

OVERVIEW

This Report includes five chapters containing four performance reviews, including integrated audit of Forest Department, 19 (excluding general paragraphs) paragraphs dealing with the results of audit of selected schemes, programmes, financial transactions of the Government and its commercial and trading activities.

Copies of the performance reviews and paragraphs were sent to the Administrative Heads of the Departments concerned by the Accountant General for furnishing replies within six weeks. All the four reviews were discussed with the concerned Principal Secretaries/Commissioners/Secretaries and other departmental officers. In respect of eight paragraphs reply/partial reply of the Government was received and in 11 audit paragraphs, replies had not been furnished by the State Government.

Performance reviews (Civil)

Department of Consumer Affairs, Food and Public Distribution

1.1 Public Distribution System

The Public Distribution System (PDS) was evolved to ensure timely availability of foodgrain at affordable price to enhance food security particularly to the weaker sections of society. The State Government did not formulate guidelines for identification of beneficiaries and review of households. PDS consumers were denied of the intended benefit of having PDS items at prescribed scale and affordable price in a timely manner. Bank interest on Cash Credit Account was charged from the beneficiaries even when credit facilities were not availed of and instead of availing of transport subsidy and Hill Transport Subsidy Scheme, the State Government charged the cost of transportation to the beneficiaries by fixing high end retail price. There was short lifting of wheat and sugar against the allocation made by Government of India. There were instances of diversion of rice, wheat and kerosene. Monitoring, inspection and the activities of the vigilance committee at State and District level were found to be inadequate. Monitoring mechanism and inspection of FPS at different levels needs strengthening to prevent pilferage of commodities.

(Paragraph 1.1)

Finance Department

1.2 Information Technology audit of Computerisation of Personnel Information System (CPIS), formerly Manipur Government Employees List (MGEL), Government of Manipur

The Computerization of Personnel Information System (CPIS), formerly Manipur Government Employees List (MGEL), seeks to regulate the administration by carving out a structured data base of all the Government employees by allotment of unique Employee Identification Number, sanctioned posts and person-in-position, rationalization of transfers and posting, identification of fake employees and to help in preparation of budget. It was revealed that there was lack of proper planning and monitoring due to non-formation of steering committee. The system suffered from a number of system development and design related deficiencies. In the absence of appropriate Logical Access Control, the system was also exposed to the risk of unauthorised access, amendments or deletion and consequent losses.

(Paragraph 1.2)

Health and Family Welfare Department

1.3 National Rural Health Mission

The National Rural Health Mission was launched in the State in November 2005. The review revealed that the Department did not achieve the goal set for the health indicators *i.e.* Infant Mortality Rate, Maternal Mortality Rate and Total Fertility Rate by March 2010. Planning process was inadequate as it was prepared without baseline survey inputs. As of March 2010, the State was yet to carry out a comprehensive household and facility survey to identify the gaps in health care facilities. Up-gradation of Community Health Centres, Primary Health Centres and Sub-Centres to the level of Indian Public Health Standards had not been achieved. While the percentage of fully immunized infants ranged between 69 and 81 *per cent* during 2005-06 and 2007-10, it exceeded the target during 2006-07. There was an absence of monitoring and evaluation mechanism. As of December 2010 all the vertical diseases control programmes had not been merged with the Mission.

(Paragraph 1.3)

Audit of Transactions (Civil)

₹ 49.84 lakh paid to a Kolkata based firm for supply of 45 MT each of soyabean and blackgram seeds based on impermissible supply order and inconsistent delivery records led to suspected fraudulent payment.

(Paragraph 2.1)

Failure on the part of the Department to execute Bank Guarantee with the transporter for the value of material to be transported and inaction to get its validity extended beyond the deadline has led to a loss of ₹ 1.32 crore.

(Paragraph 2.2)

Fraudulent payment of ₹ 2.74 crore was made to a contractor, as payment for supply of building material was based on fictitious records.

