



LEGISLATIVE ASSEMBLY OF GOA

PUBLIC ACCOUNTS COMMITTEE

(2014-16)

SEVENTY THIRD REPORT

**Report of the Public Accounts Committee on the Report of the Comptroller
and Auditor General of India for the year**

2010-11

LAI D ON THE TABLE OF THE HOUSE

ON 31ST JANUARY, 2019

GOA LEGISLATURE SECRETARIAT

ASSEMBLY COMPLEX

PORVORIM – GOA

PUBLIC ACCOUNTS COMMITTEE

(2014-16)

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(i)

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**COMPOSITION OF THE
PUBLIC ACCOUNTS COMMITTEE**

(2014-16)

CHAIRMAN

SHRI PRATAPSINGH RANE

MEMBERS

SHRI CAETANO SILVA

SHRI NILESH CABRAL

SHRI VISHNU SURYA WAGH

SHRI GANESH GAONKAR

SHRI BENJAMIN SILVA

SMT JENNIFER MONSERRATE

GOA LEGISLATURE SECRETARIAT

SHRI N. B. SUBHEDAR, SECRETARY,

SMT CELIZA FERNANDES, UNDER SECRETARY

(iii)

**COMPOSITION OF THE
PUBLIC ACCOUNTS COMMITTEE
(2017-19)**

CHAIRMAN

SHRI PRATAPSINGH RANE

MEMBERS

SHRI CHURCHILL ALEMAO

SHRI DAYANAND SOPTE

SHRI GLENN TICLO

SMT JENNIFER MONSERRATE

SHRI NILESH CABRAL

SHRI RAJESH PATNEKAR

GOA LEGISLATURE SECRETARIAT

SHRI N. B. SUBHEDAR, SECRETARY

SMT CELIZA FERNANDES, UNDER SECRETARY

(iv)

INTRODUCTION

I, the Chairman of the Public Accounts Committee (2014-16) & (2017-19) of the Seventh Legislative Assembly of the State of Goa having been authorised by the Committee to submit the Report on its behalf, present this Seventy Third Report of the Committee on the Audit Paras reflected in the Report of the Comptroller and Auditor General of India for the year 2010-11.

During its thirteen sittings the Public Accounts Committee considered the explanation of the Departments in respect of Memorandum of Important points on Paras reflected in the Reports of the Comptroller and Auditor General of India for the year 2010-11.

The minutes of the meetings are at Appendix "I" to "XIII". After careful consideration, the Committee formulated its recommendations, which are embodied in the Report. The draft report was considered and adopted by the Committee at its meeting held on 2nd November, 2018. Minutes of the meeting are at Appendix XIV.

The Committee is grateful to Ms. Devika, Accountant General, Shri Ashutosh Joshi, Accountant General, Audit, Porvorim, Shri. C. P. Ajitkumar Sr. Audit Officer (Report) and Shri Muralidharan, Sr. Audit Officer (Report) for their valuable guidance rendered to the Committee.

The Committee also places on record the cooperation extended to the Committee by Shri N. B. Subhedar, Secretary, Smt. Celiza Fernandes, Under Secretary, Smt. Perpetina D'Souza, Section Officer and all the concerned staff of the Legislature Secretariat and commends their contribution towards the Report.

ASSEMBLY HALL

SHRI PRATAPSINGH RANE

PORVORIM, GOA

CHAIRMAN

DATED: 2ND NOVEMBER, 2018

CHAPTER-I

FORESTS DEPARTMENT

Introduction

The State of Goa has forest coverage of 1,224.46 sq. km under three categories (Reserve Forest 251.44 sq. km, Protected Forest 711.44 sq. km and Unclassed Forest 261.58 sq. km) apart from private forests of 200 sq. km, which together represent 38 per cent of the geographical area (3,702 sq. km) of the State. There is one National Park, 6 Wildlife Sanctuaries and 1 Zoo in the State, covering an area of 754.91 sq. km. The management of forests in the State is regulated by the Indian Forests Act, 1927, the Wildlife (Protection) Act, 1972, the Goa, Daman and Diu Preservation of Trees Act, 1984 and the Forest (Conservation) Act, 1980. The major functions of the Department involve protection, conservation and development of forests; conservation of wildlife and management of protected areas; undertaking soil conservation and water harvesting measures to ensure sustained supply of natural resources; rescue and rehabilitation of wild animals, etc. These functions are discharged by carrying out activities like rehabilitation of degraded forests; afforestation of denuded lands; supply of timber and fuelwood; urban forestry, protection of wildlife and development of habitats, etc.

PLANNING

Delay in notifying the State Forest Policy

The National Forest Commission recommended (March 2006) that each State should have its own forest policy within the broad parameters of the National Forest Policy, 1988 for sustainable management of the forests of the States. The policy, inter alia, was to address issues pertaining to conserving natural forests, increasing sustainability of forest/tree cover through massive afforestation and social forestry programmes.

In pursuance of the National Forest Commission's recommendations (March 2006), the Department prepared the draft State Forest Policy belatedly in May 2009. The objective of the State Forest Policy was to protect Government forest areas; conservation and management of forests on sustainable forest management principles; conserving the natural heritage of the State by preserving natural forests; maintaining of environmental stability through preservation and restoration of the ecological balance; increasing the tree cover, improving the canopy density of forests through massive afforestation and social forestry programmes etc. The State

Government constituted (August 2009) a Committee consisting of members of various line Departments to study the draft Forest Policy and to give its recommendations. Based on the suggestions/comments received from the members, the draft Forest Policy was finalized and forwarded (March 2010) to the Cabinet for approval. Following a directive from the Cabinet, the draft notification was published (April 2011) in the Official Gazette of the Government of Goa, inviting suggestions, which were to be submitted within 60 days. Final notification of the Forest Policy after considering the suggestions from the public was pending as on date (October 2011). Thus, despite a lapse of five years from the date of recommendation of the National Forest Commission for the formulation of the State Forest Policy, the same was yet to be notified. During the exit conference, the APCCF stated (August 2011) that the Government was planning to constitute a Committee to go through the suggestions received from the public.

Draft Goa State Forest Policy, after approval of the State Government was notified on 23/03/2011, inviting objections/suggestions from the public. In response to the same 497 objections/suggestions were received from the public. The State Government constituted a Committee on 17/10/2011 to look into all the objections/suggestions received from public and to advise the State Government so as to finalise the State Forest Policy. However no comments or recommendations were received from the Committee, till April, 2014. Hence as per direction of then Hon'ble Chief Minister, the draft State Forest Policy along with the objections/suggestions received was placed before the Government for decision on 14/04/2014. However the matter remained pending with the Government to finalise the State Forest Policy. The matter was again placed before the Government on 02/09/2015 by Principal Chief Conservator of Forest (PCCF), suggesting that as a considerable time has lapsed, redrafting a fresh State Forest Policy is essential and appropriate. However, since the National Forest Policy is under revision and the work of revision has been given by MoEF&CC to Indian Institute of Forest Management (IIFM), Bhopal the State Forest Policy should be prepared once the revised National Forest Policy is finalised by the Central Government. The new National Forest Policy is yet to be finalised by the MoEF&CC.

The Committee recommends that as soon as the N.F.P is finalized by the MoEF & CC the State Forest Policy should be finalized expeditiously.

NON-FINALISATION OF WORKING PLAN

The Working Plan of the Department is prepared for the scientific management of natural forest areas. It is prepared for a period of 10 years, after which it is revised. Without such plans, there is a danger that the forests may be

worked below their capabilities and income lost. The Working Plan also envisages replacement of old uneconomical plantation species with commercially viable fast-growing indigenous species and tending of older plantations i.e. thinning etc. to promote optimum growth. No harvesting of forest produce like timber and other materials is permitted without a Working Plan duly approved by Government of India (GOI). The Working Plan Division of the Department is responsible for the preparation of Working Plans for both the North and South Divisions.

The Working Plan of the North Division was prepared by the Department only for the period 1979-80 to 1988-89. Thereafter, no Working Plan was prepared by the Department for any of the divisions. The Government constituted (January 2007) a High-Powered Committee to oversee the exercise of preparation and finalization of Working Plans. The draft Working Plans of the North and South Divisions were submitted to the CCF in December 2006 and November 2007 respectively. The Government also constituted (July 2008) a Committee to examine the draft Working Plans, which recommended (June 2009) that the Plans should be approved by the Government. The draft Working Plans were submitted (April 2010) to the Government by the Forest Department. However, from the records produced to Audit, it was seen that no further action had been initiated on the matter till date (April 2011). Thus, despite preparation of the Working Plans in December 2006 and November 2007 and the recommendation by the Committee in June 2009, the same had not been approved by the State Government. As per the draft Working Plans of the North and South Divisions, harvesting of teak, eucalyptus and acacia plantations in 490.62 hectares was to be done during the year 2010-11. Thus, the delay in approval of Working Plans resulted in delayed realization of revenue due to non-harvesting of timber, eucalyptus and acacia plantations. The delay also resulted in non-attainment of the objective of replacement of old uneconomical plantation species with commercially viable fast-growing indigenous species and tending of older plantations to promote optimum growth. The APCCF had informed (August 2011) that the Government had directed the Working Plan Division to resubmit the file.

Further, in written reply Department stated that the Working Plans for North and South Goa Forest Divisions have been prepared and approved by the State Government on 07.10.2011. These plans have also been approved by Ministry of Environment, Forest and Climate Change, New Delhi (MoEF&CC) vide letter No. FCA/11.6/1/WP/Goa dated 23.07.2013. The Working Plan for North Goa Division is for the period from 2013-14 to 2022-23 and Working Plan for the South Goa Division is for the period from 2011-12 to 2020-21. The forests are being managed as per the prescription of the approved Working Plans. One proposal for harvesting of exotic Eucalyptus plantation as per the

Working Plan of South Goa was sent to the State Government during 2016 but the same is yet to be got approved, and is being taken up again with the State Government. As per the Working Plan, a condition has been laid that for any green felling in forests, prior approval of the Government will be taken, even though the Plans have been approved both by the State and Central Government.

The Committee notes that there is an inordinate delay in actioning of the proposal for harvesting exotic Eucalyptus Plantation under the South Goa Working Plan. As no felling can be carried out without the approval, the resultant loss in revenue due to non-harvesting of timber and replacement of old uneconomical plantations is viewed seriously. The Committee recommends that the process may be expedited and the plan actioned at the earliest.

NON-PREPARATION OF MANAGEMENT PLAN

The Management Plan of the Department is a comprehensive document related to forest areas included in Wildlife Sanctuaries (WLSs) and the National Park (NP), detailing every aspect of the WLS and NP, including its history, flora, fauna, current status etc. as also ways to maintain and improve the existing diversity of flora and fauna. The Wildlife and Eco Tourism Division of the Department had to prepare Management Plans for its six WLSs and one NP.

A Committee to examine and give suitable recommendations for the draft Management Plans was constituted in August 2009. The Management Plan for Cotigao WLS was approved (December 2010) by the APCCF after examination by the Committee and the draft Management Plan for Bhagwan Mahavir WLS was prepared in 2009-10 and put up to the Committee. Though the Committee had conveyed (January 2010) its comments on the Management Plan for the Bhagwan Mahavir WLS, the Management Plan was still to be finalized (June 2011), after incorporating the comments of the Committee. The draft Management Plans for Bhagwan Mahavir NP and Dr. Salim Ali Bird Sanctuary were also prepared (May 2011) but had not been put up before the Committee (July 2011). The draft Management Plan for the other three sanctuaries, viz. Madei WLS, Netravali WLS and Bondla WLS had not been prepared (June 2011). The non-preparation and delays in the preparation of Management Plans deprived the WLSs/NPs of systematic development. During the exit conference, the APCCF stated (August 2011) that the Department would finalize the three Management Plans already prepared and prepare the Management Plans for the remaining three WLSs.

The State of Goa has six Wildlife Sanctuaries and one National Park. Out of which, Management Plan has been prepared for Dr. Salim Ali Bird Sanctuary, Chorao-North Goa and for Cotigao Wildlife Sanctuary, Canacona-South Goa. The Work on preparing Management Plans for Bondla, Mhadei, Mollem and Netravali Wildlife Sanctuaries is undergoing. The work on writing of the Management Plans is hampered due to acute shortage of Executive staff in the field and officers at Dy. Conservator of Forests level. The Department could recruit Range Forest Officer to fill twelve vacant posts only in 2013 and after completion of two years training at Andhra Pradesh Forest Academy, Dullepaly, Hyderabad, they were posted in the field in 2015. Similarly 157 posts of Forest Guard were lying vacant since last several years. Fresh recruitment process for filling 157 posts of Forest Guards was taken up in 2016 after getting clearance/approval from the Government and written test was conducted in October 2016. Due to announcement of State Assembly elections and then bye-elections, the process could not be completed. And now with Government directives the process is being taken up further to complete the recruitment process. It is hoped that after this and with 6 months field training at Forest Training School, Valpoi, we may be able to place them by early next year and functioning of the Department will improve considerably.

