Report of the Comptroller and Auditor General of Imdia

FOR THE YEAR 2005-2006

TRIPURA TRIBAL AREAS AUTONOMOUS

DISTRICT COUNCIL

KHUMULWNG

TRIPURA

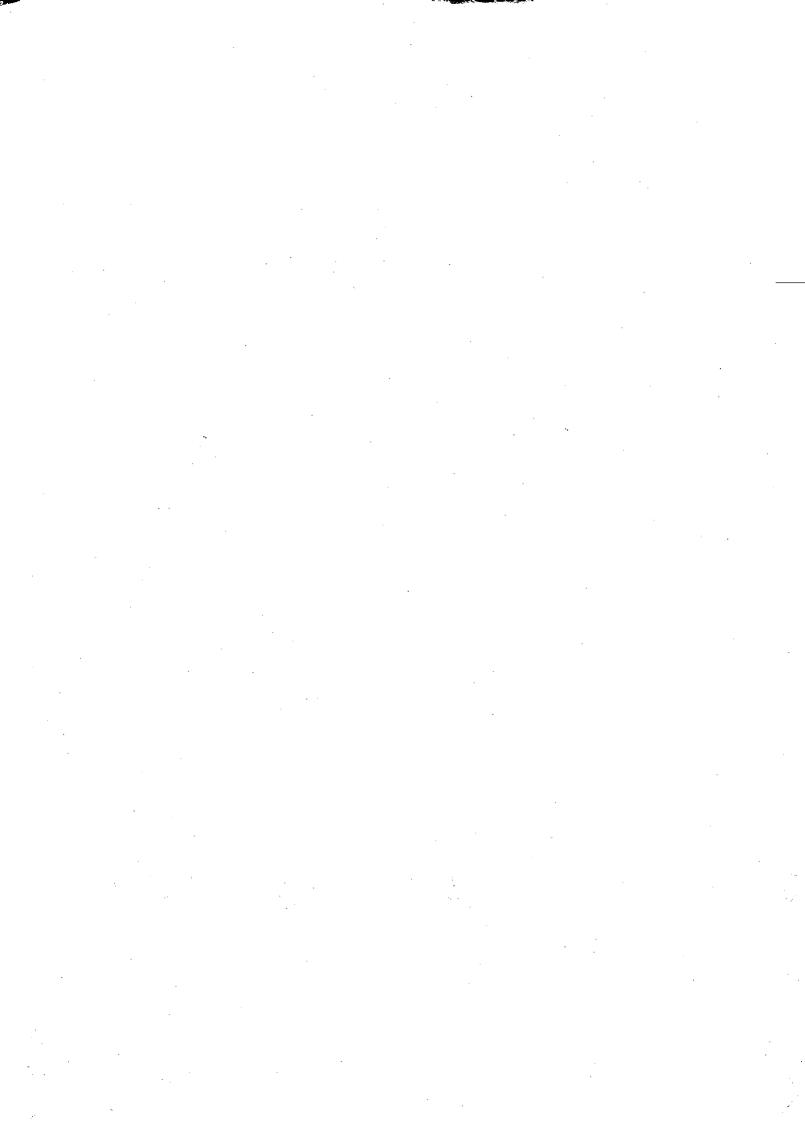


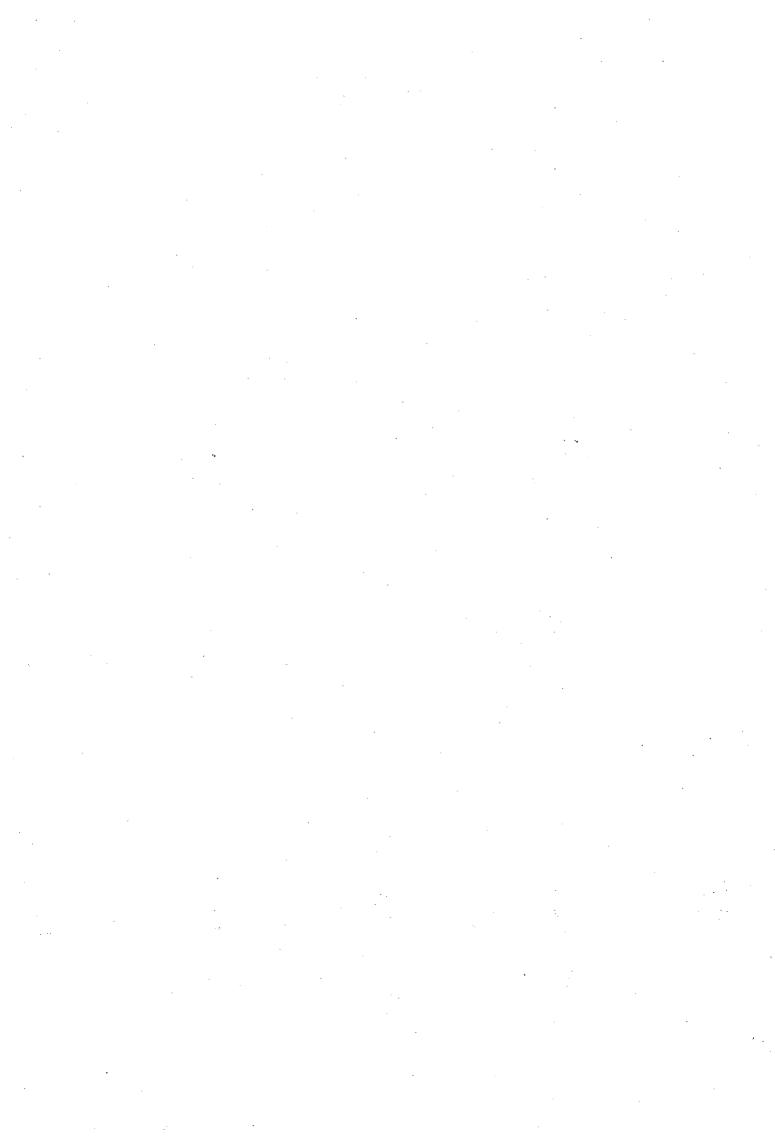
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Preface

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 issues arising from the audit of the Annual Accounts as also of the transactions of the Tripura Tribal Areas Autonomous District Council for the year 2005-06.

