape of deposit-at-call. The department, however, furnished utilization certificates for Rs.12.09 lakh to the Government of India on the basis of drawal of funds in March 2002. The Finance Department had imposed (August 2003) a ban on purchase of computers as a part of austerity measures taken by the State Government, but waived (January 2004) it subsequently for this scheme. But the department failed to implement the programme even after lifting of the ban.

In April 2005, the Government decided to implement the programme through the National Informatic Centre (NIC). A Memorandum of Understanding (MOU) was to be signed between the department and NIC in this regard and the unspent amount of Rs. 42.10 lakh placed with them. Further development is awaited.

Thus, drawal of funds from Treasury violating the provision of Rule 290 of the Central Treasury Rules, Volume I, when the funds were not required for immediate disbursement, coupled with delay in taking decision by the Government as well as by the department for entrusting the computerization programme to NIC resulted in locking up of funds varying from Rs.12.10 lakh to Rs.42.10 lakh for periods ranging from one year to three years. This has also resulted in loss of interest of Rs.7.03 lakh* as of March 2005 calculated at

* March 2002-Rs.12.97 lakh @Rs.10.34 *per cent* p.a for 7 months =Rs.0.78 lakh
October 2002-Rs.12.10 lakh @ Rs.10.04 *per cent* p.a for 17 months=Rs.1.72 lakh
March 2004-Rs.42.10 lakh @Rs.9.92 *per cent* p.a for 13 months =Rs.4.53 lakh
Total: Rs.7.03 lakh

the borrowing rates as keeping the money in the shape of deposit-at-call did not earn any interest to the department.

The Government to whom the matter was reported (May 2005) stated (August 2005) that it was expected that the amount would be utilised by August 2005 but no document in support of this was furnished.

HEALTH AND FAMILY WELFARE DEPARTMENT

4.2 Loss of interest

Premature withdrawal of Rs. 2 crore from term deposit account and retaining the same in the personal ledger (PL) account of the Director of Health Services for over five years caused loss of interest of Rs. 1.06 crore.

The State Government set up (March 1997) the Tripura State Illness Assistance Fund (TSIAF) for financing the poor families living below poverty line (BPL) for long term and expensive specialized medical treatment outside the State under the Central scheme "Assistance to State Government towards expenditure on hospitalization of the poor". Accordingly, a Fund of Rupees six crore was created with contributions from the State Government (Rupees four crore) and the Central Government (Rupees two crore) in the ratio of 2:1 respectively as one time grant. The amount was invested in two term deposit accounts of Rs. 5.50 crore (September 1997) and Rs. 0.50 crore (October 1997) with the UBI, Agartala Branch to earn maximum interest* under monthly interest Scheme.

Test-check (January 2005) of records of the Director of Health Services (DHS), Tripura revealed that at the instance of the Government an amount of Rs. 2 crore was withdrawn (July 1998) out of the term deposit of Rs. 5.50 crore and kept in PL account of the DHS. Again the amount was withdrawn from PL account in November 2003 and credited to Government account (Major Head 0210) in the same month. The withdrawal of Rs. 2 crore from the corpus of the Society and keeping it in PL account for 5 years and subsequently depositing it to Government account for one year was irregular. Subsequently, the Health and Family Welfare Department released (September 2004) Rs. 2 crore to the Health Directorate, which invested (September 2004) the amount in term deposit account in the name of TSIAF with Tripura Gramin Bank, Agartala @ 6.10 per cent interest per annum.

Thus, premature withdrawal of Rs. 2 crore and retention of the same in PL account of the DHS for over five years resulted in loss of interest of Rs. 1.06 crore^Ω. Besides, the scheme for catering to the needs of all the BPL patients

* @ 12 per cent per annum.

^Ω Simple interest accruable on Rs. 2.00 crore for the period from 3.9.97 to 2.9.2002 @ 12% p.a.

Amount of interest received after premature encashment for the period from 3.9.97 to 22.7.98 @ 7.5% p.a.

Rs. 1,20,00,000.00

Less

(-) Rs. 13,75,000.00

Rs. 1,06,25,000.00

suffered due to keeping the amount out of the corpus of the society for six years (July 1998 to August 2004).

The Government to whom the matter was reported (May 2005) stated (July 2005) that due to financial difficulties Rs. 2 crore was withdrawn and kept in PL Account.

The fact, however, remains that the scheme for catering to the needs of BPL patients has suffered by keeping the amount out of the society's corpus.

4.3 Under-utilisation of Laparoscopic system

Lack of maintenance and upkeep of the equipment and hand instruments required for laparoscopic surgery rendered the expenditure of Rs. 20 lakh incurred on their procurement, largely unfruitful.

The Health and Family Welfare Department decided to introduce laparoscopic Cholecystectomy, a new method of removing gall bladder stone with minimum surgical trauma to the patients, in the Gobinda Ballav Pant Hospital (GBPH), a State Hospital at Agartala and sanctioned (January 1999) Rs. 20 lakh for the purpose. Accordingly, the department procured (January 2000) a set of Laparoscopic equipment and disposable hand instruments from a Kolkata based firm at a cost of Rs. 20 lakh. The equipment and instruments were warranted for one year from the date of installation (March 2000).

It was seen in audit that the decision for procurement of the laparoscopic system was taken on the basis of recommendation of GBPH authority (Head of Surgery) which stated that incidence of gall bladder stone was very high in Tripura and there was public demand for the laparoscopic method.

Scrutiny (January 2005) of the Register maintained in the Operation Theatre (OT Register) revealed that 38 and 100 surgical operations were conducted during 2000 and 2001 respectively using this system. But there was a steep decline in the number of surgery cases in 2002 (25), 2003 (3) and 2004 (8, upto February). As of May 2005 the system was out of use (since March 2004).

The GBPH authority (Medical Superintendent) stated (May 2005) that laparoscopic cholecystectomy could not gain popularity in the State and patients were favouring open surgery. The reply is not tenable because it contradicted the basis on which the procurement of the laparoscopic system was made. The method was also popular throughout the world and different parts of India.

