

Report of the
Comptroller and Auditor General
of India

For the year 1999-2000

TRIPURA TRIBAL AREAS AUTONOMOUS
DISTRICT COUNCIL
KHUMULWNG
TRIPURA

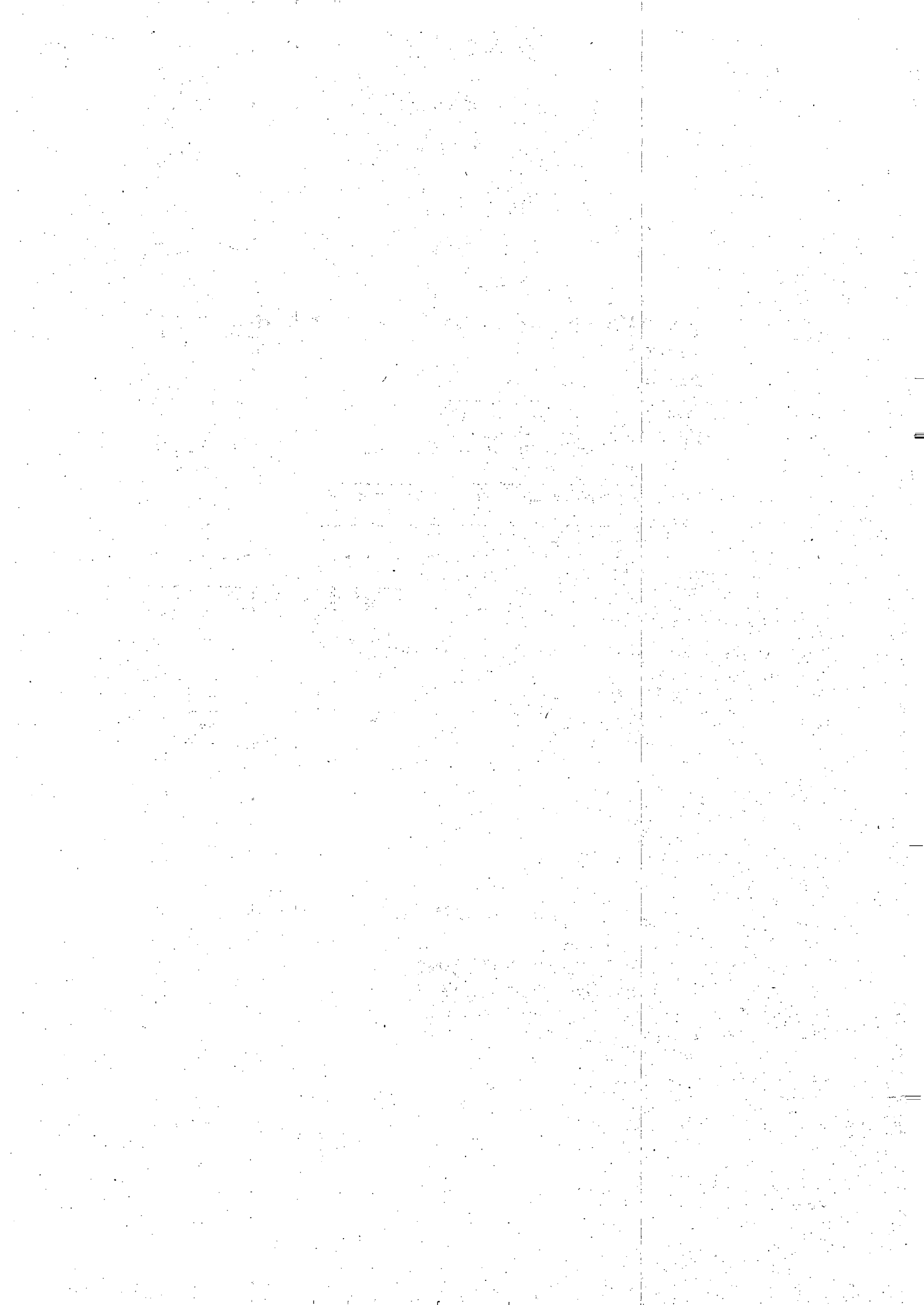
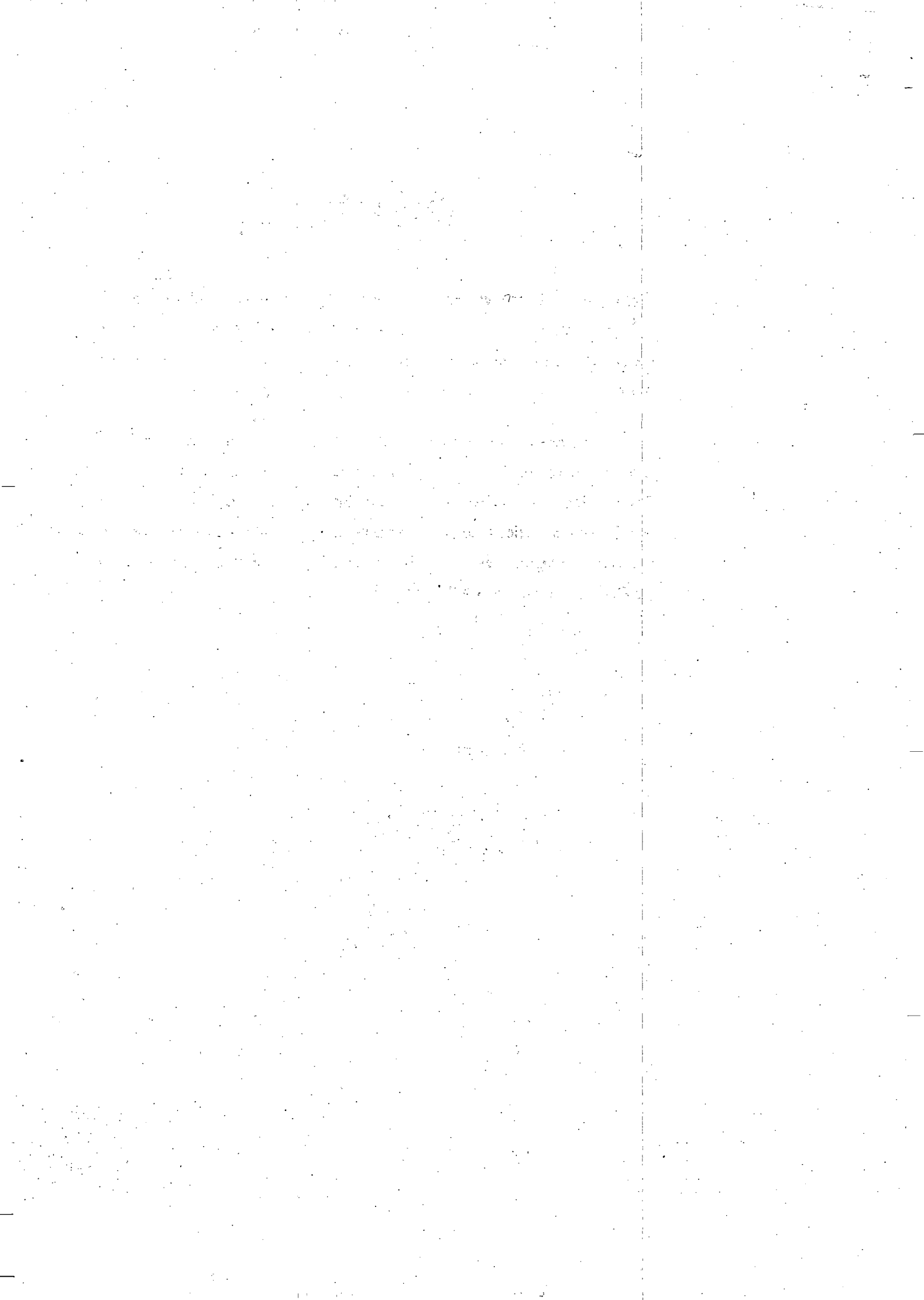


