

OVERVIEW

This Report comprises three chapters containing 11 paragraphs and two Performance Audits. Chapter I contains the audit findings pertaining to Social, General and Economic Sectors (Non-Public Sector Undertakings-Non-PSUs) and a Performance Audit on “Management of Solid Waste in Goa”. Chapter II contains audit findings pertaining to Revenue Sector including an audit of “Collection and Accounting of Cash Receipts in Revenue, Registration and Transport departments”. Chapter III contains the audit findings pertaining to State Public Sector Undertakings and Government Commercial and Trading Activities and a Performance Audit on “Implementation of e-Tendering System in Goa”.

The total expenditure of the State increased from ₹ 10,484 crore in 2015-16 to ₹ 13,461 crore in 2017-18 (28 *per cent*). The revenue expenditure of the State Government increased by 25 *per cent* from ₹ 8,420 crore in 2015-16 to ₹ 10,543 crore in 2017-18. The revenue expenditure constituted 81 *per cent* of total expenditure during last two years (2015-17). However, it was reduced to 78 *per cent* during 2017-18. There was corresponding increase in capital expenditure to 22 *per cent* during 2017-18 compared to 19 *per cent* during 2015-17.

PERFORMANCE AUDITS

SOCIAL, GENERAL AND ECONOMIC SECTORS/NON-PUBLIC SECTOR UNDERTAKINGS (Non-PSUs)

Performance Audit on Management of Solid Waste in Goa

Solid Waste Management (SWM) in Goa is an important challenge due to rising population—both residential and floating. Health, hygiene, environment and aesthetics are all impacted by SWM. In Goa, the prime responsibility of managing solid waste is vested with the local bodies.

A performance audit of “Management of Solid Waste in Goa” for the period 2013-14 to 2017-18 was conducted in 2018 to assess whether planning for waste management in the State was effective, and efficient waste management systems and monitoring mechanisms were put into place.

The audit findings revealed that while the State Government had initiated steps for policy formulation, identification of regional waste processing sites, development of infrastructure, rehabilitation of legacy dumps *etc.*, concerted efforts were needed to step up the initiatives already taken.

The policy notified by the State Government in October 2018 was deficient to the extent that it assigned roles and responsibilities of solid waste management to bodies which already stood defunct. The average waste generation (219.26 TPD) and collection (210.50 TPD) reported by 14 urban local bodies (ULBs) during 2013-18 appeared to be unrealistic as (i) the methodologies adopted for estimating waste generation were neither uniform nor conformed to the procedures prescribed in the Municipal Solid Waste Management Manual, 2016 and (ii) beneficiary survey, media reports, visit to ULBs and complaints received from local residents indicated problems in waste collection. Incidentally, none of the 191 Village *Panchayats* (VPs) furnished reports on waste management to any State Government agency during the last

five years. Despite an expenditure of ₹ 53.91 crore, the contracts for beach and highway cleaning could not be implemented effectively.

Solid waste was being transported in an environmentally unsound manner. Only nine of the 14 ULBs had waste processing facilities which were under-utilised to the extent of 103.40 TPD. The Saligao waste treatment plant commissioned in August 2016 to cater to the needs of VPs of North Goa had been operating beyond its installed capacity almost since the beginning, leading to high downtime. The State Government's plan for capacity addition of 450 TPD through establishment of new waste treatment plants also did not materialise due to change in scope of work, delay in land acquisition, site encroachment *etc.*

While the landfill sites available with six of 14 ULBs were not in use either due to poor maintenance or dumping of mixed waste, 145 of the 191 VPs had not even identified such sites. Rehabilitation of 2.14 lakh tonnes of accumulated waste – 1.14 lakh tonnes at six exhausted dumpsites under ULBs and the legacy dump of one lakh tonne at Saligao was yet to be taken up. Whereas, rehabilitation works carried out in four dumpsites at Patto, Campal, Saligao (in North Goa) and Sada (in South Goa) between May 2016 and May 2018 at a cost of ₹ 12.29 crore remained ineffective due to failure to plan for disposal of refuse derived fuel and inerts, post-rehabilitation. During past six years (up to November 2018), 230 incidents of bird hit had been reported around Dabolim international airport due to its proximity to the Sada dumpsite.

The waste processing and disposal sites were neither fenced nor equipped with firefighting equipment; waste was being handled manually without protective gears; leachate was not handled scientifically thus, posing threat to surface and ground water *etc.* There were no waste management plans in place as yet for bio-medical, hazardous and electronic wastes. The monitoring of the solid waste management activities by the stakeholders, especially Goa State Pollution Control Board was weak.

(Paragraph 1.5)

PUBLIC SECTOR UNDERTAKINGS AND GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

Performance Audit on Implementation of e-Tendering System in Goa

Government of Goa (GoG) implemented an e-Tendering solution named TenderWizard with the objective of improving transparency and efficiency in procurement process across all departments, offices, autonomous bodies and public sector companies/corporations in the State. The Performance Audit on implementation of the e-Tendering system was conducted for the five-year period from 2013-14 to 2017-18 to assess the achievement of transparency and efficiency in procurement after implementation of the TenderWizard.