Scrutiny further revealed that the laparoscopic system was regularly interrupted since November 2000 due to non-supply of disposable hand instruments, adjustment problem of the camera system, inoperative Boyle's

Apparatus^Ω and non-maintenance of the laparoscopic system as a whole. The department had neither executed any Annual Maintenance Contract (AMC) with the supplier firm, nor did it make any provision of funds to meet recurring expenditure for upkeep of the laparoscopic system.

Poor maintenance of the equipment by the Medical Superintendent, GBPH resulted in denial of the modern surgical facility to the patients required to undergo gall-stones operation since March 2004. The expenditure of Rs. 20 lakh on the laparoscopic system thus proved to be largely unfruitful. The matter was reported to the Government in June 2005; in reply (July 2005), while accepting the facts, the Government stated that disposable hand instruments could not be purchased for paucity of funds.

PUBLIC WORKS DEPARTMENT

4.4 Blocking of funds

Non-adherence to Departmental procedure on procurement of construction materials and procurement of material in advance of requirement by six Public Works divisions led to blocking of funds of Rs. 6.41 crore.

Materials required for construction and maintenance of roads, bridges and buildings by the Public Works divisions are generally procured and stocked in the Public Works Stores Division on the strength of estimated annual requirements obtained from the working divisions. These materials are issued to the respective working divisions against the indents placed by them. As per accepted procedure in vogue, the values of materials issued are adjusted through Cash Settlement Suspense Accounts (CSSAs).

Test-check (February – March 2005) of records of the Executive Engineer (EE), Stores Division, PWD, Agartala revealed that in violation of the existing accepted procedure, six working divisions of PWD obtained proforma bills from the Stores Division (PWD) for the construction materials (4,411 MT) to be supplied by the latter (Stores Division) and placed funds of Rs. 8.66 crore (between January – March 2003) for 4,411 MT tor steel of different dia by debiting to 12 different sanctioned works. The Executive Engineer, Stores Division issued sale orders (between January–April 2003) to lift the requisitioned materials within 20 days from the date of sale orders. Scrutiny of records disclosed that against the requisitioned quantity of 4,411 MT, only 1,046 MT tor steel was lifted by the said six working divisions as of March 2005 leaving the balance 3,365 MT tor steel (worth Rs. 6.41 crore) unlifted. The details are shown in the **Appendix XXII**.

The aforesaid 12 works, to which the cost of materials was debited during January – March 2003, could not be completed as of March 2005. Of the 12 works, even the work orders in respect of three cases were not issued (March 2005) and the remaining nine works were in progress. The indenting Public

^Ω Used for general anesthesia.

Works Divisions stated (March 2005) that the balance quantity of tor steel would be lifted in accordance with the progress and actual requirement of the works.

Thus, the funds were withdrawn in violation of the procedure from the Consolidated Fund of the State and paid to the Stores Division, PWD by the six working divisions by debiting the works and procurement of materials much in advance of actual requirement which resulted in blocking of funds of Rs. 6.41 crore for more than two years.

The matter was reported to the Government in June 2005; Government stated (August 2005) that due to adverse geographical location of the State, procurement of steel materials from Guwahati used to take much time. As such planning for procurement of materials was required to be done well in advance. Besides, due to non-availability of funds, land, and construction materials, progress of work suffered with consequent delay in lifting the materials from the Stores Division.

4.5 Non-recovery of penalty

Penalty of Rs. 35.38 lakh was not recovered from the defaulting contractors due to non-employment of technical staff at the site of work.

The contract (clause 36 of the agreement executed either in PWD Form 7 or in Form 8) provides that the contractor shall employ:

i) One graduate engineer with minimum one year's experience when the cost of work to be executed is more than Rs. 50 lakh; ii) one qualified diploma holder (Overseer) with minimum three years' experience when the cost of the work to be executed is more than Rs. 20 lakh but less than Rs. 50 lakh failing which he shall be liable to pay a sum of Rs. 2,000 in case of graduate engineer and Rs. 1,000 in case of diploma holder for each month of default.

As prescribed in the CPWD Manual Volume II, after award of work, the contractor should be asked to furnish the details such as name, qualifications and address of the engineer employed by the contractor. The Assistant Engineer should record a certificate in each running bill to the effect that a qualified engineer, employed by the contractor as per the provisions of clause 36, has looked after the work during its execution.

Test-check (July 2004 – February 2005) of records in four divisions^v revealed that neither did the Executive Engineers (EEs) ask the contractors to furnish details of technical staff appointed by them nor did the contractors furnish the requisite information. The Assistant Engineers also did not furnish any certificate in the running bills regarding appointment of engineer by the

^v 1. Agartala Division III, Kailashahar Division, Northern Division, Dharmanagar Division and Kumarghat Division.

contractors. Audit scrutiny revealed that penalty of Rs. 35.38 lakh[∇] was not recovered in 146 cases where the contractors failed to employ the technical staff.

The Executive Engineers concerned stated (August 2004 – February 2005) that action would be taken according to the provision of the manual.

The matter was reported to the Government in May 2005; reply had not been received (September 2005).

PUBLIC WORKS DEPARTMENT (WATER RESOURCES)

4.6 Blocking of funds

Injudicious procurement of ductile iron (DI) pipes by the Executive Engineer, for distribution systems of a Lift Irrigation (LI) scheme undertaken within 150 yards of international border, resulted in blocking of funds of Rs. 1.72 crore.

To irrigate 276 hectares of cultivable land at Srinagar, South Srinagar, Krishnanagar and Poangbari after lifting water from river Feni which demarcates Indo-Bangladesh border, a high power Lift Irrigation Scheme under Accelerated Irrigation Benefit Programme (AIBP) at Amlighat, Sabroom was approved (June 2000) by the Public Works Department (Water Resources), Government of Tripura. Accordingly, with the approval (March 2001) of the Chief Engineer, PWD (WR), the Executive Engineer (EE), I&FM Division IV, Belonia procured (August - October 2001) 3270.17 meter DI pipes valued at Rs. 1.72 crore, including charges (Rs. 16.58 lakh) for carrying the materials upto worksite at Amlighat, from a Kolkata based firm.