The Committee is of the view that preparation of Management Plan for every WLS and NP is the best way to maintain and more importantly, improve the existing diversity of flora and fauna. It views the non-compliances on the preparation of the Management Plan for Bondla, Mhadei, Mollem and Netravali Wildlife Sanctuaries/National Park from a systematic and focussed developmental approach. The Committee does not accept the excuse of shortage of staff as a valid explanation for hampering the development of our WLS/NPs. The Committee strongly recommends that the recruitment be carried out on a war footing and finalised at the earliest.

FINANCIAL MANAGEMENT

Physical targets and achievements

The Forest Department is implementing a number of State schemes such as forest conservation and development, social and urban forestry, rehabilitation of degraded forests/older plantations, etc. Targets were fixed for components of raising of nurseries, afforestation, boundary clearance, cultural operations, avenue plantations etc. under the above schemes.

Scrutiny of the achievements revealed that targets under the components of 'afforestation' and 'avenue plantation' under the social and urban forestry scheme and 'afforestation/plantation' and 'soil conservation'

under the Western Ghat Development Programme were achieved. However, there were shortfalls in the achievement of targets under the component, 'raising of nursery' under the social and urban forestry scheme, rehabilitation of degraded forests/older plantations scheme and the Western Ghat Development Programme during 2006-11. The achievements in raising of nursery were 21.36 lakh seedlings (92 per cent), under social and urban forestry, four lakh seedlings (54 per cent) under rehabilitation of degraded forests/older plantations and 15.39 lakh seedlings (91 per cent) under Western Ghat Development Programme against the targets of 23.25 lakh, 7.35 lakh and 17 lakh respectively. The achievements under the component, 'cultural operations under the forest conservation and development scheme' was only 613 hectares (70 per cent) against the target of 880 hectares for the period 2008-11. The DCF, Planning and Statistics (P&S) without giving detailed reasons, attributed (June 2011) the shortfall in achievements to technical and administrative reasons.

It is observed in the report that during the period 2006-2010, 92% target were achieved in raising seedlings in nurseries, 54% was achieved under Rehabilitation of degraded forest and 91% was achieved under Western Ghats Development Program. In this regard it is to mention that the work of the Forest Department is carried out as per the Annual Plan of Operations (APO) prepared in the beginning of the F. Y. and as per the budget allocated every year. The targets are allotted to various Divisions as per the APO. In most of the cases the works are proposed in anticipation of sufficient funds getting released from the Government. However due to various circumstances and as per the priority of the State Government the funds gets released and when they are insufficient, the 100% target does not get achieved. Further the State of Goa is having forest and tree cover of 68.85%, which is much higher than the national average. Due to the small geographical area of the State and other developmental land use/needs, it is becoming increasingly difficult to find vacant lands for raising plantations under different schemes including Compensatory Afforestation under Forest Conservation Act, 1980.

PROTECTION OF FORESTS

Protection of forests is one of the primary responsibilities of the Forest Department. The function of the Department relating to protection of forests includes notification of unclassed forests under Section 4 and Section 20 of the Indian Forest Act; mutation in revenue records in respect of notified reserve forests; protection of forests against fires, cattle grazing, illegal cutting of trees including trees outside forest areas etc. The audit reports observations in this regard are discussed below:

Integrated Forest Protection Scheme

Protection of forests resources requires a strong infrastructure at the disposal of the State Forest Department. The existing infrastructure is grossly inadequate due to paucity of funds to deal with the task of forest protection. To meet the emergent requirement of State Forests Departments, the Integrated Forest Protection scheme (IFPS) was made operational by the Ministry of Environment and Forests (MoEF), Government of India (GOI) during the X Five Year Plan with three components namely (a) forest fire control and maintenance (b) strengthening of infrastructure for forest protection and (c) preparation of working plan/survey and demarcation.

(a) Delay in utilization of funds under the scheme

The IFPS was funded both by the Central and State Government on 75:25 basis. Funds were to be released in two instalments in a financial year. The second instalment was to be released only after receipt of the utilisation certificate for the funds released during the previous year. The utilization certificate was required to show utilisation of funds for more than 50 per cent of the first instalment of the year and a certificate to the effect that at least 70 per cent of the first instalment released had since been committed.

Report states that proposals for the scheme were invited by MoEF from all State Forest Departments between March-April for 2006-10 and November 2009 for 2010-11 with tentative allocation and were to be submitted latest by April-May and December respectively.

Though the Central share of tentative allocation went up from ₹50 lakh to ₹ 1.04 crore, the amount sanctioned by MoEF went down from ₹ 47.70 lakh to ₹ 31.25 lakh during 2006-11. The proposals for funds were submitted between June to October after delays of 51 (2006-07) to 185 (2010-11) days, which resulted in delay in sanctions and receipt of funds from MoEF and their utilisation.

Eight watch-towers for keeping a watch on forest fires were proposed for construction at Mollem, Satpal (two number each) Chandel, Pernem, Bondla, Cotigao (one number each) during 2006-10 costing ₹ 16 lakh. However, only two were constructed at Chandel and Bondla (one each) during 2006-10 at a cost of ₹ 3.62 lakh. Further, against a provision of ₹ 8 lakh during 2006-10 for purchase of fire fighting equipment, only ₹ 1.58 lakh was spent. Construction of anti-poaching-cum-patrolling stations (one each) was proposed in 2006-07 and 2007-08 costing ₹ 8.71 lakh. Further,

construction of one building for 'B' type quarters at Usgao Tisk Timber Depot costing ₹ 6 lakh during 2007-08 and two fire protection offices (each costing ₹ 3.50 lakh) in 2008-09 and 2009-10 were approved by MoEF. None of these were taken up, depriving the State of infrastructure built out of Central assistance. A Review and Monitoring Committee under the Chairmanship of the Principal Chief Conservator of Forests was to be constituted for review of the scheme, whose meetings were required to be held at least every six months. It was seen that the Committee was constituted only in March 2010, though the scheme was in operation since 2002-03.

(b) Delay in submission of Utilisation Certificates

An amount of ₹ 95.47 lakh (49 per cent) was released during the period 2006-11 against the sanctioned amount of ₹ 1.97 crore as the Department failed to submit the utilization certificates required under the scheme and was, therefore, deprived of assistance of ₹ 1.01 crore. This was due to failure of the Department.

The DCF, (Planning and Statistics) replied (June 2011) that the preparation of proposals was time-consuming and hence, there was delay in preparing and sending the proposals to MoEF. The delay in utilization of funds was attributed to late receipt of sanctions and considerable time spent on observing codal formalities. The reason for delay in preparation of proposals is not acceptable as this process should have been started well in advance as it was an ongoing scheme. The delay in utilization of funds could also have been avoided if the proposals had been sent on time.

The main components namely (a) forest fire control and maintenance (b) strengthening of infrastructure for forest protection and (c) preparation of working plan/survey and demarcation. As mentioned in the CAG report, the Department agreed that there was a delay in submission of proposal from year 2006 to 2011 to the MoEF&CC and there was also a delay in submission of utilisation certificates on time. Even though the targets under this schemes from the year 2006 to 2011 were not achieved in full, many of the work proposed in this scheme were subsequently taken up under the regular Schemes of the Department under State fund and work permissible under Compensatory Afforestation Fund (CAMPA). Further since 2014, the Department has not received any funds under any of the Centrally Sponsored Schemes of MoEF&CC. even though the Department has not received funds for last three years, the main objectives of the Forest Department i.e. conservation, protection of forest and wildlife along with innovative and new work like development of nature interpretation centre, mangrove walk at Salim Ali Bird Sanctuary, Chorao, construction of a new forest Headquarter Building at Panaji, acquisition

of 17 hector private area at Galgibagh for development of Marine Turtle Conservation Reserve have been taken under the State Plan and Compensatory Afforestation Fund (CAMPA). Further Department has taken note on the observation of CAG and in future the proposals and utilisation certificate will be submitted within time prescribed. During this financial year we have submitted three projects under CSS of MoEF&CC in time, and one project on conservation of marine turtle at Galgibagh has been sanctioned in the month of August, 2017 by MoEF&CC, but central funds are yet to be received by the State.

The Committee recommends that as release of funds was dependent upon timely submission of utilisation certificates, the same should be submitted at the earliest to avoid late release of funds for projects which in turn was hampering the effectiveness of the project. Non-availability of control funds for projects due to non-submission of utilization certificate puts a strain on the State funding as the same is utilised for carrying forward on going components which could have benefited from Central Funds.

PENDING CASES WITH FOREST SETTLEMENT OFFICERS

Unclassed forests are notified under Section 4 of the Indian Forest Act, 1927 (IFA) and claims of the persons claiming title to the land are settled by Forest Settlement Officers (FSO) who are quasi-judicial officers from the Revenue Department. Thereafter, the forest areas are demarcated and notified as Reserved Forests under Section 20 of the IFA by the Department. As on April 2011, 163 cases involving 68,677.03 hectares of forest land were pending with FSOs from the period 1974 to 2011 out of which 669.45 hectares of forest land were notified under Section 4 of the IFA during the period 2006-11. During the period 2006-11, 600.11 hectares of forest land were notified under Section 20 of IFA. Test check of 21 cases revealed delays in taking action for settlement both by FSOs and the Department North and South Divisions did not have any control register for noting therein the instructions given to Range Forest Officers (RFOs), watching compliance, sending reminders to RFOs and FSOs, etc. for ensuring effective watch on each case. The delay in notifying the forest areas under Section 20 of the IFA hampered the protection, conservation and development of such forest areas.

A High Level Committee, constituted (March 2007) by the State Government to oversee various anomalies that had crept into the making of the 1979 Working Plan of North Division, attributed the delays in finalizing the cases to delays by the Department and also to additional work-load of FSOs owing to the additional charge of other Departments. Based on the points raised in the High Level Committee, the CCF decided (May 2007) to move a

proposal for posting of an independent FSO so as to expedite settlement proceedings. However, no action was taken by the Department to move the proposal for posting of independent FSO. The APCCF had stated (August 2011) that the Department intends to submit a proposal to the Government for posting of independent FSO.

Accordingly, Forest Department has moved a proposal to Government for creation of one independent Forest Settlement Officer post for South Goa. The same was approved by the Government and one post was created on 05.04.2016, earlier the charge of FSO was not independent and it was always held with some additional charges which had resulted in delay in finalising the claims and notification of Proposed Forests to Reserve Forests. The Divisional Officers are constantly pursuing with the two FSO posted for North and South Goa to expedite the settlement of the claims cases in notified forest areas. Due to this constant effort of the Department, in last 4 months itself 6 cases have been cleared and 392.74 ha. of Proposed Reserved Forests have been notified by the Government as Reserved Forests. In last five years from 2012 to 2016, only two cases were cleared declaring 77.52 ha. as Reserved Forests.

The Committee recommends that as there is now a dedicated FSO with independent charge to look into the pending cases, the same should be expedited and cleared speedily.

NON-COMPLETION OF MUTATION IN LAND RECORDS

The High Level Committee, mentioned above, directed (April 2007) the Department that mutation in revenue records was to be done in respect of notified reserve forests under Section 20 of the IFA to avoid disputes on the ownership of the land due to non-updating of records. The area of reserve forest land in Goa as on March 2011 was 25,144 hectares.

The DCF, North Division directed (May 2010) all the RFOs to file mutation applications in respect of reserved forests in a time-bound manner and submit monthly progress reports. No time limit was fixed for filing the mutation applications nor was the progress watched by the division office. Except for Valpoi Range, monthly progress reports were not submitted by any of the Range Offices. Similar directions issued by the DCF, South Division to its Range Offices were not available on record. No records of the mutation applications filed by the Range Offices were available at the divisions. The DCF, North Division stated (July 2011) that all RFOs had been directed to carry out the mutation and submit the reports regularly but the reply was silent regarding the delay in instructing the RFOs to file mutation applications. The DCF, South Division stated (June 2011) that instructions had been issued to

Range Offices to take necessary action. Thus, the process of mutation which was required to prevent disputes on the title to land remained unfinished despite the direction of the High Level Committee in April 2007. The APCCF had agreed (August 2011) to the importance of mutation and directed the divisions to take up the matter with the Collectors for completing the mutation process expeditiously.

