

## Executive Summary

This Audit Report has been prepared in six chapters. Chapters I to V deal with Social, Economic, Economic (Public Sector Undertakings), Revenue and General Sectors and Chapter VI deals with Follow up of Audit observations.

This Report contains 24 audit paragraphs (including 11 general paragraphs and one long paragraph on Utilisation of Edusat network), 3 Performance Audit and an Integrated Audit of the Education (Social Welfare and Social Education) Department. According to the existing arrangements, copies of the draft paragraphs and draft performance audit were sent to the Secretary of the Departments concerned with a request to furnish replies within six week. However, in respect of one Performance Audit and seven Audit Paragraphs included in the Report, no replies were received till the time of finalisation of the Report (February 2013). A synopsis of the important findings contained in the Report is presented below:

### SOCIAL SECTOR

#### PERFORMANCE AUDITS

#### **Integrated Audit of the Education (Social Welfare & Social Education) Department**

The short release of funds against the approved planned budget provision and non-utilisation of even the available funds had adversely affected implementation of programme/schemes. Indiscriminate setting up of Anganwadi Centres without following the prescribed norm resulted in extra avoidable liability for payment of honorarium to the assigned staff, while essential facilities for drinking water, toilets, kitchen sheds and other minimum infrastructural needs in the AWCs remained neglected. The Department did not have proper control over construction of Anganwadi Centres which appeared to be either incomplete or not taken up at all in case of 1,367 buildings even after a lapse of more than two to six years since sanction and release of funds to the implementing agencies. The objective of all-round development of children through delivery of services in the area of pre-school education, immunisation, health check up and referral services etc. largely remained unachieved due to poor attendance coupled with inadequate convergence mechanism being arranged with the Health Department to carry out the activities in the AWCs. Failure to evolve a proper mechanism to ensure legitimacy of the beneficiaries before sanction of pension under various welfare schemes compounded by the absence of periodical physical verification to ensure beneficiaries' existence resulted in payment of benefits to dead, ineligible and non-existent persons. The annual target set for various training courses were immensely low considering the huge requirement, leading to a large number of field level and supervisory staff remaining untrained. Monitoring and evaluation mechanism was non-existent in the Department.

*(Paragraph 1.3)*

## Performance Audit on “Mahatma Gandhi National Rural Employment Guarantee Scheme”

Performance audit of MGNREGS implementation revealed that all the required structural mechanism for operation of the Scheme was put in place, except the State Employment Guarantee Fund, which was operationalised only during 2012-13. The works were executed based on Annual plans only as no District Perspective Plans were finalised. The State provided employment to almost all those who reportedly demanded employment. However, the demand was not recorded and hence the fact of provision of employment to all those who demanded employment could not be vouched. 1.44 lakh households received employment beyond 100 days but the additional cost of ₹ 10.22 crore was met from the Central share instead of being borne by the State. There was short-payment of minimum wages by ₹ 34.50 lakh. In six Blocks 41 *per cent* block level works did not employ any NREGA labour against the letter and spirit of the Act and therefore, did not constitute NREGA works. Funds of ₹ 16.60 crore was diverted for the works covered under IAY Scheme and ₹ 5.27 crore was spent for the purposes covered under other infrastructural development schemes. *Kuchcha* road with no all weather access were constructed at a cost of ₹ 5.29 crore. 26 works costing ₹ 1.88 crore remained incomplete for periods ranging from one to four years. The funds utilisation under the Scheme was good ranging from 93.74 *per cent* to 98.85 *per cent*. The State short-provided its share by ₹ 133.09 crore due to adoption of incorrect formula by not considering 6 *per cent* administrative cost. The delay in release of State share ranged from 100 to 263 days in 20 out of 78 installments, whereas in some cases, it was provided in advance as well. Maintenance of subsidiary records needs improvement. MIS contains material errors and hence, it was not reliable. Various good practices such as Banking Correspondent Model for payment of wages, use of software for preparation of estimates, payments after check by Vigilance Committee, etc. were observed during Audit.

(Paragraph 1.4)

### Transaction Audit Paragraphs

#### Utilisation of Edusat Network

The Edusat Network valued ₹ 3.18 crore (including cost of equipment etc. valued ₹.2.27<sup>1</sup> crore provided free of cost by the ISRO and ₹ 0.91 crore spent by the State Government) was plagued by under utilisation of network, non-fulfilment of objective, lack of monitoring, non-redressal of recommendations made by the ISRO and above all failure to safeguard the equipment of the network by the State Government. Further, the achievement of objectives of training to teachers and education to students through Edusat had not yielded the desired outcomes in the State.

