

CHAPTER-III

INTEGRATED AUDIT

FISHERIES DEPARTMENT

3.1 Integrated Audit of Fisheries Department

Highlights

The Fisheries Department implements various developmental as well as welfare schemes for the upliftment of fishermen in order to increase the number of fish products for the consumers in the State. Though financial assistance for construction/purchase of new crafts and fishing requisites were provided to fishermen, implementation of the scheme suffered due to various deficiencies such as underutilisation of funds, non-production of fish seeds, non-functioning of fish farms, lack of training to fishermen, poor performance of a departmental fishing vessel, inadequate systems of registration, non-renewal and non-accounting of licence fees for trawlers and canoes and non-existence of any internal control mechanism in the department.

- There were delays in utilization of funds and submission of utilization certificates under the Fishermen Development Rebate scheme.

(Paragraph 3.1.6.1 (b))

- The number of trainings held to train the fish farmers in prawns, mussel and oyster culture was insufficient, resulting in unproductive expenditure of Rs 1.01 crore incurred on the staff of the farm at Ela, Dhauji during 2004-09.

(Paragraph 3.1.10.1)

- Despite non-production of prawn seeds and negligible revenue, the department continued to finance the Pilot Prawn Hatchery during 2004-09, incurring infructuous expenditure of Rs 2.14 crore on salaries and office expenditure during the period.

(Paragraph 3.1.11.2)

- The system of registration, renewal and accounting of licence fees of trawlers and canoes was deficient.

(Paragraph 3.1.13.2)

- Underutilisation of a departmental fishing vessel during 2004-09 resulted in negligible revenue of Rs 1.50 lakh against expenditure of Rs 66.50 lakh on the salaries of staff and Rs 8.06 lakh on diesel, repair of vessels etc. during the above period.

(Paragraph 3.1.14.3)

3.1.1 Introduction

Fish is a major component in the diet of 95 *per cent* of the population of Goa. Goa has a large coastline area of 104 km and a significant area of brackish water, which provides tremendous scope for development of fisheries in the State. Fishing and its allied activities are important sources of livelihood of the fishermen living in the State. Over the years, the State has experienced rapid mechanization in fishing. There are 1,150 fishing vessels and 1,500 country crafts and canoes with outboard motors, exploiting the rich fish resources of the inshore and offshore waters along the sea coast. The Directorate of Fisheries deals with the registration of fishing vessels, fishing canoes/crafts and fishing nets, besides providing infrastructural facilities. It also implements various developmental as well as welfare schemes for the upliftment of the fishing industry and fishermen.

3.1.2 Organisational set-up

The Secretary (Fisheries) is the administrative head of the department. The Directorate of Fisheries is headed by a Director. There are two Deputy Directors and two Technical Officers. The Directorate has a Fisheries Extension wing, consisting of Fisheries Officers and Fisheries Surveyors attached to the Community Development Block of six talukas. The Directorate runs a Fishermen Training Centre and one Estuarine Fish Farm, both at Ela, Dhauji. Besides there is a Fresh Water Fish Farm at Anjunem, a Sub-office at Colva and a Pilot Prawn Hatchery at Benaulim operated by the Brackish Water Fish Farmers Development Agency. The organizational chart is given in **Appendix 3.1**.

3.1.3 Audit Objectives

The overall audit objective was to appraise the functioning of the department and to assess whether:

- the fisheries schemes were implemented economically and efficiently;
- the manpower of the department conformed to norms;
- the welfare of the fishermen's community was taken into account while formulating the schemes, and
- an internal control system existed to safeguard against operational and financial irregularities.

3.1.4 Scope and methodology of audit

Audit of the Fisheries Department for the period 2004-09 was carried out during March to May 2009 through test-check of records maintained by the Directorate of Fisheries at Panaji and sub-ordinate offices at the Fishermen Training Centre and the Estuarine Fish Farm both at Ela, Dhauji, the Fresh Water Fish Farm at Anjunem, the Brackish Water Fish Farmers Development Agency at Benaulim, the sub-office at Colva, and the offices of three Fisheries

Officers. All the five sub-ordinate offices of the Directorate of Fisheries and three¹ fisheries officers out of six (50 per cent) constituted the sample for the review.

The audit objectives were discussed during the entry conference held in March 2009 with the senior officers of the department. The audit process included discussions with the officers of the department, collection of data, examination of records and their analysis. An exit conference was held in June 2009 with the Secretary (Fisheries) to discuss the audit findings.

Audit findings

3.1.5 Financial Management

3.1.5.1 Budget performance

The budget provisions and expenditure incurred by the department during 2004-09 were as given in **Table-1**.