The North and South Divisional Officers issue periodical directions to the Range Forest Officers to file before the competent authority for mutation of Reserve Forests. The Department has also requested the revenue authorities to complete the mutation process expeditiously. At present, at North Goa, out of 38 blocks of Reserve Forests 31 numbers have already been mutated and in case of South Goa, out of 54 blocks of Reserve Forests, 48 numbers have been mutated. The matter is being taken up on priority to complete the mutation of remaining forest area in land record.

The Committee recommends speedy disposal of the mutation cases with respect to Reserved Forests. The Committee may be kept updated on the progress of the same periodically.

PENDING OFFENCE CASES

As on June 2011, 94 offence cases registered during 2003-11 under the Preservation of Trees Act, 1984 (PTA) and the Indian Forest Act, 1927 (IFA) were pending with the Department. As per the above two Acts, offence cases were to be enquired into expeditiously and sent for compounding within six months. However, it was found that 58 out of 70 cases registered during 2003-10 remained pending for want of enquiry reports from the Range Offices. Offence cases reported by the RFOs to the divisions are recorded in offence case registers which show the nature of the offences, amounts to be paid by the offenders on compounding of the offences etc. The dates of payment by the offenders are also noted in the registers based on the compliance reports submitted by the RFOs. Scrutiny of the offence case registered in the office of the DCF, South Division revealed that out of 109 cases compounded during 2006-11, in 74 cases, recovery of ₹ 10.95 lakh was not recorded in the register as compliance reports from the RFOs had not been received. The matter had also not been pursued by the DCF, South Division with the RFOs. The DCF, South Division stated (June 2011) that a special drive had been initiated to dispose-off pending cases and accordingly, 253 cases had been disposed-off during 2010-11. It was further stated that directions had been issued to Range Offices to furnish compliance with the compounding orders and details of recoveries would be intimated to Audit.

The Department informed that as stated by APCCF in exit conference, in order to monitor the pending offence cases a Committee under the Chairmanship of Conservator of Forests (Conservation) with Dy. Conservator of Forests, Monitoring and Evaluation as Member, Secretary was constituted during the year 2011. The Committee frequently convenes its meetings and issues necessary directions to the Divisions to clear the pending offence cases. Overwhelming majority of the cases are of minor violations in private areas by landowners which are dealt under Goa, Daman and Diu, Preservation of Trees Act (GDDPTA), 1984. Directives have been issued to the Divisional charge to settle cases, specially the old ones, on priority, which are in their domain of powers under IFA, PTA and WPA. Cases in different judicial courts are to be pursued vigorously. In last 2 years 414 cases have been settled by the Divisions and 1255 cases are pending for settlement, out of which 1032 cases are violations of PTA, 1984.

The Committee views the delay in compounding of cases pending due to non-submission of enquiry reports from the Range Officers as a lack of transparency on the part of the Department. Non recording of recoveries amounting to ₹ 10.95 lakhs in the Registers due to the absence of compliance reports from the respective RFOs further brings to the fore this lack of transparency. The Committee recommends that the details of compliance of compounding orders and recoveries may be intimated.

NON-FUNCTIONING OF THE FIRE MONITORING CELL

Forest fires are one of the major causes for destruction of forest areas. MoEF & CC had instructed (February 2006) all the State Forest Departments to create 'Fire Monitoring Cells' and to appoint nodal offices for forest fires. Accordingly, the State Government notified (March 2008) the constitution of a 'Forest Fire Monitoring Cell' with the DCF, Working Plan (DCF, WP) Division as the nodal officer. The DCF, WP was required to monitor the forest fire incidence in the State by conducting a preliminary survey of the forest areas and prepare an index map of fire-prone areas, which would enable the Department to design the location of fire lines. At the end of the fire season every year, the nodal officer was to prepare a map indicating fire occurrences and ascertain the damages caused, for submission to the APCCF. Despite the lapse of three years since the constitution of the cell, there was no feedback available in respect of forest fires or conducting of any survey of fire-prone areas. APCCF stated (August 2011) that no reports had been submitted by the Cell and that the matter would be pursued.

At present Forest Survey of India, Dehradun is actively monitoring the fire incidents over the entire country in real time using satellite data. Dy.

Conservator of Forests, Working plan Division, being the Nodal Officer for fire monitoring and other Divisional Officers/Field Officers are now registered with Forests Survey of India SMS service to receive alerts regarding the occurrence of fire in their respective jurisdiction. Further the Forest Fire Plan and Forest Evaluation Plan for the State of Goa have been prepared and approved by MoEFCC, Government of India. In case of emergency forest fire, action is taken as per the Forest Fire Plan. Necessary instructions have been issued to the Nodal Officer to provide feedback after every fire season along with fire occurrence map and damages etc.

The Committee notes that the Department is relying on the information about incidents of fire in the State to be relayed from Dehradun. It is of the opinion that a survey should be carried out with regards to fire prone areas and a contingency plan that is reviewed annually should be in place specially with regard to drawing of effective fire lines. As the State has a very heavy forest cover the need for forest fire safety is felt. The Department may revitalize the “Forest Fire Monitoring Cell” so effective and timely feedback and action plans may be available to put into immediate action.

CONSERVATION OF FORESTS

The conservation functions of the Department include compensatory afforestation on diversion of forest land for non-forest purposes; removal of weeds; soil conservation measures; preservation of trees outside the forests etc. The Preservation of Trees Act, 1984 and the Forest Conservation Act, 1980 are the two major enactments enforced in the conservation of forests. The audit findings in this regard are discussed below:

Preservation of Trees Act, 1984

The Goa, Daman and Diu Preservation of Trees Act, 1984 (GDDPTA) is an important legislation of the State for preservation of trees outside the forest. As per the GDDPTA, no person can fell or dispose of any tree in any land, whether in his ownership or occupancy or otherwise, except with the previous permission of the Tree Officer. Every person granted permission under the Act is bound to plant such number and kind of tree/trees in the area from which the tree/trees is/are felled or disposed of under such permission as may be directed by the Tree Officer. Further, as per the Goa, Daman and Diu Preservation of Trees Rules, 1983 (GDDPTR), a security deposit has to be collected for ensuring the replanting of the tree/trees, which is refunded on re-plantation of the trees stipulated by the Tree Officer. The rules also stipulate that on failure of a permit holder to replant the tree/trees as specified in the permit, the Tree Officer, after issue of notice to the permit holder, would arrange to replant

the trees. The GDDPTA further provided that the cost of replanting the trees by the Tree Officer would be recovered from the permit holder by way of adjustment against the security deposit or failing that, by recovery as arrears of land revenue.

(a) Poor enforcement of the Act

For preservation of trees in the State, it was important that the Department not only ensure that the permit holders replanted trees as stipulated by the Tree Officer but also ensured the growth of replanted trees. The divisions issued notices to permit holders on their failure to replant the trees. However, there was no data regarding the number of cases to be inspected, the number of actual inspections conducted, the notices issued, cases where trees had been re-planted and its inspection to monitor its growth. Further, no details were available on the action taken in cases of failure to replant trees to ensure proper monitoring in the implementation of the Act. The rules did not provide for any inspections to be conducted to ensure that the trees replanted were growing well nor was the same prescribed by the Department. Audit scrutiny of 744 out of 1,253 cases of tree-cutting permitted during 2009-10 in the office of the DCF, South Division revealed that in none of the cases was any notice issued or action taken to replant the trees. Compilation of data by Audit revealed that as against 2.03 lakh trees to be replanted in lieu of 0.59 lakh trees permitted to be cut during the period 2005-11 in North and South Divisions, only nine thousand trees were replanted. Thus the provisions of the Act pertaining to replanting of trees were poorly enforced. The APCCF stated (August 2011) that notices were being issued and further action would be taken for enforcement of the Act.

Under the provision of Preservation of Tree Act, 1984 it is the discretionary power of Tree Officer to impose the condition of tree planting in lieu of trees felled. Generally due to lack of space it becomes difficult for the applicant or agency to replant the trees within the area. Further, the security deposits are not being claimed by most of the applicants/parties and this security deposit can be used for tree plantations by the Department. In spite of not achieving 100% targets in tree planting under this Act the forest cover of Goa has increased 5 sq.. km. as per the latest State of Forest Report, 2015 of Forest Survey of India, Dehradun, compared to 2013. While the tree cover is 325 sq.. Km. (8.8%) compare to SFR 2013, 334 sq.. km. (9.03).

The Committee sees a lack of focussed effort on the part of the Department to enforce the law with respect to replanting, maintaining and monitoring of replanted trees by licence holders. Placing the onus of replanting on the Department, utilising the Security Deposits is not seen as a

solution. The Committee sees a disparity in the designed ratio of trees cut and trees replanted between 2005-2011. The Committee recommends that the PTA, 1984 be amended to provide for active monitoring of replanted trees and ensuring recording of the same. Payment of security deposits against licence to fell trees should not exempt the licensee from the responsibility of replanting the designated number of trees.

(b) Non-constitution of Tree Authority

Section 3 of the GDDPTA stipulates the constitution of a Tree Authority by the Government for each revenue district, who would be responsible for carrying out census of the existing trees, specifying the standards regarding the number and kind of trees to be planted, the type of land and premises for each locality; the type of species and number of trees to be planted etc. Further, as per Section 11 of the Act, every owner of land should plant trees in “blank areas so as to conform to the standards specified by the Tree Authority. The DCF, South Division stated (June 2011) that the Tree Authority had not been constituted nor the census conducted and that the matter regarding constituting the Tree Authority would be initiated. The DCFs, North and South Divisions stated (June 2011) that the details of ‘blank areas’ were not available with them. During the exit conference, the APCCF stated (August 2011) that the matter was discussed and the Government had directed the Department to send a proposal for constituting the Tree Authority. Despite a passage of 27 years from the date the GDDPTA was enacted, the Government had not constituted a Tree Authority, in the absence of which, the work of conducting a census of the trees and specifying standards regarding the number and kind of trees to be planted in each locality, could not be started. A planned approach to preservation of trees thus was absent.

The Department informed that now the Government of Goa vide Notification No. 9/92001-FOR/441 dated 28/11/2012 has constituted Tree Authority for North Goa and South Goa.

(c) Short recovery of security deposits

As per the GDDPTR, a security deposit has to be collected for ensuring the replanting of tree/trees. As per the relevant Government notification (July 2003), the fee for each tree permitted to be cut was ₹ 100 while the security deposit for ensuring re-plantation of the tree/trees mentioned in the permit in lieu of tree/trees permitted to be cut was ₹ 200 per tree to be replanted. Scrutiny in Audit revealed that security deposits at the rate of ₹ 200 per tree were collected for the number of tree/trees permitted to be cut instead of the

number of trees required to be replanted. As against ₹ 4.06 crore to be collected for 2.03 lakh trees to be replanted, the security deposit collected was ₹ 1.18 crore only, resulting in short recovery of ₹ 2.88 crore during the period 2005-11 in the offices of the DCFs, North and South Divisions. The DCF, North Division stated (June 2011) that the Government notification had been interpreted to mean that security deposit should be collected for each tree to be felled while the DCF, South Division stated (June 2011) that the Government notification was not clear as to whether the security deposit was to be collected on the trees permitted to be cut or the number of trees to be replanted. The replies are not acceptable since there was no ambiguity in the notification and the security deposit was to be collected for the trees to be replanted. APCCF informed (August 2011) that the matter would be re-examined.

The Department informed that Notification No. 9/9/2001-FD dated 14/07/2003 regarding security deposits to be collected for ensuring regeneration was interpreted as security deposits to be collected for every tree permitted to be felled. Hence there is short recovery of security deposits. At present approximately ₹ 51.30 lakh in North Goa Division and ₹ 61 lakh in South Goa are there as security deposit and action has been taken to expropriate the old cases and deposit the money with Government in a regular way. A meeting of Tree Officers shall be called shortly to decide on collection Security Deposit against the target of trees to be planted.