After procurement of DI pipes the work 'Construction of pump house and operator's shed, intake well, ground reservoir, laying of distribution systems etc' was awarded (March 2002) to a contractor at his tendered value of Rs. 52.96 lakh with the stipulation to complete the work by September 2003. The work commenced in January 2003 and after execution of a portion of work (which was not measured and no payment was made), the work remained suspended from May 2003 due to objection raised by Bangladesh Rifles (BDR), Bangladesh and Border Security Forces (BSF), India for violating India-Bangladesh Guidelines for Border Authorities-1975 as the construction work undertaken fell within 150 yards from the international border. The Superintending Engineer (SE), I&FM Circle I, Agartala admitted the fact and stated (September 2003) that the matter had been taken up (September 2003) through Joint River Commission (JRC) of both the countries (India and Bangladesh) and had also proposed for closure of contract to avoid contractual complicity due to uncertainty over finalisation of the dispute. No further progress was reported (January 2005).

[∇] 2. Agartala Division III: Rs. 7.62 lakh; Kailashahar Division: Rs. 7.95 lakh; Northern Division: Rs. 11.64 lakh and Kumarghat Division: Rs. 8.17 lakh = Rs. 35.38 lakh.

The Executive Engineer stated (June 2004) that no objection had been raised earlier by Bangladesh during execution of several other LI schemes and during preliminary stage of work under this scheme on the bank of river Feni. But before launching this high power LI scheme relating to the construction work of permanent nature, alongside the river, the other side (Bangladesh) should have been taken into confidence through JRC as the site for construction fell within 150 yards from the zero line, and the LI scheme involved partial diversion of flow of water of the river which falls on international boundary.

Thus, approval for construction of a high power LI scheme on the location before being cleared by JRC and procurement of DI pipes long before the construction of the infrastructure (such as pump house and operator's shed, intake well and ground reservoir) required for laying the pipes, proved injudicious. This resulted in blocking of funds of Rs. 1.72 crore since October 2001.

The Engineer-in-Chief, PWD(WR) stated (July 2005) that the matter was under discussion at JRC level and 2400 meter DI pipes would be utilised in the high power LI scheme at Rabindranagar, Tripura West district as per decision taken by the Government in June 2005.

The matter was reported to the Government in March 2005; reply had not been received (September 2005).

4.7 Extra expenditure

The Executive Engineer, Resource Division incurred an extra expenditure of Rs. 66.09 lakh due to delay in finalisation of tender.

According to Para 20.1.15.5 of CPWD Manual Volume II, top priority should be given to award a work on receipt of tenders. To minimize chances of delay, time table given in Appendix 28 of the Manual should be observed.

Test-check (October – November 2004) of records of the Executive Engineer (EE), Resource Division, Panchamukh, Agartala revealed that tenders were invited (June 2002) for procurement of Unplasticised Poly Vinyl Chloride (UPVC) pipes of different diameters and pressures for implementation of schemes of Public Health Engineering (PHE) and Minor Irrigation (MI) during 2002-03. Tenders, which were opened on 22 July 2002, were valid for 180 days (i.e. upto 17 January 2003). M/S Trishla Vinyl Tubes Ltd., Dehradun (**Firm 'A'**), quoted the lowest rates for supply of 6 kg/cm² pressure UPVC pipes for the store yards at Agartala and Dharmanagar.

According to provision of CPWD Manual, Volume II, the maximum time allowed for scrutiny and disposal of tenders, requiring orders of the highest authority (here Supply Advisory Board (SAB)), is 40 days. But the SAB approved (15 January 2003) the rates after 178 days from the date of opening of the tenders. Consequently, the supply orders could not be issued to the **Firm 'A'** within the stipulated validity period of 180 days. The Executive Engineer requested (February 2003) the **Firm 'A'** to extend the validity period of their offer upto 28 February 2003 but the firm did not agree (January 2003).

The Executive Engineer re-invited (May 2003) tenders to procure the materials and the tenders were opened in July 2003. The SAB approved (October 2003) the rates. The supply orders were issued (November – December 2003) to two firms.

One of the two firms, (M/S Swastik Tubes Pvt. Ltd.) did not supply any material. Consequently the contract was rescinded. The other firm (**Firm-‘B’** (M/S Hightension Switchgear Pvt. Ltd., Agartala)) supplied (August-November 2004) total quantity of 5,06,125 metres. UPVC pipes, valued at Rs. 530.90 lakh at their offered rates. A comparative study of the rates offered by **Firm-‘A’** and **Firm-‘B’** revealed that had the same quantity of materials been supplied by the **Firm -‘A’** at their offered rates, the expenditure would have been Rs. 4.65 crore (**Appendix XXIII**).

Thus, the failure of the department to issue supply orders to the **Firm-‘A’** within the validity period of the tender leading to award of the work to **Firm-‘B’** at the rates higher than that quoted by the **Firm-‘A’**, resulted in extra expenditure of Rs. 66.09 lakh (Rs. 530.90 lakh *minus* Rs. 464.81 lakh).

The Engineer-in-Chief, PWD(WR) stated (July 2005) that the department could not finalise the tender in time in view of the orders passed (July 2002) by Hon’ble High Court, Kolkata against a petition made by a firm and SAB accepted the offer in January 2003 after obtaining (December 2002) the views of Law Department, Government of Tripura. The reply is not tenable as the department delayed by five months in the process of obtaining the views of Law Department.

The matter was reported to the Government (in department) in May 2005; reply had not yet been received (September 2005).

4.8 Infructuous expenditure

Non-completion of work by the contractor compounded by inaction of the Public Works Division resulted in infructuous expenditure of Rs. 64.97 lakh.

