Report of the Comptroller and Auditor General of India

For the year 1996-97

TRIPURA TRIBAL AREAS AUTONOMOUS DISTRICT COUNCIL
KHUMULWNG
TRIPURA

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PREFACE

This report has been prepared for submission to the Governor under Paragraph 7(4) of the Sixth Schedule to the Constitution of India. It relates mainly to the points arising from the audit of the Annual Accounts of the Tripura Tribal Areas Autonomous District Council for the year 1996-97.The Council has adopted the new format of accounts, as approved by Government of India, from the year 1996-97 onwards.

2. This report contains three sections, the first of which deals with the constitution of the District Council, the rules for the management of the District Fund and maintenance of accounts by the District Council. The remaining two sections contain comments on the Council's financial position and the irregularities noticed in the course of test audit of the accounts of the Council for the year 1996 –97.

OVERVIEW

- **The opening balance was understated by Rs. 1.39 crore and the closing balance was overstated by Rs. 14.22 crore.**

  (Paragraph 2.2)

- **The expenditure figure under the District Fund was understated by Rs. 9.69 crore as compared to the subsidiary books of accounts.**

  (Paragraph 2.3)

- **The Council could not produce the details of GPF accounts of its employees.**

  (Paragraph 2.5)

- **There was a variation of Rs 1.42 crore in the figure of receipts and disbursements in Statements 3, 5 and 6 of the accounts.**

  (Paragraph 2.6)

Section - I

1.1 Introduction

The Tripura Tribal Areas Autonomous District Council (TTAADC/ Council) was set up in January 1982 in pursuance of the Tripura Tribal Areas Autonomous District Council Act, 1979 under the provision of Article 246(3) read with the Seventh Schedule to the Constitution of India. It was subsequently (April 1985) brought under the provision of Article 244(2) read with the Sixth Schedule to the Constitution.

The Sixth Schedule (Schedule) to the Constitution provides for administration of specified tribal areas by a Council with power to make laws on matters listed in paragraph 3(1) of the Schedule, mainly in respect of allotment, occupation, use of land, management of forests other than reserved forests, use of any canal or water courses for irrigation purposes, regulation of the practice of *"Jhum"* or other forms of shifting cultivation, establishment of village or town committees or council and demarcation of their powers, village or town administration including police, public health and sanitation and inheritance of property. Paragraph 6(1) of the Schedule empowers the Council to establish, construct or manage primary schools, dispensaries, markets, ferries, fisheries, roads, road transport and waterways in the respective autonomous districts. Paragraph 8 of the Schedule further empowers the Council to assess, levy and collect revenue in respect of land and buildings, taxes on professions, trades, callings and employments, animals, vehicles and boats, tolls on passengers and goods carried in ferries and taxes for the maintenance of schools, dispensaries or roads.

1.2 Rules for the management of District Fund

The Sixth Schedule to the Constitution of India provides for the constitution of a District Fund for each autonomous district, to which shall be credited all money received by the Council in the course of administration of the district in accordance with the provisions of the Constitution. In terms of paragraph 7(2) of the Schedule, rules are to be framed by the Governor for the management of

the District Fund and for the procedure to be followed in respect of payment of money into the said Fund, the withdrawal of money therefrom, the custody of money therein and any other matter connected with or ancillary to these matters. The rules in this regard were notified only in December 2006.

1.3 Maintenance of Accounts

The Council had been preparing its accounts in the format prescribed by the State Government in June 1989 vide Section 41(3) of the TTAADC Act, 1979. In pursuance of paragraph 7(3) of the Sixth Schedule to the Constitution of India, the form of accounts of the Council was prescribed by the Comptroller and Auditor General of India (May 1992), and the Council was advised to adopt the new format prospectively from April 1992 onwards. As the Council was not adequately equipped to switch over to the new format, on its request, the Government of India permitted (December 2005) the Council to prepare the accounts up to March 1996 in the old format. The accounts of the Council for the year 1996-97 were therefore, prepared in the new format.