The Committee does not accept the reply of the Department that the way notification dated 14/7/2003 was interpreted resulting in a short collection of ₹ 2.88 crore. The Committee is of the opinion that there could be no question of interpretation as the numbers of trees to be replanted were much more than these licenced to be felled. The Department should have sought immediate clarification in the matter, if there was a doubt. Further, even 5 years after the audit had pointed out the issue no action has been taken in the matter.

(d) Absence of physical verification of security deposits

Security deposits of ₹ 200 per tree were collected by way of Fixed Deposit Receipts (FDRs)/Deposit at Call Receipts (DCRs) and Demand Drafts (DDs). Physical verification of the FDRs/DCRs/DDs held as security deposits was not done during the period 2005-11. Though the security deposits received were noted in a register by the divisions, the date of expiry of DDs were not noted in the register to ensure that the DDs were either renewed or encashed before expiry of the validity of the drafts. Test check of 744 tree-cutting permissions granted during 2009-10 in the office of the DCF, South Division revealed that in 572 cases, DDs valuing ₹ 3.13 lakh had expired. In view of the above, a review of the system being followed in the collection and

holding of the security deposits in the form of FDRs/DCRs/DDs without depositing the same into the treasury was required. The DCFs, North and South Divisions stated (June 2011) that the matter regarding the review of the system would be taken up with the higher authorities. The APCCF informed (August 2011) that necessary action would be taken and the system would be reviewed.

Register for security deposit is maintained in the office of Tree Officer. These deposit are meant to be returned to the applicants after the compliance of tree planting, however in many cases the applicants are not approaching the tree officer for refunds of their security deposits and as detailed in previous para, the security deposits have accumulated, notices have been issued to the applicants to comply with replanting and to take these security deposits back. In many cases the security deposits have been deposited to the Government Treasury in the past.

With regard to the amount held as Security Deposits with the Department against replanting of trees, the fact that DDs to the tune of ₹ 3.13 lakh have expired due to lack of a system in place to keep check on the same. The Committee sees a total lack of application on the part of the Department in the matter. The Committee recommends that an urgent review of the system be taken and a change in the mode of handling of the security deposits be done to facilitate renewals/encashment. It advocates a strong effort to ensure replanting of trees rather than be complacent with the deposits amount held, which do not convert into replanting and protection of the green covers. The Committee may be kept updated in the matter of the lapsed DDs.

COMPLIANCE OF THE FOREST CONSERVATION ACT, 1980

The objective of the Forest Conservation Act (FCA), 1980, a Central Act is to regulate the indiscriminate diversion of forest land for non-forest uses and to maintain a logical balance between the developmental needs of the country and the conservation of the natural environment. Under the provisions of this Act, prior approval of the Government of India (GOI) is essential for diversion of forest land for non-forest purposes. To reduce environmental damage on account of forest loss, GOI, while approving a proposal, stipulated conditions which, inter alia included carrying out compensatory afforestation, creation of safety zones etc. The cost of conservation measures was to be borne by the user agencies. Further, user agencies had to pay the net present value (NPV) of the diverted forest land. While processing proposals involving diversion of forest land, it was the responsibility of the Department to ensure compliance of the conditions laid down by GOI and the State Government. Audit scrutiny revealed the following:

(a) Non-revision of Compensatory Afforestation charges

Compensatory Afforestation (CA) charges were being levied on user agencies for diversion of forest land for non-forest purposes. Charges of ₹ 44,430 per hectare were revised (October 2005) by the State Government retrospectively from August 2004 to ₹ 92,368 per hectare due to increase in daily wages. The daily wage rate increased from ₹ 98 per worker per day in 2002 to ₹ 147 and ₹ 221 per worker per day in June 2007 and 2010 respectively. Considering the increase in wages, the cost of afforestation worked out to ₹ 1,28,927 and ₹ 1,84,138 per hectare with effect from June 2007 and June 2010 respectively. However, the rate of CA charges remained unrevised despite 125.51 per cent increase in the daily wage rate from 2002. The CA charges necessitated revision due to increase in wage rate as wages comprised the major cost component of afforestation. The APCCF agreed (August 2011) to increase the CA charges immediately on revision of the wage rates.

Estimates for plantation works and other allied forest works were prepared based on the existing Goa Forest Schemes of Rates. The GFSR was last revised in 2006 and was being implemented after obtaining approval of the State Government. The Compensatory Afforestation rates being recovered at the rate of ₹ 92,368/- are based on this rates. A Committee was formed to revised the GFSR taking into accounts the present daily wages rate. GFSR so prepared was submitted to the Government for approval on 05/03/2012. Approval from the Government is still awaited. Revised estimates for CA charges have been prepared and will be implemented once GFSR is approved by the State Government. Considering that wages have further increased, we will also move a fresh proposal to the Government. Compared to other States the diversion of forest lands in Goa have been very small. In last five years only 7.913 hector of forest lands have been granted final clearance for diversion and further in the absence of non-forest land for CA, money is often used for other forest protection and wildlife management work. Therefore the actual loss to the exchequer is not very high.

The Committee reviews the delay in getting the approval for the revision of CA rates as serious for the cost of afforestation now exceeds the recovery by means of charges by a large margin. The Committee would like to be updated as to what follow ups were done by the Department in the matter of getting the approvals speedily. The Committee recommends that immediate approval should be sought for revision of CA charges based on latest labour wages. The Committee may be kept updated in the matter.

(b) Non-recovery and short recovery of Compensatory Afforestation charges

The FCA stipulated that wherever non-forest land was not available or the area of the non-forest land was less than the forest area being diverted, CA was to be carried out in degraded forests in twice the area being diverted or in an area equal to the difference between the forest land being diverted and the available non-forest land, as the case may be. Scrutiny in audit revealed that the DCF, North Division did not recover CA charges amounting to ₹ 15.59 lakh in a case involving diversion of 8.44 hectares of forest land for mining. In another case, the DCF, North Division did not recover CA charges for twice the area of 44.07 hectares diverted for mining, resulting in short recovery of ₹ 40.71 lakh.

The DCF, North Division intimated (November 2010) the Conservator of Forests (CF) that GOI, while granting in-principle approval for diversion of forest land for mining, had not stipulated recovery of CA and requested the CF to intimate GOI to impose the condition at the time of grant of final approval. However, this fact was not brought to the notice of GOI by the CF. Thus, though the FCA stipulated recovery of CA charges, the same was not done. During the exit conference, the APCCF directed (August 2011) the division to verify the matter and take action.

The audit team has observed non-recovery of CA Charges in 02 specific cases of North Goa Division.

1. Title of concession No. 62A/52 – in this case, Compensatory Afforestation charges of ₹ 40.71 lakh were recovered in the year 2009 from the user agency in the mining lease, for diversion of 44.04 hector forest area.
2. Title of concession No. 62B/52 – since the recovery of CA Charges was not mentioned in the principle approval granted by the Government of the India the CA charges were not recovered.

As per the observations of the audit team the issue was taken up with Government of India by the Department vide letter dated 23/05/2011 and 28/08/2013. The MoEF&CC vide their letter dated 15/05/2014 imposed additional conditions of transferring non-forest land admeasuring 8.44 hector in favour of Forest Department by the user agency, and raising of CA on the non-forest land at the cost of user agency. The same was communicated to user agency for compliance vide letter dated 01/07/2014. The user agency meanwhile approached the Chief Secretary and in the absence of non-forest land it obtained a certificate from Government for the same on 22/09/2017. However the Department can now raise demand for CA amount over twice the degraded forest land and can use the money for either CA or for other

forest/wildlife management works. Pending all these user agency has not been allowed to work in the concerned leased forest area of 8.44 hector.

(c) Non-verification of safety zone area and non-recovery of cost of fencing and afforestation

GOI, while granting in-principle approval for diversion of forest areas for mining purposes, inter alia, stipulated (May 2006) that fencing, protection and regeneration of safety zone areas (7.5 metre strips all along the boundary of mining lease areas) wherever feasible, should be done at the cost of the mine owners.

Further, GOI also stipulated (May 2006) that afforestation on degraded forest land should be done in other areas measuring one and a half times the areas under safety zones. This is also to be done at the cost of the mine owners. For carrying out the work of fencing and afforestation, the Department recovers the cost from the mine owners. On test check of 10 out of 16 cases approved by GOI during 2006-11, it was observed in audit that the area of the safety zone computed by mine owners was not independently verified by the DCF, North Division. The DCF, North Division stated (June 2011) that the verification of safety zone areas would be considered in future but the reply was silent on the reasons for not verifying the area in the past.

It was further observed that DCF, North Division in one case, had not recovered the cost of fencing and afforestation. The DCF, South Division had not recovered the cost in three cases. The DCF, North Division stated (June 2011) that the mine was surrounded by other working mines on all sides and that the responsibility of fencing was the user agency's and not of the Department. The reply is not acceptable as in other cases, afforestation charges and cost of fencing have been recovered by the division. The DCF, South Division stated (June 2011) that the details in respect of the three mines were being verified and would be intimated to Audit. The APCCF directed (August 2011) the divisions to take suitable action and also to verify the recovery cases pointed out by Audit.

The Department informed that as pointed out by the Audit Team in certain cases there was a non-verification of safety zone area and non-recovery of cost fencing and afforestation. The main reason attributed is that in title of concession No. 29/54 in North Goa all sides were surrounded by other working mines and in 3 cases of South Goa the condition of Safety Zone Area was imposed upon on the user agency to carry out the work and the Department was not informed to collect CA of this area. However, the Department will again

verify the Safety Zone Area and if required recovery of cost of fencing and afforestation will be done now.

The Committee has still not been informed as to why the physical verification of safety zones in mining areas pointed out by the Audit team was not carried out. It seeks information on the progress of verification of safety zone and subsequent recovery of fencing and CA.

(d) Shortfall in Compensatory Afforestation (CA)

In order to mitigate the adverse effects of diversion of green forest land, GOI, while granting approval under the Act, stipulates that CA should be done over an equivalent area of non-forest land or double the degraded forest land in case of non-availability of non-forest land. Quarterly progress reports on CA, in lieu of forest areas diverted under FCA were to be submitted by the DCFs, North and South Divisions to the APCCF's office.

Scrutiny revealed that the reports had not been prepared after March 2010 and June 2009 by the DCFs, North and South Divisions respectively. As per the last quarterly progress report submitted by the DCF, North Division, as against CA of 1,440.97 hectares to be done since 1983, only 509.59 hectares (35 per cent) had been brought under afforestation. As per the information furnished by the DCF, South Division, CA of 816.86 hectares (82 per cent) was done as against 998.92 hectares to be done since 1987. The DCFs, North and South Divisions stated (June 2011) that the shortfalls were due to non-availability of degraded forest land. The reply is not acceptable as even during 2010-11, the Department had carried out enrichment plantations in 150 hectares in degraded forests. During the exit conference, the APCCF while agreeing (August 2011) that enrichment plantation in degraded forests was done during 2010-11, also agreed to update data on CA and obtain monthly reports from the divisions.

The Department informed that the Audit Team has pointed out that quarterly progress reports on Compensatory Afforestation were not submitted to the head office by the North and South Division. Directions were issued to the two Divisional Officers to submit quarterly progress report on time. Further, as on 31/03/2016 the total CA stipulated for State of Goa is 1,761.65 hector, out of which 1,644 hector have been achieved and only 117.65 hector pending. The main reason for the shortfall in Compensatory Afforestation is non-availability of non or degraded forest land. The same was communicated to Hon'ble Supreme Court and MoEF&CC and accordingly Central Empowered Committee (CEC) has recommended use of CA money for other forest and wildlife management activities.

Non submission of quarterly reports regarding progress of CA by the DCF shows a lack of commitment to increasing of forest cover in the State by the Departments. These reports are the yard sticks by which CA progress can be gauged. The reports also provide transparency as to action taken in cases of compensatory Afforestation requirements and compliance. The Committee feels any such lapse in future should be viewed seriously.

(e) Non-recovery of penal CA charges from mines

As per a Supreme Court judgement dated 4 January 2008 in the case of Godavarman Thirumulpad vs Union of India (Writ Petition No. 202/1995), penal CA was to be recovered from mine owners for carrying out mining between 1987 and the date on which the approval under FCA was accorded. Accordingly, the DCF, South Division demanded (January 2008) payment of penal CA charges amounting to ₹ 3.70 crore from M/s V.S. Dempo and Company Private Limited in respect of three mines. However, the company did not pay the penal CA on the ground that it did not carry out any mining activity during the period 1987 till the date of obtaining GOI approval. The division office, however, did not verify the claim of non-working of the mines. On this being pointed out by Audit, the DCF, South Division stated (June 2011) that the matter had since been referred (June 2011) to the Director of Mines and further progress would be intimated to Audit. The fact remains that the division office did not verify the claim of non-working of mines based on the inspections carried out by the staff and officers of the Department. During the exit conference, the APCCF agreed (August 2011) to take action.