The work ‘Diversion scheme (spill way type) over Mailakcherra near Gamakobari under Amarpur Block of South Tripura District / Head Works’ was awarded (August 1998) to an agency at a tendered value of Rs. 4.97 crore for completion of the work by September 2000. The work commenced in October 1999 and continued upto March 2001. The agency was paid (March 2001) Rs. 64.97 lakh. Thereafter the work remained suspended and the agency did not resume the work even after issue of show cause notice in April 2002. The Superintending Engineer, Irrigation and Flood Management Circle No. I approached (July 2002 and June 2003) the Chief Engineer, Public Works Department (Water Resource) for rescission of the contract under clause-3 of the agreement for failure of the agency to execute the work. The decision was still awaited (July 2005).

Test-check (March - April 2004) of records of the Executive Engineer, I&FM Division No. III, Udaipur revealed the following:

(a) The department failed to supply the cement as stipulated in the agreement. Accordingly, the agency themselves procured cement and was paid Rs. 16.19 lakh for 6500 bags of cement (actual procurement was 8000 bags). The agency utilised 3506 bags in the work and the remaining 2994 bags (6500 minus 3506) valued at Rs. 7.46 lakh (Rs. 249 per bag) already paid for was lying with the agency.

(b) The agency was paid Rs. 13.24 lakh as secured advance on materials brought to site of work in March 2000 against which materials worth Rs. 9.61 lakh remained under the custody of the agency.

(c) 27.339 MT sheet piles was issued to the agency with the condition that its cost would be recovered at Rs. 0.30 lakh per MT in the event of misuse/wastage etc. The cost of sheet piles lying with the agency worked out to Rs. 8.20 lakh (Rs. 27.339 × 0.30 lakh). The work scheduled to be completed by September 2000 remained suspended from March 2001, but the department did not rescind the original contract and get the work done by any other agency. Thus, the entire expenditure of Rs. 64.97 lakh incurred three years back remained infructuous.

On this being pointed out (November 2004), the Executive Engineer stated (December 2004) that no progress could be made in construction work and the cost of materials lying with the contractor would be recovered.

The Engineer-in-Chief, PWD (WR), further stated (May 2005) that tender would be re-called after rescinding the original contract and cost of materials would also be recovered from the defaulting agency.

The matter was reported to Government (in department) in May 2005; the reply had not been received (September 2005).

TRIBAL WELFARE DEPARTMENT

4.9 Unproductive expenditure

Construction of hostels for students before finalising site for its school building resulted in unproductive expenditure of Rs. 2.34 crore.

For extending educational facilities among the tribal people, a project for establishment of residential school (Eklavya Model) at Kumarghat was sanctioned by Government of India (GOI) in 1998-99. The project included construction of 420 students school and two hostels, which could accommodate 210 students each for ST boys and ST girls. Accordingly, grants of Rs. 2.50 crore were released by GOI between March 1999 (Rs. 1 crore) and February 2003 (Rs. 1.50 crore) under first proviso to Article 275 (i) of the Constitution. The setting up of this residential school by 2001 was also included in Chief Minister's 25 point development package (1999-2000) for tribals in Tripura.

According to instructions of GOI, the State Government transferred the funds of Rs. 2.50 crore between March 1999 and July 2003 to the Tripura Tribal Welfare Residential Educational Institutions Society (TTWREIS), a registered society under Tribal Welfare Department (TWD), for management of the school. The Executive Engineer, PWD, Kumarghat Division was entrusted with the work of construction and accordingly funds of Rs. 2.50 crore were placed (February 2002 to March 2005) with the PWD, Kumarghat Division by TTWREIS.

Test-check (August-September 2004) of the records of the Executive Engineer, Kumarghat Division[♦] revealed that restricted tenders for the construction of school and hostel buildings were called (December 2000) and the works were awarded (June 2001) to National Buildings Construction Corporation (NBCC) at their negotiated quoted rate of Rs.2.73 crore (estimated cost: Rs. 2.15 crore) with a stipulation to complete the works by July 2002. The construction of hostel buildings commencing in October 2001 were completed in January 2005, after 39 months at a total cost of Rs. 2.34 crore.

The agreement for construction of the 420 seat school building was terminated (September 2003) as the Minister (TW) desired the school building to be constructed at a new site. The construction of the school building had not been taken up (July 2005) reportedly due to non availability of clear site. As such, the objective of extending the educational facilities among the tribal students remained unfulfilled even after incurring expenditure of Rs. 2.34 crore.

Thus, inability of TWD to provide suitable site for construction of school building resulted in unproductive expenditure of Rs. 2.34 crore on two hostel buildings.

The matter was reported to the Government in June 2005; Government admitted the fact and stated (August 2005) that new site for the school building has been selected. The school would start functioning soon in the hostel buildings pending completion of construction of the school building.

4.10 Wasteful expenditure

Expenditure of Rs. 27.25 lakh incurred on rubber plantation proved wasteful due to high mortality of plants.

The department formulated (June 1996) the scheme 'Rehabilitation of *Jhumia* through Rubber Plantation' with the aim of raising of rubber plantation in at least one hectare (ha) *Jote* / *Khas*^{*} allotted land in possession of a poor tribal family to provide sustainable income from rubber plantation. Under the scheme, minimum 30 families would be grouped together either in a compact block or in a clustered form within one kilometer radius.

[♦] Information collected (May 2005).

^{*} *Jote*: Private Land

Khas: Government Land

The cost of plantation per ha was Rs. 38,500 (grants-in-aid from Tribal Welfare Department (TWD): Rs. 26,620 and subsidy from Rubber Board: Rs. 11,880). The scheme was to be implemented over a period of seven years by the Sub-Divisional Officers, now re-designated as Sub-Divisional Magistrate (SDM), with the help of TWD under technical guidance from the Rubber Board. The District Magistrate and Collector with the assistance of District Tribal Welfare Officer would monitor and co-ordinate the programme.