Table-1: Statement showing Budget Allotment and Expenditure

(Rupees in crore)

Year	Budget Allotment	Expenditure	Savings	Percentage of Savings
2004-05	6.09	4.45	1.64	27.00
2005-06	18.27	18.19	0.08	0.44
2006-07	16.04	14.79	1.25	8.00
2007-08	17.11	16.41	0.70	4.00
2008-09	18.66	16.74	1.92	10.00
TOTAL	76.17	70.58	5.59	

(Source: Appropriation Accounts 2004-09)

There were savings of 27 per cent during 2004-05, which were mainly due to less receipt of claims from beneficiaries under the schemes.

In the absence of scheme-wise details of provision and expenditure, Audit could not verify the expenditure under each scheme. The department also could not furnish the exact figures in respect of budget provisions and expenditure made under each scheme. The absence of such scheme-wise details was indicative of poor financial planning and monitoring.

Programmes and schemes

The Fisheries Department is implementing 18 schemes for the welfare/upliftment of the fishermen community. Under the scheme of Mechanisation and Motorisation of Fishing Crafts, financial assistance for purchase of outboard motors, payment of rebate on purchase of diesel, reimbursement of Value Added Tax (VAT), subsidy for purchase of kerosene is given to the fishermen. Assistance to purchase fishing requisites is also

¹ Bardez, Mormugao and Tiswadi

given to the fishermen. Under welfare schemes, the fishermen are insured under Group Accident Insurance Scheme and General Insurance Scheme. Storage and marketing infrastructure is provided to the fishermen by way of supply of insulated boxes and construction of fish markets. Education and training programmes for fishermen take care of their needs for training in production of various types of fish by adopting new methods. Financial assistance is also provided to fishermen willing to take up brackish water fishing.

3.1.6 Mechanisation and Motorisation of Fishing Crafts

3.1.6.1 Fishermen Development Rebate

(a) Irregular payment of Rs 39.91 lakh towards Fishermen Development Rebate (FDR)

Government of India (GOI) through the Ministry of Agriculture, is implementing a 100 *per cent* Centrally Sponsored Scheme, viz 'Development of Marine Fisheries, Infrastructure and Post Harvest Operations'. The Fishermen Development Rebate (FDR) is one of the components of this scheme, whereby rebate of Rs 1.50 per litre of High Speed Diesel (HSD) consumed by mechanized fishing vessels below 20 metres length is paid. Based on the guidelines, the rebate is admissible only to registered boats, not violating the fishing ban². New boats added to the fleet after the end of the Ninth Plan (31 March 2002) are not eligible for the subsidy.

*Fishermen
Development Rebate
of Rs 39.91 lakh
paid to ineligible
fishermen*

Scrutiny of records pertaining to payment of rebate revealed that 36 boats registered from 1 April 2002 were also paid rebate to the tune of Rs 39.91 lakh, which was irregular.

The Government replied (September 2009) that these vessels were constructed as replacement of old vessels after cancellation of their old registration and hence were eligible for grant of subsidy. The reply was not acceptable as GOI guidelines stipulated that new vessels added to the fleet were not eligible for the subsidy and no mention was made regarding replacement of old vessels for whom rebate had been sanctioned.

(b) Non-utilization of funds and delays in furnishing utilisation certificates

The Fishermen Development Rebate was a 100 *per cent* Centrally sponsored scheme. Against the requirement of Rs 10.56 crore of the department, GOI had released Rs 8.13 crore during 2004-09, out of which an expenditure of Rs 7.21 crore was incurred, leaving an unspent balance of Rs 91.65 lakh. Further, utilisation certificates (UCs) for only Rs 5.54 crore were furnished, details of which are given in **Appendix 3.2**.

² The period of fishing ban is from 15 June to 31 July

It was observed that there were delays in utilization of funds released by GOI and submission of UCs by the department.

The Government stated (September 2009) that the funds released by GOI were provided in the State budget in the subsequent year after which the expenditure was incurred and that the delay in submission of UCs was procedural in nature. However, the reply was silent about non-submission of UCs for Rs 1.67 crore.

3.1.6.2 Financial assistance for construction/purchase of new wooden/fibre crafts

The scheme of financial assistance for construction/purchase of new wooden/fibre crafts is a State sponsored scheme introduced in the year 2000. Under this scheme, the department is providing financial assistance in the form of subsidy to fishermen for the construction of fishing crafts (wooden/fibre/plastic) of 26 to 36 feet which are financed by nationalized banks or are self-financed. The amount of subsidy payable is 40 per cent of the actual cost of the crafts limited to Rs 40,000 per craft, whichever is less. During the period 2004-09, the department provided financial assistance of Rs 1.18 crore under this scheme to 305 fishermen. The targets and achievements of the scheme are given in Table-2.

