

## Executive Summary

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

This Report contains 23 audit paragraphs (including 11 general paragraphs and one paragraph on Implementation of Information and Communication Technology in Schools) and four Performance Audits. 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 weeks. However, in respect of eight audit paragraphs included in the Report, no replies were received till the time of finalisation of the Report (January 2014). A synopsis of the important findings contained in the Report is presented below:

### SOCIAL SECTOR

#### Implementation of Information and Communication Technology in Schools

The Information and Communication Technology scheme implemented at the cost of ₹ 21.90 crore (till March 2013) was plagued by inordinate delay leading to non-achievement of targets, non fulfilment of objectives, inadequate utilisation, lack of monitoring, non-follow up action on the report of NIT and also failed to ensure capacity building by arranging all-important training for the school teachers. As a result, the Education (School) Department had failed to continue the computer education programme after the agreement period. Thus, the objectives of computer education to students and training to teachers using information and computer technology did not yield the results as envisaged in the scheme.

*(Paragraph 1.3)*

### Compliance Audit Paragraphs

Failure in planning by the Rural Development Department led to non-completion of nine staff quarters in Mungiakami RD Block even after five years from the scheduled date of completion and the expenditure of ₹ 61.69 lakh incurred on them had become wasteful. Moreover, further deterioration of the materials due to prolonged suspension of work would require additional cost for completing the work.

*(Paragraph 1.4)*

The actual procurement and plantations of saplings at a cost of ₹ 45.91 lakh under MGNREGA scheme in seven ADC villages in Jampui Hill RD Block was doubtful as there were no pre-plantation works, post-plantation works and supporting documentation.

*(Paragraph 1.5)*

**ECONOMIC SECTOR**

**PERFORMANCE AUDIT**

**Performance Audit of Rashtriya Krishi Vikas Yojana (RKVY)**

The implementation of RKVY in Tripura produced mixed results in terms of both achievements and failures. The Department did not prepare the overall State comprehensive agricultural plan in time. The District level agricultural plans were prepared without preparing the plan at Panchayat level planning units. Therefore, involvement of the Panchayats in planning process could not be ensured by the Department. There were considerable delays in release of funds at every level and the completion of the projects was delayed in many cases. No criteria for selection of beneficiaries under the scheme were prescribed. Though the beneficiaries interviewed during the course of audit accepted availing benefits of the projects, no mechanism was in place to assess the benefits actually accruing to the beneficiaries in terms of their economic well being. The nodal department as well as SLSC did not monitor and review the progress and implementation/achievement of the projects. The internal control mechanism was weak and the required records were not maintained. Data reliability was not ensured. No evaluation or impact assessment of RKVY was done by the State Government.

*(Paragraph 2.3)*

**Performance Audit of Roads & Bridges Projects funded by Non-Lapsable Central Pool of Resources (NLCPR) and North Eastern Council (NEC)**

Government of India (GOI) created the Non-lapsable Central Pool of Resources (NLCPR) and North Eastern Council (NEC) with the aim of speeding up the execution of infrastructure projects in the North Eastern States by increasing the flow of budgetary financing for specific viable infrastructure projects in various sectors as well as to reduce the critical gaps in basic minimum services. A Performance Audit of Roads and Bridges projects funded from NLCPR and NEC during 2008-13 in the State revealed that projects were taken up without adequate planning and prioritisation. Consequently, out of 24 projects approved by the GOI during 2008-09 to 2012-13 and which were scheduled to be completed by March 2013, only nine projects (38 per cent) were completed in Roads and Bridges sector as of March 2013. The State had neither carried out gap analysis nor evaluated the extent of achievement of the objective of reducing the gap between the required and available infrastructure facilities in the State and its impact on the economy and social fabric of the State.

*(Paragraph 2.4)*

### Compliance Audit Paragraphs

Violation of provision of financial rules pertaining to handling of Government money and poor maintenance of Cash Book by the Executive Engineer, Agriculture Department Agartala led to suspected misappropriation of ₹ 12,23,061.

*(Paragraph 2.5)*

Faulty planning and arbitrary decision of the Government to abandon the work after completing upto plinth level for “Construction of Recreation Hall cum Library for Cultural Activities” at the Central Prison, Bishalgarh resulted in infructuous expenditure of ₹ 1.01 crore.

*(Paragraph 2.6)*

In violation of the contractual provisions under turnkey contract for construction of the Central Prison at Bishalgarh, payment was made by the Public Works Department (Roads and Buildings) towards land/site development as an additional item, which fell well within the scope of work of turnkey contract. This rendered the expenditure of ₹ 1.56 crore extra, of which ₹ 84.40 lakh had already been paid to M/s Engineering Projects India Ltd.

