

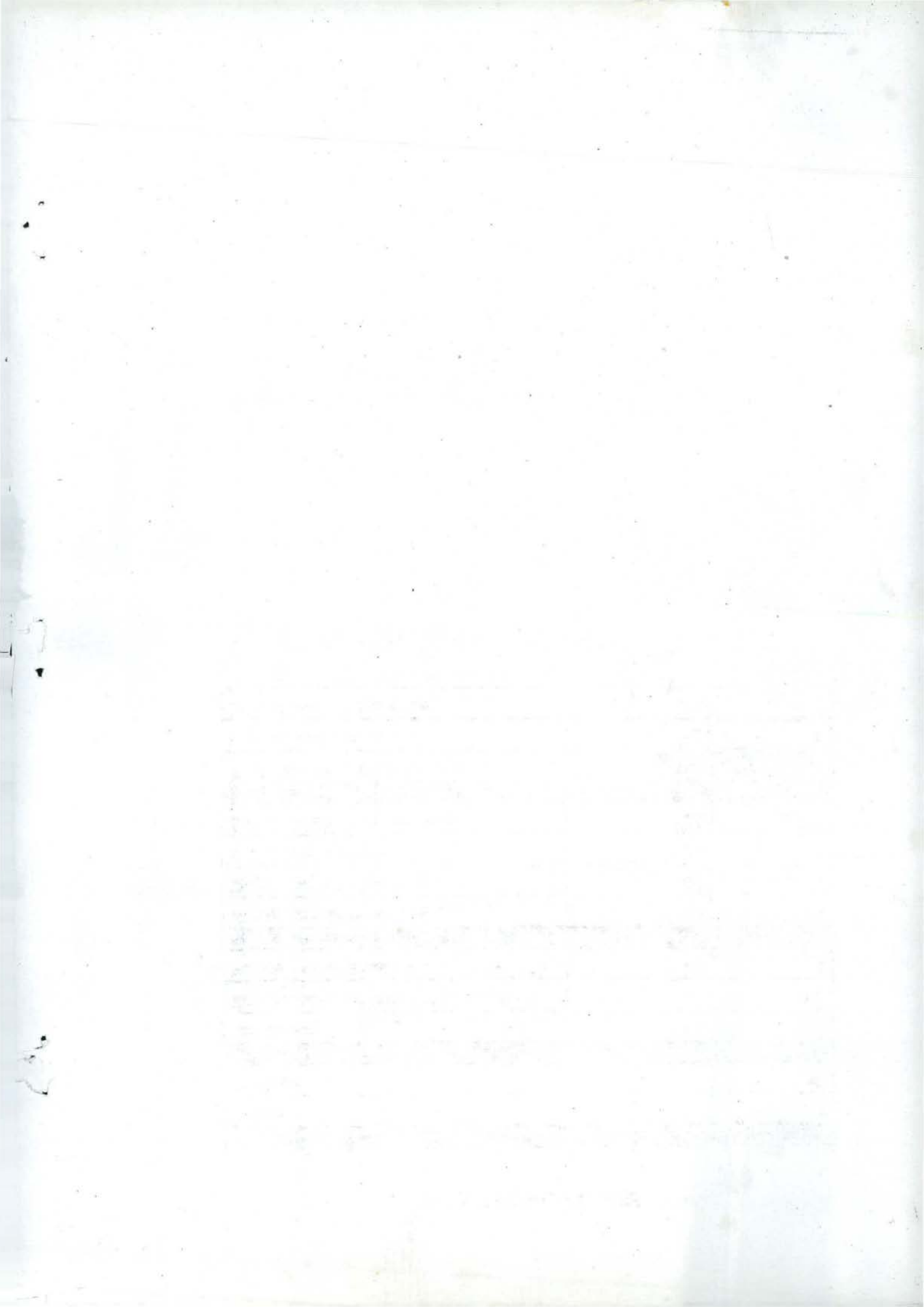




**Report of the  
Comptroller and Auditor General  
of India**

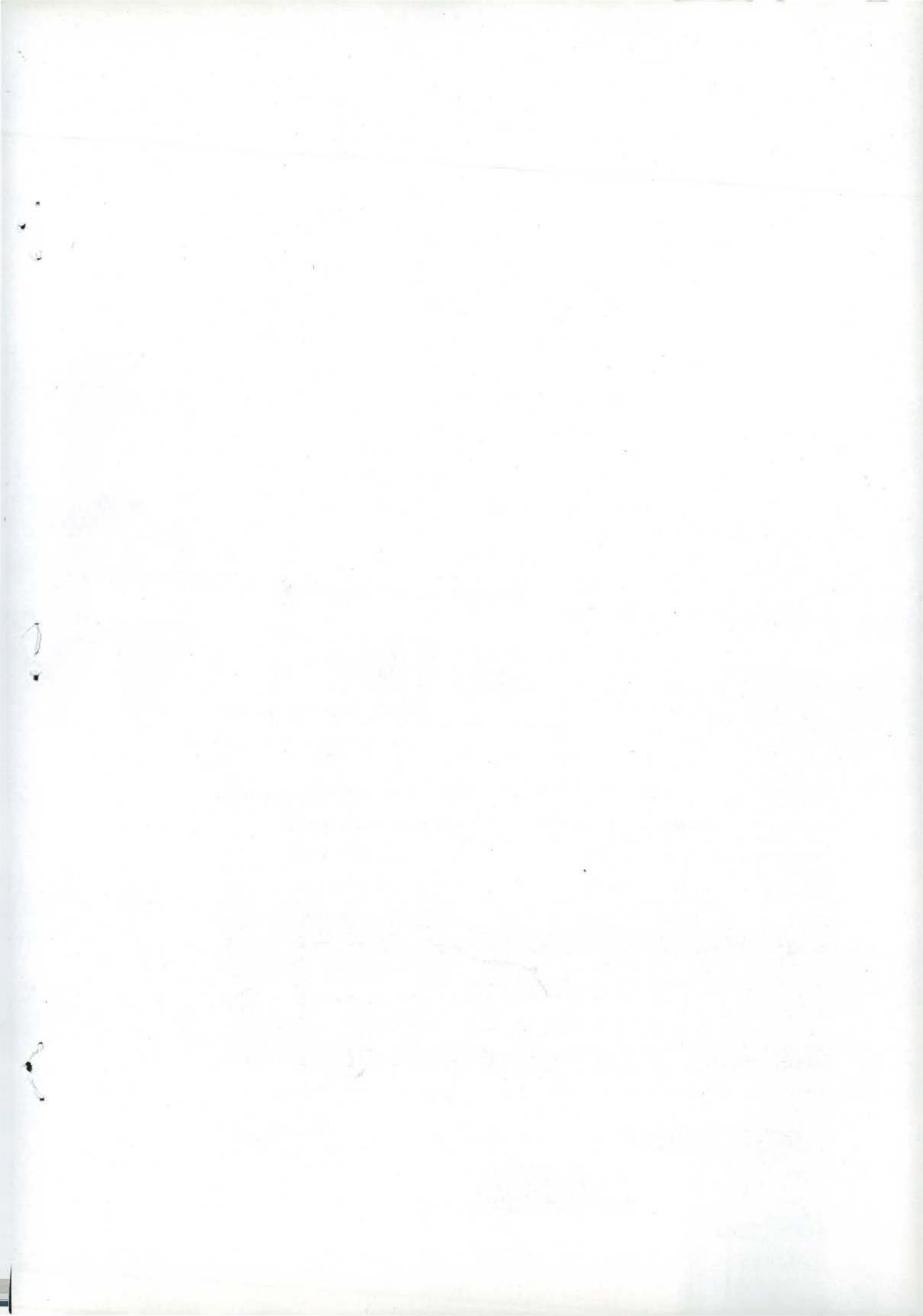
