

CHAPTER V: INTEGRATED AUDIT OF GOVERNMENT DEPARTMENTS

AGRICULTURE DEPARTMENT

5.1 Integrated Audit of Agriculture Department

Agriculture Department plays a vital role in the socio-economic development of a State. The main objectives of the Department are to minimise the gap between the requirement and production of foodgrains and other crops, provide food security, improve the economic conditions of the people by augmentation of agricultural production through expansion of cultivable area and use of improved agricultural inputs and training. A review of the functioning of the Department brought out the following main points:

Highlights

There were persistent savings ranging between 36 and 57 per cent during 2003-08 on Capital Account indicating poor implementation of capital programmes.

(Paragraph 5.1.7.1)

Twenty eight DDOs had accumulated cash balance of Rs.25.86 crore in their Bank Accounts pertaining mainly to various schemes and programmes.

(Paragraph 5.1.7.2)

During 2003-04 to 2007-08 the distribution of certified seeds fell short by two to 40 per cent in oil seeds, 40 to 67 per cent in hybrid paddy seeds and 64 to 82 per cent in pulses.

(Paragraph 5.1.8.5)

The coverage area under cultivation of paddy, oil seeds and pulses fell short of target in all the five years during 2003-08.

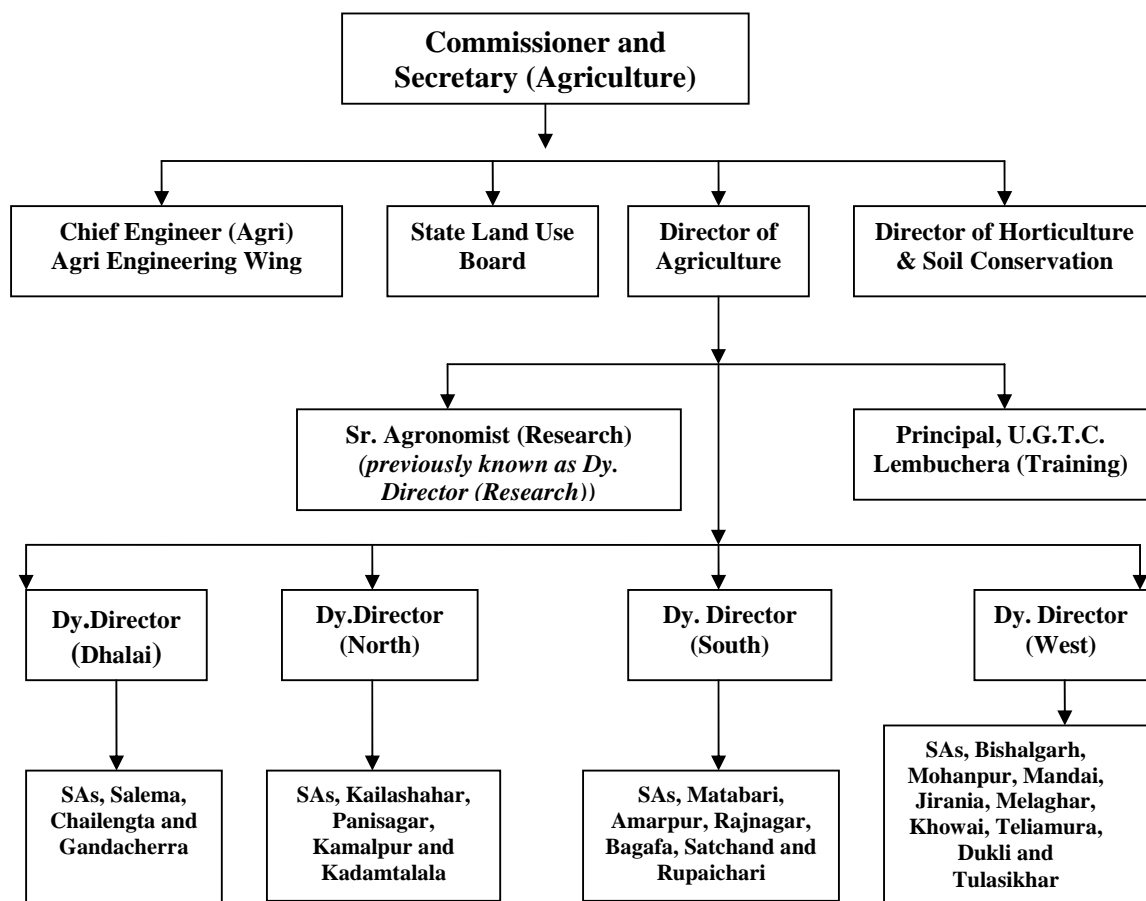
(Paragraph 5.1.8.6)

5.1.1 Introduction

Agriculture Department plays a vital role in the socio economic development of a State. The main objectives of the Department are to minimise the gap between the requirement and production of foodgrains and ensure food security and improvement of economic condition of the people. To achieve these objectives, the Department implements various State Plan Schemes, Centrally Sponsored Schemes (CSS) including schemes under Macro Management Mode and North Eastern Council (NEC) funded schemes.

5.1.2 Organisational set up

The Commissioner and Secretary is the administrative head of the Department. The Department has separate Directorates for (i) Agriculture and (ii) Horticulture & Soil Conservation. It also has an Engineering wing headed by a Chief Engineer (Agri), for the civil construction and mechanical works of the Department. The organogram of the Department is given below:



5.1.3 Scope of audit

Out of 29 auditable units, nine¹ units selected by ‘Stratified Monetary Unit’ method of sampling were audited during May-June 2008 covering the period 2003-08. The review covers the functioning of the Agriculture Directorate of the Department. The functioning of the Department in implementation of major programmes for production of Rice, Pulses and Oil Seeds was reviewed in audit through a test check of the selected units located in South Tripura and North Tripura Districts.

5.1.4 Audit objectives

The objectives of audit were to evaluate the performance of the Department in the following areas:

- Financial Management
- Planning and Project Management
- Human Resource Management
- Material Management
- Monitoring and Internal audit arrangement.