The Department informed that the Audit Team has pointed out that in title of concession No. 3/51, 35/52 and 40/54, in South Goa penal CA charges were not recovered as per the Supreme Court judgement dated 4/01/2008 in the case of Godavdrman Tirumalapad v/s Union of India, as per the judgement, penal CA Ws to be recovered from the leases for carrying out mining activities between 1987 and till date on which approvals under FCA were accorded. The Department had raised demand for payment from the company for an amount of ₹ 3.70 crore. However the company did not pay the amount stating that it did not carry out any mining between 1987 till the actual approval. The Department of Mines, Goa has confirmed that the mining lease bearing No. 3/51, 35/52 and 40/54 of M/s. Dempo & Co. Pvt. Ltd. were not in operation from 1987 to 1995.

(f) Non-monitoring of compliance of conditions stipulated by GOI

While granting permission for diversion of forest land for mining, the GOI conditions include fencing, mitigative measures to minimize soil erosion,

etc. Test check of 24 out of 26 cases approved during 2006-11 by Audit in the DCFs, North and South Divisions revealed that periodical inspections of mines were not done to ensure compliance to GOI conditions. Control registers were not maintained showing the position of compliance by mine owners and follow up action by the divisions in cases of default. The Department also did not prescribe any periodical reports from Range Offices on the status of compliance of GOI conditions. The division offices had also not prescribed the number of non-working mines to be inspected each month/quarter by the Range Offices and the reports to be submitted therein. In reply, the DCFs, North and South Divisions stated (June 2011) that regular inspections were carried out by the staff and officers of the Department in forest areas including mining areas. The reply is not acceptable in the absence of periodical reports on compliance and corrective action taken in the event of mine owners not adhering to the statutory conditions. During the exit conference, the APCCF directed (August 2011) the divisions to maintain control registers and obtain reports from Range Offices to monitor compliance.

The Department agreed that in some cases Control Registers were not maintained by the Divisions and periodical inspection and report from Range Officers to monitor compliance were not made during the period 2006 to 2011. The Range Forest Officers, Sub-Divisional Forest Officers and the Dy. Conservator of Forests regularly inspect areas in respect the forest and lease under their jurisdiction, but record maintenance was found lacking. The concerned Divisions have been directed to comply with these observations of Audit team and further directions will also be issued to the divisions to ensure the compliance of conditions stipulated by Government of India. The monitoring of the diverted forest areas for mining is being regularly done by the MoEF&CC, Regional Office, Bangalore.

The Committee recommends that responsibility be fixed on the inspecting team with respect to periodic reporting of inspection carried out of mines in forest areas and non-working mines which will add transparency to the inspections and helps in monitoring as to whether the mine owners are adhering to the statutory conditions laid down.

STATE COMPENSATORY AFFORESTATION FUND MANAGEMENT AND PLANNING AUTHORITY

The MoEF&CC, GOI issued (July 2009) guidelines for establishment of a Compensatory Afforestation Fund Management and Planning Authority (CAMPA) in the State. The functions of the State CAMPA, inter alia, included funding, overseeing and promoting CAs in lieu of diversion of forest land for non-forestry use, overseeing forest and wildlife conservation and

protection work within forest areas and maintaining a separate account in respect of the funds received for conservation and protection of protected areas. The amounts towards CA, NPV etc. received from user agencies for diversion of forest land for non-forest purposes were transferred to CAMPA under MoEF, New Delhi. The State CAMPA (constituted in July 2006) received amounts of ₹ 12.12 crore and ₹ 10.24 crore in August 2009 and October 2010 respectively from the CAMPA. Based on the guidelines issued by GOI, the State Government constituted (January 2010) three Committees for the functioning of the State CAMPA viz. the Governing Body, the Steering Committee and the Executive Committee. Audit noticed the following deficiencies:

The Steering Committee approved (March 2010) the Annual Plan of Operations for the year 2010-11 for an amount of ₹ 11.92 crore, as against which the expenditure incurred was ₹ 4.20 crore only. The shortfall was mainly on account of non-utilisation of funds provided for office accommodation, construction of barbed wire, rubble wall etc. The reasons for shortfall were awaited from the Department.

The Governing Body prescribed maintenance of records relating to CAMPA along with vouchers and ledgers in the divisional offices. Audit scrutiny revealed that neither were ledgers maintained nor were accounts prepared as per the commercial accounting procedure. Monthly progress reports were not submitted as required. No action was also taken by the APCCF's office on non-receipt of reports. Consequently, no monthly CAMPA account could be prepared by the APCCF's office.

As per the Manual of Guidelines and Accounting Procedure, approved (September 2010) by the Governing Body, the accounts at the division level were to be audited by approved Chartered Accountants on the panel of the Comptroller and Auditor General of India at the end of the financial year, who were to issue certificates before the end of May of the next financial year. Further, as per the Manual, the CCF was responsible for conducting internal audit of accounts of the divisions and preparation of Annual Scheme Completion Reports. Audit observed that the Department had neither conducted any internal audit nor prepared any Annual Scheme Completion Report till date (July 2011). During the exit conference, the APCCF stated (August 2011) that the matter regarding audit of accounts would be put up to the Steering Committee.

As per the Manual, the estimates of works approved in the Annual Plan of Operations were to be prepared following the approved Forest Schedule of Rates or the PWD Schedule of Rates. However, Audit observed that in

violation of the approved guidelines, the estimates for afforestation under the State CAMPA were prepared as per the cost estimates for recovery of CA charges from user agencies. During the exit conference, the APCCF stated (August 2011) that the matter pointed out in audit would be examined and action taken accordingly.

As per the guidelines of State CAMPA issued (July 2009) by GOI, an independent system for concurrent monitoring and evaluation of the works implemented in the States should be evolved and implemented to ensure effective and proper utilization of funds. It was noticed that the Department had not conducted monitoring and evaluation of the works implemented under CAMPA.

The Department informed that as per Audit team observations following action were taken by the Department to ensure proper functioning of State CAMPA.

1. Directions were issued to concerned Divisional charges to submit monthly progress report to prepare monthly CAMPA account at the Head Office.
2. Even though Chartered Accountant has not been appointed for auditing of accounts of CAMPA in Division office/Head office, the account of CAMPA regularly audited by CAG team an shortfall, deficiencies and their observation are incorporated in the maintenance in the maintenance of State CAMPA Account.
3. Directions were issue to the Divisional charges to prepare estimates for the works approved in the Annual Plan of Operations of CAMPA as per the Forest Schedule of Rates or the Public Works Department Scheduled of Rates.
4. The work of monitoring and evaluation of works in charge plantations under State CAMPA has given to independent to third party evaluators. The same was given to Centre of Environment Education for the year 2013-14, and subsequently for 2015-16 it was awarded to Goa University and they have submitted their final report recently with the conclusion that the Forest Department of Goa State has done commendable work pertaining to CAMPA plantations and also suggested certain recommendation to improve the plantations further. These reports are being discussed in the Steering and State Level Committees and also sent to MoEF&CC.

Under-utilisation of funds of ‘Management Action Plan on Mangroves’

MoEF launched the scheme of 'Management Action Plan on Mangroves' in 1987. The mangroves of Goa were identified for intensive conservation and management. Mangroves are one of the fragile and highly productive ecosystems found along the coast. They perform a vital role in nutrient recycling, coastal protection and fish breeding. Hundred per cent Central assistance was given for undertaking activities such as raising of mangrove plantations, protection, siltation control of coastal areas, etc. funds were to be released in two instalments. The second instalment pertaining to the balance grant was to be released to the extent admissible after receipt of an utilization certificate and a report on the physical progress of work done against the released amount. In April every year, MoEF called for a proposal from the State Government for assistance under the scheme.

The proposals for assistance amounting to ₹ 78.09 lakh were submitted to the MoEF during 2006-11. Against this, ₹ 48.28 lakh (62 per cent) was sanctioned but only ₹ 23.81 lakh, being the first instalment, was released (49 per cent). However, a total expenditure of ₹ 29.76 lakh was incurred during the period, leaving an unspent balance of ₹ 2.55 lakh. No amount was released during 2009-10 and 2010-11 as the Department had an unspent balance of ₹ 10.40 lakh as on April 2009 and ₹ 2.55 lakh as on April 2010. Due to non-submission of utilisation certificates and reports on physical progress of work, the Department lost ₹ 24.47 lakh during 2006-10 for taking up works to protect the mangroves responsible for the protection of the eco-system.

Against the physical targets of 210.50 hectares and 155.00 hectares for mangrove plantations and enrichment respectively for the years 2006-07 to 2009-10, the achievement were only 168.50 hectares and 102 hectares (270.50 hectares) respectively, indicating a shortfall of 21 percent. Similarly, as against ₹ 10 lakh provided for a Mangrove Park at Panaji during 2006-07 to 2009-10, there was no progress even in acquiring land for the purpose. Further, for protection of mangroves and creating awareness, expenditure of only ₹ 44 thousand and ₹ 57 thousand was incurred during 2006-10 against ₹ 1.94 lakh and ₹ 2.90 lakh respectively, provided under the scheme. The sanction order of the MoEF required that an impartial outside technical agency be selected for evaluation of the progress of the work. The selection of the outside technical agency was not done by the Department.

The DCF, Research & Utilisation (R&U) replied (June 2011) that late receipt of funds was responsible for non-achievement of targets. Further, it was stated that the PWD was still to hand over one hectare of land for the Mangrove Park. The reply is not acceptable, as the Department had unutilized funds from the previous years for carrying out the works and did not have to wait for fresh funds from MoEF & CC.

The Department informed that as pointed out in the CAG Audit Report the under achievement of planting of 155 hector against the sanctioned 210 hector during the period 2006-07 to 2010-11 is mainly due to late receipt of sanction from Government of India, and impact of daily High Tides affecting the working hours. Inspite of the fact that the Department could not achieve the above targets, the mangroves are well protected in the State of Goa and as per the latest India State of Forest Report 2015 of Forest Survey of India, Dehradun there is an increase of 04 sq.. kms. in mangrove cover in State of Goa, from earlier overall mangrove cover of 22 sq.. kms. in 2013 to 26 sq.. kms. in 2015 assessment report. As major rivers flow through the North Goa, increase here was 3 sq., kms. as most of the mangroves are in private lands, especially in Khazan lands, specific Mangroves Management Plan is not feasible. Only Chorao Island has a mangrove patch which is under Forest Department control, and here we not have only Management Plan being a Wildlife Sanctuary, but a unique Mangrove Interpretation Centre has been set up here in 2016, to increase awareness about the importance of Mangroves to visitors to this Protected Area.

The Committee is of the opinion that a more concerted effort should be made for protection and increase of mangrove areas. It sees the underutilization of amounts at its disposal as a gross lack of planed activity in the field. The Committee would like to know the progress in the matter of the Mangrove Park at Panaji and the concrete steps taken to complete the project at the earliest.

DEVELOPMENT OF FORESTS

The Forest Department, as a custodian of Government forest land, performs a number of developmental functions. Raising/maintenance of plantations, urban/social forestry, construction and maintenance of buildings and roads in forest areas, supply of timber and development of habitats are some of the important developmental functions of the Department. The Government constituted three Forest Development Agencies for development of the forests through people's participatory approach.

National Afforestation Programme

The National Afforestation Programme (NAP), introduced in the Xth Five Year Plan, was a 100 per cent Centrally Sponsored Scheme operated by the National Afforestation and Eco Development Board (NAEB) under MoEF. The objectives of the scheme included (i) protection and conservation of natural resources through active involvement of the people (ii) checking of land degradation, deforestation and loss of bio-diversity (iii) ecological

restoration, environmental conservation and eco-development and (iv) evolving of village level people's organizations which could manage the natural resources in and around the villages in a sustainable manner. Forest Development Agencies (FDAs) and Joint Forest Management Committees (JFMCs) were the nodal agencies for implementation of the scheme. Audit findings with regard to the implementation of this scheme were as follows:-

(a) Delay in utilization of funds provided

Three FDAs were constituted (July 2003), namely for Wildlife, North and South while the JFMCs were notified in March 2003. Proposals from the three FDAs covering an area of 1,250 hectares were sent (October 2003) involving an amount of ₹ 4.07 crore for the period 2003-04 to 2006-07. However, the MoEF sanctioned only ₹ 2.39 crore for the period 2003-04 to 2006-07, out of which an amount of ₹ 64 lakh was released (March 2004) for the year 2003-04.