*For the year 1998-99*

**TRIPURA TRIBAL AREAS AUTONOMOUS  
DISTRICT COUNCIL  
KHUMULWNG  
TRIPURA**



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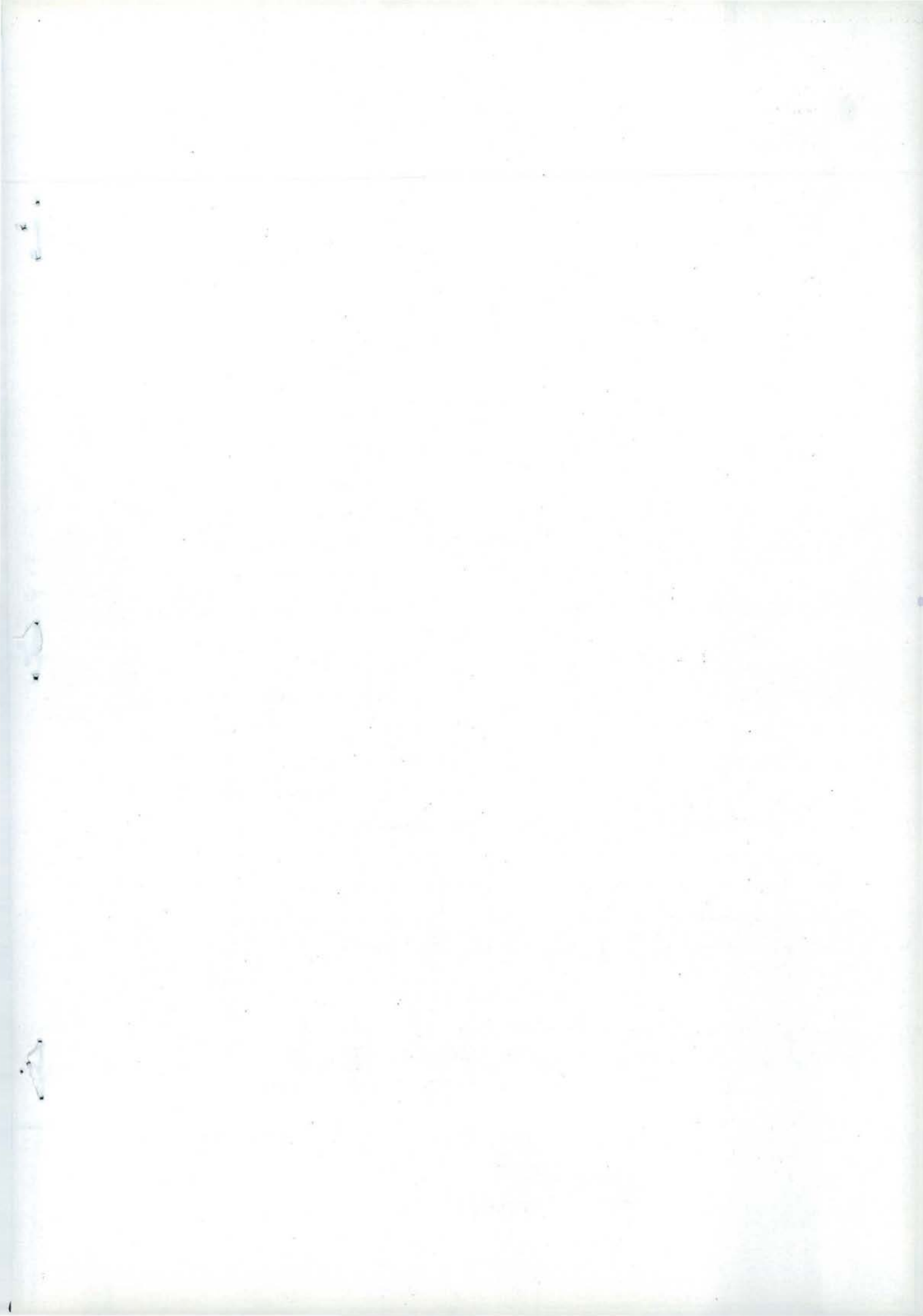
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## PREFACE

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 1998-99.

