# Overview

#### **OVERVIEW**

This Report comprises three chapters containing three Performance Audits and 16 paragraphs. Chapter I contains two Performance Audits on Outcome of School Education and Outcome of Salaulim Irrigation Project and the compliance audit findings pertaining to Social, General and Economic Sectors (Non-Public Sector Undertakings-Non-PSUs). Chapter II contains one Performance Audit on Levy and Collection of State Excise Revenue and compliance audit findings pertaining to Revenue Sector. Chapter III contains audit findings pertaining to State Public Sector Undertakings and Government commercial and trading activities.

The total expenditure of the State increased by six *per cent* from ₹ 13,461 crore in 2017-18 to ₹ 14,321 crore in 2019-20. The revenue expenditure of the State increased by 10 *per cent* from ₹ 10,543 crore in 2017-18 to ₹ 11,623 crore in 2019-20. The share of revenue expenditure to total expenditure was 78 *per cent* during 2017-19. The revenue expenditure increased to 81 *per cent* during 2019-20 with corresponding decrease in capital expenditure to 19 *per cent* when compared to 22 *per cent* during 2017-19.

## PERFORMANCE AUDITS SOCIAL, GENERAL AND ECONOMIC SECTORS/NON-PUBLIC SECTOR UNDERTAKING (Non-PSUs)

#### **Performance Audit on Outcome of School Education**

The Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Centrally Sponsored Scheme on Teacher Education (CSSTE) are three major flagship school education development programmes launched by Government of India (GoI) and are being implemented in partnership with State Government. The SSA aims at elementary level (Class I-VIII) to implement the Right to Free and Compulsory Education (RTE) Act, the RMSA aims at classes IX-XII and CSSTE aims at providing infrastructural and institutional support to Government Teacher Education Institutions to enhance the overall efficiency of teachers. GoI had introduced (March 2018) the Samagra Shiksha Abhiyan subsuming all three SSA, RMSA and CSSTE schemes.

An "Outcome Audit of School Education" in Goa was conducted covering the period from 2015-16 to 2019-20 between May 2020 and December 2020 to assess whether universal access to school education was made available to all children, quality of education was ensured at all learning levels and students' academic performance got enhanced. The audit scrutiny revealed that Goa Samagra Shiksha (GSS) did not prepare perspective plans and did not adopt bottom-up approach for preparation of Annual Works Plan and Budget (AWP&B) during the period 2015-20. In 20 out of 42 test checked schools, School Management Committees did not prepare School Development Plans during 2015-20. Government of Goa did not implement 25 per cent reservation in private unaided schools for children belonging to weaker sections and disadvantaged groups. Government Aided and Private Unaided schools were functioning without conformity to RTE norms relating to infrastructure facilities like playground, library, boundary walls, etc. Teachers

recruited during the last 10 years did not possess mandatory qualification of TET as per NCTE norms. Large number of Government schools were functioning with single teacher in violation of RTE norms. There was no system to monitor drop out students and to provide transportation arrangements to children with special needs. There were shortfalls ranging from 10 to 44 *per cent* in achieving the targets fixed for in-service trainings to teachers during 2016-20. Gross Enrolment Ratio declined in respect of Elementary, Secondary and Higher Secondary level during 2015-16 to 2019-20. The passing percentage of students in class IX and XI is lower than that in class X and XII during 2015-16 to 2018-19 due to "No Detention Policy up to Class VII". Audit also noticed that performance of students of Goa in National Achievement Survey (NAS) has been found poor in Mathematics and Language in all rounds of NAS.

(Paragraph 1.5)

#### Performance Audit on Outcome of Salaulim Irrigation Project

Salaulim Irrigation Project in South Goa District with a Cultivable Command Area (CCA) of 9,686 ha. was taken up for execution in 1972 and was completed in 2007 at a cost of ₹ 187.37 crore. The intended objective of the project was to provide irrigation water of 528 million litres per day (MLD) and 380 MLD water supply for drinking and other purposes. Audit was taken up to ascertain whether the intended outcomes of the project was realised. Audit scrutiny of records of line departments *viz*. Directorate of Agriculture, Public Works Department besides covering Water Resource Department (WRD) and its Divisions revealed gap in the intended outcomes and the outcomes realised.

The utilisation of irrigation potential (14,106 ha.) created by construction of the dam, main canal, distributaries and minor canals was confined to 34 per cent. Out of this only 1,619 ha. area of land was under cultivation and the balance area was left as fallow land. As against planned cultivation on 2,349.60 ha. in respect of sugarcane crop, the actual average cultivation had been only on 80 ha. in the command area. Lack of support for irrigation and agriculture schemes and inaction on fallow land discouraged the farming activity in the command area. Just two out of the 24 Water User Associations originally registered from the command area were functioning. Nonconducting of meetings by the Command Area Development Board and absence of cohesive efforts on the part of WRD, Agriculture Department and State Public Works Department led to failure in realising the intended outcomes of the project.

(Paragraph 1.6)

#### **REVENUE SECTOR**

#### Performance Audit on Levy and Collection of the State Excise Revenue

State excise revenue is one of the main sources of revenue for the Government of Goa. State excise revenue mainly comprises of excise duty collected from the manufacturing units, license and surcharge charged on wholesale and retail sale of liquor. A Performance Audit on levy and collection of the State excise revenue was taken up to assess the system for levy and collection of the State excise revenue.