2. This Report contains three Chapters, the first of which deals with the constitution of the Tripura Tribal Areas Autonomous District Council, the rules for the management of the District Fund and maintenance of accounts by the District Council. The remaining two Chapters include comments on the Council's financial position and various irregularities noticed in the course of test-audit of the accounts and transactions of the Council for the year 2005-06.



OVERVIEW

This Report contains three Chapters. Chapter—I provides a background on the formation of the Autonomous District Council, rules for the management of the District Fund and relevant constitutional provisions on maintenance of Accounts. Chapter—II deals with comments arising out of audit of annual accounts of the Council for the year 2005-06 and contains twelve paragraphs and Chapter—III of the Report details the audit findings pertaining to transaction audit of the Council and contains eight paragraphs. The main observations of audit are detailed below:

1. Comments on Accounts

Closing cash balance of the Council was understated by Rs. 50.14 lakh due to non-exhibition of the actual balance in the accounts in respect of two out of the 13 DDOs test checked.

(Paragraph 2.2)

The cumulative balance of Rs. 42.09 crore in the provident funds of the employees was exhibited in the Annual Accounts as only Rs. 98.11 lakh resulting in understatement of Rs. 41.11 crore which also remained out of account.

(Paragraph 2.4)

Capital expenditure was understated by Rs. 4.68 crore by three units while Rs. 1.59 lakh incurred by one unit on capital outlay was misclassified as revenue expenditure during compilation of annual accounts at Headquarters.

(Paragraph 2.5)

There is no system in place to track and record the assets created by the Council since its inception and physical verification of the assets was not conducted. Therefore, the physical existence of assets was neither ascertained by the Council nor could be verified in audit.

(Paragraph 2.7)

Ledger Accounts the basic records of accounts required for compilation of annual accounts were not maintained resulting in discrepancies between the accounts and cash books of DDOs.

(Paragraph 2.8)

Closing balances of Security Deposit and Income Tax were understated by Rs. 32.89 lakhs in the accounts of four Divisions.

(Paragraph 2.10)

2. Audit findings on transaction audit

A Tribal Museum completed at a cost of Rs. 79.68 lakh five years back could not be opened to public (October 2009), even after spending an additional amount of Rs. 14.48 lakh on repair and renovation.

(Paragraph 3.1)

Construction of diversion scheme over Twichang cherra remained suspended after an expenditure of Rs.23.61 lakh due to drying up of Twichang cherra. No detail survey was conducted before execution of the work.

(Paragraph 3.2)

Investment of Rs. 22.85 lakh on Duski cherra Diversion Scheme remained idle due to non provision of distribution channels.

(Paragraph 3.3)

Advances of Rs.87.27 lakh remained outstanding for 30 to 36 months against several Implementing Officers implementing various programmes under National Food for Work, Prime Minister Gramin Yojana, Soil Conservation Activities (SCA), Animal Resources, Fisheries and Horticulture Schemes.

(Paragraphs 3.4 to 3.7)

Chapter - I

1.1 Introduction

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

The Sixth Schedule to the constitution provides for administration of specified tribal areas by constituting a district council for each autonomous district with powers to make laws on matters listed in paragraphs 3(1) of the Schedule mainly in respect of allotment, occupation, use of land, management of forests other than reserve 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 Councils and their powers, village or town administration including police, public health and sanitation and inheritance of property. Under paragraph 6(1) of the Sixth Schedule, the Councils have powers to establish, construct or manage primary schools, dispensaries, markets, ferries, fisheries, roads, road transport and waterways in the respective autonomous districts.

The Council has also the power to assess, levy and collect within the autonomous district revenue in respect of land and buildings, taxes on professions, trades, callings and employment, animals, vehicles and boats, tolls on passengers and goods carried in ferries and for the maintenance of schools, dispensaries and roads as listed in paragraph 8 of the Sixth Schedule.

The TTAADC consists of 30 members, including 2 nominated members, and is headed by a Chief Executive Member. The Council's headquarters is located at Khumulwng, West Tripura.

1.2 Rules for the management of District Fund

In terms of the provisions of Paragraph 7(2) of the Sixth Schedule, rules for the management of the District Fund were framed by the Council and notified in December 2006.

1.3 Maintenance of Accounts

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. The Annual Accounts for the year 2005-06 were submitted to Audit in May 2008 in the prescribed format.

The reasons for arrears in accounts were attributed by the Council to lack of adequately qualified manpower as well as non-submission of accounts in time by the implementing officers of the State Government. Though, the accounts were submitted in May 2008, the audit could not be taken up as Separate Audit Reports for previous 13 years (1992-93 to 2004-05) were under finalization during that period.

Results of the test-check (May-June 2009) of Annual Accounts of the Council for the year 2005-06 are discussed in the succeeding Chapter.