<sup>1</sup> Cost of the hub, teaching end equipment, SIT equipment : ₹ 1.74 crore; cost of AMC: ₹ 0.18 crore; operational cost of hub: ₹ 0.25 crore; training for SIT operation: ₹ 0.02 crore; training on content generation: ₹ 0.08 crore

**(Paragraph 1.5)**

Splitting up of the construction works in groups, and spreading its award over 4-5 years caused significant delays in their completion. Further by taking up of fresh tasks planned at the post-execution stage coupled with non-taking over the Sub-Jail at Gandacherra even more than 22 months after completion of the originally assigned works the Sub-Jail could not be made useful and the total expenditure of ₹ 2.93 crore incurred thereon 22 to 73 months back remained unfruitful. Besides, starting of new Courts for the people was affected. The possibility of the vacant rooms getting deteriorated due to their prolonged disuse could not also be ruled out.

**(Paragraph 1.6)**

Tripura Building and Other Construction Workers' Welfare Board collected Cess and contribution amounting to ₹ 35.88 crore during 2007-08 to 2011-12 with the object of spending this fund amount towards social security of the workers. However, the Annual Budgets and action plan for providing benefits to the beneficiaries were not prepared. Consequently, only an amount of ₹ 23.72 lakh was spent towards the welfare activities during the above period leading to failure of the Board to achieve its object. Besides, unspent idle funds were kept by the Board in Savings Account instead of prudently investing the same in Fixed Deposits resulting in avoidable loss of interest of at least ₹ 2.77 crore, which could have been added to the Cess fund.

**(Paragraph 1.7)****ECONOMIC SECTOR****Transaction Audit Paragraphs**

Failure of the Public Works Department (Roads and Buildings) to take prudent, timely and effective action against the contractor for inordinate delay in execution of the construction works of the residential quarters for the 6<sup>th</sup> Battalion TSR through closure/rescission of the agreements for getting the works completed resulted in unfruitful expenditure of ₹ 79.17 lakh as it could not yield any benefit despite lapse of over nine years from the scheduled date (s) of completion.

**(Paragraph 2.3)**

In violation of the provisions of the manual seven package works were awarded to four private agencies by the Public Works Department (Roads and Buildings) allowing interest free mobilisation advances, which was beyond the scope of the MOUs signed, resulting in loss of interest to the tune of ₹ 2.46 crore. Besides, the works initiated earlier and due for completion were either lagging behind or were not completed in time defeating the very purpose of granting such advances.

**(Paragraph 2.4)**

Faulty planning in taking up execution of work without proper survey and ensuring availability of clear site by the Public Works Department (Water Resource) led to inevitable necessity for re-alignment of the canal track, which coupled with continued problem of land acquisition thereafter, resulted in delay in commencement of the work and the work remained incomplete for more than five years from the stipulated date of completion. Further, funds of ₹ 61.02 lakh invested on the incomplete work could not yield any benefit for the targeted groups of people.

**(Paragraph 2.5)**

Failure of the Public Works Department (Water Resource, Drinking Water and Sanitation) in assessing the actual requirement of store items and procurement thereof without keeping a special watch over slow moving items in contravention of the manualised provision and lack of co-ordination between the wings of the Department, resulted in accumulation of unutilised stock valued at ₹ 11.25 crore for the last 23 to 62 months, blocking up of public funds to that extent on idle stores, and also having the risk of deterioration due to prolonged storage.

(Paragraph 2.6)

## ECONOMIC SECTOR (PUBLIC SECTOR UNDERTAKINGS)

### PERFORMANCE AUDIT

#### Performance Audit of Power Transmission activities

The Tripura State Electricity Corporation Limited (Company) did not prepare any State Electricity Plan for development of transmission infrastructure in the State based on the National Electricity Plan. The Company prepared 11<sup>th</sup> Five Year Plan for 2007-12 for capacity addition of transmission infrastructure. The annual plans prepared by the Company on the basis of 11<sup>th</sup> Five Year Plan did not set targets in physical terms. The overall shortfall in achievement of physical targets set under 11<sup>th</sup> Five Year Plan (2007-12) for capacity addition of transmission lines and substations (132 KV and 66 KV) ranged from 33 to 94 *per cent*.