Test-check (August – September 2004) of records of the SDM, Khowai revealed that the SDM received Rs. 33.58 lakh (Rs. 30.97 lakh from the TWD and Rs. 2.61 lakh from the Rubber Board) between 1996-97 and 2000-01 for implementation of four projects for settlement of 110 tribal *Jhumia* families through rubber plantation in 110 ha land in North Padmabil and South Padmabil villages and spent Rs. 31.69 lakh for planting 83,204 rubber plants as of March 2004. As per the norm of the scheme, the minimum stand of plants per ha was to have been 380 in the seventh year of the plantation. Hence, as per the norms, the minimum stand of plants was to be 41,800 (380 × 110) in 110 ha. areas. The records of the SDM showed that only 5,850 plants (14 per cent of expected survival – 41,800) survived. Thus, the shortfall of achievement in the plantation was 86 per cent of the expected survival. The shortfall was mainly due to absence or inadequacy of protective measures by the implementing agencies for preventing cattle grazing in the plantation fields, timely provision of plant protection chemicals, fire accident prevention coupled with lack of supervision by the Implementing Officers.

Thus, inept handling of plantation activities by Implementing Officers, lack of proper supervision and monitoring on the part of the department resulted in mortality of plants being much higher than the prescribed norms rendering the expenditure of Rs. 27.25 lakh[Ⓔ] wasteful. The beneficiaries were also deprived of the intended benefits under the projects.

The matter was reported to the Government in May 2005; Government stated (August 2005) that the plantation did not survive finally as people of the area were heavily affected by ethnic / extremist problem. This, however, contradicted the report of the field office of the department. The Sub-Divisional Magistrate, Khowai, stated (July 2002) that after detailed discussion in the meeting held on 22 July 2002 in the presence of Rubber Board officials, local representatives and beneficiaries the following causes were found responsible for poor percentage of survival of plantation: (i) cattle grazing in the Rubber Field, (ii) fire accident, (iii) loss due to lifting of planting materials, (iv) late supply of PPC, and (v) lack of close contact of IOs with the beneficiaries.

[Ⓔ] Expenditure per plant = Rs. 31.69 lakh ÷ 41,800 = Rs. 75.81 (approx.).

Number of Shortfall in achievement = 41,800 – 5850 = 35,950.

Therefore, wasteful expenditure = 35,950 × Rs. 75.81 = Rs. 27.25 lakh (approx.).

URBAN DEVELOPMENT DEPARTMENT

4.11 Blocking of funds on construction of Super Market

Ranirbazar Nagar Panchayat could not construct the Super Market during 2001-05 due to inordinate delay in selection of site and lack of adequate planning leading to blocking of funds of Rs. 49.77 lakh resulting in a loss of interest of Rs. 15.24 lakh.

The Town and Country Planning Organisation, Urban Development Department, Government of Tripura, prepared (March 2000) a project report for construction of a super market at Ranirbazar at a total cost of Rs. 1.29 crore under Integrated Development of Small and Medium Town (IDSMT). The project included two storey building having 55 shops in each storey. The cost of the project was to be met from Central share: Rs. 34.92 lakh, State share: Rs. 23.28 lakh, HUDCO loan: Rs. 50 lakh and other sources (Nagar Panchayat): Rs. 20.78 lakh. The project was to be completed in three years during 2000-03.

The Town and Country Planning Organisation revised (June 2001) and reduced the cost of the project to Rs. 96.35 lakh. The Executive Committee of Nagar Panchayat, Ranirbazar, decided (February 2004) to further reduce the cost of the project to Rs. 50 lakh (Central share: Rs. 34.92 lakh and State share: Rs. 15.08 lakh) by reducing the size of the project to 16 shops only as it could not manage the balance funds from other sources. Approval for down-sizing of the project was not taken either from the State Government or from the Government of India (GOI).

Test-check (January 2005) of the records of Ranirbazar Nagar Panchayat for the years 2002-03 to 2003-04 revealed that Government of India released Rs. 34.92 lakh between March 2001 and March 2003 for implementation of the project. Funds of Rs. 15.08 lakh (State share) was also released by State Government between March 2001 and September 2002. The Nagar Panchayat selected the site at Majlishpur (Tripura West) for construction of super market and placed funds of Rs. 4.80 lakh between March and October 2004 at the disposal of Land Acquisition Officer (LAO) for acquisition of 0.58 acre of land. The amount was retained by LAO in his PL Account. Acquisition of land was still in progress (March 2005). The work for preparation of estimate, drawing and construction of super market was entrusted to Tripura Housing Board (THB) and funds of Rs. 30 lakh was placed (March 2004) with the THB before acquisition of land and handing over the site for construction. Records showed that detailed estimates, which were required to be approved by the Nagar Panchayat, were yet (March 2005) to be prepared by THB.

Thus, due to frequent revision of the project and inordinate delay in selection of site, the construction work of the super market, which was to be completed in three years (2000-03), could not even be started at the end of five years (March 2005). This resulted in blocking of funds varying from Rs. 18 lakh* to Rs. 49.77 lakh* for two to four years and defeated the purpose for which the project was sanctioned. This has also resulted in loss of interest of Rs. 15.24 lakh* (calculated at the borrowing rates).

The matter was reported to the Government in May 2005; Government admitted the fact and stated (July 2005) that there was constraints in acquisition of land. Land had been acquired in April 2005 and tender had been called in June 2005 stipulating the date for completion within nine months. Further development was awaited (September 2005).

4.12 Loss of revenue

Faulty planning and delay in construction and handing over of the newly constructed building led to the newly constructed stalls remaining unallotted for over three years resulting in loss of revenue of Rs. 4.48 lakh.