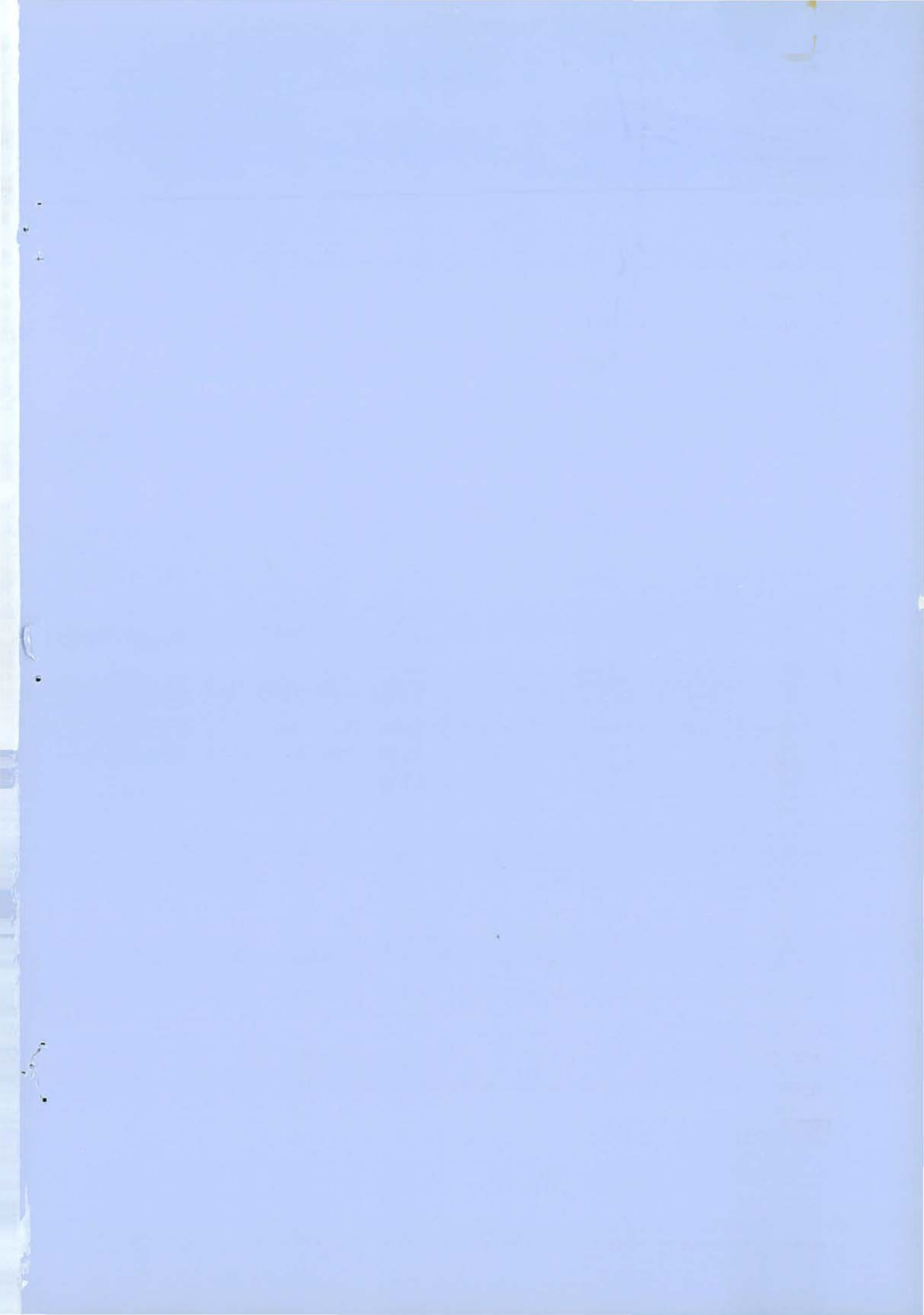
2. This report contains three Sections, the first of which deals with the constitution of the District Council, the rules for the management of the District Fund and maintenance of accounts by the District Council. The remaining two sections include comments on the Council's financial position and various irregularities noticed in the course of test audit of the accounts of the Council for the year 1998-99.





## OVERVIEW

- The closing balance was overstated by Rs.50 lakh.  
(Paragraph 2.2)
- The expenditure figure under the District Fund was overstated by Rs.13.63 crore as compared to the subsidiary books of accounts.  
(Paragraph 2.3)
- There were major discrepancies between the expenditure figures furnished by the DDOs and the figures booked in the annual accounts.  
(Paragraph 2.3)
- The Executive Engineer, West Division, Khumulwng, incurred unauthorised expenditure of Rs. 55.31 lakh on works without call of tender.  
(Paragraph 3.1)



## 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 forms 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 results of the test check of the annual accounts for 1998-99 are discussed in the succeeding paragraphs.



## Section –II

### 2.1 Receipts and Disbursements

The receipts and disbursements of the Council during 1998-99 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	5326.85	Other Administrative Service	568.72
Interest receipts	19.16	Pension and Other Retirement Benefits	20.62
Other Administrative Service	1001.32	Public Works	269.22
Other Receipts	7.08	Medical and Public Health	27.70
Crop Husbandry	3.36	Science and Technology	9.63
Village and Small Industries	3.72	Crop Husbandry	169.93
		Forest and Wildlife	103.10
		Fisheries	121.11
		Village and Small Industries	194.20
		Councils Rural Employment Programme	251.94
		Art and Culture	3.62
		Sports & Youth Services	1.01
		Co-operation	184.81
		District Council Legislature	34.60
		Executive Members of ADC	7.06
		Welfare of Scheduled Tribes	1099.98
		General Education	3707.56
		Information & Publication	28.91
		Minor Irrigation	51.61
		Animal Resources	106.19
		Administration and Justice	13.49
		Water Supply and Sanitation	184.43
<b>Revenue receipts</b>	<b>6354.41</b>	<b>Revenue expenditure</b>	<b>7159.44</b>
<b>Revenue deficit</b>	<b>805.03</b>		