The execution of transmission projects by Company suffered with several deficiencies mainly relating to delays in completing the preparatory/pre-work award activities and deficiencies in realistic assessment of route length of lines. As a result, the execution of project suffered considerably on account of post award revisions in line lengths causing significant time and cost overrun.

The Company did not have any mechanism to ascertain segment-wise energy losses. Alternatively, combined transmission and distribution (T&D) loss data were being derived as a difference between the total energy put in the State Bus for sale and the net energy sold. A fixed percentage (six *per cent*) of the energy put in the State Bus was adopted by the Company as a normative transmission loss. As such, the actual transmission loss data could not be determined and analysed with reference to the norms fixed by the Central Electricity Authority.

The Grid Management system of Company was not satisfactory in the absence of adequate facilities for recording real time data in seven out of eight 66 KV substations. The functioning of the State Load Dispatch Centre (SLDC) was also not satisfactory in absence of proper maintenance of records and non-compliance with the mandatory provision of Grid Code Regulations issued by Tripura Electricity Regulatory Commission (TERC).

No Disaster Management programme was in place at the level of Sub-Stations, Extra High Tension Lines etc. thereby exposing the system against the risk of black out situations in case of major break down.

The energy accounting and audit system was non-existent in the Company. The Company did not maintain the details of the interface Boundary metering points. In the absence of these details feeder-wise percentage of energy loss could not be analysed.

No scientific system was in place for management of inventory. Monitoring mechanism of the Company was weak due to non-maintenance of necessary records on performance of the transmission system.

*(Paragraph 3.2)*

### **Transaction Audit Paragraphs**

The Tripura Forest Development and Plantation Corporation Limited suffered a loss of ₹ 1.30 crore due to unjustified absorption of cost of packaging against supply of its product contrary to the product price criteria published by the Rubber Board.

*(Paragraph 3.3)*

Failure to take a firm decision by the Tripura State Electricity Corporation Limited at planning stage whether to go for construction of buildings in phases or in one go and subsequent delay in communicating the decision for discontinuance of the project to EPIL resulted in blocking of investment of ₹ one crore.

*(Paragraph 3.4)*

The Tripura State Electricity Corporation Limited incurred interest loss of ₹ 42.15 lakh on investment of surplus funds due to lack of coordination and control over the investments made by its Corporate Finance and Commercial & System Operation Wings.

*(Paragraph 3.5)*

## **REVENUE SECTOR**

### **PERFORMANCE AUDIT**

#### **Computerisation of Transport Department in Tripura**

The computerisation through 'VAHAN' and 'SARATHI' application software had been implemented in the Department between January 2004 and May 2006. But no inter-connectivity amongst the DTOs had been established. Thus, the intended objectives of computerisation of Transport Department could not be achieved in full. The details of offending vehicles could not be captured in the computer due to non-operation of the Enforcement module and therefore, the objective of the project remained unfulfilled. The existence of same engine/chassis number against more than one registration number and invalid data in mandatory fields made the database unreliable. Besides, there were cases of non-assignment of registration number to the vehicles transferred from other States. There were cases of non-renewal of registration/fitness certificates and non-realisation of road tax. Further, the enforcement module was also not established.

*(Paragraph 4.2)*

### Transaction Audit Paragraphs

Concealment of turnover by the dealers and incorrect application of rates which escaped notice of the assessing authorities and erroneous computation of sales/purchase/opening stock, irregular adjustment of ITC by the assessing authorities resulted in short levy of tax of ₹ 43.54 lakh and leviable interest of ₹ 27.52 lakh and penalty of ₹ 16.19 lakh by the Finance (Excise & Taxation) Department.

**(Paragraph 4.3)**

Out of revenue of ₹ 10,50,461 collected by the Shibbari Beat Officer, Forest Department during 1 April 2007 to 8 September 2010, ₹ 5,48,573 was neither deposited into the Government Account nor was found lying in cash and was suspected to have been misappropriated.

**(Paragraph 4.4)**

### GENERAL SECTOR

### Transaction Audit Paragraphs

Administrative lapse by the Home (Police) Department in taking timely and proper follow up action culminated in non-availability of appropriate land for setting up the permanent Headquarters for the 8<sup>th</sup> Bn TSR at Lalcherra, and the Department's expenditure of ₹ 4.09 crore incurred two to nine years back for acquiring the required land from Forest Department and on construction of incomplete boundary wall in that area proved unfruitful.

**(Paragraph 5.3)**