TABLE OF CONTENTS

Paragraph	Particulars	Page	
	Preface	iii	
	Overview	V	
CHAPTER I: INTRODUCTION			
1.1	About this Report	1	
1.2	Historical Background and Authority for Audit	1	
1.3	Planning and conduct of Audit	2	
1.4	Significant Audit Observations	3	
CHAPTER II: ECONOMIC SECTOR			
2.1	Introduction	5	
2.2	Planning and conduct of audit	6	
2.3	Performance Audit on Development and Maintenance of Highways and Other Roads in Sikkim (Roads and Bridges Department)	7	
2.4	Avoidable expenditure (Public Health Engineering Department)	36	
2.5	Non imposition of liquidated damages on contractor for delayed work (<i>Tourism and Civil Aviation Department, Asian Development</i> <i>Bank Project</i>)	38	
CHAPTER III: ECONOMIC SECTOR (Public Sector Undertakings)			
3.1	Functioning of State Public Sector Undertakings	41	
3.2	Non-levy of interest on Mobilisation Advance (Namchi Smart City Limited)	55	
3.3	Irregular expenditure on foreign tours (Sikkim Scheduled Castes, Scheduled Tribes and Other Backward Classes Development Corporation Limited)	57	
CHAPTER IV: REVENUE SECTOR			
4.1	Trend of Revenue Receipts	61	
4.2	Analysis of arrears of revenue	64	
4.3	Response of the departments/Government towards Audit	64	
4.4	Analysis of the mechanism for dealing with issues raised by Audit	66	
4.5	Action taken on the recommendations accepted by the departments/Government	68	
4.6	Audit Planning	69	
4.7	Results of audit	69	
4.8	Coverage of this Report	69	

Paragraph	Particulars	Page
4.9	Non realisation of Profession Tax (Finance Department (Commercial Taxes Division) and Excise Department)	70
	CHAPTER V: GENERAL SECTOR	
5.1	Introduction	73
5.2	Planning and conduct of audit	74
5.3	Irregular expenditure out of Labour Cess Funds (Labour Department, Sikkim Building and Other Construction Workers Welfare Board)	75
5.4	Non-recovery of Government revenue (Sikkim Police)	76
(CHAPTER VI: FOLLOW UP OF AUDIT OBSERVATIONS	
6.1	Follow up action on earlier Audit Reports	79
6.2	Response of the departments to the recommendations of the Public Accounts Committee	79
6.3	Monitoring	80
6.4	Outstanding Inspection Reports	80
6.5	Departmental Audit Committee Meetings	81
	LIST OF APPENDICES	
Appendix	Title	Page
2.1	Scheme-wise details of construction of roads	83
2.2	Details of selection of schemes	85
2.3	Statement showing status of 227 road projects as of March 2019	89
2.4	Statement showing non-resorting to e-tendering	103
2.5	Statement showing unwarranted inclusion of WBM III in addition to WBM I and WBM II	105
3.1.1	Summarised financial position and working results of Government Companies and Statutory Corporations as per their latest finalised accounts as on 30 September 2019	106
3.1.2	Statement showing Rate of Real Return on Government Investment	110
3.2	Details of levy of interest on MA	111
4.1	Year-wise details of the total licensees in Sikkim who were liable to pay profession tax	112