¹ (i) Directorate (ii) Sr. Agronomist, State Agriculture Research Station (SARS), Arundhuti Nagar, Agartala (iii) Principal, Upgradation Training Centre,(UGTC), Lembucharra (iv) DDA, North, Dharmanagar (v) DDA, South, Udaipur (vi) SA, Kadamtala (vii) SA, Amarpur (viii) SA, Kumarghat and (ix) SA, Rajnagar.

5.1.5 Audit criteria

Audit findings were benchmarked against the following criteria:

- General Financial Rules
- Central Treasury Rules
- Delegation of Financial Power Rules
- Departmental Codes and Manuals, Policies, Rules and Regulations
- Perspective Plan, Annual Plans and Work Plans of the Department
- Guidelines of the schemes being implemented by the Department.

5.1.6 Audit methodology

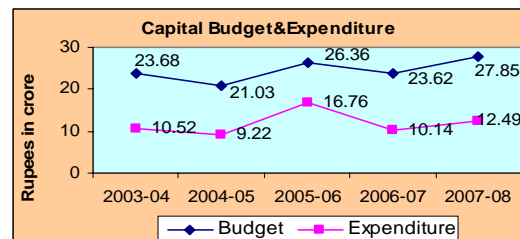
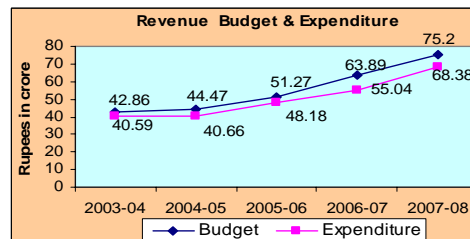
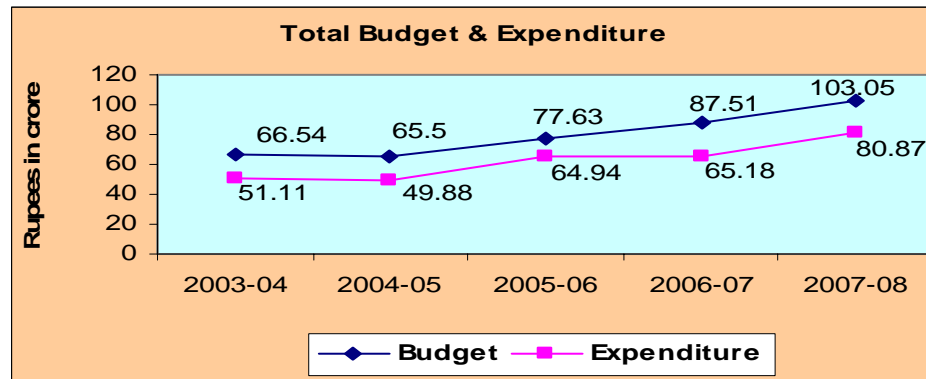
An entry conference was held on 22 May 2008, with the Commissioner and Secretary, Agriculture Department, wherein the audit objectives, scope and criteria were explained. Replies furnished by the Department to the audit memos/requisitions, departmental publications, records of the Department and data collected through questionnaires were used as evidence.

Exit conference was held on 13 August 2008, with the Commissioner and Secretary, Agriculture Department. The results of discussion have been incorporated in the report at appropriate places.

Audit findings

5.1.7 Financial Management

The budgetary allocation for the Department under Grant No.27 during the last five years ranged from about Rs.43 crore to Rs.75 crore under Revenue Account and Rs.21 crore to Rs.28 crore under Capital Account.



Scrutiny revealed several deficiencies in financial management including poor budgeting and expenditure control as discussed below:

5.1.7.1 Budgeting

The Department prepares its budget (both Plan and Non-Plan) on the basis of the expenditure ceiling fixed in advance by the Finance Department. Plan budget is prepared in consultation with the Planning and Coordination Department. Analysis of budget revealed persistent savings, unjustified supplementary grants and savings not surrendered in time, as discussed below:

- During 2003-08 there were savings in both 'Revenue' and 'Capital' account. Persistent savings in Capital account ranging between 36 and 57 *per cent* indicate poor implementation of budgeted programmes.
- Supplementary provisions were made even though the actual expenditure did not exceed the original provision (except in 2005-06 on Revenue Account), indicating that the supplementary provisions were unnecessary.
- Substantial savings in Capital account indicated wide gap between planning and implementation of programmes.
- The surrendered amounts were far less than the actual savings in all the years indicating that the Department had not taken appropriate measures for timely surrender of savings. This was due to the absence of monitoring of expenditure and realistic assessment of requirement of funds and progress of works, which was corroborated by instances of delay in submission of monthly progress reports and expenditure statements from field offices to the Directorate and from the Directorate to the Finance Department for two to 51 days and four to 78 days respectively during 2003-08.
- In spite of recurring substantial savings under Capital budget (36 to 57 *per cent*), reasons were not investigated and excessive funds continued to be provided. Scrutiny disclosed that savings occurred due to slow progress, delays/non-implementation of different programmes.

5.1.7.2 Retention of cash balance

Rule 290 of CTR provides that no money shall be drawn from the Treasury unless required for immediate disbursement.

Scrutiny of reports on cash analysis of March 2008 revealed that 28 DDOs had huge cash balance (Rs.25.86 crore) in their bank accounts, as detailed in Table No. 5.1.1, out of which, Rs.78 lakh were more than one year old. Analysis revealed that the funds pertained mainly to schemes like ICDP, OPP, IWDP, NPDP, SRI² demonstration, bee keeping, cashew nut development, seed testing laboratory, construction works, and unpaid leave salary.

² ICDP: Integrated Cereal Development Programme; OPP: Oil Seed Production Programme; IWDP: Integrated Wasteland Development Programme; NPDP: National Pulses Development Programme; SRI: System of Rice Intensification.