The Executive Committee of the Nagar Panchayat, Kumarghat decided (July 1995) to construct an office cum commercial complex (two storied building) with 20 stalls on the ground floor at an estimated cost of Rs. 46.09 lakh. Town and Country Planning Organisation conveyed (April 1997) approval of Government of India (GOI) and State Level Sanctioning Committee for construction of the building under IDSMT Scheme at a total cost of Rs. 51.00 lakh.

Test-check (August 2003) of the records of the Kumarghat Nagar Panchayat and further information collected in May 2005 revealed that funds of Rs. 49 lakh was placed with the Executive Engineer, Kumarghat Division between July 1995 and February 2002 for construction of the building. Accordingly, work order was issued in March 1997 by Kumarghat Division (PWD) stipulating completion within six months. The work commencing in July 1997 was completed in July 1999, with time over-run of 19 months, at a total cost of Rs. 55.04 lakh, but the building was formally handed over to the Nagar Panchayat by PWD only in July 2001 i.e. after two years of completion of construction, reasons for which were not stated to Audit.

The Executive Committee of Kumarghat Nagar Panchayat decided (February 2002) to allot the stalls to unemployed youth on rent at Rs. 500 per month after receipt of security deposit of Rs. 30,000 for each stall. As none came

* Rs. 18 lakh (March 2001)
Rs. 26.80 lakh (October 2001)
Rs. 30.85 lakh (September 2002)
Rs. 49.77 lakh (March 2003)

*Rs. 1.16 lakh (@ 11.09%)
Rs. 2.54 lakh (@ 10.34 %)
Rs. 1.55 lakh (@10.04%)
Rs. 9.99 lakh (@ 10.04%)
Rs. 15.24 lakh

forward for allotment, Nagar Panchayat reduced (May 2002) the rate of security deposit to Rs. 20,000. This move also failed. Ultimately, the Nagar Panchayat further reduced the rate of security deposit to Rs. 10,000 per stall and accordingly one stall was allotted in December 2002 and 19 stalls were allotted between May 2003 and August 2003 on receipt of security deposit of Rs. 10,000 for each stall.

Thus, due to faulty planning on the part of Nagar Panchayat and delay in handing over the building by PWD led to the newly constructed stalls remaining unallotted for over three years which resulted in loss of revenue of Rs. 4.48 lakh*.

The Executive Officer of the Nagar Panchayat stated (February 2004) that after taking over the building from PWD, the matter of allotment of stalls was discussed by the Committee, but the Committee failed to take a firm decision which led to loss of revenue.

The matter was reported to the Government in June 2005; Government admitted the facts and stated (July 2005) that PW Department could not complete the work in time as they remained busy with their normal work and delay in allotment of stalls was attributed to initial fixing of the rate of security money to be deposited for each stall at a higher stage without taking into consideration the socio-economic condition of the people of the locality.

DEPARTMENT FOR WELFARE OF SCHEDULED CASTES, OBC AND MINORITIES

4.13 Locking of funds in Bank

Amount of Rs. 31 lakh placed with the Tripura Gramin Bank for disbursement of subsidy to 155 Scheduled Castes families living below poverty line remained undisbursed for over two years depriving these families of the intended benefit.

A project for economic development of scheduled castes (SC) families living below poverty line (BPL) of the selected SC dominated special areas was approved (April 2002) by the Government of India for implementation within the financial year 2002-03. The project included credit linked schemes under which a SC family living below poverty line would get interest free bank loan upto Rs. 20,000 (interest was to be charged on the amount of loan exceeding Rs. 20,000 at normal lending rate of bank) and subsidy at the rate of Rs. 20,000 (Special Central Assistance of Rs. 10,000 and Additional Central Assistance of Rs. 10,000). The State Government decided (September 2002) to implement the project through the Tripura Gramin Bank.

* Rs. $500 \times 19 \times 45$ months = Rs. 4.28 lakh
Rs. $500 \times 01 \times 40$ months = Rs. 0.20 lakh
Total = Rs. 4.48 lakh

Test-check (December 2003) of records of the Director for Welfare of SCs and OBCs revealed that an amount of Rs. 31 lakh was placed (March 2003) with the Tripura Gramin Bank for disbursement of subsidy to 155 SC BPL families of Ichailalcherra Gram Panchayat under Kadamtala Block, North Tripura District. A joint survey for asset verification of the families was to be conducted by a team consisting of bank personnel, Project Officer / representative of SC Welfare Department, Panchayat Department and Line Department.

It was seen in audit that against the target of 155 families, the bank sanctioned and disbursed loan amounting Rs. 16.42 lakh to 151 families selected (up to February 2005), but the entire amount of the subsidy remained undisbursed (March 2005) due to non-completion of joint survey for asset verification of these families. No reasons were furnished for not completing the survey. The department, however, furnished utilization certificate to the Government of India showing the amount as utilised.

Thus, due to inaction on the part of the department, Rs. 31 lakh remained locked up in the Gramin Bank for over two years and the beneficiaries were deprived of the intended benefits of the project. During the period interest of Rs. 6.22 lakh[¶] was accruable on Rs. 31 lakh.

The matter was reported to the Government in May 2004; Government admitted the facts and stated (August 2005) that the amount of subsidy has been disbursed as of August 2005.

CIVIL, POWER AND PUBLIC WORKS DEPARTMENTS

4.14 Outstanding Inspection Reports

First reply for 218 out of 990 Inspection Reports issued during 1991-92 to 2004-05 was not furnished by the Civil, Power and Public Works Departments, within the stipulated period.

Audit observations on financial irregularities and defects in maintenance of initial accounts noticed during local audit and not settled on the spot are communicated to the auditee departments and to the concerned higher authorities through Inspection Reports. The more serious irregularities are reported to the department and to the Government. The Government had prescribed that the first reply to the Inspection Reports should be furnished within one month from the date of their receipt.

The position of outstanding reports in respect of the Civil, Power and Public Works Departments is discussed below:

[¶] Rs. 31.00 lakh × 10.04 per cent (borrowing rate) × 2 years.