Chapter - II

The Council prepares its annual accounts in the prescribed format containing the following seven statements which detail with the receipts and disbursements of the Council for the year with bifurcation of the expenditure under revenue, capital, plan and non-plan:

SI. No.	Statement No.	Particulars of statements				
i	Statement No. 1	Summary of Transactions 2005-06				
ii	Statement No. 2	Capital Outlay-progressive Capital Outlay to the end of 31 March 2006				
iii	Statement No. 3	Deposit Position 2005-06				
iv	Statement No. 4	Loans and Advances by the Council 2005-06				
V	Statement No.5	Detailed account of receipts by Minor Heads (District Fund and Deposit Fund) 2005-06				
vi	Statement No. 6	Detailed account of expenditure by Minor Heads (District Fund and Deposit Fund) 2005-06				
vii	Statement No. 7	Statement of receipts and disbursements and balances under heads relating to District Fund and Deposit Fund 2005-06				

2.1 Receipts and Disbursements

The receipts and expenditure of the Council for the year 2005-06 were as under:

Table No. 2.1

(Rupees in lakh)

	Part -	-I: DISTR	ICT FUND	HARRY DE
		Revenue S	ection	
Receipts	The Property of	Amount	Disbursement	Amount
Grants-in-Aid from State Government		8,122.92	Other Administrative Services	1,191.17
Other Grants			Pension and other Retirement Benefits	62.48
General Education	144.82		Village and Small Industries	19.13
Medical Health Service	152.25		Sports and Youth Affairs	1.91
Public Works	150.00		Rural Electrification	1.59
Fisheries	1.50	1	Public Works	409.63
Co-operation	3.50		Medical and Public Health	4.90
Industries	1.69		Crop Husbandry	62.42
Public Health Service	20.00		Roads and Bridges	52.59
Interest receipts		6.75	Forest and Wildlife	10.45
Other Administrative Ser	vices	9.70	Fisheries	255.35
Other General Economic	Services	7.33	Art and Culture	0.00
Trade, Market licence etc.	6.93		Council's Rural Employment	40.76
Animal Resource	0.08	1	Programme	
Development				
Village & Small Industries	0.32		Rural Development	7.27
			Soil and Water Conservation	3.90
			District Council Legislature	65.58
			Executive Members of ADC	5.69
			Welfare of Scheduled Tribes	109.55
			General Education	5,938.33
			Information and Publicity	11.98
			Minor Irrigation	19.06
			Animal Resources	16.03
			Administration and Justice	1.70
			Urban Development	0.43
			Water Supply and Sanitation	3.86
Total Revenue receipts		8,620.46	Total Revenue expenditure	8,295.76
			Revenue surplus	324.70

(Rupees in lakh)

Receipts	Amount	Disbursement	Amount
	Capital	Section	
Capital receipts	NIL		NIL
Total of Capital Section	NIL"		NIL
	Debt	Section	
Loans received from State	NIL	Repayment of loans received	NIL
Government		from Government	
Loans received from other	NIL	Repayment of loans received	NIL
sources		from other sources	
Recovery of loans and	65.28	Disbursement of loans and	74.12
advances		advances	<u> </u>
Total of Debt Section	65.28		74.12
Total of Part-I: District Fund	8,685.74	Total of Part-I: District Fund	8,369.88
PA	RT – II: DI	EPOSIT FUND	
	Deposit	Section	
Deposit receipts	565.22	Disbursement of deposits	596.12
Total of Part-II: Deposit fund	565.22	Total of Part-II: Deposit Fund	596.12
	OVERALL	POSITION	
Total Receipts (I +II)	9,250.96	Total disbursement (I+II)	8,966.00
Opening balance	2,751.31	Closing balance	3,036.27
Grand Total	12,002.27	Grand Total	12,002.27

2.2 Understatement of closing cash balance

i) The Council exhibited an amount of Rs. 30,36,27,100/- as closing cash balance of the Council for the year 2005-06. A scrutiny of relevant records revealed that the Zonal Development Officers (ZDO) on receipt of funds transferred the same to the Sub-zonal Development Officers (33 numbers) and booked the amount as expenditure though the amount has actually not been spent. The Sub-zonal Development Officers in turn transferred the funds to the implementing officers (IO) and booked the amount as expenditure before it was spent by the implementing officers. Thus, the balances lying un-spent with the Sub-zonal Development Officers and the Implementing Officers are not reflected in the closing cash balance of the Council and instead are depicted as expenditure. Thus, the closing cash balance does not portray the correct picture of the Council's funds in its Annual Accounts.

The Council should obtain the closing cash balances lying un-spent with the Sub-zonal Development Officers and the implementing officers before finalisation of their Annual Accounts and exhibit the same in its closing cash balance in order to give a true and fair view of the affairs of the Council.

ii) Differences were also noticed between the closing balance shown in the annual accounts and the actual balances with the DDOs as reflected in their Cash Books. Against the actual balance of Rs.264.02 lakh, the balance shown in the accounts was Rs.213.88 lakh in respect of two out of the 13 test-checked DDOs as detailed below:

Table 2.2

(Amount in Rupees)

DDO	Actual closing balance as per Cash Book	Closing balance shown in the accounts	Difference
Executive	2,20,59,202	2,13,88,167	6,71,035
Engineer, Dhalai			
Inspectors of	43,42,968	NIL	43,42,968
Schools,	·	, 	`
Khumulwng			
Total	2,64,02,170	2,13,88,167	50,14,003

The difference of Rs. 50.14 lakh in the closing balance of the two DDOs was not reconciled before finalising the Annual Accounts.

iii) An amount of Rs.63,97,607/- was exhibited in the Annual Accounts of the Council for the year 2005-06 against the ZDO(South) being the closing balance. A review of the Cash Book and the Annual Accounts submitted by the ZDO(South), Birchandra Manu shows that the actual closing balance should have been Rs.66,31,312/- considering the actual receipts and expenditure of the unit for the year. However, an amount Rs.2,33,705/- has been deducted from the closing balance on account of 'paid voucher' (the amount expended by the unit in the year 1995-96 to 1997-98 and booked in the Cash Book but not regularised by the Council).

The Council authority stated (March 2010) that steps had been taken to book the expenditure only on the receipt of adjustment from the implementing officers and reconciliation of expenditure would be carried out before inclusion in the Annual Accounts.