Table-2: Targets and achievements for construction/purchase of new wooden/fibre crafts

(In numbers)

Year	Target	Achievement	Excess (+) Shortfall (-)	Percentage of achievement
2004-05	30	19	(-) 11	63
2005-06	70	49	(-) 21	70
2006-07	100	96	(-) 4	96
2007-08	80	73	(-) 7	91
2008-09	80	68	(-) 12	85

(Source : Directorate of Fisheries, Goa)

It was noticed from the above table that during 2006-07 and 2007-08, the targets were almost achieved. The achievement dropped to 85 per cent in 2008-09.

3.1.6.3 Assistance to fishermen for purchase of fishing requisites

The scheme of assistance to fishermen for purchase of fishing requisites is a State sponsored scheme, implemented since 1998. Under this scheme, fishermen get a 50 per cent subsidy on purchase of fishing requisites such as floats, sinkers, nets, etc., through loans amounting to a maximum of Rs 16,000 taken from nationalised banks or through self financing.

During the period 2004-09, the department provided subsidy of Rs 15.92 lakh to 195 beneficiaries. The targets and achievement during 2004-09 are given in Table-3.

Table-3: Targets and achievements for assistance to fishermen for fishing requisites

(In numbers)

Year	Target	Achievement	Excess (+) Shortfall (-)	Percentage of achievement
2004-05	60	40	(-) 20	67
2005-06	50	58	(+) 8	116
2006-07	50	35	(-) 15	70
2007-08	50	20	(-) 30	40
2008-09	50	42	(-) 8	84

(Source: Directorate of Fisheries, Goa)

It may be seen from the above table that the target vis-a-vis achievement was lowest during 2007-08 at 40 per cent. During the other years, the achievements ranged between 67 and 84 per cent, except during 2005-06, when it was 116 per cent. The Government replied (September 2009) that the variations in achievement and the given targets was very small. While the scheme had shown a good response during 2005-06, the performance dropped during 2007-08. The shortfall was on account of poor response from the beneficiaries.

3.1.7 National Scheme of Welfare of Fishermen

The National Scheme of Welfare of Fishermen is a Centrally Sponsored Scheme, being implemented in the State since April 2002. The scheme has three components, viz:-

- (a) Development of Model Fishermen Village
- (b) Group Accident Insurance for Active Fishermen
- (c) Saving-cum-Relief.

3.1.7.1 Development of Model Fishermen Village

Under the scheme of Development of Model Fishermen Village, GOI provides basic civic amenities like houses, drinking water and common places for recreation to active fishermen. The land for provision of these amenities is to be provided by the State.

Block Development Officer (BDO) Canacona identified 91 fishermen during September 2003 to August 2005 as beneficiaries under the scheme after taking into consideration the condition of the houses in which they lived, based on the applications received from the fishermen. On the request (October 2003) of the department, the Public Works Department furnished (November 2004) an ideal house plan as per the GOI budget having a plinth area of 35 sqm costing Rs 40,000. The department took no action on either the applications or the housing plan. An annual expenditure of Rs 10 lakh was proposed to be incurred on the scheme during 2003-04 to 2006-07 with GOI contributing Rs five lakh (50 per cent). The department did not ask for funds from GOI. During 2007-08, the department requested (August 2007) GOI to release Rs 16 lakh, which was not pursued. As such, no funds could be received from GOI during 2007-08. During 2008-09, Rs eight lakh was released by GOI. However, the amount was not utilized as of September 2009.

Centrally sponsored scheme not implemented due to inaction of the Department

Thus the State did not avail of the entire amount of GOI funds, i.e. Rs 36 lakh, during the period 2003-07 and also deprived the needy fishermen of the benefits of the housing scheme.

The Government stated (September 2009) that applications had been received prior to approval of the scheme in February 2004 but they were not complete in all respects. The reply is not acceptable as 38 applications were received after February 2004 from BDO Canacona but the records did not show why no action had been taken regarding the same.

3.1.7.2 Savings-cum-Relief Scheme

The Savings-cum-Relief Scheme for marine fishermen was launched in the State during 2004-05. As per the scheme, monthly contribution of Rs 75 was to be collected from each marine fisherman for eight months starting from October. The total amount of Rs 600 collected from each fisherman was to be matched with a contribution of Rs 300 from GOI and Rs 300 from the State Government. The total sum of Rs 1,200 thus collected was to be disbursed to the beneficiaries in two instalments in July and August, along with the interest accrued on the same.

