

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

***For the year 2002-2003***

**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 2002-03.

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 2002-03.



## OVERVIEW

- **The closing balance was understated by Rs.1.00 crore.**  
(Paragraph 2.5)
- **The Council could not produce the details of Rs. 2.95 crore being the balance of GPF accounts of its employees.**  
(Paragraph 2.6)
- **Due to non -construction of distribution canals, the expenditure of Rs. 30.95 lakh incurred on construction of a diversion scheme for irrigation remained idle.**  
(Paragraph 3.1)
- **Works valuing Rs. 44.26 lakh were awarded without inviting tenders, thereby forging the benefit of competitive bidding and compromising transparency.**  
(Paragraph 3.2)



## 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. Though the annual accounts for 2002-03 were submitted by the Council for audit in January 2005, audit could not be taken up as the earlier accounts (1992-93 to 1995-96) were not cleared. These were returned for correction in July 2006.

The results of the test check of the annual accounts for 2002-03 are discussed in the succeeding paragraphs.

## Section –II

### 2.1 Receipts and Disbursements

The receipts and disbursements of the Council during 2002-03 as reflected in the annual accounts and the resultant revenue surplus were as under:

(Rupees in lakh)

Part –I DISTRICT FUND			
Revenue Section			
Receipts		Disbursements	
Grants-in-aid from State	8509.03	Other Administrative Service	961.28
Government Other grants	117.00		
Crop husbandry	50.00		
Welfare of Sch. Tribe	67.00		
Interest receipts	19.65	Pension and Other Retirement Benefits	31.31
Other Administrative Services	258.07	Public Works	287.29
		Medical and Public Health	1.31
		Crop Husbandry	191.92
		Rural Development	3.21
Other receipts	9.71	Forest and Wildlife	68.02
Crop Husbandry	2.00		
Village & Small Industries	7.71		
		Fisheries	14.56
		Village and Small Industries	25.70
		Councils Rural Employment Programme	78.40
		Art and Culture	1.15
		District Council Legislature	54.61
		Executive Members of ADC	38.26
		Welfare of Scheduled Tribes	161.73
		General Education	5940.19
		Information & Publicity	0.70
		Minor Irrigation	81.80
		Animal Resources	63.57
		Water Supply and Sanitation	206.79
Revenue receipts	8913.46	Revenue expenditure	8211.80
		Revenue surplus	701.66

(Rupees in lakh)

Capital Section			
Capital receipts	Nil	Capital expenditure	223.63
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	5.02	Disbursement of loans and advances	5.02
<b>Total of Debt Section</b>	<b>5.02</b>		<b>5.02</b>
<b>Part –I District Fund</b>	<b>8918.48</b>	<b>Part-I District Fund</b>	<b>8440.45</b>
PART - II DEPOSIT FUND			
Deposit Fund			
Deposit receipts	208.50	Disbursement of deposit	152.82
<b>Total of Part-II Deposit Fund</b>	<b>208.50</b>	<b>Part-II Deposit Fund</b>	<b>152.82</b>
OVERALL POSITION			
Total Receipts(I+II)	9126.98	Total disbursement (I+II)	8593.27
Opening balance	1110.71	Closing balance	1644.42
<b>Grand Total</b>	<b>10237.69</b>	<b>Grand Total</b>	<b>10237.69</b>

## 2.2 Discrepancies in 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. 88.09 crore) and disbursements (Rs. 82.75 crore) in Statement No. 3 were both Rs. 3.18 crore less than the figures shown under detailed accounts of receipts (Rs. 91.27 crore – Statement No. 5) and disbursements (Rs.85.93 crore – Statement No. 6). The Council did not furnish any reason for these discrepancies.

## 2.3 Understatement of revenue realised

The amount of revenue realised during the year was shown as Rs. 29.36 lakh in the detailed accounts of receipts (Statement no. 5) and Rs. 30.22 lakh in the Cash Book of the Executive Officer (Administration). Thus, there was an understatement of receipts by Rs. 0.86 lakh.

## 2.4 Non-maintenance of basic records of accounts

According to the General Principles and Method of accounting as communicated by the Ministry of Finance, Department of Economic Affairs in respect of District/Regional Councils, recoveries relating to overpayment of the current year should be taken as reduction of expenditure and the recoveries/refunds relating to previous year should be credited to the departmental receipt head.

The Council received Rs.121.79 lakh during 2002-03 (**Annex-A**) on account of recoveries, refunds and unspent money. The Council, however, did not maintain any Ledger Account clearly indicating the year to which the receipts pertained. As such, the adjustment of recoveries and unspent money was not done as per the approved procedure.

## 2.5 Discrepancy in closing balances

Differences were noticed between the closing cash balances shown in the annual accounts and the actual balances with DDOs, as detailed below.