The results of the test check of the annual accounts for 1996-97 are discussed in the succeeding paragraphs.

Section –II

2.1 Receipts and Disbursements

The receipts and disbursements of the Council during 1996-97 as reflected in the annual accounts and the resultant revenue deficit were as under:

(Rupees in lakh)

Part –I DISTRICT FUND				
Revenue Section				
Receipts			**Disbursements**	
Grants-in-aid from State Government		4911.97	Other Administrative Service	401.08
Interest receipts		10.05	Pension and Other Retirement Benefits	6.94
Other Administrative Service		156.26	Public Works	530.81
			Medical and Public Health	26.94
			Crop Husbandry	528.20
Other Receipts		2.15	Science and Technology	9.67
Crop Husbandry	1.13			
Animal Resources Development	0.94			
Village and Small Industries	0.08			
			Forest and Wildlife	85.09
			Fisheries	82.52
			Village and Small Industries	109.31
			Council's Rural Employment Programme	320.94
			Art and Culture	36.62
			Sports and Youth Services	6.75
			Co-operation	5.95
			District Council Legislature	32.18
			Executive Members of ADC	12.48
			Welfare of Scheduled Tribes	769.61
			General Education	2820.37
			Information and Publicity	21.93
			Minor Irrigation	36.24
			Animal Resources	76.68
			Administration and Justice	0.19
			Land Revenue	0.11
			Water Supply and Sanitation	54.84
Revenue receipts		**5080.43**	**Revenue expenditure**	**5975.45**
Revenue deficit		**895.02**		

(Rupees in lakh)

Capital Section			
Capital receipts	**Nil**	Capital expenditure	**837.82**
Debt Section			
Loans received from State Government	Nil	Repayment of loans received from Government	Nil
Loans received from other sources	Nil	Repayment of loans received from other sources	Nil
Recovery of loans and advances	4.18	Disbursement of loans and advances	4.18
Total of Debt Section	**4.18**		**4.18**
Total of Part –I District Fund	**5,084.61**	**Part-I District Fund**	**6,817.45**
Part -II DEPOSIT FUND			
Deposit Section			
Deposit receipts	203.83	Disbursement of deposit	208.45
Total of Part-II Deposit Fund	**203.83**	**Part-II Deposit Fund**	**208.45**

OVERALL POSITION			
Total Receipts(I+II)	**5,288.44**	Total disbursement (I+II)	**7,025.90**
Opening balance	**6,500.31**	Closing balance	**4,762.85**
Grand Total	**11,788.75**	**Grand Total**	**11,788.75**

2.2 Discrepancies in Opening and Closing Balances

The annual accounts for the year 1995-96 ended with a debit Suspense balance of Rs. 1.39 crore which was not included in the opening balance of the current year, resulting in understatement to that extent. While the closing balance included Rs. 15.73 crore stated to be with the Principal Officer (Education), the expenditure statement of the Principal Officer (Education) showed only Rs. 1.51 crore as the cash balance. Thus, the closing balance was overstated by Rs.14.22 crore. The difference remained unreconciled even after being pointed out in audit.

2.3 Discrepancies between the Accounts and Compilation Register

The total expenditure shown under the Revenue, Capital and Debt Sections of the Receipts and Disbursement Account was Rs.68.17 crore, while the figure in the Compilation Register was Rs.77.86 crore. Substantial items of expenditure shown in the Compilation Register were left out from the annual accounts and in some cases, amounts included in the final accounts were not found in the Compilation Register (**Annex-A**). The net impact of these omissions was understatement of expenditure in the final accounts by Rs.9.69 crore (District Fund). The Council did not furnish any reason for these discrepancies.

2.4 Discrepancies between Compilation Register and Expenditure Statements of DDOs

There were significant differences between the expenditure figures booked in the Compilation Register and the figures furnished by the respective DDOs. The excess booking of expenditure ranged from Rs.0.36 crore to Rs.5.15 crore while the short booking ranged from Rs.1.53 crore to Rs.29.17 crore (**Annex-B**). The Council did not furnish any reason for such discrepancies.