An amount of only ₹ 16.79 lakh could be spent during the period 2003-04 to 2010-11, out of ₹ 64 lakh released for 2003-04. Scrutiny revealed that micro plans for each JFMC were required to be prepared by the FDAs in consultation with members of these Committees, and thereafter the consolidated project proposal for the FDA should have been finalized, approved and submitted to GOI for release of funds. This was not done. The plans/maps of areas identified for plantations were not available in the North and South FDAs, as the proposals were finalized without actually identifying the areas in the field and without preparing maps for the identified areas. Further, as the project was mainly plantation based, the same could not be implemented in FDA (Wildlife) due to lack of adequate land for afforestation. Moreover, the benefit of the plantation could not be shared with the locals as no forest produce was permitted to be harvested from wildlife protected areas. MoEF had directed the Department in May 2006, October 2009 and October 2010 to return the unspent amount of ₹ 47.21 lakh along with interest. The State Government also conveyed (May 2011) its approval for returning the unspent amount. Non-utilisation of ₹ 47.21 lakh out of ₹ 64 lakh released further resulted in depriving the State of the balance amount of ₹ 1.75 crore sanctioned.

The Department stated that the National Afforestation Programme couldn't be successfully implemented in the State of Goa because the scheme was to be implemented jointly in collaboration with Village Forest Development Committees in Territorial Divisions and Eco-Development Committees in case of Protected Areas. Wherein, response from the local people to these Committees was not very encouraging in Goa since there is no direct dependency for their livelihood on forest resources for most of the

dwellers near forest areas in State of Goa. Further, the unspent amount of ₹ 47.19 lakh was refunded back to Ministry of Environment, Forest in 2011 and after 2011 this scheme was discontinued by Government of Goa. We are presently working with the interested registered Self Help Group (SHG) near to forest areas and Protected Areas.

(b) Non-release of funds to JFMCs

As per the sanction order of the MoEF, the FDAs were to release the amount to the JFMCs within 15 days of receipt of funds from the MoEF based on their fund requirements. Further, the accounts of FDAs were to be audited through reputed Chartered Accountants on the panel of the Comptroller and Auditor General of India. Though 26 JFMCs were constituted, no amounts were released to these JFMCs. Further, no audit of the accounts of the FDAs had been conducted as required in the sanction orders.

As per the guidelines of MoEF, a State Level Steering Committee was to be constituted for monitoring the implementation of the scheme. Though the Committee was constituted (March 2008) after a delay of about five years, no meetings of the Committee had been held. Reasons for the delay in constituting the Committee and holding of meetings were not furnished (August 2011).

The DCF, South Division replied (June 2011) that the scheme did not provide sufficient flexibility for implementing in Goa. The reply is not acceptable as proposals under the scheme were prepared by the concerned FDAs without any planning and without consulting the members of the JFMCs. Further details about whether land was available for plantation were not ascertained at the time of preparation of plans as no maps were available.

Delay in utilization of funds under Integrated Development of Wildlife Habitats

The MoEF (Wildlife Division) was implementing since 2005-06, a Centrally Sponsored Scheme 'Assistance for Development of Wildlife Sanctuaries and National Parks', which was renamed (January 2009) 'Integrated Development of Wildlife Habitats'. The scheme was to provide assistance for development of sanctuaries and national parks and also aimed at protection of wildlife outside protected areas and conducting recovery programmes for critically endangered species and habitats. The scheme was to be funded both by the Central and State Government on 75:25 basis. Funds were to be released in two instalments in a financial year. The second instalment was to be released only after receipt of progress of expenditure along with

an utilization certificate for more than 50 per cent of the first instalment of the year.

While proposals for the scheme were invited by MoEF (Wildlife Division) in April every year with tentative allocations and were to be submitted latest by April-May of the year, the proposals for funds were actually submitted between July and October, after delays of 71 to 139 days. This led to subsequent delays in sanction and receipt of funds from MoEF and their utilization.

An amount of ₹ 47.14 lakh was lying unspent as on 1 April 2006. During 2006-11, an amount of ₹ 3.36 crore was sanctioned, out of which only ₹ 1.82 crore (54 per cent), being the first instalment for the year was released. The Department could, however, spend only ₹ 1.97 crore during 2006-07 to 2010-11, leaving an unspent balance of ₹ 33.01 lakh as on 31 March 2011. The State was deprived of the second instalment of ₹ 1.54 crore as the Department failed to submit utilization certificates for utilization of 50 per cent of the first instalment.

The DCF, (P&S) replied (June 2011) that the process of preparation of proposals was time-consuming and attributed the delay in utilization of funds to considerable time spent in observing the codal formalities. The reasons for delay in preparation of proposals are not acceptable as this process could have been started well in advance as it was an ongoing scheme.

The Department informed that this scheme is centrally sponsored scheme and provides assistance for development of Protected Areas (PAs) and also aimed at protection of wildlife outside PAs and conducting recovery programmes for critically endangered species and habitats. As mentioned in the report the Department agrees that there was a delay in utilisation of funds under this scheme. Further, all the unutilised amount under this scheme was refunded to MoEF&CC vide Government Order No. 1/19/2014/FIN(BUD) dated 10.10.2016. Even though there was a delay in utilisations of funds under this scheme the main objective of this scheme were taken care of by the Department under State Plan Schemes Compensatory Afforestation (CAMPA) Fund as per the MoEF&CC guidelines. The Department is actively involved in protection and conservation of six Wildlife Sanctuaries and one National Park in the State of Goa and due these constant effort of the Department, PA areas of Western Ghats have been recommended by MoEF&CC to UNESCO, Paris to be part of Western Ghats – UNESCO World Heritage Site. The presence of tigers was confirmed in PAs by NTCA in a census conducted during 2013-14. And now we have camera trap records of at least 5 tigers, one with two cubs in recent months. Further, the Department is carrying out conservation of Marine Turtles

and their nesting sites at Morjim, Galgibagh, Agonda beaches in State of Goa. This year under this scheme we have submitted three proposals and MoEF&CC has approved one proposal in August 2017 for development of Marine Turtle nesting site at Gagibagh as a Conservation Reserve. The Department has already acquired 17 hector of private area at Galgibagh from State fund. Further, the Department will take care of observation of CAG in future and all efforts will be taken to utilise the amount released under these schemes properly.

Un-operational Tissue Culture Laboratory

A Tissue Culture Laboratory (TCL) for the State of Goa was set up (2002) with the objectives of overcoming the problems of traditional methods of propagation as also production of large number of quality seedlings after selecting the desirable traits. The laboratory was well equipped with equipment costing ₹ 4.04 lakh purchased during 2000-01, 2003-04 and 2009-10. Three officials of the Department were trained between September 2008 and December 2009 at the Institute of Wood Sciences and Technology, (IWST) Bangalore. Despite the training provided and equipment purchased, the TCL was not operational (March 2011). The DCF, (P&S) replied (June 2011) that qualified researchers were required to run the laboratory and that the trained officials could only assist the researchers and handle the TCL for a short period. The reply is not acceptable as the Department never approached the Government for creation of posts of researchers in the Department. The benefit which would accrue to the plantations as a result of the research thus failed to materialize due to the laboratory remaining un-operational even after eight years. During the exit conference, the APCCF stated (August 2011) that the trained people would be put on the job to look after the TCL.

The Department agrees that the Tissue Culture Lab at Forest Training School at Valpoi remained un-operational for a long period. After the exit conference in August 2011, the Department had signed a Memorandum of Understanding (MoU) with The Energy & Resources Institute (TERI) on 14/12/2011 for an initial period of two years. Work started from 14/02/2012 to revive the lab and use the facilities to develop protocols for tissue culture of one native tree species and one orchid. During this two years period main targets proposed under the MoU couldn't be achieve properly by the TERI team inspite of efforts made by them and by Forest Department to make it fully operational. Since the targets were not properly achieved by the TERI the MoU was not extended beyond the 2 years from 2014. Efforts were made to involved other reputed institutes and Universities such as ICAR, Goa University, for operating the Tissue Culture Lab, however, this has remained unsuccessful. Now it is

proposed that laboratory will be used for training the Executive staff to make them aware about the process of tissue culture and part of the lab will be converted into Seed Testing and Soil Testing Lab, utilising some of the equipments already available in the Tissue Culture Lab.

The Committee feels that the Tissue Culture Lab project was set up without any foresight and planning. No provision was made to engage research staff resulting in the non-operation of the facility and ultimate loss of benefit to plantations and agriculture as a whole. The Committee needs to be updated on action taken to productive utilise the facility.

FAILURE OF PLANTATIONS CARRIED OUT IN COMUNIDADE LAND

The Social Forestry Division carries out various activities such as plantation/afforestation in Comunidade land, avenue plantation, raising of nurseries, creation and maintenance of gardens etc. The division had executed 40 lease agreements with different Comunidades all over Goa between 1986 and 2007, involving 2,907.21 hectares of land for taking up plantations therein. Audit scrutiny revealed that the register maintained by the division showed that the number of agreements entered into were 59 involving 3,106.98 hectares while the actual number of agreements was only 40 involving 2,907.21 hectares as seen from reply of the division. Further, details of plantations carried out in these lands were not entered in the register or were not readily available with the division. Details of renewal of seven agreements with the Comunidades which expired between 1991 and 2011 were not available.

Test check of files of the six Comunidade lands taken up for plantations revealed that plantations were either not taken up fully or were not successful as detailed below:-

(a) Against 22.22 hectares of Assagao Comunidade land taken on lease in July 2007, plantations in only 4.46 hectares and 5.54 hectares were taken up in 2006-07 and 2007-08 respectively. Plantation in the balance 12.22 hectares was not taken up due to dense vegetation cover and objections to carry out plantation by tenants.

(b) An area of 56.07 hectares of land of the Rivona Comunidade was taken on lease in July 1999. Plantation of 89,600 seedlings in 25 hectares was done in 1999-2000 at a cost of ₹ 2.73 lakh. Maintenance of the plantation was carried out at a cost of ₹ 4.46 lakh during the period 2000-01 to 2002-03. However, only 1,787 trees were available as on August 2009, denoting heavy

casualties. Further, replantation in 10 hectares was carried out in 2010-11 i.e. after a gap of 10 years as the Comunidade requested (August 2008) the Department to return the land since no activities were seen there. Plantation in the balance 31.07 hectares was still to be taken up. Scrutiny in audit revealed that the failure of the plantations was due to the presence of a lot of laterite stone quarries and the absence of good surface soil.

(c) Two pieces of land measuring 74 and 61 hectares were taken from the Curtorim Comunidade vide agreements in June 1991 and December 1991 respectively. Plantations were carried out in 37.14 hectares of land in 1991-92 with 97,995 seedlings at a cost of ₹ 1.26 lakh. Despite maintenance for four years at a cost of ₹ 0.97 lakh, the plantation was a total failure. The failure of the plantation was attributed to existence of laterite stone quarries. The balance area of 97.86 hectares was not taken up for plantation despite the lapse of over nine years.

Taking up Comunidade land without proper surveys in respect of soil, quarries, tenant problems, etc. resulted in the Social Forestry Division either not being able to carry out plantations or poor survival rates in the plantations carried out resulting in wasteful expenditure of ₹ 9.42 lakh in respect of the above three plantations.

The Department stated that raising of plantations in Comunidade land is one of the features unique to the State of Goa. The State of Goa is blessed with good forest and tree cover. As per the latest Forest Survey of India Report, 2015 the forest and tree cover of Goa is 2224 sq.. kms. and 385 sq.. kms. respectively which constitutes around 68.85% of total geographical area of State of Goa. This has been achieved through concerted effort of the Forest Department and local people. The Social Forestry Division of the Department has carried out plantations in barren and un-utilisable Comunidade land from early 1980s to early 2000 by signing agreement with the concerned Comunidade. The main objectives of raising the plantations was to utilise such lands to improve the forest/tree cover and the Department has succeeded in this objectives, and over 3,465 hector were taken up for plantations. It is true that some of the plantations raised in Comunidade land were not successful, mainly due to harsh edaphic conditions, climatic and biotic factors. Presently the Department has requested the Comunidade not to go harvesting of trees as per the MoU and it was suggested to replant the area with economically better tree species, since the soil and micro-climatic conditions of these lands have improved over the years due to tree cover. However no positive response so far has come from the Comunidades as the land value has gone up considerably in recent years.