(Amount in rupees)

DDO	Actual closing balance as per Cash Book	Closing balance shown in the accounts	Difference
E.O (Admn.)	3,81,84,021.00	2,95,31,637.00	86,52,384.00
Secretary, District Council	15,00,289.00	13,86,445.00	1,13,844.00
EE (South Div.)	1,43,19,733.00	1,29,98,423.00	13,21,310.00
Executive. Officer, (Rural Dev.)	94,57,617.00	95,36,010.00	(-) 78,393.00
<b>Total</b>	<b>6,34,61,660.00</b>	<b>5,34,52,515.00</b>	<b>1,00,09,145.00</b>

The difference of Rs. 1.00 crore in closing balance remained unreconciled.

## 2.6 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.2.95 crore 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 Idle expenditure**

To provide water for irrigation, domestic use, soil conservation, development of fisheries and wild life and increase the ground water level etc. the Council took up (April 2000) a diversion scheme 'Construction of pick up weir over Maitungtuisa at Ampura' at an approved cost of Rs.34.93 lakh. The work, scheduled to be completed by October 2001 was completed in July 2002 and Rs. 30.95 lakh was paid in February 2003.

Scrutiny of records of the Executive Engineer, West Division, revealed that the work was taken up without making provision for distribution canals. Thus, the expenditure of Rs. 30.95 lakh on construction of the diversion scheme remained idle and unfruitful as it did not yield any benefit to the beneficiaries in the absence of distribution canals.

The Executive Engineer stated that (November 2004) distribution canals could not be constructed due to fund constraint. The reply is not tenable as it indicated faulty planning. The Council stated (July 2007) that the estimate for construction of canals would be sent to Government shortly.

#### **3.2 Award of works without tendering**

Rule 45 of the TTAADC (Budget and Accounts) Rules, 1982 provides for application of State PWD codes, rules, and regulations in works undertaken by the Council. The State PWD has fixed a limit of Rs.30 lakh on annual expenditure per division for execution of works without tenders.

Test check revealed that during 2002-03, 195 work orders pertaining to 82 works for Rs. 44.26 lakh were issued by the Executive Engineer, West Division, TTAADC, without inviting tenders. Out of these, single work orders were issued in respect of 41 works and 154 work orders were issued by splitting 41 works. Awarding of works without tendering not only deprived the Council of the benefits of competitive bidding but also lacked transparency and cast doubts on the quality of the works as most of the single works were

split and awarded to several persons, whose technical capability to execute the works (roads, buildings etc.) was not on record.

The Executive Engineer stated (August 2007) that the selection of contractors was being done by the Sub-Zonal Development Committee and the works were being distributed among the contractors proposed. The reply is not tenable as the existing practice was violative of the manualised provisions and had serious implications for the cost and quality of the works as well as for the transparency of the process.

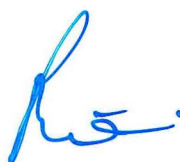
### 3.3 Internal Control Mechanism

Non-reconciliation of cash balances with different implementing officers, instances of variation in the balances shown in the Cash Book of the Council with that of other 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 of the cash book, differences in receipts and 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 the reliability of the accounts.

Agartala

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
JUL 2008

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

Countersigned

New Delhi

The 18 July 2008

  
(VINOD RAI)  
Comptroller and Auditor General of India



Annex – A

Statement showing the position of refunds, unspent money realized during the year

(Reference: Paragraph 2.4)

Sl. No.	Particulars of Receipts	Amount	Date	Cash Book Vol. No.	Page No.
1.	Refunds of double placement	2,58,700	04.04.02	6(A)	225
2.	-do-	1,84,823	13.05.02	-do-	276
3.	-do-	30,000	09.08.02	-do-	379
	<b>TOTAL</b>	<b>4,73,523</b>			
4.	Refund of Unspent money	7,284	04.04.02		6(A)
5.	-do-	250	07.05.02	-do-	271
6.	-do-	630	10.06.02	-do-	309
7.	-do-	3,874	09.08.02	-do-	379
8.	-do-	5,953	21.02.03	7(A)	75
9.	-do-	36,627	04.03.03	-do-	86
10.	-do-	161	29.10.02	1(C)	211
	<b>TOTAL</b>	<b>54,779</b>			
11.	Refunds of unspent scheme funds	14,654	01.06.02	6(A)	297
12.	-do-	8,000	10.06.02	-do-	309
13.	-do-	26,03,832	05.08.02	-do-	375
14.	-do-	2,44,440	03.01.03	7(A)	34
15.	-do-	43,10,158	06.11.02	EO(RD)-1	78
16.	-do-	44,69,520	12.12.02	-do-	96
	<b>TOTAL</b>	<b>1,16,50,604</b>			
	<b>Grand Total</b>	<b>1,21,78,906</b>			