Audit scrutiny revealed (March 2009) that the total amount collected during 2004-08 from 1,380 fishermen was Rs 8,24,600. The State Government and GOI were to contribute Rs 4,12,300 each. Against the GOI share of Rs 4,12,300, only Rs 3,20,400 were released and Rs 91,900 for the year 2006-07 was not disbursed by GOI because the department had failed to furnish the utilisation certificate for 2005-06 which was sent only in June 2008. Though the scheme provided for disbursement of the amount in two instalments in the lean months of July and August, the amount was disbursed in one instalment of Rs 1,200 between August and December. The scheme envisaged that the amount collected from the fishermen should be deposited in a nationalized bank in the name of the Director of Fisheries and that interest earned on this amount was to be paid in the second instalment. However, audit scrutiny (March 2009) revealed that the amounts collected from the fishermen were deposited in the Government Treasury and as such, the interest earned on the amounts could not be arrived at and paid to the fishermen.

The Government replied (September 2009) that the department had deposited the amounts in the Government Treasury and hence, interest could not be paid as per the guidelines and that it is now proposed to modify the pattern of assistance in order to implement the scheme as per the guidelines.

3.1.7.3 General Insurance Scheme for Active Fishermen

A General Insurance Scheme for active fishermen in the age group of 18 to 60 years, engaged in regular fishing activities and deriving their livelihood from fishing was being implemented since October 2004. The annual premium payable was Rs 200 per member, out of which 50 per cent i.e Rs 100 was to be contributed by the State Government. The balance 50 per cent i.e Rs 100 per member was to be provided under the Janashree Scheme by the Life Insurance

Amount of savings-cum-relief scheme not disbursed during lean season

Shortfall in coverage of General Insurance Scheme

Corporation. The scheme envisaged providing benefit of Rs 50,000 on account of death or permanent/total disability due to accident, Rs 25,000 due to partial disability and Rs 20,000 in the event of natural death. The assistance was revised to Rs 75,000, Rs 37,500 and Rs 30,000 respectively with effect from 15 August 2006.

The targets and achievements under this scheme are given in **Table-4**.

Table-4: Targets and Achievements under General Insurance Scheme for active Fishermen

(In numbers)

Year	Target*	Achievement*	Excess (+) Shortfall (-)	Percentage of achievement
2004-05	3000	2829	(-) 171	94
2005-06	3000	3169	(+) 169	106
2006-07	3500	3113	(-) 387	89
2007-08	4500	3154	(-)1346	70
2008-09	5000	3320	(-)1680	66

(Source: Directorate of Fisheries, Goa)

The percentage of achievement as depicted above, shows a gradual decline from 2006-07 onwards. In spite of the fact that there were only three insurance policies covering 3,320 fishermen, the department failed to renew the policies on time, and had to pay late fee of Rs 10,000 on renewal of the policies.

The Government stated (September 2009) that the percentage of achievement was maintained, which was not correct as the performance had deteriorated during 2007-09.

3.1.8 Development of Marine Fisheries, Infrastructure and Operations

3.1.8.1 Delay in completion of a project

Under the Centrally sponsored scheme “Development of Marine Fisheries, Infrastructure and Post Harvest operations”, GOI had sanctioned a project called “Construction of 300 metre Jetty and Widening of Jetty Road” at Cutbona, Salcette, Goa at a cost of Rs 4.10 crore in March 2007, the cost of which was to be shared equally by GOI and the State Government.

As per GOI guidelines, the project was to be completed within 20 months from the date of approval (March 2007) i.e by 9 November 2008. The main components of the project were:

- Construction of a jetty
- Widening of the Jetty Road

Inordinate delay in construction of fishing jetty and widening of jetty road

* Targets and achievements include renewal of existing policies of surviving fishermen plus new additions during the year.

The State Government proposed to complete the project in six phases of 50 metres each. In anticipation of GOI approval, the first phase of 50 metres was started in February 2005 prior to GOI approval and completed in March 2006 at a cost of Rs 59.84 lakh. The second phase of 50 metres was started in March 2008 and completed in February 2009 at a cost of Rs 62.82 lakh. The third phase of 50 metres was awarded to a contractor in August 2007 for Rs 74.15 lakh and the work was still in progress. Thus despite the fact that the project work was taken up prior to approval by GOI, only two phases of the project costing Rs 1.28 crore had been completed till date and work on three phases out of six were still to be taken up (June 2009).

Similarly, the work of widening of the Jetty Road at Cutbona was awarded (April 2008) to another contractor for Rs 69.99 lakh. This was to be completed by 25 January 2009. However, this road was not completed as of April 2009. The physical progress of the work was 60 *per cent* with an expenditure of Rs 41.48 lakh.

While accepting the delays, the Government replied (September 2009) that the work was carried out on a fish landing centre which was utilized throughout the year. The reply is not acceptable as this fact should have been taken into consideration while fixing completion targets and cannot be cited to justify the delay.