Table No.5.1.1

(Rs. in lakh)

District	No. of DDOs	Retention of cash balance in CD account	Cash balance retained for more than one year	
			No. of DDO	Amount
West Tripura	10	973.58	6	13.89
South Tripura	7	664.35	7	20.87
North Tripura	5	498.78	5	20.96
Dhalai	3	178.98	3	18.67
Others ³	3	269.81	2	3.76
Total	28	2585.50	23	78.15

Source: Departmental records.

5.1.7.3 Utilisation Certificates (UCs)

Scrutiny revealed that UCs for Rs. 2.25 crore on account of different schemes relating to the period 2003-04 to 2006-07 were neither submitted nor the amount surrendered by four DDOs as of June 2008. The detailed position is given in table below.

Table No. 5.1.2

(Rs. in lakh)

DDO	2003-04	2004-05	2005-06	2006-07	Total
Principal, UGTC	--	--	2.44	5.29	7.73
Sr. Agronomist, SARS	4.74	2.88	14.84	25.46	47.92
DDA, North	--	--	--	86.23	86.23
SA Kumarghat	12.08	8.58	31.08	31.39	83.13
Total	16.82	11.46	48.36	148.37	225.01

Source: Departmental records.

The above indicates that either there was a delay in implementation of the schemes, due to which, UCs could not be submitted or the scheme guidelines were dis-regarded. Non-furnishing of UCs by the DDOs led to non-furnishing of UCs by the Department to the GOI.

The following instances of submission of UCs without utilisation of funds were seen:

- The DDA, South retained Rs. 53 lakh sanctioned for calamity relief, in the CD Account (May 2008) but had submitted UC for the entire amount to the Directorate in April 2008, stating that the amount had been disbursed to 10,600 flood-affected farmers.
- SA, Kadamtala submitted UC to the Directorate in March 2008 for Rs.1.20 lakh drawn during December 2006 to December 2007 without utilisation of the amount, stating that the amount had been utilised for SRI scheme.

5.1.7.4 Drawal of funds

- Delegation of Financial Powers Rules, Tripura, 2007 authorise the Heads of Office to sanction expenditure up to rupees one lakh and Rs.50 thousand in respect of plan and non-plan schemes respectively. Superintendent of Agriculture, Kumarghat had drawn rupees eight lakh for the payment of subsidy for distribution of 2000 HC Sprayers under 'Farm Mechanisation (Macro Management)' by splitting the amount through issue of 17

³ Others includes Principal UGTC, Research wing and DDA Training (Directorate).

expenditure sanctions (16 for Rs.48,000 each and one for Rs.32,000) keeping the amount within his financial limit to avoid obtaining the sanction of the competent authority (Administrative Department). The amount was drawn through nine bills in March 2007.

- Further, SA, Rajnagar also had drawn Rs.37.48 lakh (nine bills more than rupees one lakh each under Plan) and Rs.1.79 lakh (one bill under Non-plan scheme) in excess of his financial limit during August 2006 to March 2008 in violation of the financial power delegated in the Rules, *ibid*.

5.1.7.5 Non-reconciliation of receipts and payments with Treasury/Bank

Financial rules require a DDO/Head of Office to make arrangement for regular monthly reconciliation of remittances to and withdrawals from Government exchequer to avoid fraud and malpractices. Four out of nine units test-checked did not carry out regular monthly reconciliation with the Bank/Treasury, as detailed below:

- In UGTC, Lembuchara, there was a discrepancy of Rs.10.77 lakh between the closing balance in the Cash Book and the balance in the Bank Pass Book as of March 2008.
- In SA, Kadamtala, there was a discrepancy of Rs. 2.76 lakh between the Cash Book and Treasury remittances during the period January 2006 to March 2007.
- In SA, Rajnagar there was a discrepancy of Rs.1.84 lakh between the Cash Book and Treasury Remittances during the period August 2006 to March 2007.
- In SA Kumarghat there was a discrepancy of Rs. 9.24 lakh between the Cash Book and treasury remittances during the period July 2007 to March 2008. On this being pointed out, copies of treasury scrolls were made available wherein remittances for Rs. 0.44 lakh were confirmed with reference to their treasury challan number and the amount of deposit. The balance Rs. 8.80 lakh is yet to be reconciled.

Reasons for non-reconciliation were not made available to audit.

5.1.7.6 Advances to Implementing Officer (IOs)

Advances given to IOs for implementation of different schemes, are required to be adjusted to ensure that the money had been spent for the sanctioned purpose. In four out of nine test-checked units, advances to IOs remained unadjusted due to the slow progress of work as detailed below:

- SA, Kadamtala advanced Rs.17.21 lakh to 39 IOs during 2005-06 to 2007-08, out of which, Rs.13.76 lakh remained unadjusted as of June 2008.
- In SA, Amarpur, Rs.18.59 lakh advanced to 29 IOs during March 2006 to March 2008 remained unadjusted as of June 2008.
- In SA, Rajnagar, Rs.28.42 lakh advanced to 43 IOs during February 2007 to March 2008 remained unadjusted as of July 2008.

- SA, Kumarghat, advanced Rs.82.92 lakh to 395 IOs during 2003-04 to 2007-08 out of which, Rs.16.25 lakh remained unadjusted as of September 2008.

5.1.7.7 Surprise check of cash balance

According to the instructions issued by the Finance Department (December 1996) surprise check of cash is required to be done once in a quarter by an officer other than the head of office in addition to monthly physical verification of cash by the head of office. In all the nine units test-checked, the prescribed quarterly surprise check was never conducted during 2003-08. Also while conducting physical verification of cash balance, none of the DDOs of the units test-checked, recorded the certificate in the cash book in the prescribed format.

5.1.7.8 Abstract Contingent Bills

Scrutiny of the records of the DDA (South), 22 SAs, JDA(HQ) and Principal, UGTC revealed that the Detailed Countersigned Contingent (DCC) bills against the drawal of Rs. 8.18 crore during 2003-08 through 2178 Abstract Contingent (AC) bills were outstanding as of March 2008. Out of these, 174 AC bills involving an amount of Rs. 41.55 lakh were more than five years old.