(Rupees in lakh)

Capital Section			
Capital receipts	NIL	Capital expenditure	586.14
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	4.56	Disbursement of loans and advances	4.56
<b>Total of Debt Section</b>	<b>4.56</b>		<b>4.56</b>
<b>Total Part -I District Fund</b>	<b>6358.97</b>		<b>7750.14</b>
PART - II DEPOSIT FUND			
Deposit Section			
Deposit receipts	133.86	Disbursement of deposit	155.30
<b>Total Of Part-II Deposit Fund</b>	<b>133.86</b>	<b>Part-II Deposit Fund</b>	<b>155.30</b>
OVERALL POSITION			
Total Receipts(I+II)	6492.83	Total disbursement (I+II)	7905.44
Opening balance	3109.39	Closing balance	1696.78
<b>Grand Total</b>	<b>9602.22</b>	<b>Grand Total</b>	<b>9602.22</b>

## 2.2 Discrepancies in closing balance

The closing balance of Rs.16.97 crore includes balances lying with 11 DDOs (Annex - A). However, the balances as per the expenditure statements furnished by these DDOs was Rs.16.47 crore. Thus the closing balance was overstated by Rs.50 lakh. The differences remained unreconciled even after being pointed out in audit.

## 2.3 Overstatement of Expenditure

The expenditure figure of Rs.77.50 crore shown in Part I: District Fund did not tally with the expenditure figures in the subsidiary books of accounts (Compilation register) (Rs.63.87 crore). This resulted in overstatement of expenditure by Rs.13.63 crore as detailed in Annex-B.

Further, large differences were noticed between the expenditure figures in the Compilation Register and those in the expenditure statements received from different DDOs. The variation ranged from under booking of Rs.2 lakh to over booking of Rs. 85 lakh. The net impact on the accounts was overstatement of expenditure in the Compilation Register by Rs.120 lakh (Annex-C).



**2.4 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.92.92 lakh in Statement No. 3 of the accounts. In the absence of these details, the correctness of the closing balance could not be vouched.

### Section – III

#### 3.1 Work done without call of tender

Rule 45 of the TTAADC (Budget and Accounts) Rules, 1982 provides for execution of work in accordance with the codes, rules, and regulations applicable in the State PWD. The existing instructions in the State Public Works Department provide a limit of Rs.30 lakh on annual expenditure by a division without call of tenders.

It was observed that the Executive Engineer, West Division, Khumulwng, had spent Rs.85.31 lakh on 481 works without inviting open tenders. This resulted in an unauthorised expenditure of Rs.55.31 lakh.

#### 3.2 Non-accounting of materials

Stores (sports goods, musical instrument, diaries and calendars, etc.,) worth Rs.4.48 lakh were purchased by the Principal Officer, Tribal Cultural Research Programme & Youth Programme (TCRP & YP), Khumulwng, during the year 1998-99. But accounts in respect of the same were not maintained. The reason for not maintaining the stock account was not on record. The expenditure of Rs. 4.48 lakh therefore could not be vouched in audit.

#### 3.3 Internal Control Mechanism

Non-reconciliation of cash balances with different implementing officers, instances of 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 figures booked in the final accounts, difference in figures incorporated in the annual accounts with the figures in the compilation registers, differences in the expenditure figures booked in the annual accounts and the figures furnished by the implementing offices, execution of works beyond authorised financial limit, admission of expenditure without stock entry reflect inadequate internal



control mechanism in the Council and raise serious questions about the correctness, completeness and the reliability of the 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

Statement showing the position of DDO-wise closing balances and the figures furnished by the respective DDOs.