The implementation of the TenderWizard was not supported by adequate training and awareness amongst users and many relied on help desk staff of the private technology partner for tendering activities. The role and responsibility of ITG as the implementing agency was not spelt out. As key modules were not implemented, many activities were performed manually

thereby delaying finalisation/opening of tenders, awarding of contracts and refund of earnest money deposit. Manual intervention in releasing tender documents to bidders after receipt of tender form fees and the users' reliance on help desk for uploading bids and opening tenders compromised transparency and secrecy. Government rules/guidelines on minimum time for submission of bids and collection of tender processing fees and earnest money deposit were not built into the system. Inadequate validation controls over data and absence of separation of duties enabled users to perform multiple e-Tendering roles, affecting the integrity of action done.

(Paragraph 3.2)

COMPLIANCE AUDIT

SOCIAL, GENERAL AND ECONOMIC SECTORS (Non-PSUs)

PUBLIC WORKS DEPARTMENT

Due to lack of co-ordination between two Divisions of Public Works Department, distribution pipelines laid by one Division under a water supply project were partially damaged by the contractor engaged by another Division for road widening works in the same area, resulting in loss of Government property valuing ₹ 2.40 crore.

(Paragraph 1.6)

WATER RESOURCES DEPARTMENT

The Water Resources Department awarded contracts for canal distributary works without conducting survey and soil investigations leading to changes in the scope of works and foreclosure of contracts. As a result, canal works executed at a cost of ₹ 30.67 crore remained unutilised for more than six years, of which, ₹ 10.94 crore had been rendered wasteful.

(Paragraph 1.7)

FINANCE DEPARTMENT

The Memorandum of Understanding (MoU) with the Bank of India (BoI) for providing house building advance to the State Government employees expired in September 2015. The State Government neither renewed the MoU nor accepted the lowest rate offered by the State Bank of India but, continued to pay interest at 10.20 *per cent* to BoI against its lower prevailing interest rates, resulting in excess payment of interest of ₹ 1.88 crore during October 2015 to September 2017.

(Paragraph 1.8)

GENERAL ADMINISTRATION DEPARTMENT

Failure of the State Government to hire ready to move in premises for office use led to an expenditure of ₹ 5.89 crore post-hiring on internal modifications. Pending internal modifications, the offices could not shift to the hired premises for periods ranging from 5 months to 35 months. However, the State Government paid rent for the vacant period, thus, rendering an expenditure of ₹ 11.17 crore nugatory.

(Paragraph 1.9)

REVENUE SECTOR

COLLECTION AND ACCOUNTING OF CASH RECEIPTS IN REVENUE, REGISTRATION AND TRANSPORT DEPARTMENTS

An audit of collection, accounting and remittance (into treasury) of cash receipts collected in 13 offices of the Revenue, Registration and Transport departments highlighted several areas of concerns. In seven offices instances of misappropriation/suspected misappropriation of government funds were detected. The total sum involved was ₹ 11.60 lakh. In two offices, funds were irregularly retained in the custody of office staff for periods ranging from 3 days to 247 days instead of being deposited in the treasury the next day. Further, in eight offices cash books had not been written for part of the period under audit. Audit showed that the supervisory officers did not exercise the necessary due diligence in checking and certifying cash book entries which allowed the irregularities to remain undetected. The internal audit wing of the State Government did not conduct any audit of seven offices and in two cases where it did conduct an internal audit it failed to detect misappropriation of funds.

(Paragraph 2.2)

COMMERCIAL TAXES DEPARTMENT

A dealer short-declared turnover totaling ₹ 1.19 crore for the years 2012-13 and 2013-14 resulting in short-levy of tax. Even in re-assessment the Assessing Authority short-levied the interest and penalty under Sections 25 and 59 of the Goa Value Added Tax Act, 2005. This resulted in short-recovery of tax amounting to ₹ 42.11 lakh.

(Paragraph 2.3)

The Assistant Commercial Tax Officer, Mapusa did not consider the turnover as per VAT audit report while assessing the dealer, resulting in short-levy of VAT to the extent of ₹ 19.15 lakh.

(Paragraph 2.4)

The Assistant Commercial Tax Officer levied tax at the rate of five *per cent* instead of eight *per cent* applicable under the Act, resulting in short recovery of tax of ₹ 17.89 lakh.

(Paragraph 2.5)

EXCISE DEPARTMENT

The Excise Stations of Bardez, Salcete and Tiswadi short-levied license fee of ₹ 78.06 lakh from hoteliers at applicable rates for sale of liquor.

(Paragraph 2.6)

The Excise Inspectors at Margao and Quepem short-levied excise duty of ₹ 59.28 lakh due on IMFL and beer.

(Paragraph 2.7)

**PUBLIC SECTOR UNDERTAKINGS AND
GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES**

GOA INDUSTRIAL DEVELOPMENT CORPORATION

GIDC acquired and allotted 2.42 lakh square metre land to a company (on request) for manufacturing Copper strips and alloys. The company utilised only 27,682 square metre for a period of 17 years. However, they used the entire land as collateral to raise loan of ₹ 117.60 crore, on which they defaulted leading to the lenders taking over the land. The balance land remained unutilised for over 15 years and was transferred to another party for non-industrial use as an exception without following full due process. While executing the transfer deed the GIDC short-recovered transfer fee by ₹ 26.61 crore.

(Paragraph 3.3)