2.3 Bank reconciliation

An amount of Rs. 4,35,20,909 was exhibited in the closing cash balance of the Council for the year 2005-06 in the Annual Accounts under Executive Officer (Rural Development). It was noticed that Executive Officer (RD) operated 3 (three) Saving Bank Accounts for disbursement of funds to different DDOs. Besides, a separate account was also maintained for the employees' provident fund by the Executive Officer (Administration).

Details of balances under these 4 accounts as per Cash Book and Bank Pass Book are as follows:

Table 2.3

(In Rupees)

Particulars of	Financial Year 2005-06					
Bank Accounts	Balance as per Cash Book	Balance as per Bank Pass Book	Difference			
UTI	2,05,87,874	Pass Book not	NA			
		furnished by the	1			
	,	Council				
TGB-2735	59,39,111	67,36,075	· 7,96,964			
TGB-2740	1,69,93,924	1,78,54,999	8,61,075			
TGB-820	98,11,290	Pass Book not	NA			
		furnished by the				
		Council				

NA: Not available.

It was noticed in audit that the difference in figures between the cash book and bank pass book were not reconciled by the Council. Hence, the same could neither be ascertained nor verified in audit.

During visit of unit offices¹ of the Council it was noticed that bank reconciliation was not done properly which involves risk of fraud and misuse.

The Council stated (March 2010) that figures of expenditure for the years 2007-08 onwards would be included in the Annual Accounts after reconciliation with the accredited banks.

¹ ZDO(West), IS, Khumulwng, PO(Education), ZDO(South), EE(South), IS Birchandramanu

2.4 Incorrect depiction of GPF balances in the Annual Accounts

The District Council should exhibit the total position of GPF balances of its employees as per format of the Annual Accounts under Statements No. 3 and 7.

An amount of Rs. 98,11,290/- was exhibited as the closing balance under GPF for the year ended 31 March 2006. However, a detailed scrutiny of relevant records viz. statements issued to its employees by the Council and the closing balance as per the computerised records maintained by the Council revealed that the closing balance of GPF at the end of March 2006 was actually Rs. 42,08,78,739/- resulting in incorrect depiction of balances by Rs. 41,10,67,449/-. The corresponding details of investments of GPF balances were also not furnished to audit as the investment register and other relevant records were not maintained properly. Therefore, audit could not verify the actual amount of investments made against the GPF balances.

The Council while accepting the fact stated (March 2010) that GPF accounting has been computerized from 2007-08 and the details would be shown in the Annual Accounts from 2007-08 onwards.

2.5 Misclassification of Capital expenditure as Revenue expenditure

i) Statement No. 2 of the prescribed format of Annual Accounts of the Council provides that the progressive capital outlay at the end of the financial year should be mentioned.

An amount of only Rs.53.87 crore was exhibited in Statement No. 2 of the Annual Accounts of the Council on account of Capital Outlay under 5054-Roads and Bridges for the year ended 31 March 2006. A review of the relevant records in the Council revealed that Rs. 4.68 crore was incurred on capital items during the year by the Principal Officers, Health, Tribal Welfare and Education but the same was not exhibited as capital expenditure in the Annual Accounts.

ii) Accounts furnished by the four Executive Engineers of the District Council revealed that an expenditure of Rs.1.59 lakh was incurred by the Executive Engineer, West Division, Khumulwng and classified as Capital Outlay on

rural electrification, but the same was shown as revenue expenditure instead of capital expenditure in the Annual Accounts. As such, progressive capital outlay at the end of 2005-06 was understated by Rs.1.59 lakh.

The Council stated (March 2010) that reconciliation of headwise expenditure could not be carried out properly due to shortage of staff. The Council assured that reconciliation would be done from 2007-08 onwards.

2.6 Distinction of expenditure between Plan and Non-Plan

Statement No. 6 of the Annual Accounts of the Council depicts the detailed account of expenditure by minor heads with break-up of the expenditure under each head into Plan and Non-Plan heads. A scrutiny of the compilation done by the Council at Headquarters revealed that neither the units nor the Council Headquarters maintains its accounts classifying the individual expenditure under Plan and Non-Plan heads. As a result, the Council while consolidating its Annual Accounts split the expenditure under Plan and Non-Plan arbitrarily without any basic records or basis. Hence, the break-up between Plan and Non-Plan could not be verified in audit.

The Council stated (March 2010) that the observation of audit was noted for compliance.

2.7 Physical Verification of Assets

Rule 187, 190(2) and Rule 192(1) of General Financial Rules provides the procedure for receipt, maintenance of Asset Register and physical verification of the Assets.

The observations were made in this regard:

- > The Council does not have any system of keeping track of the assets created/purchased by it since payment of bills is being made without stock entry certificate as required under the rules.
- None of the units of the Council, test-checked in audit, were found to have maintained the Asset Registers as required under the rules.
- > Due to absence of Asset Registers and physical verification of the assets, the physical existence of the assets purchased/created could not be ascertained and verified in audit.

Lack of proper procedure for receipt and classification of expenditure as capital or revenue has resulted in non-exhibition of the true and fair view of the capital items in possession of the Council.

The Council while accepting the fact assured (March 2010) rectification of the accounts in 2007-08 and has also issued instructions to all the DDOs to maintain the Asset Register and to conduct regular physical verification of assets.

2.8 Non-maintenance of ledger and discrepancy in figures

According to the General Principles of accounting, annual 'Receipts and Payments' accounts of an entity should be drawn from the Ledger Accounts, which should have proper Cash Book reference in respect of each transaction.