3.1.8.2 Non-release of Central grants

Out of the GOI share of Rs 2.05 crore in the above project, GOI sanctioned an amount of Rs 75 lakh in March 2007. The balance grant of Rs 1.30 crore had not been sanctioned (May 2009). In reply, the Government stated (September 2009) that the matter was being pursued vigorously to obtain the balance funds.

3.1.9 Providing storage and marketing infrastructure

3.1.9.1 Construction of fish markets through Municipalities/Village Panchayats

The construction of fish markets through municipalities/village panchayats (VPs), a State sponsored scheme, came into force with effect from 28 February 2005. The main objective of the scheme was to construct fish markets in the municipalities/village panchayats, for which financial assistance/subsidy was to be paid to them. Municipalities/village panchayats whose annual income was less than Rs two lakh were given subsidy to the extent of 100 *per cent* and cases with annual income of more than Rs two lakh were given subsidy of 75 *per cent* of the actual cost of the construction. However, the subsidy in all the cases was limited to Rs five lakh. The details of the subsidy sanctioned and released during 2005-09 are given in **Table-5**.

Table-5: Subsidy sanctioned to Village Panchayats

(Rupees in lakh)

Sr. No.	Year	Name of the Village Panchayat	Amount sanctioned
1.	2005-06	Chandor in Salcette Taluka	4.73
2.	2006-07	Priol-Cuncole in Ponda Taluka	5.00*
3.	2007-08	Mandrem in Pernem Taluka	3.72
4.	2008-09	Goltim-Navelim in Bicholim Taluka	5.00
TOTAL			18.45

(Source: Directorate of Fisheries, Goa)

* Rs 3.84 lakh paid in 2006-07 and Rs 1.16 lakh in 2007-08.

It was noticed that Chandor and Cuncole VPs completed the construction of markets in July 2006 and April 2007 respectively. However, Mandrem and Navelim VPs were still to take up the construction work. The Government replied (September 2009) that tenders for the work at Mandrem and Navelim were called for only in February 2009. The work at Mandrem was in progress while approval from the BDO for the work at Navelim was awaited.

3.1.10 Education and Training

3.1.10.1 Unproductive expenditure on Estuarine Fish Farm at Ela, Dhauji

Under the Scheme of 'Development of Brackish Water Fisheries' the department had a 'demonstration-cum-training' fish farm at Ela, Dhauji. The objective of the scheme was to survey new areas for brackish water fisheries, locate and collect fish seed and maintain and operate the five hectare size farm by application of new technology in prawn and fish farming so as to get optimum output.

The farm had 11 ponds in which seeds of fish namely polyculture of mellets, etropha, tilapia, gholses and prawn were grown and the produce was sold in the market. During the period 2004-09, no fish seeds were grown in these ponds. The sale of fish earned a revenue of Rs 0.95 lakh.

The training centre at Ela, Dhauji conducted four trainings of five days duration on prawn farming in 2004-05 during which 93 fish-farmers were trained. Five training courses of one day each on mussel culture were held during 2006-09 when 79 fish-farmers were trained. No targets were fixed for the number of training courses to be held in a year to the fish-farmers. The staff strength for the scheme was 13³ and the department incurred an expenditure of Rs 1.01 crore towards pay and allowances of these staff during 2004-09, which was infructuous.

The Government stated (September 2009) that the staff of the farm were not idle but were engaged in feeding, monitoring the water quality, taking in water when required and going for seed collection. The reply is not tenable as there

³ 9 - Fieldman, 2-Junior Deckhand, 1 -Technician and 1 - Driver

Non-achievement of fish seed production and fish farming training

was no production of fish. Feeding and monitoring of water quality, therefore, had no relevance. Further, if proper repairs to the ponds were carried out, the ponds would be in operational condition and viable for production of fish.

3.1.11 Schemes implemented through Brackish Water Fish Farmers Development Agency

3.1.11.1 Non-achievement of objectives of Brackish Water Fish Farmers Development Agency

The Brackish Water Fish Farmers Development Agency (BFDA) was constituted in November 1990 to help in identification of brackish water areas for fish production; identification of beneficiaries; preparation of projects on behalf of the beneficiaries to obtain loans and liaison with banks; arranging training in fish farming and other inputs like seeds and feed; arranging for Government subsidy and providing market information and operating and looking after the functioning of the Pilot Prawn Hatchery at Benaullim.