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PREFACE

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 1999-2000.

2. This report contains three Sections, of which one section 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 1999-2000.

OVERVIEW

- The Council could not produce the details of Rs.87.27 lakh being the balance of GPF accounts of its employees.
(Paragraph 2.4)
- Rs. 36 lakh incurred on construction of Botanical Park-cum-Medicinal Plants Arboretum became unfruitful as the Arboretum remained incomplete for want of funds.
(Paragraph 3.1)
- The Chief Social Education Organiser had incurred excess expenditure of Rs. 4.65 lakh beyond the norms in implementation of Balahar Programme.
(Paragraph 3.2)
- Works valuing Rs. 97.55 lakh were awarded without inviting tenders, thereby forgoing the benefit of competitive bidding and compromising the transparency.
(Paragraph 3.3)

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 1999-2000 are discussed in the succeeding paragraphs.

Section - III

2.1 Receipts and Disbursements

The receipts and disbursements of the Council during 1999-2000 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 Government	6527.69	Other Administrative Service	716.83
Other grants	810.18	Pension and Other Retirement Benefits	8.63
General Education	60.91	Public Works	666.40
Animal Husbandry	10.00	Medical and Public Health	25.41
Welfare of Scheduled Tribes	246.00	Crop Husbandry	262.20
Public Works	25.00	Science and Technology	0.92
Rural Employment	19.77	Forest and Wildlife	227.77
Forest and Wildlife	243.50	Fisheries	26.43
Crop Husbandry	100.00	Village and Small Industries	166.86
Minor Irrigation	50.00	Councils Rural Employment programme	20.01
Public Health	55.00	Art and Culture	0.05
Interest receipts	240.09	Sports & Youth Services	0.13
Other Administrative Service	57.12	Co-operation	13.03
		District Council Legislature	37.48
Other receipts		Executive Members of ADC	11.61
Crop Husbandry	0.53	Welfare of Scheduled Tribes	252.35
		General Education	4849.80
		Information & Publication	34.99
		Minor Irrigation	24.94
		Animal Resources	68.87
		Administration and Justice	1.29
		Land Revenue	0.54
		Water Supply and Sanitation	202.19
Revenue receipts	7635.61	Revenue expenditure	7618.78
		Revenue surplus	16.83