The Committee sees from the reports that there is a discrepancy in the number of agreements entered into and the number appearing on the Register. Considering the value of land at present the Committee needs to know the reasons for the discrepancy. It is also seen that Comunidade land was taken up for plantation without ascertaining ground reality with respect to soil, dense vegetation cover, laterite stone quarries and objections from tenants all resulting in wasteful expenditure of ₹ 9.42 lakh. The Committee needs to be kept informed periodically regarding progress of replanting of trees in Comunidade lands.

SANCTION OF ESTIMATES AFTER COMMENCEMENT OR COMPLETION OF WORK AND NON-PREPARATION OF WORK COMPLETION REPORTS

Para 13.4.5 of the Goa, Daman and Diu Forest Code (GDDFC) stipulates that normally no work should be executed or started for which there is neither a sanction nor provision of funds. Para 13.3.1 of GDDFC stipulates that estimates for different works should be obtained by the sanctioning authority during April every year and sanctioned as early as practicable on receipt of sanctioned appropriation. Para 13.10 of the GDDFC stipulates that on completion of a work, a detailed completion report in the prescribed form should be prepared. The completion report should give complete details of the quantity, rate and amount of each item actually executed, as entered in the sanctioned estimate.

Test check of the 656 estimates sanctioned for an amount of ₹6.07 crore during 2008-11 in seven divisions for various works like raising of plantations, maintenance of plantations etc. revealed that 460 estimates (70.12 per cent) amounting to ₹ 4.65 crore were sanctioned after commencement of work. Analysis by Audit revealed that out of 656 estimates, 84 estimates (12.80 per cent) amounting to ₹ 82.39 lakh were prepared after completion of the works, indicating lack of planning in the execution of works apart from failure to observe the codal provisions. Further, work completion reports were not prepared in respect of any of the 656 estimates. During the exit conference, the APCCF stated (August 2011) that action was being taken to get the estimates sanctioned prior to the commencement of work and preparation of work completion reports.

The Department agrees that in some cases sanction of estimates were granted after commencement or completion of work. This was mainly attributed to the nature of some work which remains continuous through the year for example maintenance of various gardens and parks; watch and ward of plantations raised by the Department, maintenance of nurseries, etc. in such

cases the sanction of estimates of a particular year prior to commencement of work gets delayed. While some activities like raising of plantations are linked to the season, i.e. monsoon and therefore sometimes their works are undertaken even when sanction have not come or obtained. Even though there is delay in sanctioning of estimates, all the codal formalities are followed for the execution of works. At present the works are allocated as per the APO and Divisions carry out the works as per their respective allocations. The other reason for not getting timely sanction is due to the fact that Delegations of Financial Power Rules, 2008 (DFPR) have not been changed for past several years and with annual increase in inflation, pay increase and other increase in material counts etc, even small work which were earlier under the power of DCF's, have gone their existing power. Proposal to amend DFPR to give more powers to Forest Department Officials was sent to Government in 2016 and has remained pending, which will be again taken up by Government.

The Committee recommends that all approvals and sanctions be obtained before commencement of works even when the works are of a continuous nature.

FOREST TRAINING SCHOOL

The Forest Training School at Valpoi with a capacity of training 25 students had been functioning since 1982. The training school had operated below the sanctioned staff strength between 2006 and 2011. As against a sanctioned strength of six (one Principal, two Instructors, two Assistant Instructors and one Games/PT Instructor) only two were in position during 2006-07 and 2007-08, three in 2008-09, four in 2009-10 and five in 2010-11. Further, the syllabus covered was introduced in 1982. As the forestry sector was facing a number of new challenges and the efficiency and effectiveness of the Forest Department depended much on the performance level of these officials, the MoEF furnished (September 2009) guidelines for the revision of the syllabus. The revised syllabus covered topics such as joint forest management and people participatory activities related subjects covering stake-holders, micro planning, participatory skills, community based organization etc. which were not covered in the earlier syllabus. Despite the passing out of one batch in January 2011 and the next batch having commenced training from February 2011, the required changes in the syllabus had not been carried out.

The DCF, (R&U) replied (June 2011) that the available staff and some personnel from the Goa Forest Development Corporation were deployed to carry out the duties of instructor and that the process of revision of the

syllabus was under scrutiny. During the exit conference, the APCCF stated (August 2011) that action was being taken for revision of the syllabus.

The Department informed that it has already taken up the revision of syllabus of Forest Training School including all the relevant topics. Further the core subjects for training of forestry personnel's remain the same and only some of the technologies and techniques change from time to time. Such changes are being addressed and training inputs are provided to the trainees through guest outside faculty who are experts in the concerned field branch. Further along with catering of training of Forest Guards and Foresters, the FTS also conducts refresher courses for various levels of Executive Staff of the Department. In 2016-17 following such courses were conducted at FTS and in the field.

- (i) Five refresher courses for different executive staffs of Forest Department at FTS, Valpoi.
- (ii) Handling/Chemicals capture of wild animals for reducing conflict in collaboration with Wildlife Institute of India (WII), Dehradun was held at Bondla Wildlife Sanctuary in June 2016.
- (iii) Training was use National Tiger Conservation Authority (NTCA) MStripe Application being used for field monitoring, census and patrolling of forests and wildlife areas, through – GPS based/enabled Smartphone was held at Mollem National Park in March 2017. It was also conducted by experts from WII, Dehradun.

MONITORING AND EVALUATION

Decrease in forest cover

The National Forest Policy, 1988 set a goal of bringing one-third of the country's area under forest cover or tree cover. As per the India State of Forest Report 2009, issued by the Forest Survey of India, the total forest and tree cover of Goa was 65.83 per cent of the total geographical area of the State as against the national forest and tree coverage of 23.84 per cent. Further, the above Report also indicated the decrease in the State's forest cover in the State by five sq. km based on the satellite data of January 2007 as compared to satellite data of December 2004. The decrease was two and three sq. km in moderately dense forests and open forests respectively. The main reason given in the report for the decrease was the loss in Tree Outside Forest (TOF). The loss in the TOF was attributed (June 2011) by DCF, (Planning and Statistics) to pressure for land for housing, road networks and other developmental purposes besides mining, which was one of the major economic activities of the State. It was further stated that to keep a check on tree felling on private land, the Preservation of Trees Act was enacted in 1984 to regulate the felling of trees

outside forest areas. Audit observed that the provisions under the Preservation of Trees Act were not being stringently enforced as discussed earlier in para 1.1.10.1.

The Department informed that the Forest Survey of India, Dehradun an autonomous organisation under Ministry of Environment of Forest & Climate Change publishes biennial India State of Forest Report which gives insight about forest and tree cover of our country and State-wise. As per latest report published in 2015 there is an increase of 5 sq. kms. Forest cover compared to 2013 report. As per this report the total forest cover of Goa is 2224 sq. kms. which includes very dense forest 542 sq. kms., medium dense forest 580 sq. kms. and open forest 1102 sq. kms. which is 60.08% of total geographical area of the State. From the report it is clear that the forest cover of Goa has not only increase, but better protection has been accorded in maintaining the existing forest cover and Protected Areas over the years.

Inspections of Plantation and Survival Reports

As per para 9.3.5 of the Goa, Daman and Diu Forest Code 1979, (GDDFC), whenever plantations are raised, plantation journals should be maintained to record the various operations. Further, as per para 8.1.3 of GDDFC, the Divisional Forest Officer is required to inspect regeneration areas, frequently during pre-planting, planting and post-planting operations. Conducting regular inspections of regeneration areas and preparation of survival reports facilitate prompt action to be taken to ensure the growth and development of plantations. Scrutiny of the 162 plantation journals maintained in 14 Range offices in three Divisions (DCF North, DCF South and DCF (R & U)) for the period 2006-11, involving plantation of 17.96 lakh plants with an expenditure of ₹ 4.83 crore revealed that plant survival reports were not available in 143 cases (88 per cent) involving plantation of 15.78 lakh plants and expenditure of ₹ 4.18 crore. Plantation journals were not maintained in respect of 15 plantations carried out during 2008-11 by the DCF, Wildlife and Eco-Tourism Division, involving an expenditure of ₹ 14.83 lakh.

Inspections were not carried out in respect of 89 cases (55 per cent) involving plantations of 8.29 lakh plants and expenditure of ₹ 2.12 crore. As against 379 inspections to be conducted (one during plantation and one each during the two-year maintenance period) in respect of 162 plantations, only 86 inspections were conducted, resulting in a shortfall of 77.31 per cent. In 18 plantations, involving expenditure of ₹ 31.95 lakh, maintenance was not done in 10 plantations while in eight plantations, maintenance was done only for one year. Plantation maps showing the location of plantations, were not available in 10 plantation journals of DCF, South Division.

In the absence of survival reports and shortfalls in inspections, remedial measures that were required could not be taken up for preventing further degradation of forests. During the exit conference, the APCCF stated (August 2011) that survival reports would be prepared and inspections improved and recorded in the plantation journals

The Department informed that the inspection of plantations is invariably done at various levels on a regular basis. The observations of inspections are recorded in the Plantations Journals maintained at the field level. Based on the observations of the Inspecting Officer, the field staff carries out improvement in the plantation work. The short comings in the maintenance of Plantations Journals and Survival Reports has been brought to the notice of all Divisional Officers in order to improve the maintenance of Plantation Journals and Survival Reports, along with proper supervision of plantation activities.

For effectively monitoring plantations and their survival the Committee recommends that the respective Division and Officers be held responsible for the maintenance of the Plantation Journal and survival reports, so that remedial and corrective measures may be initiated if necessary.

INTERNAL CONTROL

Every Department is required to institute appropriate internal controls for its efficient and effective functioning by ensuring the enforcement of rules and Departmental instructions. Internal control helps in creation of reliable financial and management information systems for prompt and efficient services and adequate safeguards against deviations from organizational goals and objectives.

Non-conducting of internal audit and inspections

Internal audit is a vital component of the internal control mechanism which enables an organisation to assure itself that the prescribed systems are functioning reasonably well. As per para 3.3.4 of GDDFC, the Assistant Accounts Officer should conduct internal audit of the accounts of the head office and inspection of the accounts of subordinate offices. Scrutiny by Audit in the office of the Additional Principal Chief Conservator of Forests revealed that no records were available regarding the period up to which internal audit and inspections of the subordinate offices were conducted. It was further observed in Audit that the Department did not have any internal audit manual, prescribing the extent of checks to be exercised and periodicity of audit. During the exit conference, the APCCF stated (August 2011) that internal

audit of the divisions had been completed and that an internal audit manual and check lists would be prepared.

The Department informed that the Assistant Accounts Officer of the Department has been directed to conduct internal audit of the accounts of subordinate offices. During 2016 special Committees consisting of Assistant Conservator of Forests were constituted by the Department to stock register of various Divisional Offices. The inspection was conducted by the ACFs and the report were submitted to the Head Office. Further as pointed out by the CAG Audit team, internal audit annual will be prepared in order to prescribe the extent of checks to be exercised and periodicity of internal audit.

Non-maintenance of records

As per para 12 of GDDFC, the divisions and Range Offices are to maintain registers of buildings, lands, roads, leases, rent and ground rent to keep watch of its properties and timely recovery of rents. It was observed that the registers of rent and the registers of lease and ground rent were not maintained in the offices of the DCFs, North and South Divisions while the register of roads was not maintained in the office of the DCF, South Division. The DCFs,

North and South Divisions were not maintaining compartment history showing the areas, boundaries, soil conditions, composition of species, age class quality of stocks, stocking densities etc. Consequently, the plantations done from time to time in each compartment were also not recorded. As per para 9 of the GDDFC, the divisional offices had to maintain Divisional Forest Journals while Range Offices were to maintain Forest Range Manuals. It was noticed in audit that these journals were not maintained by DCF, South Division and all the Range Offices under it. Further, range forest reference maps, plantation key maps and maps of each beat were also not maintained by DCF, South Division and all the Range Offices under it. The DCF, South Division stated (June 2011) that a thorough review of record maintenance would be done to update the system. During the exit conference, the APCCF stated (August 2011) that necessary instructions would be given to field offices to maintain records.

As stated by APCCF in exit conference in 2011, instructions were issued to all subordinate offices to properly maintain the record.