• **CIVIL DEPARTMENTS**

A review of position of outstanding Inspection Reports relating to various Civil Departments revealed that 2589 paragraphs included in 908 Inspection Reports issued up to 2004-05 were pending for settlement as of July 2005. Of these, even first reply had not been received in respect of 196 Inspection Reports in spite of repeated reminders. Year-wise break-up of the outstanding Inspection Reports and paragraphs are given below:

Sl. No.	Year	Number of outstanding		Number of inspection reports of which even first reply had not been received
		Inspection Reports	Paragraphs	
1.	Up to 1991-92	8	18	NIL
2.	1992-93	11	41	NIL
3.	1993-94	29	93	1
4.	1994-95	99	275	8
5.	1995-96	88	268	9
6.	1996-97	77	225	11
7.	1997-98	80	173	10
8.	1998-99	81	262	12
9.	1999-2000	75	227	12
10.	2000-01	53	155	12
11.	2001-02	88	232	20
12.	2002-03	70	166	31
13.	2003-04	79	266	30
14.	2004-05	70	188	40
	TOTAL	908	2589	196

As a result, the following important irregularities commented upon in these Inspection Reports had not been settled as of July 2005.

(Rupees in crore)

Sl. No.	Nature of irregularities	Number of cases	Amount involved
1.	Wasteful/ infructuous expenditure	29	7.11
2.	Extra/ avoidable expenditure	45	3.48
3.	Blockage of funds	32	19.64
4.	Non-recovery of excess payments/ overpayments	45	2.38
5.	Others	784	285.96
	TOTAL	935	318.57

• **POWER DEPARTMENT**

Seventy one paragraphs included in 28 Inspection Reports issued between 2000-01 and 2004-05 were not settled as of July 2005. Of these, the first reply for 11 Inspection reports had not been received despite repeated reminders (as of July 2005). Year-wise break-up of outstanding Inspection Reports and paragraphs are given below:

Sl. No.	Year	Number of outstanding		Number of Inspection Reports of which first reply had not been received
		Inspection Reports	Paragraphs	
1.	2000-01	5	8	2
2.	2001-02	5	8	3
3.	2002-03	4	13	1
4.	2003-04	6	21	3
5.	2004-05	8	21	2
	TOTAL	28	71	11

The important types of irregularities noticed during local audit of the Power Department during 2004-05 are summarised below:

(Rupees in crore)

Sl No.	Nature of irregularities	Number of cases	Amount involved
1.	Extra / avoidable	11	109.88
2.	Loss of material due to theft	6	4.43
3.	Recovery from contractor	2	0.02
4.	Cash settlement suspense	1	20.26
5.	Award of work without call of tender	1	2.58
	TOTAL	21	137.17

• **PUBLIC WORKS DEPARTMENT**

A review of position of the outstanding Inspection Reports relating to PWD revealed that 209 paragraphs included in 54 Inspection Reports issued between 2000-01 and 2004-05 were pending for settlement as of July 2005. Of these, even first reply had not been received in respect of 11 Inspection Reports in spite of repeated reminders. Year-wise break-up of the outstanding Inspection Reports and paragraphs are given below:

Sl. No.	Year	Number of outstanding		Number of inspection reports of which even first reply had not been received
		Inspection Reports	Paragraphs	
1.	2000-01	7	54	1
2.	2001-02	12	43	4
3.	2002-03	6	16	NIL
4.	2003-04	10	27	2
5.	2004-05	19	69	4
	TOTAL	54	209	11

The important irregularities noticed during inspection of PW Divisions during 2004-05 are summarised below:

(Rupees in crore)

Sl. No.	Nature of irregularities	Number of cases	Amount involved
1.	Blockage of fund	5	3.24
2.	Security deposit	13	1.95
3.	Non-deployment of T/Staff	5	0.27
4.	Unauthorised irregularities	16	9.63
5.	Recoverable amount	25	3.68
6.	Unadjusted advance	5	2.67
	TOTAL	69	21.44

General

Follow up on Audit Reports

4.15 Eighty seven* reviews and 356* paragraphs had been featured in Audit Reports 1988-89 to 2003-04. At the end of July 2005, out of 87 reviews, 41 reviews were discussed by the PAC leaving a balance of 46 and out of 356 paragraphs featured during the same period, 140 paragraphs were discussed by the PAC leaving a balance of 216 paragraphs. Against 41 reviews and 140 paragraphs already discussed in the PAC, action taken notes (ATN) on the recommendations of the PAC in respect of 13 reviews and 38 paragraphs were yet to be received (July 2005).

Audit arrangement for local bodies

4.16 The audit of accounts of the following bodies / authorities has been entrusted to the C&AG of India under Sections 19 (3) and 20 (1) of the C&AG's (Duties, Powers and Conditions of Service Act, 1971) for the period mentioned below:

Sl. No.	Name of bodies/authorities	Period of entrustment	Section of the C&AG's (DPC) Act, 1971
1.	Tripura Khadi and Village Industries Board	1999-2000 to 2003-04	19 (3)
2.	Tripura Board of Secondary Education	2001-02 to 2005-06	20 (1)
3.	Agartala Municipal Council	1996-97 onward on permanent basis	20 (1)
4.	Nagar Panchayats (12 Nos.)	1996-97 onward on permanent basis	20 (1)
5.	Tripura University	2002-03 to 2006-07	20 (1)
6.	Tripura Housing Board	Up to 1992-93	19 (3)

The status of submission of accounts by the bodies/authorities and submission of Audit Reports thereon to the State Legislature as of July 2005 is given below:

Sl. No.	Name of bodies	Year upto which			Reasons for non-finalisation of Audit Report	Year upto which Audit Report placed before Legislature
		Accounts due	Accounts submitted	Audit Report issued		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Tripura Khadi and Village Industries Board	2003-04	1997-98	1988-89 to 1990-91	Audit Report for the years 1991-92 to 1996-97 is in progress	No information on placement of the SARs issued to the Government/ Board had been received (July 2005).
2.	Tripura Board of Secondary Education	2004-05	1997-98	1993-94 to 1997-98	Audit Report for the years 1993-94 to 1997-98 issued to the Government on 15-4-2004.	1993-94 and 1997-98

* Including 3 reviews and 8 paragraphs relating to the Power Department as appeared in Chapter VIII (titled 'Government Commercial and Trading Activities') of Audit Reports. These reviews and paragraphs are discussed by the PAC.