This is indicative of lack of financial discipline and control mechanism. Non-submission of adjustments in time and failure of the controlling authority in enforcing strict financial discipline could make the Department vulnerable to fraud and misappropriation of funds.

Also, in three out of nine units test-checked, it was noticed that Rs.24.05 lakh was drawn through 72 Fully Vouched Contingent (FVC) bills between November 2006 and March 2008, out of which Rs. 21.23 lakh remained undisbursed till the date of audit (June 2008).

The procedure followed in the Department in respect of drawal of money through FVC Bills⁴ in the absence of immediate requirement is a serious financial irregularity and is fraught with the risk of misappropriation.

5.1.8 Programme Management

5.1.8.1 Planning

The revised Perspective Plan (2003-10) envisaged self sufficiency in foodgrains by 2010 through increase in production of foodgrains from 7.53 lakh MT in 2003-04 to 8.22 lakh MT by 2009-10. However, achievement in the production of foodgrains in comparison to the requirement during 2003-04 to 2007-08 was far less, as detailed below:

⁴ A bill is classified as Fully Vouched when the amount of the claim is supported by paid vouchers (cash memo/money receipts etc).

Table No.5.1.3

(in lakh MT)

Year	Target for production of food-grains as per Perspective Plan	Actual production	Shortfall	Percentage of shortfall
2003-04	7.53	6.25	1.28	17
2004-05	7.64	6.12	1.52	20
2005-06	7.76	6.14	1.62	21
2006-07	7.87	6.30	1.57	20
2007-08*	7.98	6.50	1.48	19

Source: - Annul Plan and Revised Perspective Plan.

* Provisional.

The above table shows that, although the production increased gradually from 2005-06, the gap between the requirement and availability of foodgrains remained almost stagnant. The shortfall was attributed by the Department to natural calamities like irregular rainfall, floods etc., preference of farmers for producing remunerative crops, lack of supply of supporting inputs and irrigation facilities.

Non-achievement of the targets was also due to the reduced time available for implementation of the programmes due to the delay in finalisation and approval of Annual Plans. There was a delay ranging from three to six months in the preparation and submission of Annual Plans by the Department and a further delay ranging upto ten months in the approval of the plans by the State Government.

Also there was considerable mismatch between the targets projected in the Annual Plans *vis-à-vis* those given in the Perspective Plan as shown below:

Table No.5.1.4

(in lakh MT)

Year	Target for production of food-grains		Quantity of food grains produced
	As per the Perspective Plan	As per the Annual Plan	
2003-04	7.53	8.06	6.25
2004-05	7.64	8.82	6.12
2005-06	7.76	7.45	6.14
2006-07	7.87	7.20	6.30
2007-08*	7.98	7.50	6.50

Source: Revised Perspective Plan and Annual Plans.

* Provisional

As can be seen above, the targets of Annual Plan were less than that of the Perspective Plan for the period 2005-06 to 2007-08. The reason for difference was not spelt out in the Plans. The actual production during these years was less than the annual target. Thus, the objective of achieving self-sufficiency in the production of foodgrains by 2010 remains doubtful.

Seed Replacement Programme and distribution of certified seeds

5.1.8.2 Seed Replacement

Replacement of old and outdated variety of paddy seeds with high yielding varieties (HYV) is a primary requisite for improved production. Under this programme, the Department fixed a target of replacement of 33 *per cent* seeds each year.

Target fixed for replacement of outdated variety of seeds by HYV in the Perspective Plan and achievement there against was as follows:

Table No.5.1.5

(Quantity in MT)

Year	Total requirement	Qty. to be replaced	Actual replacement	Percentage of achievement
2003-04	11560.00	3814.80	1642.00	43
2004-05	9135.12	3014.59	1714.10	57
2005-06	9459.40	3121.60	2371.00	76
2006-07	7857.60	2593.00	2598.65	100
2007-08	7112.00	2347.00	2347.00	100

Source: Departmental records.

The shortfall in the rate of seed replacement *vis-à-vis* target was attributed by the Department (July 2008) to lack of awareness of farmers, non-availability of seeds and delayed receipt of seeds.

5.1.8.3 Seed Processing Plant

With a view to distribute certified seeds after processing, the Department set up a Seed Processing Plant under SARS, Agartala which started functioning from July 2001. Analysis of operational activities of the plant during 2006-07 and 2007-08 is given below.

Table No.5.1.6

(in MT)

Year	Annual Target as per processing capacity (1MT per hour) of the plant ⁵	Quantity of seeds received for processing	Seeds processed as certified seeds	Total working days during the year (excluding holidays)	Number of days plant operated (percentage)
2006-07	3312	536.97	423.52	276	151 (55)
2007-08	3288	422.43	309.03	274	100 (36)
Total	6600	959.40	732.55	550	251 (46)

Source: Departmental records.

The plant remained under-utilised due to non-availability of seeds for processing. During 2006-07 and 2007-08, against the capacity of the plant to process 6600 MT of seeds, only 959.40 MT of seeds were received and processed by operating the plant for 251 days (out of 550 working days), of which 732.55⁶ MT were certified. Records of earlier period were not maintained properly. As a result, audit could not ascertain the actual position during that period.

5.1.8.4 Seed Testing Laboratory

Seed Testing Laboratory is an integral part of seed certification programme designed to assess planting value of the seed material. With this objective, a seed testing laboratory with a capacity to analyse 6000 samples per annum was set up at SARS, Agartala which started functioning from March 2002. Tests for (i) physical purity, (ii) germination, (iii) moisture and (iv) health of seeds are being done in the laboratory. Scrutiny revealed that against the testing capacity of 30,000 seed samples during 2003-08, only 5,910 samples were analysed in the laboratory. The shortfall was 24,090(80 *per cent*), due to less receipt of samples from the field level units of the district. Further, it was

⁵ Taking working hours as 6 hrs.+ 6hrs. for 2 shifts per day.