Except the Zonal Development Officer (South), Birchandra Manu, none of the Divisions (4 nos) and other offices of the District Council, including the Executive Officer (Administration) test checked, maintained Ledger Accounts for preparation of the annual Receipts and Payments account. Out of 13 units² test checked, discrepancies were noticed between the Receipts and Payments account and the cash book of the Principal Officer (Education) as detailed below:

Table No. 2.4 (Amount in Rupees)

Name of		Receipts		Disbursements			
the DDO	As per Cash Book	As per Annual Accounts	Difference	As per Cash Book	As per Annual Accounts	Difference	
Principal Officer, Education	2,69,44,057	1,48,35,514	1,21,08,543	3,57,77,711	2,39,58,034	1,18,19,677	

The Council authority stated (September 2009) that necessary instruction had been issued to all DDOs to maintain Ledger Accounts and prepare annual receipts and expenditure statements based on figures recorded therein.

² i)Executive Officer (Admn); ii)ZDO (West); iii) P.O. (Edn); iv) E.E. (West); v) Inspector of Schools, Khumulwng; vi) CSEO (West); vii) P.O. Tribal Welfare; viii)E.E. (North); ix) ZDO (North); x) E.E. (Dhalai); xi) ZDO (Dhalai); xii) E.E. (Manu); xiii) ZDO (Manu).

2.9 Discrepancies in ways and means statement

Explanatory note below Statement 3 of the accounts shows the Ways and Means position of the Council during the year which *inter alia* gives the month-wise receipts and disbursement position of the Council with opening and closing cash balances.

The opening balance in April 2005 and closing balance in March 2006 could only be verified in audit as these figures are the same as the opening and closing balances exhibited in the Annual Accounts. Apart from these, other figures could neither be ascertained nor verified in audit due to non-receipt and non-compilation of the monthly accounts of the individual units at the Council Headquarters.

The Council stated (March 2010) that due to shortage of staff preparation and compilation of monthly accounts could not be done properly.

2.10 Understatement of Security Deposit and Income Tax

The net Receipts and Disbursements under Deposits as detailed in Statement 3 of the Annual Accounts was Rs.1.19 crore at the end of March 2006.

Scrutiny of the figures in the records of the four selected Executive Engineers revealed that the closing balance was understated by Rs.32.89 lakh (Security Deposit: Rs.32.85 lakh and Income Tax: Rs 0.04 lakh) as detailed in **Appendix-1**

The Council authority stated (September 2009) that due to shortage of staff, reconciliation could not be carried out before preparation of the accounts and assured to reconcile the same during finalization of the accounts for the year 2007-08.

2.11 Stock Registers of TR-5 and money receipts

The Council besides receiving grants from the State Government also levies and collects certain revenue on its own through auction of market space, trade licence fees, etc. The Council issues both TR-5 as well as money receipts printed on its own as acknowledgement for its receipts.

It was noticed in audit that none of the units including the Council Headquarters maintained a stock register of either TR-5 or money receipts to keep a check on the receipt, issue and utilisation of such important documents. Hence, the detailed position of printing and issue of money receipts could not be verified in audit. It could not be also verified in audit whether all the receipts of the Council for the year 2005-06 have duly been included as receipts in its Annual Accounts. The absence of stock register of money receipts involves the risk of misuse of money receipts.

The Council stated (March 2010) that for maintenance of stock register of TR-5 and other receipts by the unit offices as well as the office located at Council Headquarters immediate steps were being taken.

2.12 Weak Internal Controls

Instances of misclassification of expenditure between revenue and capital as well as plan and non-plan were noticed. The cash balances available with implementing officers were treated as expenditure instead of exhibiting it in the closing cash balance. Non-reconciliation of Cash/Bank balances, non-maintenance of stock registers for money receipts printed and issued, non-maintenance of asset and investment registers, absence of physical verification of assets, non-maintenance of the ledger accounts, non-reconciliation of cash balances with the implementing officers are indicative of poor administrative and financial internal controls in the Council. As such, the attempt on the part of audit to examine the Annual Accounts of the Council was constrained to that extent which is also fraught with the risk of fraud/mis-appropriation of funds.

Chapter III

3.1 Idle investment on construction of Tribal Museum

Administrative approval for Rs. 1.09 crore with expenditure sanction for Rs. 54.50 lakh was accorded by the Executive Officer (Development) in April 2000 for construction of a Tribal Museum-cum-heritage centre at Autonomous District Council Headquarter's complex, Khumulwng. The fund was placed with the Executive Engineer (EE), West Division between March and October 2001. Subsequently, in June 2003, further sanction for Rs. 25 lakh was accorded and funds were placed with the Executive Engineer in the same month. The work was awarded to a contractor at a tendered value of Rs. 85.12 lakh (which was 19.75 *per cent* above the estimated cost of Rs. 71.08 lakh) with a stipulation to complete within 6 (six) months.

The work commenced on 4 May 2000 and the Principal Officer, Information, Cultural Affairs and Tourism (ICAT) took over the possession of the building on 30 August 2004 from the Executive Engineer. At the time of taking over, minor defects were noticed, which were rectified and the actual date of completion was recorded as 3 January 2005. The contractor was paid Rs.79.68 lakh up to June 2008. Since taking over the museum building in August 2004, the ICAT could not start its activities even as of June 2009, due to renovation work taken up to suit the requirement of a museum and repair works necessitated by defective workmanship (water seepage from the roof of the building). Repair and renovation works (removing windows, repairing of roof and for some decorative works) for Rs. 14.48 lakh were executed with the approval of the competent authority during 2008-09. The investment on the building constructed at the cost of Rs.79.68 lakh and an additional amount of Rs. 14.48 lakh spent on the repairs and renovation work which was completed about five year back remained idle, and the building could not be put to use till June 2009.

The Principal Officer, ICAT stated (June 2009) that the inauguration of the museum is expected in the month of November 2009 after completion of proposed changes in the design of the building at an additional cost of Rs.20.27 lakh already approved in March 2009.

