TABLE OF CONTENTS

	Paragraph	Page
PREFACE		v
CHAPTER I – GENERAL		
Introduction	1.1	1
Trend of expenditure	1.2	1
About this Report	1.3	3
Authority for audit	1.4	3
Planning and conduct of audit	1.5	4
Response to audit	1.6	4
Significant Audit Observations	1.7	5
CHAPTER II – PERFORMANCE AUDIT		
Performance Audit of Tamil Nadu Biodiversity Conservation and Greening Project	2	9
Executive Summary		9
Introduction	2.1	10
Organisational setup	2.2	10
Audit objectives	2.3	10
Audit criteria	2.4	11
Scope and Methodology of Audit	2.5	11
Planning	2.6	12
Financial Management	2.7	15
Programme Management	2.8	18
Internal Control	2.9	33
Conclusion	2.10	35
Recommendations	2.11	35

	Paragraph	Page	
CHAPTER III – COMPLIANCE AUDIT			
ANIMAL HUSBANDRY, DAIRYING AND FISHERIES DEPARTMENT			
Medical services by Animal Husbandry Department	3.1	37	
PUBLIC WORKS DEPARTMENT			
Deficiencies in the operation of sand quarries	3.2	54	
AGRICULTURE DEPARTMENT			
Information Technology Audit on Agri Reporting System	3.3	70	
PUBLIC WORKS DEPARTMENT			
Additional burden to State exchequer	3.4	78	
Non-renewal of lease	3.5	80	
HIGHWAYS AND MINOR PORTS DEPARTMENT			
Avoidable extra expenditure due to incorrect preparation of estimates	3.6	83	
Non-realisation of revenue	3.7	85	
Non-observance of Manual provisions	3.8	86	
Non-remittance to labour welfare fund	3.9	88	
AGRICULTURE DEPARTMENT			
Parking of funds	3.10	90	
TOURISM DEPARTMENT			
Non-availing of Government of India grant	3.11	92	

ANNEXURES

Annexure No.	Details	Reference to Paragraph	Page
1	Department-wise details of Inspection Reports and Paragraphs pending	1.6.3	97
2	Average number of cases treated per day	3.1.4.1	98
3	Details of expiry medicines issued for treatment	3.1.7.2	99
4	Avoidable expenditure on execution of works as per IRC-37: 2012 specification even after obtaining BBD test results	3.6	100
5	Avoidable expenditure due to non-adherence of IRC-81: 1997	3.6	101
6	Difference in cost to be recovered from the first contractor whose work was determined	3.7	103
7	Interest loss on parking of funds outside Government Account	3.10	105
8	Interest loss on parking of funds outside Government Account	3.10	106
	Glossary		107

PREFACE

This Report for the year ended March 2017 has been prepared for submission to the Governor of Tamil Nadu under Article 151 of the Constitution of India for being placed in the Tamil Nadu Legislature.

The Report contains significant results of the Performance Audit and Compliance Audit of the Departments of the Government of Tamil Nadu under Economic Services, including Departments of Agriculture; Animal Husbandry, Dairying and Fisheries; Environment and Forests; Handlooms, Handicrafts, Textiles and Khadi; Highways and Minor Ports; Industries; Information Technology; Micro, Small, Medium Enterprises; Public Works and Tourism. However, other Departments are excluded and covered in the Report on General and Social Sector Services.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2016-17 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports. The instances relating to the period subsequent to 2016-17 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.