⁶ Out of 959.40 MT, 732.55 MT were certified and the balance 226.85 MT were not usable as seed and were returned to the farmers.

noticed that there was no Seed Testing Laboratory in South Tripura District. Rupees 10 lakh, placed with the Sr. Agronomist, SARS, Agartala in March 2007 for the purchase of laboratory equipment for this remained unutilised in bank as of March 2008.

5.1.8.5 Distribution of certified seeds

The Department distributes improved variety of certified oil seeds, pulses and hybrid paddy seeds to the farmers at subsidised rates. The achievement of the Department *vis-à-vis* the targets set for distribution of different varieties of seeds ranged from 18 *per cent* in pulses to 98 *per cent* in oil seeds during 2003-08 as detailed below.

Table No. 5.1.7

(Quantity in MT)

Year	Quantity targeted for distribution	Quantity actually distributed	Shortfall (percentage)
(i) Oil Seed distribution			
2003-04	43.75	43.00	0.75 (2)
2004-05	59.87	47.04	12.83 (21)
2005-06	80.00	78.06	1.94 (2)
2006-07	105.00	62.61	42.39 (40)
2007-08	65.50	61.42	4.08 (6)
(ii) Hybrid paddy seed distribution			
2003-04	6.97	7.00	--
2004-05	25.00	14.91	10.09(40)
2005-06	25.00	11.80	13.20 (53)
2006-07	25.00	13.98	11.02 (44)
2007-08	25.00	8.17	16.83 (67)
(iii) Pulses distribution			
2003-04	273.00	97.00	176.00 (64)
2004-05	300.00	80.00	220.00 (73)
2005-06	389.00	121.50	267.50 (69)
2006-07	400.00	82.70	317.30 (79)
2007-08	412.00	74.79	337.21 (82)

Source: Departmental figures.

Reasons for shortfall, as stated by the Department, were lack of awareness of the cultivators, non-availability of seeds, delayed receipt of seeds etc. The shortfall in distribution of certified seeds had adversely affected the overall target of production of foodgrains as discussed in the preceding paragraphs.

5.1.8.6 Production of major crops

Production of major crops *viz.* paddy, oil seeds and pulses under (i) Integrated Cereal Development Programme-Rice, (ii) Oil Seeds Production Programme and (iii) National Pulses Development Programme against the targets during 2003-04 to 2007-08 are shown below.

Table No. 5.1.8

Year	Area coverage in 000' ha		Production in 000' MT		Shortfall	
	Target	Achievement	Target	Achievement	Area (ha)	Production (MT)
(i) ICDP-Rice						
2003-04	265	257	761	617	8(3)	144(19)
2004-05	272	256	809	602	16(6)	207 (26)
2005-06	259	253	712	603	6 (2)	109(15)
2006-07	267	251	703	628	16(6)	75 (11)
2007-08	265	252	727	642	13 (5)	85 (12)
(ii) Oil Seed						
2003-04	6.7	4.0	5.9	2.7	2.7(40)	3.2(54)
2004-05	7.8	3.9	6.8	2.7	3.9(50)	4.1(60)
2005-06	15.5	4.2	12.1	2.9	11.3(73)	9.2(76)
2006-07	6.8	4.4	6.0	3.0	2.4(35)	3.0(50)
2007-08	5.6	3.9	4.3	2.6	1.7(30)	1.7(40)
(iii) Pulses						
2003-04	21.8	8.0	14.4	5.1	13.8(63)	9.3(65)
2004-05	24.0	8.1	16.7	5.2	15.9(66)	11.5(69)
2005-06	15.5	8.7	11.3	5.9	6.8(44)	5.4(48)
2006-07	12.6	8.1	11.7	5.3	4.5(36)	6.4(55)
2007-08	10.3	6.4	7.2	4.0	3.9(38)	3.2(44)

Source: Departmental figures. Figures of 2007-08 are provisional.

Note: Figures in parenthesis indicate percentage.

There was shortfall in both area coverage and production in all five years in respect of all the three programmes. The shortfall was attributed by the Department (July 2008) to natural calamities like irregular rainfalls, flood etc., diversion of farmers to more remunerative crops, lack of supply of supporting inputs and irrigation facilities. Scrutiny however, disclosed that the shortfall was also due to irregular supply of farm implements and fertilizers, including non-standard fertilizers to the farmers.

Consumption of fertilizers

5.1.8.7 Decline in the use of fertilizers

Fertilizers are being supplied to the farmers through Government and private channels in the ratio of 1:3 of the total requirement.

Scrutiny revealed that the consumption of fertilizers through the Government channel was lower than the prescribed requirement and showed a declining trend in some areas due to delay in supply, lack of required railway facility and inadequate follow up by the Department. During 2003-08, the consumption of fertilizers was 15 to 28 *per cent* of the requirement while the consumption of nutrients (NPK⁷) was 15 to 30 *per cent* of the requirement due to non-supply / delay in supply. Since the fertilizers are supplied at subsidised rate through Government channel, shortfall in achievement of targets deprived the farmers of procuring the fertilizers at subsidised rates.

Further, it was noticed that SA, Kadamtala (one of the units test-checked) could not distribute SSP fertilizers to farmers during 2004-05 and DAP⁸

⁷ N: Nitrogenous fertilizers, P: Phosphate fertilizers, K: Potassium fertilizers.

⁸ DAP=Di-Ammonium Phosphate.

during 2007-2008. Fertilizers like urea, SSP⁹, MOP¹⁰, RP¹¹ were not distributed to farmers for 37 to 231 days during 2006-07 and for 53 to 165 days during 2007-08 due to non-supply of fertilizers by the DDA, North on account of delay in supply by the supplier, inadequate follow up by the Department and inadequate railway facility.