2.5 Lack of details of GPF balances

The Council could not produce the details of GPF balances of the employees in support of the closing balance of Rs.23.13 lakh in Statement No. 3 of the accounts. In the absence of these details, the correctness of the closing balance could not be vouched.

2.6 Ways and means position

Statement No. 3 of the accounts depicts the ways and means position i.e. month wise receipts and disbursements during the year. It was observed that the total receipts (Rs. 51.47 crore) and disbursements (Rs. 68.84 crore) in Statement No 3 were both Rs.1.42 crore less than the figures shown under detailed accounts of receipts (Statements No. 5) and disbursements (Statement No. 6). The Council did not furnish any reason for these discrepancies.

Section –III

3.1 Unadjusted expenditure

The Inspector of Schools, Jirania advanced Rs. 3.95 lakh to different schools for repairs/reconstruction and new construction. The payments were neither entered in the Cash Book, nor a separate register maintained to watch the adjustment of the advances. The entire amount remained unadjusted for over 9 years. The Council admitted the facts and assured (July 2006) that steps would be taken immediately to adjust the outstanding amount.

3.2 Internal Control Mechanism

Non-reconciliation of cash balances with implementing officers; variation in the balances shown in the Cash Book of the Council with those of the DDOs; non-maintenance of basic records in support of the figures booked in the final accounts; differences in the figures incorporated in the annual accounts and the figures in the subsidiary books; differences in the expenditure figures booked in the annual accounts and the figures furnished by the implementing offices reflect inadequate internal control mechanism in the Council and raise serious questions about the correctness, completeness and reliability of accounts.

Agartala
The 17 JUL 2008

(P.K. Tiwari)
Accountant General (Audit)
Tripura, Agartala

Countersigned

New Delhi
The 18 July 2008

Sd/-
(VINOD RAI)
Comptroller and Auditor General of India

Annex-A

Discrepancies in expenditure figures booked in the Compilation Register and in the Annual Accounts

(Reference: Paragraph 2.3)

(Rupees in lakh)

Sl No	Major Head	Amount as per Compilation Register	Amount as per Annual Accounts
1.	2070	505.08	401.08
2.	2071	6.94	6.94
3.	2210	30.85	26.94
4.	2401	606.47	528.20
5.	2801	9.65	9.67
6.	2406	85.27	85.09
7.	2405	78.99	82.52
8.	2851	166.28	109.31
9.	2505	370.31	320.94
10.	2204	5.75	6.75
11.	2425	5.95	5.95
12.	5054	837.87	837.81
13.	2059	539.25	530.81
14.	2215	344.39	54.84
15.	2702	36.24	36.24
16.	2403	113.59	76.68
17.	7610	0.99	4.18
18.	2225	1167.67	769.61
19.	2202	2790.97	2820.37
20.	2014	0.19	0.19
21.	2013	12.48	12.48
22.	2011	32.18	32.18
23.	2220	21.93	21.93
24.	2205	16.62	36.62
25.	2029	0.11	0.11
	Grand Total	**7786.02**	**6817.44**

Annex –B

Discrepancies in expenditure figures furnished by the DDOs and the figures in the Compilation Register

(Reference: Paragraph 2.4)

(Rupees in crores)

Sl. No.	Name of the DDO	Expenditure as per the Accounts	Expenditure furnished by the DDO	Difference Excess (+) Less (-)
1.	ZDO(WEST)	5.81	5.45	(+)0.36
2.	ZDO(BCM)	4.97	3.68	(+)1.29
3.	ZDO(GNC)	1.57	1.15	(+)0.42
4.	ZDO(NORTH)	3.96	5.49	(-)1.53
5.	EE(WEST)	4.11	6.84	(-)2.73
6.	EE(SOUTH)	6.44	1.29	(+)5.15
7.	EE(NORTH)	2.75	1.24	(+)1.51
8.	PO(EDN)	0.25	29.42	(-)29.17