3.2 Unfruitful expenditure on suspended Diversion Scheme

Scrutiny of construction of Diversion Scheme over *Twichang cherra* taken up in April 2003 at an estimated cost of Rs.26.28 lakh revealed that the work was stopped (November 2004) after an expenditure of Rs. 23.61 lakh against the contract value of Rs.35.52 lakh. While the work was in progress, the Executive Engineer prepared and forwarded (August 2004) for approval to the Superintending Engineer, TTAADC an additional estimate for construction of Sluice Gate, Irrigation Channel (500 m), and finishing works etc. not initially included in the original estimates. The work remained suspended till the date of audit (June 2009) and the Superintending Engineer did not respond to the revised proposal submitted by the Executive Engineer.

Meanwhile, the *Twichang cherra* has been reported to have dried up, for which further execution of work was not pursued at any level, though, the formal decision to abandon the work was not taken till June 2009. The Department could not foresee this at the time of planning as formal survey was not done by the Department while initiating the project proposal. As such the scheme became non-functional and the fact was also confirmed by the Executive Engineer. Thus, due to taking up '*Twichang Cherra* diversion project' without proper survey, the expenditure of Rs.23.61 lakh incurred towards the project remained unfruitful and the target of providing irrigation facility to 48 hectares of land remained to be achieved.

3.3 Idle investment on 'Duski Cherra Diversion Scheme'

Administrative approval (AA) for Rs.22.70 lakh and expenditure sanction (ES) for Rs.20.00 lakh was accorded (April 2000) for "Construction of Diversion Scheme (Sluice gate type) over *Duski cherra Kalimohan para* under *Mungiabari* Sub-Zone during the year 2001-2002 to irrigate 50 hectares of cultivable land.

AA and ES for an additional amount of Rs.6 lakh was accorded in December 2004, as the tendered value was higher to that extent. The work was awarded to a contractor at a tendered value of Rs.25.53 lakh (which was 43 *per cent* above the estimated cost of Rs.17.85 lakh). The work commenced on 8 July 2003 and completed on 16 November 2005 and the total value of the work done was assessed at Rs. 24.36 lakh. The contractor was paid Rs. 22.85 lakh up to March 2005 and amount for the balance work though measured and recorded in December 2005 was not paid to the agency as some items of work were required to be rectified. Scrutiny of the estimates and also the works actually executed revealed that there was no provision for construction of channels for carrying the water for cultivation. Further, it was found that the crest³ level of the weir⁴ was required to be raised for making the scheme active and functional. No further progress was noticed and the diversion scheme could not be made functional till June 2009.

Due to non provision of distribution channels and faulty design which necessitate raising of the crest level of the weir of the dam, Rs.22.85 lakh spent on the construction of the diversion scheme remained idle for over four years since its completion and the target of providing irrigation facility to 50 hectares cultivable land remained unachieved.

3.4 Adjustment outstanding against National Food for Work Programme

The Zonal Development Officer (ZDO), Dhalai, received an amount of Rs.1.49 crore in three phases for construction of 129 mini barrages for irrigating 94.60 hectare of land, under the National Food for Work Programme during 2005-06. Accordingly, work orders for construction were issued by the ZDO in January 2006 and Rs.1.28 crore advanced to the implementing officers for meeting the expenditure for cash wages and cost of material components to be procured from the open market. In addition, material worth Rs.21.05 lakh were procured from the Rural Development Department. While advancing the funds, the ZDO did not specify any target date for completion of the works and submission of adjustment vouchers.

³ Top of the slope of the embankment or bundh.

⁴ Wall or barrier built across the river in order to divert the water.

Scrutiny of vouchers revealed that details of expenditure of only Rs.90.43 lakh were received and for the balance amount of Rs.37.84 lakh (constituting the cost of 37 mini barrages) adjustment vouchers were outstanding against the implementing officers as on the date of audit (June 2009). The ZDO, Dhalai, could not also state the status of those works for which adjustments were not received by him. There was neither a system of submitting progress report of the works by the implementing officers to the controlling officer nor did the controlling officer exercise any check on the works for which the funds had been released. Unmonitored disbursement of advances is fraught with the risk of misuse of funds and there was uncertainty with regard to completion of the works/schemes.

3.5 Outstanding advances under PMGY Scheme

An amount of Rs. 29.74 lakh was advanced by the Executive Engineer (South) to the Assistant Engineer (AE), Jatanbari and Bagafa for construction of 6 (Six) School buildings under Prime Minister Gramin Yojana (PMGY) at different places in South Zone during 2004-06. According to the work orders, the concerned Implementing Officers were responsible for submission of adjustment vouchers within 3(three) months from the date of issue of work orders. Scrutiny of records, however, revealed that though the construction of the school buildings was completed, adjustment vouchers had not been submitted. The details are as under:

Table No. 3.1

Sl. No.	To whom paid	Amount of advance (Rs.)	Cheque No. & date	Date of work order
1.	A.E, Bagafa	4,95,620	0759943 dt. 13/12/2004	09-12-2004
2.	A.E, Jatanbari	4,95,620		09-12-2004
3.	A.E, Jatanbari	4,95,620	0759944 dt.13/12/04	09-12-2004
4.	A.E, Jatanbari	4,95,620	004782 dt. 02/02/2005	10 -12-2004
5.	A.E, Jatanbari	4,95,620	0144833	09-12-2004
6.	A.E, Jatanbari	4,95,620	dt. 06-05-2005	09-12-2004
	Total	29,73,720		21900

No administrative action was initiated by the Executive Engineer against the defaulting officers apart from issuing letters for submission of adjustment vouchers. In the absence of adjustment vouchers, it could not be verified whether the works were done as per the specifications approved for the work.