*(Paragraph 2.7)*

Award of works for construction of bridges in violation of the decision of the Council of Ministers to the inexperienced and unqualified agencies at higher than the approved rates, coupled with inaction on the part of the Public Works Department (Roads and Buildings), not only resulted in unauthorised and irregular expenditure of ₹ 3.57 crore, but also rendered the expenditure of ₹ 7.93 crore incurred on six suspended works idle for 12 to 36 months which, in turn, resulted in failure in achieving the objective of speedy and smooth implementation of infrastructural development projects in the State.

*(Paragraph 2.8)*

Lack of adequate planning and timely decision on agreement-related issues by the Public Works Department (Water Resources) coupled with non-initiating timely action for rescinding the agreement and getting the remaining work executed by another contractor at the risk and cost of erring contractor resulted in unfruitful expenditure of ₹ 2.17 crore. The partially constructed canal also meant that the farmers were deprived of the intended benefits of the irrigation project.

*(Paragraph 2.9)*

**ECONOMIC SECTOR (STATE PUBLIC SECTOR UNDERTAKINGS)**

**PERFORMANCE AUDIT**

**Working of Tripura Handloom and Handicrafts Development Corporation Limited**

The Company had no vision or planned orientation in achieving its stated objectives. The system of forming MOUs between the Company and the Government was not effective as the annual targets fixed there under were not based on any scientific study. As per the unit-wise profitability worked out by Audit for 2012-13, excepting one emporium, all 43 emporia of the Company had incurred losses. Contrary to its laid down objectives, the Company had been operating two power loom units at the behest of the State Government, which had caused negative impact on its financial interests. All three major projects taken up by the Company during five years period had suffered time and cost overruns. Despite capital infusion of ₹ 27.93 crore by the State Government during 2008-09 to 2012-13, Company had been facing working capital crunch due to continuous operational losses. The merger of Tripura Apex Weaver's Co-operative Society (TAWCS) with the Company had also adversely affected its financial position. Internal control and monitoring system was almost non-existent in the Company. The Company did not make any effort to assess the impact of its activities in uplifting socio economic conditions of the weavers/artisans in the State.

The Company failed to achieve its stated objectives of serving the weavers and artisans of the State.

*(Paragraph 3.2)*

**Compliance Audit Paragraphs**

Failure of Tripura Industrial Development Corporation Limited to incorporate an appropriate clause in lease agreements for recovery of lease premium and rent at revised rates had resulted in loss of revenue of ₹ 62.20 lakh.

*(Paragraph 3.3)*

Due to improper investment of funds in absence of a scientific method for investment planning, the Tripura Industrial Development Corporation Limited suffered an avoidable interest loss of ₹ 22.98 lakh.

*(Paragraph 3.4)*

Failure of the State Government in providing the project land to Tripura Tourism Development Corporation Limited for the Government of India sponsored tourism project "Destination Development of Agartala" deprived the State of the intended benefits of the project.

*(Paragraph 3.5)*

**REVENUE SECTOR**

**Compliance Audit Paragraph**

Concealment of turnover by the dealers, incorrect application of rates and non submission of audited balance sheet which escaped notice of the assessing authorities resulted in short levy of Sales Tax/VAT of ₹ 60.30 lakh, leviable interest of ₹ 51.16 lakh, penalty of ₹ 38.12 lakh and Additional Sales Tax of ₹ 1.80 lakh.

*(Paragraph 4.2)*

**GENERAL SECTOR**

**PERFORMANCE AUDIT**

A performance audit of the Home (Police) Department revealed several deficiencies in their functioning. The Department did not have its own Police Manual. It had also not formulated any long-term or short term plan for prioritising the goals of the Department with reference to the objectives of policing. Budget estimates were not realistic. The incidence of IPC crime especially crime against women in the State increased during 2008-2012 while the conviction rate was low which is a matter of concern. Further, use of forensic science in crime investigation was not fully functional due to lack of skilled manpower. Average reaction and response time was unsatisfactory. Housing facilities for police personnel were not adequate. The Department also failed to benefit from the modernisation schemes due to their tardy implementation. The striking ability of the police force was compromised due to shortage of modern weapons, mobility deficiency, inadequate and ineffective communication equipment. It was also noticed that internal control, supervision and monitoring was inadequate.

*(Paragraph 5.3)*