Due to non-submission of accounts in proper format by the Agartala Municipal Council and 12 Nagar Panchayats, audit could not be taken up (since their inception). Only transaction audit is being conducted. Audit of accounts of the Tripura University for the period from 1996-97 to 1997-98 have been completed and separate Audit Report issued.

The following 24 bodies/authorities, whose accounts were received so far (July 2005) attracted audit under Section 14 of the C&AG's (DPC) Act, 1971. Of these, 13 bodies/authorities were audited (upto July 2005) as detailed below:

Sl. No.	Name of bodies/ authorities	Annual accounts	
		Received	Audited
1.	District Rural Development Agency (West)	2002-03 and 2003-04	Being taken up shortly
2.	District Rural Development Agency (South)	2002-03 and 2003-04	2002-03 and 2003-04
3.	District Rural Development Agency (Dhalai)	2001-02 and 2002-03	Being taken up shortly
4.	District Rural Development Agency (North)	2001-02 and 2002-03	2001-02 and 2002-03
5.	Tripura Sports Council	1999-2000 to 2004-05	1999-2000 to 2001-02
6.	Tripura Scheduled Tribes Co-operative Development Corporation	2003-04 and 2004-05	Being taken up shortly
7.	Tripura Scheduled Caste Co-operative Development Corporation	2003-04 and 2004-05	1993-94 to 1997-98
8.	World Bank Aided Rubber Project	2003-2004	2003-2004
9.	Tripura State Social Welfare Advisory Board	1998-99 to 2001-02	1998-99 to 2001-02
10.	Ramakrishna Mission Vidyalaya	2002-03 and 2001-02	1998-99 to 2001-02
11.	Ramthakur Pathsala Boy's H.S. (+2 stage) School	1982-83 to 1995-96	1982-83 to 1995-96
12.	Tripura Health and Family Welfare Society	1998-99 to 2001-02	1998-99 to 2001-02
13.	Tripura State Aids Control Society	1999-2000 to 2001-02	1999-2000 to 2001-02
14.	Tripura Blindness Control Society	2002-2003	2002-2003
15.	Tripura State Leprosy Control Society	2001-2002	Being taken up shortly
16.	Tripura State Council for Science and Technology	1998-99 to 2002-03	1998-99 to 2002-03
17.	Tripura Minorities Co-operative Development Corporation	1998-99 to 2001-02	1998-99 to 2001-02
18.	D.N. Vidyamandir	1994-95 to 2001-02	Being taken up shortly
19.	Tripura State T.B. Control Society	2001-02 to 2003-04	Being taken up shortly
20.	Society for Mental health of Tripura	2001-02 to 2003-04	Being taken up shortly
21.	Hindi H/S School	2001-02 to 2003-04	Being taken up shortly
22.	Prachya Bharati School	1998-99 to 2001-02	Being taken up shortly
23.	Srinath Vidya Niketan	1995-96 to 2001-02	Being taken up shortly
24.	Bardowali H/S School	1997-98 to 2001-02	Being taken up shortly

The accounts of the Tripura Tribal Areas Autonomous District Council (TTAADC) are audited under the provision of Article 244(2) of the Constitution read with Sixth Schedule to it. The status of submission of annual accounts by the authority to Audit and laying of Audit Reports before the Council as of July 2005 are given below:

Name of bodies	Tripura Tribal Areas Autonomous District Council (TTAADC)	
Year up to which	Accounts due	2004-05
	Accounts submitted	1993-94 (in old format)
	Accounts Audited	1993-94
	Audit Report issued	1991-92
Reasons for non-finalisation of Audit Report	(1) The State Government was required to seek clearance from the Government of India for acceptance of accounts for 1992-93 and 1993-94 in the old format as a special case. The matter has not yet been settled (July 2005). (2) Audit is held up for want of accounts in prescribed format.	
Year up to which Audit Report placed before the Council	1991-92	

Outstanding Inspection Reports

4.16.1 The Government had prescribed that the first reply to the Inspection Reports should be furnished by the concerned departments within one month from the date of their receipt.

As of July 2005, 166 paragraphs included in 35 Inspection Reports issued to local bodies / authorities up to 2004-05 were pending settlement. Of these, even the first reply had not been received in respect of 9 Inspection Reports in spite of repeated reminders. Department-wise break-up of the outstanding Inspection Reports and paragraphs is given below:

Sl. No.	Name of the department	No. of office audited during 1-4-2000 to 31-3-05	Number of outstanding during 1-4-2000 to 31-3-05		Number of inspection reports of which even first reply had not been received
			Inspection Reports	Paragraphs	
1.	Rural Development	12	12	56	2
2.	Education	4	4	21	NIL
3.	Health and Family Welfare	1	1	01	1
4.	Science and Technology	3	3	20	1
5.	Tribal Welfare	1	1	10	NIL
6.	Scheduled Caste Welfare	1	1	13	NIL
7.	Industries	1	1	2	NIL
8.	Urban Development	12	12	43	4
TOTAL		35	35	166	8

As a result, the following important irregularities commented upon in these Inspection Reports had not been settled as of July 2005:

(Rupees in lakh)

Sl. No.	Nature of irregularities	Number of cases	Amount involved
1.	Wasteful / Infructuous expenditure	5	23.88
2.	Extra / Avoidable expenditure	4	40.95
3.	Idle salary / Idle expenditure	3	284.72
4.	Blockage of funds	1	18.00
5.	Non-recovery of excess payments / overpayments	8	4.69
	TOTAL	21	372.24