3.6 Unadjusted advance under Soil Conservation Activities (SCA)

Administrative approval and expenditure sanction for Rs.38.80 lakh was conveyed by the Executive Officer (Development) in January 2006 for soil conservation activities for the year 2005-06 in favour of ZDO (West). The latter in turn placed Rs.33.44 lakh in February 2006 with 11 (eleven) Sub-ZDOs for implementing the scheme which *inter alia* included construction of water harvesting structure, excavation of peripheral channels, sand removal works, horticultural plantation, etc. No specific date was set for the implementing officers for completion of the works. Out of Rs.33.44 lakh advanced to the Sub-ZDOs, adjustment for Rs.23.61 lakh had been received leaving a balance of Rs.9.84 lakh unadjusted involving nine Sub-ZDOs for more then three years as of the date of audit (June 2009) as detailed below:

Table No. 3.2

(Amount in Runees)

Name of the Sub ZDOs	Amount advanced	Amount of adjustment received	Amount yet to be adjusted
(1)	(2)	(3)	(4)
SZDO, Mandai	3,34,440	1,54,680	1,79,760
SZDO, Hezamara	3,34,440	3,31,440	3,000
SZDO, Khumulwng	3,34,440	2,34,440	1,00,000
SZDO, Takarjala	2,78,700	1,54,700	1,24,000
SZDO, Mohanbhug	3,34,440	2,67,980	66,460
SZDO, Mungiakami	3,34,440	1,36,830	1,97,610
SZDO, Duski	2,22,960	2,19,964	2,996
SZDO, Baijalbari	3,34,440	2,10,440	1,24,000
SZDO, Tulasikhar	3,34,440	1,48,385	1,86,055
Total	28,42,740	18,58,859	9,83,881

The balance fund of Rs.5.36 lakh (Rs.38.80 lakh – Rs.33.44 lakh) was diverted and utilised in the work of Eco Park, which was beyond the scope of the scheme guidelines.

(ii) Test check of records of ZDO (North) revealed that for construction of Mini barrage/Water harvesting structure under soil conservation scheme during the year 2005-06, the Sub-ZDO, Dasda was provided with an advance of Rs.6.78 lakh in March 2006. The sanction stipulated that the utilization/adjustment would have to be submitted within 20 days from the date of receipt of the fund. The Sub-ZDO has submitted adjustment vouchers for only Rs.1.85 lakh leaving a balance of Rs.4.93 lakh unadjusted as of June 2009.

3.7 Outstanding advances under Animal Resources, Fisheries and Horticulture Schemes

The Zonal Development Officer (ZDO) Dhalai, received (September 2005) Rs.9.29 lakh from the Principal Officer (ARDD, Fisheries and Horticulture), for implementation of different Animal Resource Development schemes within the Dhalai ADC area. The Zonal Officer transferred the funds to various Sub-ZDOs/IOs between October 2005 and March 2006. No specific target date for completion of the works was mentioned in the allotment orders. Adjustment vouchers for Rs.4.92 lakh were not submitted by the Sub-ZDOs/IOs even after more than three years. The details of amount outstanding are in **Appendix-2.**

3.8 Amount recoverable from Implementing Officer

The Executive Engineer, Dhalai, entrusted the work of "Construction of road from Manu D.C. Office to Assam Agartala Road point near Kali Mandir *via* Jarul Cherra under Manu R.D. Block within ADC area during the year 2005-06/SH: Earth work with brick soling (L-1 KM)" to the Work Assistant, Implementing Officer, in August 2005. An amount of Rs.3.75 lakh was advanced to him for the work, the adjustment of which was submitted to the Executive Engineer on completion of the work.

Scrutiny of adjustment voucher revealed that the rate of first class bricks was inclusive of loading, unloading and carrying charges. The IO submitted vouchers for Rs.3,26,625 which included Rs.3,07,200 being the cost of 96000 nos. of bricks and Rs.19,425 for loading, unloading and carrying charges. As the rate of bricks was inclusive of loading, unloading and carrying charges, the amount of Rs.19,425 stands recoverable from the Implementing Officer.

Agartala

The 3 0 111M 2010

(John K. Sellate) Accountant General (Audit) Tripura

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Countersigned

New Delhi

The 30 AUG 2010

(Vinod Rai) Comptroller and Auditor General of India

Statement showing the position of Security Deposit and Income Tax of four Public Works Divisions of the TTAADC during 2005-06

(Reference: Paragraph 2.10)

(Amount in Rupees)

SI No.	Name of the DDO	Nature of receipts	Opening Balance	Receipts during the Year	Disbursement during the Year	Closing balance	Balance shown in the Annual Accounts	Difference
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	Executive Engineer, West Division	Security Deposit	7,34,002	8,32,003	6,11,984	9,54,021	Division wise Figure not shown in the Accounts	-
		Income Tax	NIL	38,093	16,966	21,127	-do-	10 H
2.	Executive Engineer, South Division	Security Deposit	23,83,780	2,35,534	2,23,444	23,95,870	-do-	-
		Income Tax	10,638	34,812	45,450	NIL	-do-	
3.	Executive Engineer, Dhalai Division	Security Deposit	2,11,206	5,19,691	1,71,829	5,59,068	-do-	-
		Income Tax	NIL	21,669	21,390	279	-do-	48 4 4 12 1
4.	Executive Engineer, North Division	Security Deposit	5,641	1,12,139	NIL	1,17,780	-do-	-
	No. Comment Services Comment C	Income Tax	NIL	1,118	NIL	1,118	-do-	
	Total	Security Deposit	33,34,629	16,99,367	10,07,257	40,26,739	7,41,757	32,84,982
		Income Tax	10,638	95,692	83,806	22,524	18,183	4,341

Appendix-2

Statement showing unadjusted amount of Rs. 4.92 lakh transferred to the Sub-ZDOs/IOs for implementation of different ARDD schemes under Dhalai Zone during the year 2005-06.