As against the target of 100 hectares for development of brackish water area for 2004-09 (20 hectares each year), the achievement was only 9.52 hectare (15 per cent) for which subsidy of Rs 3.66 lakh was paid to nine beneficiaries. During 2007-08, only three⁴ training programmes were held, while only one⁵ training course was conducted during 2008-09. The department replied (May 2009) that during the previous years, training in brackish water fish farming was being carried out in association with the Directorate of Fisheries and that funds for training during 2008-09 had not been received. Details of training conducted during 2004-07 were not furnished.

The Rules and Regulations of BFDA stipulate that the Managing Committee can hold its meeting as often as necessary but should do so at least once in two months. It was observed that during the period 2004-09, the Managing Committee met only three times during 2006-07. The Rules also provide that the accounts of the agency should be audited annually by a Chartered Accountant appointed by the Managing Committee. The accounts from 2004-05 onwards were not audited as the cash book and vouchers for 2004-05 were missing and the annual reports from 2004-05 onwards were yet to be prepared and placed before the Managing Committee. The department filed (May 2007) an FIR in the matter with the Police Department. Despite this lapse, the Government continued to finance the agency. Such discrepancies in the functioning of the agency resulted in non-achievement of the objectives.

The Government replied (September 2009) that the accounts for 2004-05 were still to be audited and hence, the subsequent statements of accounts for the years 2005-09 could not be audited.

⁴ Mapusa (21st to 23rd February 2008), Navelim (25th and 26th February 2008) and Panaji (27th March 2008).

⁵ at Cuncoim on 27th September 2008.

3.1.11.2 Infructuous expenditure on funding of Pilot Prawn Hatchery at Benaulim

Prawn seed production stopped due to delay in repair of electric transformer

A Pilot Prawn Hatchery (PPH) being managed by BFDA was set up at Benaulim during 1990-91. Grant-in-aid of Rs 2.14 crore was received by BFDA during the years 2004-09 and expenditure of Rs 1.95 crore, Rs 20.57 lakh and Rs 19.28 lakh on salaries, office expenses and production respectively was incurred. The production of prawn seeds was negligible during 2004-05, fetching a revenue of Rs 18.49 lakh. Thereafter, during 2005-07, the PPH did not produce any seeds as the transformer supplying power was out of order and was recommissioned only in January 2007. The delay of one and half years in recommissioning the transformer resulted in non-production of prawn seeds during this period. Even after commissioning of the transformer in January 2007, the PPH did not produce any seed. Instead, it bought nauplii prawn seeds from other States and sold the same to fish farmers, earning revenue of Rs 12.12 lakh. Therefore, against a target of 10 million fish seeds (Prawns PL-20) per year, fixed for the years 2004-09, the achievement was only 4.2 million during 2004-05 and nil during 2005-09.

A consultant was appointed (March 2007) by the Government, to conduct a study of the PPH during April – May 2007. The consultant, in his report dated June 2007 stated that after having had a two-year lay-off period, the staff were certainly not in a mood for production. The Government was still to take any action on this report. It was also noticed by Audit that PPH had 30 staff members (technical-13 and non-technical-17). Due to non-production of prawn seeds during 2004-09, the staff remained idle resulting in infructuous expenditure of Rs 2.14 crore. Besides, the department continued to finance the PPH during the above period.

The Government, while admitting (September 2009) the lapses, cited breakdown of the transformer, performance of staff, break-out of a virus infection and non-availability of brooders for the non-performance of the hatchery. However, no corrective action was taken by the Government to improve the working of the hatchery, leading to infructuous expenditure of Rs 2.14 crore on funding of this project.

3.1.12 Inland Fisheries

3.1.12.1 Centrally Sponsored Scheme of ‘Strengthening of database and information networking for the fisheries sector’

Central assistance not received due to non-submission of utilization certificates and progress reports

Reliable, accurate and timely availability of statistics on fish resources and production is an essential pre-requisite for formulation of the policies and programmes of the Fisheries Department. For this purpose, the scheme, ‘Strengthening of database and information networking for the fisheries sector’ is being implemented by GOI through the Ministry of Agriculture since 2001-02. Under this scheme, 100 per cent Central assistance is provided to the State Government towards salaries of staff, travelling expenses for conducting surveys, and office expenses. The grants received from GOI,

expenditure incurred and the balance available with the department is given in **Table-6**.