5.1.8.8 Soil Testing Laboratory (STL)

STL under the State Agriculture Research Station (SARS), Agartala, was under-utilised despite having the required man-power and infrastructure. The shortfall in testing the soil samples during 2003-08 ranged from six to 40 *per cent*, attributed to inadequate flow of soil samples from North Tripura and Dhalai Districts and failure to prepare the soil survey map required for identification of important parameters of soil including micro and macro nutrients. National Bureau of Soil Survey and Land Use Planning (ICAR) at Jorhat, Assam was paid Rs.11.06 lakh in December 2006 for the soil survey map to be completed by March 2008 which is yet to be completed (September 2008).

5.1.8.9 Mobile Soil Testing Van (MSTV)

The Department had three MSTVs allotted for three districts (North Tripura, South Tripura and Dhalai). Scrutiny of records of utilisation of MSTV under the DDA, North Tripura District indicated gross under utilisation of the MSTV during the last five years due to the absence of a driver. No soil samples were tested in 2003-04 and 2006-07 and only 1457 samples were tested in 2004-08 against the capacity of 1,50,000¹².

- The MSTV was in operation only for 167 days during 2001-02 to 2007-08 (upto 5 May 2008) and was utilised mostly for carrying seeds etc.
- There was no facility for testing Phosphorus and Potash in the MSTV, only tests for Organic Carbon, Soil PH and Soil Texture were done.
- No staff was deployed exclusively for the purpose of soil testing.
- Machines like digital Photo Calorimeter, Digital PH Meter etc. practically remained unutilised.
- Soil Health Card (SHC) indicating the quantum of nutrients required for increase of productivity of soil were issued to only 9,620 farmers against a total 51,103 farmers in the North District.

Thus, the Department could not utilise the MSTV optimally and failed to extend the required minimum soil testing facilities to a large number of farmers in the North Tripura District.

5.1.8.10 Use of non-standard fertilizers

Scrutiny of records revealed that DDA, North Tripura District procured (September 2006) and distributed 670 MT of SSP fertilizers from the

⁹ SSP= Single Super Phosphate.

¹⁰ MOP= Muriate of Phosphate.

¹¹ RP=Rock Phosphate.

¹² 100 samples per day X 25 (working days in a month) X12X5.

NERAMAC Ltd. at a cost of Rs.30.15 lakh. Test reports of samples by the Central Fertilizer Quality Control and Training Institute, Faridabad however, showed that 300 MT out of 670 MT of SSP, was 'Non-standard'¹³ which attracted recovery of Rs.13.10 lakh¹⁴, for which no action had been taken.

Reports made available to audit by the DDA, North disclosed that during 2004-08, 23027.25 MT of SSP, 1800 MT of MOP, 1200 MT of DAP and 1050 MT of Urea were distributed through private channel in the North Tripura District. Test reports of SSP samples indicated that 5665.75 MT (25 per cent) out of 23027.25 MT, were certified as non-standard during 2004-08 on different occasions. There was nothing on record to show the action taken by the Department under the Fertilizer Control Order (FCO), 1985 to stop the distribution of non-standard fertilizers being utilised by the local farmers in the North District. It was only in March 2008, that the Director of Agriculture issued an instruction for taking action against such defaulting traders as per FCO, 1985. Use of non standard fertilizers was not noticed in the other districts.

5.1.8.11 Bio-fertilizer Quality Control Laboratory

For setting up a Bio-fertilizer Quality Control Laboratory along with Serological Unit, the GOI released (November 2003) Rs.75 lakh¹⁵. The Laboratory was yet to be set up as of August 2008, for want of internal electrification work despite deployment of some technical officers and construction and procurement of equipment in December 2004. This resulted in the manpower and the assets remaining idle, while the samples are being sent to other States for quality testing.

For testing the quality of fertilizer, one sample per 100 MT (1 additional sample for fraction of 100 MT) is to be sent to the Central Fertilizer Quality Control and Training Institute, Faridabad. During 2003-08, DDA, North received and distributed 6047.75 MT of Urea, against which, only 19 samples were sent for testing instead of the minimum required 64 samples.

Scrutiny revealed that DDA, North procured (March 2008) 21.975 MT of different kinds of bio-fertilizers¹⁶ and distributed them before receipt of the test reports of the samples sent (March 2008) to the Regional Centre of Organic Farming, Imphal, (a GOI institution). Test results are yet to be received (August 2008). The assurance to distribute quality bio-fertilizers to the farmers of the State was defeated due to the absence of testing facility in the State and also due to the failure of the Department to work out a quality assurance mechanism during the supply of fertilizers. Therefore, the possibility of distribution of sub-standard fertilizers can not be ruled out.

¹³ 'the sample IS NOT according to specification, fails in WS(P₂O₅)'.

¹⁴ Rs.4500 X 300 = Rs.13.50 lakh X 97% = Rs.13.10 lakh.

¹⁵ Construction of Building: Rs.30 lakh, Scientific instruments/equipment: Rs.20 lakh, Vehicle: Rs.10 lakh and Chemical, glassware, furniture and training etc: Rs.15 lakh.

¹⁶ Azotobactor-7.725 MT, Azospirillum: 7.9 MT and PSB: 6.350 MT.

5.1.8.12 Distribution of farm implements

The scheme 'Promotion of agricultural mechanisation among small farmers (MM Mode)' provides distribution of farm implements *viz.*, Power tiller, HC Sprayer, Paddy weeder etc. to the farmers at subsidised rate. Scrutiny revealed the following:

- During 2003-08, against the target of 1690 power tillers for which Government had to provide a subsidy of Rs.4.02 crore, only 978 power tillers were distributed to the farmers resulting in a subsidy of Rs.2.85 crore only. No power tiller was distributed to the farmers during 2004-05. The target fixed by the Department, could not be achieved due to lack of interest among the farmers due to receipt of higher amount of subsidy under different Centrally Sponsored Schemes of Technology Mission through Horticulture Directorate.
- During 2005-06, Rs. 3.30 crore was allotted for payment of subsidy for distribution of 10 items of farm implements (8,811 Nos.). Scrutiny of progress reports sent (February 2008) to the GOI however, revealed that the Department distributed only three items¹⁷ of farm implements (3,531 Nos.) to the farmers at a subsidy of Rs.1.49 crore. Reasons for non distribution of the remaining seven items (5,280 Nos.) were not made available to audit.
- During 2005-06 the actual subsidy paid for 2040 paddy weeders @ Rs.250 was only Rs.5.10 lakh. However, the progress report sent to GOI reflected Rs.74.59 lakh.
- During 2006-07, Rs.1.16 crore was allotted for payment of subsidy on distribution of 11 items of farm implements (10,856 Nos.). Only three items¹⁸, (2097 Nos.) were distributed at a subsidy of Rs.27.23 lakh and the remaining eight items (8,759 Nos.) were not distributed. Reasons were not made available to audit.
- During 2006-07, the expenditure shown in the progress report sent to GOI showing subsidy paid for 177 Nos. of bullock drawn carts for Rs.8.85 lakh was inflated by Rs.4.42 lakh¹⁹, as the actual subsidy paid for 177 Nos of bullock drawn carts @ Rs.2,500 was only Rs.4.43 lakh.

5.1.8.13 Utilisation of Assured Irrigation Potential (AIP)

Scrutiny revealed that against the available AIP for 64,820 hectares, the Department utilised only 53,559 hectares as of March 2008. The shortfall (17 *per cent*) was due to power problems, mechanical defects, leakage in pipe line, misuse of water flow and decrease of water level of lift irrigation sources in dry season. It was also seen that out of 28,235 irrigation sources, 3,001 were non-functional (March 2008) and no action was taken to make them functional, which affected the production of the foodgrains.

¹⁷ Paddy reaper: 240 numbers, cost Rs.43.20 lakh; Paddy transplanter: 1251 numbers, Rs.31.25 lakh and paddy weeder: 2040 numbers, Rs.74.59 lakh.

¹⁸ Paddy weeders: 250 Nos; HC sprayer: 1670 Nos; Bullock Drawn Cart: 177 Nos.

¹⁹ Rs.8.85 lakh – (Rs.2500 X 177).

5.1.9 Human Resource Management

5.1.9.1 Manpower

There was no evidence of scientific assessment of manpower requirement in the Department. The Directorate does not have the detailed position of staff deployed in its field units. Against the overall sanctioned strength of 8212, there were 7267 persons in position. Vacancies were mainly in the posts of Agri Assistant (375 Nos.), Agri Inspector (37 Nos.), Upper Division Clerk (44 Nos.), Power Tiller Driver (17 Nos.), Driver (49 Nos.), Junior Mechanic (20 Nos.) and Agriculture Officer (70 Nos.).

5.1.9.2 Training

The Department, under the NEC outlay of Rs.95.45 lakh, has undertaken “Strengthening of Gram Sevak Training Centre” at Lembucharra during 2006-08. The project included items like farmers’ hostels for men and women, administrative building and class room to impart intensive crop specific technology training annually to 3,000 farmers for short duration and orientation training to 250 untrained Agri Assistants.

Out of Rs.85.91 lakh released between March 2006 and March 2008 by the NEC for the project, the Department placed Rs.55 lakh (Rs.10 lakh in June 2006 and Rs.45 lakh in June 2007) with the Executive Engineer, Agri West, for construction of the administrative building and farmers’ hostels. The work was completed in August 2007 at a cost of Rs.59.23 lakh. Scrutiny revealed that the class-rooms were yet to be constructed due to non-release of fund by the State Government in time and the constructed buildings (Admn. Building and hostel) were utilised for the purpose of Agriculture College and not for imparting training to farmers and Agri Assistants/Extension Workers.

Officials like Agri Assistant (AA), Agri Inspector (AI), Plant Protection Operator (PPO) etc. were to be trained immediately after their appointment, to acquaint them with the existing and emerging agriculture technology. But it was seen in seven²⁰ out of nine units test-checked, that, 126 officials of different posts (AA - 121 nos., AI-4 and PPO-1) were trained only after three to 30 years of their joining the Department. This resulted in delay in awareness and ability to use modern techniques in cultivation of crops by the farmers.

5.1.10 Material Management

The Department maintains District Store (DS) under each DDA, Main Store (MS) under each SA and Sub-seed Store (SS) under AA / VLW. Fertilizers procured and received in the DS are issued to MS and MS to SS. Besides, DS also issues fertilizers to other Districts / other establishments within the District and MS issues to other MS / other establishments within the Sub-division by accounting the quantity issued as “Stock Transfer (ST)”. Monthly returns of consumption of fertilizers indicating opening balance, closing balance, receipts and disposals are to be submitted by the SS to MS, by MS to

²⁰ DDA North; Sr. Agronomist, SARS; UGTC, Lembucherra; SAs Kadamtala; Rajnagar; Kumarghat and Amarpur.

DDA and by DDA to DA. Annual physical verification of stores is to be conducted immediately after close of the financial year.

Scrutiny revealed that annual physical verification of stores were not conducted on time. Non-observance of correct accounting procedure particularly in case of “ST” and preparation of report without reconciliation among the units resulted in discrepancies as discussed below:

Reports of receipt and issue of fertilizers submitted to the Director by the DDAs, West Tripura and North Tripura during 2005-07, revealed shortage of 429.85 MT²¹ of different fertilizers arising out of discrepancy between the quantity issued by the DDAs and quantity received in the different Sub-divisional Agri stores involving Rs. 20.31 lakh. This was not reconciled by the Department.

Scrutiny of monthly progress reports of fertilizers for the month of March/April 2006 and March 2007 of DDA West (in case of nine SAs and one non-block unit) and Dhalai (in case of SA, Salema) submitted to the Director, Agriculture disclosed discrepancy of 248.639 MT of different fertilizers involving Rs.14.30 lakh due to difference between the CB and OB in quantity of fertilizers. No steps were taken to reconcile the discrepancies as of May 2008.