(Paragraph 2.3)

Construction of Guide Bund with unacceptable dimension and without any transparency, financial norm and immediate requirement led to a doubtful expenditure of ₹ 9.21 crore.

(Paragraph 2.6)

Integrated Audit

Forest Department

3.1 Integrated Audit of Forest Department

The State Forest Department is responsible for carrying out soil and water conservation works, afforestation works to increase area under forest cover and preservation of wildlife. During 2009-10 there was a shortfall of 750 hectares in plantations, 790 hectares and 770 hectares in maintenance in one year old and two year old plantations respectively. It was noticed that ₹ 53.59 lakh meant for preparation of working plan, regeneration activities and protection of forest had been unauthorisedly expended for departmental logging of timber. No final plantation was carried out after completion of advance work for plantation on 230 hectares at a cost of ₹ 19.19 lakh, resulting in wasteful expenditure. Before final acquisition of seven hectares of land expenditure of ₹ 13 lakh was incurred on establishment of rescue centre for Sangai (Brow-antlered deer).

(Paragraph 3.1)

Revenue Receipts

4.1. Trend of revenue receipts

Revenue raised by the State Government during the year 2009-10 was eleven *per cent* of the total revenue receipts same as in the preceding year. The balance eighty nine *per cent* of receipts during 2009-10 was from the Government of India.

(Paragraph 4.1.1)

Audit of Transactions (Revenue)

Penalty leviable amounting to ₹ 2.90 crore against movement of goods without mandatory declaration Form/road permit remained unlevied.

(Paragraph 4.8)

Suppression of sales turnover by two dealers not only resulted in evasion of VAT of ₹ 28.04 lakh but also attracted penalty of ₹ 56.07 lakh.

(Paragraph 4.9)

Timely action was not taken to recover the outstanding tax of ₹ 1.61 crore as arrears of land revenue.

(Paragraph 4.10)

The Department failed to levy penalty amounting to ₹ 10.56 lakh on dealers who did not comply with the mandatory provision under the MVAT Act, 2004.

(Paragraph 4.11)

Government Commercial and Trading Activities

5. Commercial

5.1 Overview of Government Companies and Statutory Corporations

As on 31 March 2010 there were fourteen PSUs (all companies including six non-working). The State PSUs registered a turnover of ₹ 9 crore for 2009-10 as per their latest finalised accounts as of September 2010. This turnover was equal to 0.10 *per cent* of State Gross Domestic Product (GDP) for 2009-10. The State PSUs incurred a loss of ₹ 0.43 crore in the aggregate for 2009-10 as per their latest finalised accounts.

(Paragraph 5.1.1)

As on 31 March 2010, the investment (capital and long-term loans) in fourteen PSUs was ₹ 111.15 crore. (Working PSUs: ₹ 53 crore and Non-working PSUs: ₹ 58.15 crore)

(Paragraph 5.1.4)

The turnover of working PSUs increased from ₹ 6.42 crore in 2004-05 to ₹ 6.51 crore in 2009-10. The percentage of turnover to State GDP decreased from 0.16 in 2004-05 to 0.07 in 2009-10 as the increase in turnover was not commensurate with the growth in State GDP.

(Paragraph 5.1.9)

Audit of Transactions (Commercial)

The Manipur Tribal Development Corporation Limited has not finalized its accounts for 27 years.

(Paragraph 5.2)

The Manipur Spinning Mills Corporation Limited suffered a probable loss of ₹ 3.75 crore in the value of fixed assets during the previous ten years.

(Paragraph 5.3)

Though there was a growth in demand of 222 Million Units from 31 March 2005 to 31 March 2010, the installed power generation capacity had reduced by 5.072 Mega Watts. The Department neither took up any capacity addition programme nor identified any generating stations for life extension and using its power houses as standby and operated only when the Grid supply failed.

(Paragraph 5.4)