Table-6: Amount received and expenditure incurred

<i>(Rupees in lakh)</i>				
Year	Opening balance	Amount received	Expenditure	Savings
2004-05	1.61	1.39	0.75	2.25
2005-06	2.25	4.55	4.09	2.71
2006-07	2.71	4.00	4.62	2.09
2007-08	2.09	6.41	3.43	5.07
2008-09	5.07	Nil	4.50	0.57
TOTAL		16.35	17.39	

(Source: Directorate of Fisheries, Goa)

Scrutiny revealed that though the department requested (April 2008) GOI to provide Rs 5.23 lakh during 2008-09 in addition to the unspent balance of Rs 5.07 lakh available, no amount was released by GOI as the utilization certificates along with component-wise physical and financial progress were not furnished by the department to GOI. Though the scheme envisaged appointment of staff, the post of Assistant Director was not filled up during 2004-09 while the post of Technical/Computer Assistant was vacant during 2008-09, resulting in non-utilisation of funds released towards salary of staff besides travelling expenses for conducting survey and consequent non-release of funds of Rs 5.23 lakh during 2008-09.

The Government replied (September 2009) that the post of Assistant Director had been filled in August 2009 and the post of the Technical/Computer Assistant would be filled up shortly.

3.1.12.2 Stake licences

There were 192 fishing stakes[©] in Goa, out of which, 173 were run by the Akhil Gomantak Harkari Sahakari Saunsta Goa Limited (Society) while the remaining were run by private parties. These licences were renewed every three years with 15 *per cent* increase over the previous years.

(i) As per Rule 8 (1) of the Goa, Daman and Diu Fisheries Rules 1981 (Rules), when the annual rent is less than Rs 100, the same is to be paid by the Society in a single instalment. The rent for the first year is payable on the date of execution of lease and the subsequent annual rent has to be paid before 30 January of every year. Where the annual rent exceeds Rs 100, the same should be paid in three equal instalments on or before the last working days of January, June and November of the respective years. It was seen that stake rent for 2005, 2007 and 2008 amounting to Rs 16,111, Rs 1,30,635 and Rs 1,52,407 respectively had not been paid by the Society.

Stake rent of Rs 2, 99,153 for 2005, 2007 and 2008 not paid

[©] Stakes are put up in small narrow creeks of rivers which are freed from navigation by erecting wooden poles on which fishing nets are tied.

143 stake licences cancelled for non-payment of lease rent not auctioned

(ii) Rule 8(2) of the above Rules stipulates that if any instalment is not paid within the prescribed period, the defaulter is liable to pay penalty in addition to the rent, a sum equal to five *per cent* of the instalment due per month or part thereof, for the delay in payment. It was seen that stake rent for 143 stakes for the years 2005 and 2006 were paid in April 2007. However, delayed payment charges amounting to Rs 0.08 lakh were not paid to the department and the department also did not claim the same from the Society.

(iii) Rules 8(3) stipulates that when a person's rent is in arrears for two consecutive instalments, the lease for the fishing rights should be cancelled and the amount of arrears adjusted from the deposit made by him or recovered as arrears of revenue. The Director should then auction the fishing rights allotted to such defaulters. Though the department temporarily cancelled (April 2007) the fishing rights in respect of 143 stakes due to non-payment of lease rent for the years 2005 and 2006 in time, no action was taken to auction the rights for 2007. The rights were renewed in March 2008 for the period 1 January 2007 to 31 December 2009 without payment of delayed payment charges.

(iv) Systemic defects in maintenance of records such as not mentioning the receipt numbers for the payments made between 2004-06, absence of agreements with stakeholders and details of names of persons to whom the stakes were leased were noticed in audit.

While accepting the discrepancies, the Government agreed (September 2009) to set right the deficiencies noticed in audit.

3.1.13 Internal control

3.1.13.1 Internal Audit

It was noticed that there was no adequate internal control mechanism in the department. The department stated (May 2009) that efforts would be made to appoint a Committee under the administrative control of the Deputy Director of Fisheries for evolving an internal control mechanism in respect of accounts and technical activities.

Though internal audit of the five sub-offices was conducted by the department, the audit of records of Fisheries Surveyors at the Block Development Office (BDO) level was not conducted in spite of the fact that these officers were responsible for renewal of licences of all types as well as collection of fees. The Government replied (September 2009) that inspections of all the BDO offices would be conducted in due course.

3.1.13.2 Deficiencies in the system of maintaining registration books of trawlers/canoes

No records with Department to check renewal of registrations of all trawlers/canoes

Registration books of trawlers/canoes were not complete in all respects with details such as particulars of vessels, details of engines, dates of registration and signatures of registering authorities. The periods for which the licences

were issued, details of renewal, fees paid for renewals etc., were also not entered.

While the department issued licences for registration of trawlers/canoes, the renewal was done at the Block level. The department did not have any records to check whether all the licences were renewed, nor did the Block level office have any records in this respect. As such, they had to rely on details/documents furnished by the trawler/canoe owners.

The Government stated (September 2009) that the observation had been noted and necessary action would be initiated.