(Rupees in lakh)

Capital Section			
Capital receipts	NIL	Capital expenditure	575.29
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	4.26	Disbursement of loans and advances	4.26
Total	4.26	Total	4.26
Part -I District Fund	7639.87	Part-I District Fund	8198.33
PART - II DEPOSIT FUND			
Deposit Section			
Deposit receipts	147.69	Disbursement of deposit	137.97
Total of Part-II Deposit fund	147.69	Part-II Deposit Fund	137.97
OVERALL POSITION			
Total Receipts(I+II)	7787.56	Total disbursement (I+II)	8336.30
Opening balance	1696.78	Closing balance	1148.04
Grand Total	9484.34	Grand Total	9484.34

2.2 Discrepancy between the Accounts and Compilation Register

The total expenditure under the Revenue, Capital and Debt Sections (District Fund) was shown as Rs.81.98 crore while the expenditure figures as per the Compilation Register (a subsidiary book of accounts) comes to Rs.81.91 crore. The net impact on this account was overstatement of expenditure by Rs.7.00 lakh (District Fund). The Council did not furnish any reason for these discrepancies.

2.3 Ways and means position

Statement No. 3 of the accounts depicts the ways and means position i.e. month wise receipts and disbursement during the year. It was observed that the total receipts (Rs.76.71 crore) and disbursements (Rs.82.29 crore) in Statement No. 3 were less by Rs. 1.17 crore and Rs. 1.07 crore respectively compared to the figures shown under detailed accounts of receipts (Rs.77.88 crore in Statement No. 5) and disbursements (Rs. 83.36 crore in Statement No. 6) of the accounts. The Council did not furnish any reason for these discrepancies.

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.87.24 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 Unfruitful expenditure

The Council took up during the year a project for setting up a Botanical Park-cum- Medicinal plants Arboretum at Khumulwng with the following objectives:

- (i) Preserve, protect and conserve medicinal plants,
- (ii) Multiply the endangered medicinal plants through modern techniques,
- (iii) Create gene-pool for medicinal plants, and
- (iv) Create medicinal plants bank to control extinction of plants species.

The project cost was Rs. 98.29 lakh and the Government of India released Rs. 36.00 lakh in March 1999.

Test check of records of the Executive Engineer (EE), West Division revealed that after spending Rs. 36 lakh¹ the project was stopped for want of funds.

There was nothing on record to indicate any steps taken to obtain balance funds either from the State Government or the Government of India. The Officer on Special Duty, TTAADC during his visit to the park in March 2002 observed that the plantations had been destroyed by fire. Thus, the expenditure of Rs. 36 lakh became unfruitful.

3.2 Excess expenditure in implementation of Balahar Programme

The Chief Social Education Organiser, West Zone, incurred expenditure of Rs. 19.17 lakh on 8, 15,787 meals under Balahar Programme. According to the norms fixed by the Government of Tripura, the admissible amount (Rs. 1.78 per meal) comes to Rs. 14.52 lakh. Thus, an excess expenditure of Rs. 4.65 lakh was incurred.

¹ Boundary fencing: Rs. 7.00 lakh; Plantation: Rs. 2.00 lakh; Interpretation center: Rs.12.00 lakh; Construction of sheds: Rs. 3.00 lakh; Construction of roads: Rs. 12.00 lakh.

The Principal Officer, Education, (July 2006) attributed the excess expenditure to cost of carriage of food grains from Social Education Sector Office to different Education Centres and to purchase of stationary (stock registers, monthly return forms etc.). The reply is not acceptable as the scheme did not provide for such expenditure from this fund.

3.3 Award of works without call of tender

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 Public Works Divisions are not authorised to take up works of total value exceeding Rs.30 lakh per year without calling for open tenders.

Test check revealed that during 1999-2000, the Executive Engineer, West Division issued 551 work orders pertaining to 123 works valuing Rs. 97.55 lakh without inviting tenders. Of these, single work orders were issued in respect of 51 works and 500 work orders were issued by splitting 72 works. Awarding of works without tender not only deprived the Council of the benefits of competitive bidding but also lacked transparency and cast doubt 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 available on record.

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

3.4 Internal Control Mechanism

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 compiled separately, differences in the receipts and expenditure figures

shown in different statements of the annual accounts reflect inadequate internal control mechanism in the Council and raise serious questions about the completeness, accuracy and 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