The Government has not determined norms for minimum quantity of yield of malt spirit from the use of raw material and standards for allowable wastage during production of malt spirit were not fixed. Norms for drawal of samples of IMFL manufactured by distilleries in the State were also not set. Audit of five selected excise stations revealed that the Department lacks internal control at the primary level of function for grant and renewal of licenses. Existing internal control mechanism was not being enforced by the excise inspectors resulting in short levy of excise revenue amounting to ₹ 7.59 crore in the five selected excise stations during 2014-15 to 2019-20. Non-submission of export verification certificate by the manufacturing units on export of liquor were not acted upon for more than five years.

(Paragraph 2.2)

#### **COMPLIANCE AUDIT**

## SOCIAL, GENERAL AND ECONOMIC SECTORS/NON-PUBLIC SECTOR UNDERTAKINGS (Non-PSUs)

#### HOME DEPARTMENT

The monthly charges to be collected from a private training institute for use of barracks and ground of Directorate of Fire and Emergency Services were to be on the basis of number of candidates trained. However, the Directorate collected charges applicable for only 30 candidates throughout the lease period. This resulted in short collection of ₹ 12.32 crore.

(Paragraph 1.7)

#### PANCHAYAT DEPARTMENT

The Director of Panchayat leased a premises for three years for shifting their office. The premises remained unoccupied/partially occupied for 25 months due to delayed decision on the proposals for furnishing. The rent paid during the unoccupied period was ₹ 2.95 crore which was infructuous.

(Paragraph 1.8)

#### PUBLIC WORKS DEPARTMENT

Sub-division II of Division XXI of Public Works Department was regularly delaying remittance of revenue collected through receipt books to the divisional cash book resulting in diversion of funds and delayed remittance into the Treasury. Absence of internal controls led to misappropriation of cash receipts to the tune of  $\ref{total}$  10 lakh from Government account in September 2019.

(Paragraph 1.9)

#### HOUSING DEPARTMENT

Goa Housing Board did not comply with the provisions of Income Tax Act, 1961 regarding payment of advance tax and filing of return, resulting in levy of penal interest of ₹70.69 lakh under the Act, which was avoidable.

(Paragraph 1.10)

#### REVENUE SECTOR

#### COMMERCIAL TAXES DEPARTMENT

Assessing Authority did not levy or short levied interest of ₹ 47.92 lakh for delayed payment of taxes.

(Paragraph 2.3)

Commercial Tax Office at Margao, Panaji and Ponda allowed Net Present Value (NPV) exemption to three dealers for ineligible period and to one dealer not entitled under the NPV scheme.

(Paragraph 2.4)

Assessing Authority allowed input tax credit of ₹ 2.79 crore on purchase of goods for which ITC is not admissible under the provisions of Goa Valued Added Tax (GVAT) Act.

(Paragraph 2.5)

Assessing Authority allowed irregular Input Tax Credit of ₹ 4.51 crore to a dealer on transfer of stock.

(Paragraph 2.6)

Assessing Authority failed to levy entry tax of ₹ 3.18 crore on *inter-State* purchase of goods used as raw material for liquor manufacturing units not exempted under the Act.

(Paragraph 2.7)

Luxury tax of ₹ 4.14 crore was exempted by the Assessing Authority even though the Assessee did not fulfil criteria for exemption set under the Goa Tax on Luxuries Act (GTLA).

(Paragraph 2.8)

As per the notification, appeal cases can be admitted only on payment of 10 *per cent* of the disputed amount. However, scrutiny of appeal cases revealed that 22 appeal cases were admitted without collecting 10 *per cent* of disputed amount aggregating ₹ 3.13 crore.

(Paragraph 2.9)

#### REGISTRATION DEPARTMENT

The Civil Registrar and Sub-Registrar (CRSR) office Pernem did not consider the fair market value of land determined by the Collector while executing sale deeds resulting in short levy of stamp duty and registration fee of ₹ 20.63 lakh.

(Paragraph 2.10)

#### DEPARTMENT OF MINES AND GEOLOGY

The Directorate of Mines and Geology (DMG) failed to ensure collection of royalty for extraction and sale of sand. This resulted in extraction and sale of sand by 55 permit holders without payment of royalty. Further, the DMG had no information on quantity of sand extracted by another 144 permit holders.

(Paragraph 2.11)

#### DEPARTMENT OF FISHERIES

The Directorate of Fisheries had to forego levy of Goods and Service Tax (GST) of ₹ 26.80 lakh on renting of immovable property, due to delay in registration under GST.

(Paragraph 2.12)

### PUBLIC SECTOR UNDERTAKINGS AND GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

#### DEPARTMENT OF INDUSTRIES

#### GOA INDUSTRIAL DEVELOPMENT CORPORATION

As part of the compromise formula for refund of amounts received from seven allottees on cancellation of allotment of land in Special Economic Zone, Goa Industrial Development Corporation worked out a settlement amount of ₹ 256.57 crore. The amount however included construction licence fee and interest charged for delay in receipt of licence fee from allottees, totalling ₹ 17.32 crore, which was paid to local bodies on behalf of allottees.

(Paragraph 3.2)

#### FINANCE DEPARTMENT

#### ECONOMIC DEVELOPMENT CORPORATION LIMITED (EDCL)

EDCL allotted a plot in 1986 to Hindustan Hotels Ltd., on lease for construction of a hotel building. The plot was subsequently transferred twice but none of the transferees made any investment for completion of the project and the plot remained unused even after three decades. EDCL also short-collected transfer fee to the tune of ₹ 5.04 crore on the second transfer.

(Paragraph 3.3)