3.1.14 Other points of interest

3.1.14.1 Idle expenditure of Rs 36.42 lakh on setting up a shore station at Saligao

The work of construction of a Very High Frequency (VHF) tower for a shore station at Saligao was entrusted (November 1996) by GOI to M/s. Punjab Wireless Systems Limited (PUNWIRE) at a cost of Rs 31.33 lakh. The equipment was received between April 1997 and January 1998. The building to house the control room was completed in March 1998. From 1998, the building, along with the material to erect the tower was kept unattended due to cancellation of the contract with M/s. PUNWIRE by GOI and the same deteriorated. After six years, GOI decided to (January 2004) erect a tower and carry out minor repairs to the control room building, which had deteriorated due to passage of time. The scope of work included repairs to doors/windows and hardware fittings along with painting of the building. The work was got done through the Public Works Department, Panaji in January 2006 at a cost of Rs 5.09 lakh. However, even after spending an amount of Rs 36.42 lakh, the shore station which was repaired in 2006 and ready for installation could not be put to use as the equipment/walkie talkies were found to be defective and outdated and could not be provided to the beneficiaries. This resulted in idling of expenditure of Rs 31.33 lakh for more than 10 years on construction of the building and equipment and Rs 5.09 lakh for three years on repairs to the building. The fishermen were, therefore, deprived of the intended benefits of the project.

The Government stated (September 2009) that the work of the VHF tower had been completed and that GOI had informed that the communication machinery/equipment would be installed shortly.

3.1.14.2 Idle cold storage plant at Chapora

A cold storage plant constructed (1988) at Chapora along with staff quarters, at a cost of Rs 36.36 lakh, with machinery worth Rs 19.39 lakh was lying idle since 1998. In June 2006, the department proposed to dispose off the machinery as the same had deteriorated. Approval for disposal of the machinery as well as demolition of the building to use the land (10,130 square

No action taken in respect of cold storage plant lying idle since 1998

metres) for creation of infrastructure like an ice plant, net mending shed, workshop and other shore amenities for the benefit of the fishermen was issued in March 2007. The value of machinery in 1998 was assessed at Rs 8.45 lakh which had reduced to Rs 5.33 lakh in 2007. The Xapora Boat Owners Fisheries Co-operative Society requested (August 2006) the department to hand over the land to them on lease rent basis for construction of the ice plant, net mending shed etc. The department was yet (June 2009) to auction the machinery, resulting in its further deterioration and decrease in value.

The Government stated (September 2009) that auction for the disposal of the cold storage machinery/equipment was held in July 2009 and the matter was under consideration.

3.1.14.3 Underutilization of a departmental fishing-vessel

M.V. Mastyavardhini, a fishing vessel, was procured in November 2005 at a cost of Rs 36.80 lakh to operate every alternate day with one Bosun,[£] an Engine Driver and eight Junior Deckmen. As against the stipulated 180 days operation in a year, the vessel operated for 72 days, 84 days, 120 days and 108 days in 2005-06, 2006-07, 2007-08 and 2008-09 respectively. The number of operating hours for vessel ranged from 30 to 35 hours in a month. Thus there was gross underutilisation of the craft, on which there was expenditure of Rs 66.50 lakh on salary of staff and Rs 8.06 lakh on maintenance during the period. In comparison, the revenue earned was very little, amounting to Rs 1.50 lakh only.

Government replied (September 2009) that the vessel was not meant for commercial purposes and was used for running 10 months training courses for young fishermen. The reply of the Government was not acceptable as the orders issued by the department to the Bosun of the vessel was that it should be used for fishing purposes only and no mention had been made in these orders about the training courses during the above period. Besides it was found that there were no trainees during the years 2004-05, 2005-06 and 2008-09.

3.1.15 Conclusion

The implementation of the schemes by the department to promote the welfare of fishermen and provide a boost and impetus to the industry was ineffective. The management of fish farms, training centres and the prawn hatchery was tardy. The benefits from these steps did not accrue and expenditure incurred on their upkeep proved infructuous. System deficiencies such as incomplete registrations, poor internal control and idling of investments further contributed to failure in the whole implementation process. Serious efforts and steps need to be devised for the development of the fishing industry.

[£] In-charge of the Vessel

3.1.16 Recommendations

- ❖ Timely use of Central funds should be made in order to avoid non-receipt of future grants.
- ❖ Unproductive expenditure on fish farms should be curtailed.
- ❖ The departmental fishing vessel should be utilized optimally.
- ❖ Government should take early action on the deteriorating situation of the Pilot Prawn Hatchery to avoid further infructuous expenditure.
- ❖ Proper procedure for registration, renewal and accounting of licence fees on trawlers, canoes should be followed.
- ❖ An internal control mechanism may be set up in the department as early as possible.