

# **EXECUTIVE SUMMARY**



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This Audit Report has been prepared in five Chapters. Chapters I to V deal with Social, General, Economic (Other than State Public Sector Undertakings), Economic (State Public Sector Undertakings) and Revenue Sectors. This Report contains one performance audit and eleven compliance audit paragraphs.

According to the existing arrangements, copies of the draft compliance audit and draft performance audit report were sent to the concerned Principal Secretaries/ Secretaries to the State Government by the Accountant General with a request to furnish replies within six weeks. The performance audit was discussed with the concerned Administrative Head of the department and other departmental officials. Replies of the Government/ Department wherever received have been incorporated in the report.

### CHAPTER-I : SOCIAL SECTOR

#### PERFORMANCE AUDIT

##### National Rural Drinking Water Programme

National Rural Drinking Water Programme (NRDWP) was launched in April 2009 by the Government of India (GoI) to ensure delivery of safe and adequate drinking water to the rural population of the country. Ministry of Drinking Water and Sanitation (MDWS) implements the programme through state governments.

A performance audit on NRDWP in the State revealed the following significant findings:

- *Decentralised need-based and participatory plan through a bottom-up approach was not followed as water security plans at Village and District levels were not prepared.*
- *The State Government released Central share of ₹ 59.56 crore to the implementing agency after delays ranging between one to 12 months during 2014-17.*
- *An amount of ₹ 6.42 crore meant for 'Coverage', 'Sustainability' and 'Operation and Maintenance' components were utilised for inadmissible and irregular works.*
- *Against the goal to provide 55 litres per capita per day water to 5.23 lakh rural population by 2017, 1.08 lakh (21 per cent) rural population were only covered.*
- *The State could not achieve the target of providing individual household connection by 2017 as per Strategic Plan of the MDWS. All rural Government schools and anganwadis were not provided with safe drinking water facilities.*
- *The water quality testing laboratories were functioning with inadequate manpower and constrained capabilities to analyse mandated parameters.*

(Paragraph 1.3)

### COMPLIANCE AUDIT PARAGRAPHS

The Mizoram Youth Commission made doubtful payment of ₹ 77.53 lakh in cash to consultants without any documentary evidence of placements done. Payments to the consultants were made in cash even before receipt of invoices.

(Paragraph 1.4)

The competent authority of the Disaster Management and Rehabilitation Department arbitrarily rejected the lowest bid resulting in extra expenditure of ₹ 85 lakh on procurements of tarpaulin during 2014-17.

(Paragraph 1.5)

### CHAPTER-III : ECONOMIC SECTOR (OTHER THAN STATE PUBLIC SECTOR UNDERTAKINGS)

### COMPLIANCE AUDIT PARAGRAPHS

#### Border Area Development Programme

Audit of implementation of the Border Area Development Programme (BADP) during 2012-13 to 2016-17 revealed the following irregularities:

- *Bottom-up approach in preparation of Annual Action Plans with the involvement of the concerned stakeholders at the grass root level was not followed. Further, none of the border villages were declared as 'saturated'.*
- *The Department released ₹ 68.98 crore with delays ranging between one to 23 months to the executing agency during 2012-17.*
- *Allocation of BADP funds for education, health, agriculture and allied activities, security and other sectors was not in the proportion as recommended in the BADP Guidelines.*
- *The Department parked funds in 'civil deposits' and savings bank accounts aggregating ₹ 27.02 crore and ₹ 65.25 crore respectively during 2012-16.*
- *Irregularities of ₹ 7.19 crore occurred in the execution of works.*
- *The monitoring and evaluation mechanism and Management Information System was deficient.*
- *Social Audit of the BADP was yet to be carried out.*

(Paragraph 3.3)

### Accelerated Irrigation Benefits Programme

The Accelerated Irrigation Benefits Programme (AIBP) was launched by the Government of India (GoI) in 1996-97. The main objective of the programme was to provide financial assistance to the States for accelerating the implementation of large irrigation and multipurpose projects, which were beyond the resources of the States to take up or were in an advanced stage of completion. AIBP in Mizoram was being implemented by the Irrigation & Water Resources Department (IWRD), Government of Mizoram (GoM). During the period 2008-17, 193 Minor Irrigation Projects (MIP) under the AIBP were taken up in the State at a total cost of ₹ 209.80 crore. Since 2015-16, 14 MIPs had also been taken up under the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) at a cost of ₹ 13.71 crore. Audit of implementation of the AIBP during 2008-09 to 2016-17 revealed the following irregularities:

- *Delay in release of funds by the State Government to the Implementing Agency ranged from nine days to six months.*
- *Parking of funds in Civil Deposit resulted in delay in completion of projects.*
- *Non-maintenance of assets resulted in loss of irrigation potential.*
- *Financial irregularities were committed during the execution of works.*
- *Monitoring and evaluation mechanism was weak and ineffective.*

(Paragraph 3.4)

The Horticulture Department incurred an expenditure of ₹ 45.63 lakh against the supply of poor quality seedlings and thereby extended undue benefit to the suppliers.

(Paragraph 3.5)

## CHAPTER-V : REVENUE SECTOR

### COMPLIANCE AUDIT

Failure to exercise prescribed checks by the Superintendent of Excise & Narcotics, Serchhip and the Treasury Officer, Serchhip resulted in suspected misappropriation of ₹ 1.76 crore.

(Paragraph 5.11)

Penalty of ₹ 30.49 lakh from 30 dealers who failed to submit audited accounts, was not imposed by three Assessing Officers of Taxation Department.

(Paragraph 5.12)

A dealer under the Assistant Commissioner of Taxes, North Zone, Aizawl evaded tax of ₹ 25.19 lakh on taxable turnover of ₹ 2.58 crore.

(Paragraph 5.13)

The Director, Geology and Mineral Resources Department failed to collect penalty of ₹ 70.76 lakh towards illegal removal and transportation of stone from the carriers during 2015-16.

**(Paragraph 5.14)**

The Geology and Mineral Resources Department did not levy annual license fee of ₹ 7.73 lakh at penal rate on delayed payment of annual license fee by one license holder.

**(Paragraph 5.15)**

There was short levy of royalty of ₹ 5.40 lakh due to late adoption of increased rate of royalty by the Director, Geology and Mineral Resources Department.

**(Paragraph 5.16)**