Scrutiny of records of the Deputy Directors of Agriculture, West Tripura and South Tripura Districts revealed that during 2003-04 to 2005-06, while handling 2762 MT of Urea and 10219 MT of other fertilizer, shortage of 2.47 MT of Urea and 363 MT of other fertilizers (MOP: 68.86 MT, SSP: 281.95 MT and RP: 12.19 MT) beyond the permissible limits of five and two *per cent* respectively allowed as per executive order of the Department, were recorded. This resulted in loss of Rs.15.98 lakh (Rs.0.13 lakh in case of urea and Rs.15.85 lakh in case of other fertilizers).

The General Financial Rules provide for six-monthly inspection of stores of perishable nature like fertilizers. However, in the test-checked units, such six-monthly inspection of stock of fertilizers was not conducted. Hence damage of stores and accumulation of non-standard fertilizers could not be detected by the Department.

5.1.10.1 Proforma Accounts

The General Accounting Rules 1990 provide for preparation of proforma accounts by Government Departments of commercial and quasi-commercial character. The proforma accounts for North Tripura District were pending for nine years (from 1998-99) and for Dhalai District, these were pending for ten years (from 1997-98). DDA North, attributed (September 2008) the delay to shortage of staff, non-completion of annual physical verification of some stores and non-reconciliation of records.

²¹ 2005-06: Urea: 271.15 MT, value Rs.14.24 lakh; SSP: 30.26 MT, value Rs.1.51 lakh; MOP: 3.64 MT, value Rs.0.24 lakh and 2006-07: Urea: 1.80 MT, value Rs.0.09 lakh; RP: 123.00 MT, value Rs.4.23 lakh.

The delay in preparation of proforma accounts indicated lack of operational and financial control. Besides, outstanding dues remained undetected and delay occurred in realisation of the same.

In fact, scrutiny of the records of four DDAs revealed that against Rs.1.32 crore outstanding dues arising out of shortage, sale etc. of various agricultural inputs, realisable from several Agri Inspectors, Agri Assistants etc relating to the period 1976-77 to 2006-07, Rs.73.91 lakh was yet to be realised (March 2008) as detailed below:

Table No.5.1.9

(Rupees in lakh)

District	Year of outstanding dues	Total outstanding dues	Amount realised	Balance outstanding dues
West Tripura	1993-94 to 2006-07	53.14	28.17	24.97
North Tripura	1993-94 to 2004-05	35.80	13.92	21.88
South Tripura	1976-77 to 2006-07	36.36	11.17	25.19
Dhalai	1997-98 to 2004-05	6.27	4.40	1.87
Total		131.57	57.66	73.91

Source: Departmental figures.

No record of action taken by the Department against the defaulters was made available.

5.1.11 Monitoring

Planning Section of the Agriculture Directorate is responsible for monitoring the activities of the Department. However, periodical analysis of various reports from field units was not done. The Directorate had no centralised database on the status of various schemes / programmes implemented in the State. District and State level review meetings were held regularly but the follow-up action of the meetings was not documented, due to which, the effectiveness of the review meetings remained un-assessed.

As per guidelines in the annual plan documents, the quantum of inspection of the field demonstrations by the supervisory officers was to be 75 per cent at sector level, 30 per cent at sub-division level and 10 per cent at district level. Records of inspections carried out at different levels during the last five years (2003-08) could not be made available to audit by the DDAs (North and South) and all the SAs test-checked. It could not, therefore, be ascertained if the prescribed quantum of inspections were undertaken.

5.1.12 Internal Audit

Internal audit is an independent appraisal function established within the department to examine and evaluate its activities. Directorate of Internal Audit, set up in May 2002 under the Finance Department, started functioning from June 2004 for a systematic internal audit of all the State Government offices. During 2005-08, the Directorate of Audit carried out audit of 24 units (2005-06:13, 2006-07:9 and 2007-08:2) out of 29 in the Agricultural wing of the Department. 98 observations issued during the last three years by the Directorate of audit were awaiting settlement as of May 2008. In addition, the Agriculture Department also conducts internal audit on selected basis

occasionally. The officials of the Department under the supervision of middle level supervisory officers conduct audit according to their ad-hoc audit plan. As of March 2008, 96 paragraphs pertaining to Departmental audit relating to the period 2006-07 and 2007-08 were pending settlement. Lack of response from the auditee was found to be the main reason for the paragraphs not being settled.

5.1.13 Lack of Response to Audit

Finance Department issued consolidated instructions in July 1993 to watch over the receipt and disposal of Audit Notes (ANs) issued by the Accountant General (Audit). These provide, among others that (i) a register of disposal should be maintained by each office and (ii) reply to ANs is to be furnished within one month from the date of their receipts. No such register was maintained by the Department and as of March 2008, 520 paragraphs relating to 160 ANs (including Horticulture) pertaining to the period from 1991-92 to 2007-08 were lying outstanding due to non-receipt of replies (**Appendix-5.1**).

5.1.14 Conclusion

The Department failed to accelerate the production of foodgrains to achieve the declared objective of attaining self sufficiency in foodgrains by 2010. This was mainly on account of delayed preparation and approval of annual plans, thereby reducing the time for implementation, delay in supply of seeds, lack of awareness among farmers and non-ensuring supply of high yielding varieties of seeds. Besides, the Department could also not ensure quality control due to lack of proper testing facilities in the State, which was a major constraint in moving towards the declared objectives.

5.1.15 Recommendations

- Budget and financial controls should be improved to ensure preparation of realistic budget estimates linked to programme implementation.
- Annual plans should flow from the perspective plan and the activities to be taken up during the year should be publicised to improve awareness, ensure accountability and public scrutiny.
- Effective controls should be instituted for procurement and distribution of quality fertilizers to the farmers in respect of both Government and private channels.
- A computerised database of projects with critical milestones should be maintained in the Directorate with online updating facility to ensure monitoring at Sector/Sub-division/District/State level.
- Training needs of technical and supporting staff and farmers should be addressed.
- Quality assurance institutes should be made functional.

The matter was reported to the Government in August 2008; reply had not been received (September 2008).