

OVERVIEW

This Audit Report includes five chapters comprising five performance audit reviews and 21 transaction audit paragraphs relating to the State Government and its Companies and Corporations.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling methods as well as on judgement basis. The specific audit methodology adopted for audit of programmes and schemes has been mentioned in the reviews. The audit conclusions have been drawn and the recommendations made taking into consideration the views of the Government, wherever received.

A summary of the audit findings is given below.

1.1 Modernisation of Police Force

There was a delay in submission of annual plans resulting in delayed release of funds by Government of India towards the fag end of the year and subsequent non-utilisation of the same within the financial year. Shortage of vehicles adversely affected the mobility of the force and weapons were issued to the police stations after delays of three years of receipt. The percentage of vacancies in the force ranged between five and 10 during 2004-09. Shortage of manpower and failure of a server hindered the operations of the Finger Print Bureau. The Police Communication Network and the Common Integrated Police Application project were not functioning for want of connectivity and maintenance support from a supplier. Failure of the Government to constitute a State Level Empowered Committee resulted in poor monitoring and implementation of the scheme.

(Paragraph 1.1)

1.2 Computerisation of Directorate of Accounts

Computerisation of the Directorate of Accounts was implemented without a time-bound programme. Significant deficiencies were noticed during its operations. Several processes were left out during implementation. An appropriate control and security mechanism was not evolved, resulting in faulty system operation and applications in an unsecured environment. Business Process Re-engineering was not carried out to bring in more efficient processes. The system failed to check allocation of grants before passing bills.

(Paragraph 1.2)

2. Audit of transactions

Audit of financial transactions test-checked in various departments of the Government and their field offices revealed instances of misappropriation, avoidable expenditure and idle investment/establishment involving Rs 15.70 crore in the departments of Art and Culture, Civil Supplies and Consumer Affairs, Forests, Housing, Public Works and Urban Development.

(Paragraphs 2.1.1 to 2.4.2)

3. Integrated audit of Fisheries Department

Though the production of prawn seeds was negligible, the Pilot Prawn Hatchery of the fisheries department incurred an expenditure of Rs 2.14 crore on salaries and office expenditure during 2004-09. Due to underutilisation of a fishing vessel during 2004-09, the Department could earn a revenue of only Rs 1.50 lakh, against an expenditure of Rs 74.56 lakh towards pay and allowances, diesel charges and repairs. There were deficiencies in the system of registration, renewal and accounting of licence fees of trawlers and canoes.

(Paragraph 3.1)

4. Audit of Revenue Receipts

The revenue receipts of the State Government during the year 2008-09 were Rs 3,528.27 crore. The revenue receipts increased by Rs 584.37 crore registering an increase of 19.85 *per cent*.

Transport Department

- Non-assessment of imported mineral ore and non-outsourcing of collection of Goa Rural Improvement Welfare Cess resulted in a revenue loss of Rs 45.54 crore.

(Paragraph 4.2.8)

- Delay in notifying the assessment and collection points of GRIWC resulted in a revenue loss of Rs 8.79 crore between June 2008 and October 2008.
- Non-levy of cess in respect of iron ore generated in Goa resulted in a revenue loss of Rs 37.04 crore between November 2008 and March 2009.

(Paragraph 4.2.9)

- The Department had not prepared any manual setting out the functions and responsibilities of its staff.

(Paragraph 4.2.13)

Revenue Department:

- Failure of the Department to notify the coastal villages under Goa Land Revenue Code resulted in short levy of conversion fees.

(Paragraph 4.6)

5. Government companies and Statutory corporations

Performance Review on Kadamba Transport Corporation Limited

The Kadamba Transport Corporation Limited (Company) provides public transport in the State through its four depots. The Company had a fleet strength of 390 buses as on 31 March 2009 and carried an average of 0.77 lakh passengers

per day. It accounted for a share of five *per cent* in public transport with the rest coming from private operators.

The Company suffered a loss of Rs 17.75 crore in 2008-09. It earned Rs 21.70 per km and expended Rs 27.95 per km in 2008-09. Audit noticed that with the right kind of policy measures and better management of its affairs, it is possible to increase revenue and reduce costs, so as to earn profit and serve its cause better.

The Company has not formed norms for providing services on uneconomical schedules. Thus, it would be desirable to have an independent regulatory body (like State Electricity Regulatory Commission) to fix the fares, specify operations on uneconomical routes and address grievances of commuters.

The shortfall in operations is to be deliberated upon by the Board of Directors with suitable remedial action to be taken by the depots. However, the Company lacked in these aspects and could not control the cost and increase the revenue.

Transaction audit observations

Payment of processing fee by Goa State Infrastructure Development Corporation Limited, for term loan at abnormally higher rate resulted in extra expenditure of Rs 1.28 crore.

(Paragraph 5.5)

Erroneous computation of rebate for power factor improvement in respect of HT/EHT consumers resulted in loss of revenue of Rs 4.53 crore to Goa Electricity Department.

(Paragraph 5.6)