(Reference: Paragraph 3.7)

SL. No.	Name of works/Schemes/Projects	Sanction Order No. and date	To whom paid	No. of units	Amount (Rs.)	Amount unadjusted (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Goatery Development Scheme F.No.13(1)ZDO/ADC/DHL/corresposda- nce/05/5226-40, dated-29/10/2005		SZDO,SKB	2	4,400	-70
2.	-DO-		SZDO,MHR	2	4,400	-
3.	-DO-		SZDO,GNR	2	4,400	4,400
4.	-DO-	-DO-	SZDO,GNC	4	8,800	-
5.	-DO-	-DO-	SZDO,MGT	4	8,800	8,800
6.	-DO-	-DO-	SZDO,82 miles	4	4,400	-
7.	-DO-	-DO-	SZDO,CMN	4	4,400	-
8.	-DO-	-DO-	SZDO,SKB	4	8,000	-
9.	-DO-	F.No.13(1)ZDO/DHL/correspondence/ARDD/05/ 297-309, dated-19/01/2006	SZDO,MHR	3	12,000	12,000
10.	-DO-	-DO-	SZDO,GNR	2	8,000	8,000
11.	-DO-	-DO-	SZDO,GNC	2	8,000	-
12.	-DO-	-DO-	SZDO,MGT	2	8,000	8,000
13.	-DO-	-DO-	SZDO,82 miles	3	12,000	-
14.	-DO-	-DO-	SZDO,CMN	2	8,000	-

Contd.

Appendix-2 (contd.)

SL. No.	Name of works/Schemes/Projects	Sanction Order No. and date	To whom paid	No. of units	Amount (Rs.)	Amount unadjusted (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
15.	F.No.13(1)ZDO/DHL/correspondence/ARD 05/ 310-22/, dated-19/01/2006		SZDO,SKB	3	9,000	-
16.	-DO-	-DO-	SZDO,MHR	3	9,000	-
17.	-DO-			2	6,000	6,000
18.	-DO-		SZDO,GNC	3	9,000	_
19.	-DO-	-DO-		3	9,000	9,000
20.	-DO-	-DO-		3	9,000	-
21.	-DO-	-DO-	SZDO,CMN	3	9,000	-
22.	Cattle Development Schemes	F.No.13(1)ZDO/DHL/correspondence/ARDD/ 05/ 284-96, dated-19/01/2006	SZDO,SKB	1	10,000	10,000
23.	-DO-	-DO-	SZDO,MHR	2	20,000	20,000
24.	-DO-	-DO-	SZDO,GNR	1	10,000	10,000
25.	-DO-	-DO-	SZDO,GNC	1	10,000	-
26.	-DO-	-DO-	SZDO,MGT	1	10,000	10,000
27.	-DO-	-DO-	SZDO,82 miles	1	10,000	10,000
28.	-DO-	-DO-	SZDO,CMN	1	10,000	10,000
29.	Piggery Development Schemes	F.No.13(1)ZDO/DHL/correspondence/ARDD/ 05/ 5255-65, 02/11/2005	SZDO,SKB	2	6,000	-

Audit Report on the accounts of TTAADC for the year 2005-06

Appendix -2 (contd.)

SL. No.	Name of works/Schemes/Projects	Sanction Order No. and date	To whom paid	No. of units	Amount (Rs.)	Amount unadjusted (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
30.	-DO-	-DO-	SZDO,MHR	2	6,000	-
31.	-DO-	-DO-	SZDO,GNR	2	6,000	6,000
32.	-DO-	-DO-	SZDO,GNC	3	9,000	i.e.
33.	-DO-	-DO-	SZDO,MGT	2	6,000	6,000
34.	-DO-	-DO-	SZDO,82 miles	2	6,000	-
35.	-DO-	-DO-	SZDO,CMN	2	6,000	-
36.	Composite Fish Culture	F.No.8(6)/ADC/ZDO/DHL/Fish/05/6842-46, dated-10/03/2006	SZDO,GNC	1	6,618	6,618
37.	-DO-	-DO-	SDZO,GNR	1	6,618	6,618
38.	-DO-	-DO-	 SZDO,AMB 	1	6,618	6,618
39.	-DO-	-DO-	SZDO,MHR	1	6,618	6,618
40.	-DO-	-DO-	SZDO,MGT	1	6,618	6,618
41.	-DO-	-DO-	SZDO,82 miles	1	6,618	6,618
42.	-DO-	-DO-	SZDO,CMN	1	6,618	6,618
43.	Cultivation of Vegetable Crops.	F.No.1(7)ADC/ZDO/DHL/A/c/03, 4885-94, dated-07/10/2005	SZDO,GNC	2	1,20,100	1,20,100
44.	-DO-	-DO-	SZDO,SKB	1	60,050	25,771
45.	-DO-	F.No.1(7)ADC/ZDO/DHL/A/c/03, 4874-84, dated-07/10/2005	SZDO,MGT	1	60,050	
46.	-DO-	-DO-	SZDO,MGT	1	60,050	-

Appendix -2 (concld.)

SL. No.	Name of works/Schemes/Projects	Sanction Order No. and date	To whom paid	No. of units	Amount (Rs.)	Amount unadjusted (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
47.	-DO-	-DO-	SZDO,CMN	1	60,050	-
48.	-DO-	-DO-	SZDO,SKB	1	60,050	-
49.	-DO-	-DO-	SZDO,82 miles	1	60,050	60,050
50.	-DO-	-DO-	SZDO,MHR	1	60,050	60,050
51.	-DO-	F.No.10(14)ADC/ZDO/DHL/JHUM/05/ 4464-68, dt.23/01/2006	SZDO,GNC	350	21,000	21,000
52.	-DO-	-DO-	SZDO,MGT	200	12,000	-
53.	-DO-	-DO-	SZDO,CMN	350	21,000	21,000
	Total					