(Reference: Paragraph 2.2)

(Amount in rupees)

Sl. No.	Name of the DDO	Closing balance as per the Annual Accounts	Closing balance as reported by the DDO	Difference Excess(+) Less(-)
1.	EO(ADMN)	5,84,82,355.00	5,70,83,355.59	(+ 13,98,999.41
2.	PO(EDN)	2,07,20,189.00	2,07,02,188.96	(+ 18,000.04
3.	EE(NORTH)	1,03,03,515.00	1,03,03,515.00	-
4.	ZDO(WEST)	31,44,461.00	31,44,461.00	-
5.	ZDO(NORTH)	8,000.00	8,000.00	-
6.	PL CELL	3,44,05,675.00	3,44,05,675.00	-
7.	EE(WEST)	1,60,45,982.00	1,26,99,044.03	(+ 33,46,937.97
8.	EE(SOUTH)	1,95,89,165.00	1,93,94,797.00	(+ 1,94,368.00
9.	ZDO(GNC)	29,74,728.00	29,74,728.00	-
10.	ZDO(SOUTH)	27,41,813.00	27,41,813.00	-
11.	SECY(DC)	12,61,772.00	12,61,772.00	-
<b>Total</b>		<b>16,96,77,655.00</b>	<b>16,47,19,349.58</b>	<b>(+ 49,58,305.42</b>



Annex-B

Statement showing the discrepancy of expenditure figures as per the Books of Accounts and the Annual Accounts.

(Reference: Paragraph 2.3)

(Amount in rupees)

Sl No	Major Head No	Amount as per Annual Accounts	Amount as per Compilation Register
1.	2070	5,68,72,139.00	5,68,72,139.00
2.	2071	20,61,806.00	20,61,806.00
3.	2210	27,70,007.00	27,80,057.00
4.	2401	1,69,92,539.00	1,19,92,539.00
5.	2801	9,63,128.00	9,63,128.00
6.	2406	1,03,10,326.00	53,10,326.00
7.	2405	1,21,10,634.00	1,21,10,634.00
8.	2851	1,94,19,656.00	1,44,19,656.00
9.	2505	2,51,94,408.00	1,01,94,408.00
10.	2204	1,00,800.00	1,00,800.00
11.	2425	1,84,80,670.00	1,34,80,670.00
12.	5054	5,86,14,274.00	5,86,14,274.00
13.	2059	2,69,21,869.00	2,39,21,869.00
14.	2215	1,84,42,901.00	1,84,42,901.00
15.	2702	51,60,699.00	51,60,698.00
16.	2403	1,06,19,259.00	1,06,19,259.00
17.	2225	10,99,98,533.00	7,62,72,360.00
18.	2202	37,07,55,815.00	36,61,99,403.00
19.	2014	13,48,728.00	13,48,728.00
20.	2013	7,05,950.00	7,05,950.00
21.	2011	34,60,175.00	34,60,175.00
22.	2220	28,91,465.00	28,91,465.00
23.	2205	3,62,090.00	3,62,090.00
24.	7610	4,56,048.00	4,56,048.00
<b>Grand Total</b>		<b>77,50,13,919.00</b>	<b>63,87,41,383.00</b>

Annex -C

**Statement showing the discrepancy of expenditure figures as reflected in the books of accounts and in the 'Receipt and Expenditure' statements furnished by the DDOs of the District Council.**

(Reference: Paragraph 2.3)

*(Amount in rupees)*

Sl. No.	Name of the DDO	Expenditure figure recorded in the Compilation Register	Expenditure figure furnished by the DDOs	Difference Excess(+) Less(-)
1.	ZDO(WEST)	5,73,02,776.00	5,75,18,316.26	(-)2,15,540.26
2.	ZDO(SOUTH)	5,09,76,917.00	4,56,93,262.00	(+)52,83,655.00
3.	ZDO(NORTH)	5,04,66,414.00	5,03,03,414.48	(+)1,62,999.52
4.	ZDO(GNC)	1,12,72,178.00	1,11,42,178.45	(+)1,29,999.55
5.	EE(WEST)	5,64,90,509.00	4,79,89,303.00	(+)85,01,206.00
6.	EE(SOUTH)	1,34,00,681.00	1,53,98,060.00	(-)19,97,379.00
7.	EE(NORTH)	3,14,23,810.00	2,31,81,797.00	(+)82,42,013.00
8.	PO(EDN)	34,58,57,384.00	35,39,64,171.85	(-)81,06,787.85
9.	SECY(DC)	42,41,425.00	42,41,421.50	(+)3.50
<b>Total</b>		<b>62,14,32,094.00</b>	<b>60,94,31,924.54</b>	<b>(+)1,20,00,169.46</b>