Non-verification of charges recoverable by the Accounts Section

Audit observed that recovery of various charges viz. compensatory afforestation, net present value etc. from user agencies was not

being routed through the Accounts Sections of the DCF, North and South Divisions for verification, to prevent mistakes in computation of charges. Implementation of such a process was essential as a part of internal control.

The Department informed that all the proposals of forest clearance under FCA 1980 are processed at the Technical Section of the Divisional office. Further calculation of Net Present Value, Compensatory Afforestation and Penal Compensatory Afforestation, etc. is also calculated by the Technical Section by verifying the proposal/plan and by ground verification. The demand for NPA, PCA, CA etc., is made with detailed calculation and the same is sent to User Agency to pay the amount. Earlier on receipt of amount from User Agency the same was handed over to the Account Section along with the calculation and Accounts Section was then transferring the amount to adhoc CAMPA fund/MoEF&CC. The Accounts Section keeps a detailed register of amount transferred to CAMPA. The specific suggestion/observation of CAG Audit team, were communicated to the Divisions and they were directed to implement them in future. At present all proposals under FCA, 1980 are dealt on-line and even the charges, fees etc., are transferred on-line by the User Agencies to CAMPA fund.

Deficiencies in maintenance of cash book

(a) Scrutiny of cash books for the period 2006-11 maintained in seven divisions, 28 Range Offices and the APCCF's office revealed the following deficiencies, the details of which are given in Appendix 2.3.

- daily totals of cash books were not made and transactions recorded in the cash books were not attested by the Heads of offices in token of check,
- cash book pages were not numbered,
- surprise verification of cash balances was not carried out,
- certificate regarding number of pages in the cash book was not recorded on the first page of cash book and
- entries in cash books were made on passing of vouchers and not on the basis of actual disbursement of cash.

The APCCF's office, DCF, North Division, DCF, South Division and DCF, R&U Division stated (May/June/July 2011) that necessary action had been taken/was being taken to rectify the omissions pointed by Audit.

The Department informed that the observations of the CAG Audit team were brought to the notice of all Divisional offices and they were directed to rectify the deficiencies. The Divisions had informed that the directions had been

compiled upon by daily totalling of cash books, Attestation by the Head of Office, numbering of cash books, surprise verification in Range Offices etc.

CHAPTER-II

THE CORPORATION OF CITY OF PANAJI

Performance Audit on the assessment, collection and accountal of revenue and utilization of State Government developmental grants by the Corporation of the City of Panaji.

A performance audit covering the period 2005-10 was conducted between November 2010 and March 2011 to verify the effectiveness of the system of levy collection and accountal of tax and non-tax revenue, adequacy and effectiveness of the monitoring system adopted for realization of revenue dues, the arrangement for safeguarding the Municipal lands, buildings and open spaces and utilization of grants-in-Aid from the State Government.

The performance audit shows the following deficiencies:

- Bye-laws and Rules as required under the City of Panaji Corporation Act, 2002 were not framed.
- The CCP did not levy property tax on Government land and buildings. It did not conduct any survey to ascertain the occupancy of Government buildings by private agencies for commercial activities.
- CCP failed to initiate action against house tax defaulters leading to accumulation of arrears of ₹ 5.47 crore as of March 2010.
- CCP failed to refund the unspent balances of the grants-in-aid of ₹ 2.80 crore sanctioned during the years 2002-03 to 2008-09.
- CCP failed to safeguard its properties by timely renewal of lease agreements with the tenants.
- The new shopping complex built at a cost of ₹ 15.33 crore was encroached by vendors without any formal agreements and allotment. Inaction against intruders resulted in loss of revenue of ₹ 98.97 lakh during the period from 2003-04 to 2009-10.
- Non-revision of lease rent for land allotted to Petroleum Companies resulted in loss of revenue of ₹ 46.77 lakh.

Bye-laws and Rules as required under the City of Panaji Corporation Act, 2002 were not framed.

Department in its written reply stated that the Corporation of the City of Panaji has worked to prepare Bye-Laws under the following Sub-heads:

1. Solid Waste Management and Sanitation.
2. Building and Construction.
3. Trade and taxation.

The Corporation of the City of Panaji worked and prepared Bye-Laws and Rules for Solid Waste Management and Sanitation. The framed Bye-Laws and Rules were put forth for approval to the Corporation at its meeting held on 11/08/2011. The Corporation at its meeting had differences of opinion and did not approve the Bye-Laws and Rules at its meeting. Various meetings have been held and Councillors have been explained the benefit of Bye-Laws and Rules. It is proposed to present these Bye-Laws for approval before the Corporation at its next meeting. Once passed by the Corporation, the Bye-Laws would then be forwarded to the Government for approval after vetting through the Law Department.

As far as Bye-Laws and Rules for building and construction is concerned, the Corporation has adopted the model Bye-Laws and Rules framed by the Government and circulated to all local bodies.

The Corporation will work on Trade and Taxation Bye-Laws after Solid Waste Management and Sanitation Bye-Laws are approved by the Corporation.

Further written reply stated that it is admitted that the Bye-Laws (Rules) as required were not framed, however, the Corporation has taken various steps towards framing of various Bye-Laws as under:

1. Solid Waste (Management & Handling) Bye-Laws 2017.
2. Street Vendors)Protection of livelihood and regularization of street vending) Bye-Laws 2017.
3. The Corporation of the City of Panaji (Conduct of Business) Bye-Laws 2017.
4. Recruitment Rules and Service Conditions Bye-Laws, 2016.
5. The City of Panaji Corporation Trade and Occupation Licensing Bye-Laws, 2016.
6. The Corporation of the City of Panaji (Control of unwieldy traffic) Bye-Laws, 2017.

The above said Bye-Laws are drafted by Shri N. D. Agarwal retired Government Officer, Goa Civil Service and the same were vetted by the Corporation Counsel. The said matter is referred to Special Corporation meeting which is scheduled on 13/09/2017 for necessary approval. Thereafter the said

Bye-Laws will be submitted to the Government for approval and to notify the same.

PROPERTY TAX

Non-levy of property tax on land.

The CPC Act stipulates that tax shall be imposed upon all lands within the City which are not specifically exempted from tax. Despite provisions in the Act, the CCP has not levied any property tax on lands till date (February 2011).

The CCP stated (December 2010) that it had not shown inclination to levy tax on land so far. In the absence of a specific exemption for land in the CPC Act, the inaction on the part of the CCP in levying tax on land was irregular.

Non-levy of property tax on Government land and buildings

The CPC Act, also provides that the GOG should pay the CCP annually, in lieu of the Property tax, a sum ascertained in the manner provided in the Act. Though a large number of GOG buildings are located within the jurisdiction of the CCP, compensation, in lieu of property tax, was not claimed from the Government of Goa. Further, the CCP has not conducted detailed survey on occupancy of GOG buildings by private agencies for commercial activities so as to levy normal tax on such properties so far (February 2011). There is no database in CCP on land owned by the GOG.

On being pointed out by audit, the CCP stated (February 2011) that there was a proposal to take up this matter in the next budget session of the CCP. It was also stated that though the CCP levied tax on GOG building used for commercial purposes, the GOG did not agree to pay the same.

The CCP in its written reply stated that the framing of bye-laws is under process. Corporation raises bill of House Tax in the beginning of the financial year premises, residential as well non-residential buildings/house located within jurisdiction of the Corporation. In case the parties after receiving the bills of taxes fails to remit their dues within time period, notice of demand are being served on the defaulters along with the interest. So far this office has made great efforts to recover the arrears. Further recoveries are in progress.

The record of taxes being computerized, for which a software is developed National Informatics Centre (NIC) and that this Corporation has

already informed NIC to rectify the deficiencies noted. Initiative are been taken to conduct routine inspection by Municipal Inspectors, to ensure timely renewal of Trade and Occupation and Signboard licences. The Corporation has taken initiative to execute the agreement with occupants of all the shops with appropriate revision of rent with annual increase as prescribed by the Government, however no occupants is coming forward to sign the agreement. The notices have been served to shopkeepers along with statement of arrears of rent with annual increase. The Corporation will also take initiative to execute the agreement with residential quarters with annual increase of rent. The Corporation has already published notice in dailies and displayed also in Municipal market area requesting all the individuals/occupants occupying the said shop/stall/area to sign leave licence agreement with this Corporation, failing which occupants/individuals will be evicted from the shop/stall as per provision of law. Separate bank account has been opened in State Bank of India for maintaining the grants amount. The unspent grants are refunded from time to time to the grants sanctioning authority.

The CCP does not levy property tax on Government land and buildings. It did not conduct any survey to ascertain the occupancy of Government buildings by private agencies for commercial activities.

The Corporation of the City of Panaji had assessed certain Government buildings for collection of house tax. However, the Government has chosen either not to reply or seek waiver of the tax. Various correspondence has been made to the Government but there has been no effect on the ground situation. A note moved by the Corporation on 6th May 2010 to the Government seeking arrears of Property Tax in respect of Kala Academy. A letter made on 02/09/2009 to Under Secretary General Administration Department seeking Government directions to assess leased Government property. Thereafter a reply received from the Kala Academy seeking withdrawal of the bill of taxes towards house tax and arrears. Again a letter made by Entertainment Society of Goa on 24/10/2010 to the Director of Information and Publicity for seeking exemption of the demand of House tax. A fresh demand raised on Entertainment Society of Goa. With such view adopted by the Government, it is extremely difficult for the Corporation to go ahead and issue demands to various Government buildings as they end up as audit Paras and are reflected as arrears. The demand of taxes on Kala Academy dates back to 28th December, 1989, whereas, the demand for Entertainment Society of Goa for the Inox Complex dates to 22/12/2005.

The Corporation of the City of Panaji also has a case wherein a building known as 'Spaces' at EDC Patto Plaza has been leased out to the Government of Goa and General Administration Department vide their letter dated

25/08/2014 and 22/12/2014 has further sought that the Corporation does not levy tax on this building also.

Inspite of such a treatment, the Corporation assessed Government offices/buildings belonging to the Central Government located at EDC Complex, Patto Plaza, Panaji. After assessing the followings buildings have paid their dues:

H.No.	Name of Owner	Amount collected 2014-2015
1/284	Goa State Infrastructure & Development Corporation	3,07,575/-
1/294	The Registrar of Companies, Goa Daman & Diu	12,98,813/-
1/295	Ministry of Affairs, Dir. Of Census	10,71,621/-
1/297	Regional Provident Fund	2,10,276/-
1/299	Regional Provident Fund, Commissioner	1,02,656/-
		29,90,941

Further, the Standing Committee of the Corporation in its meeting held on 14/11/2014 accorded approval to assess Government Buildings/quarters for the purpose of collection of taxes by conducting a survey through out-sourcing. Tendering process for conducting the survey is in progress. However, the cost of such a survey would run into several Crores of rupees considering the number of Government buildings in Panaji and it is feared that it would be a worthless exercise considering the view of the Government at this current stage. Also, the Corporation would not be in a position to spend such a large amount of surveying of Government buildings without any assurance of dues and arrears being paid to it. It is proposed that the Government pay the Corporation of the City of Panaji annually in lieu of General Tax from its buildings and land vested in the State Government.

Further in written reply Corporation stated that the Section 108 of the City of Panaji Corporation Act, 2002, which read as under:

- 1) The State Government shall pay to the Corporation annually, in lieu of the general tax from which buildings and land vested in the State Government are exempted by clause (b) of Sub-Section (1) of Section 106, a sum ascertained in the manner provided in sub-section (2) and (3).
- 2) The annual value of the buildings and lands within the City and vested in the State Government and beneficially occupied, in respect of which but for the said exemption, general tax should be leviable from the State Government, shall be fixed by a person appointed in this behalf by the State Government with the concurrence of the

Corporation. The said value shall be fixed as far as may be, in accordance with the provisions hereinafter contained concerning the valuation of property assessable to general taxes, at such amount as the person making the assessment shall deem to be for a term of five years, subject only to proportionate variation, if in the meantime the number or extent of the buildings and lands vested in the State Government in the City materially increases or decreases.

- 3) The sum to be paid annually to the Corporation by the State Government shall be eighth-tenths of the amount which, but for this sub-section, would have been payable under the assessment.

In this connection, the Corporation has already wrote to the Department of Urban Development (DMA) vide letter No. 13/22/TAX/CCP/2017-18/4441 dated 22.08.2017. to appoint officer who is technically qualified for assessing the sum to be levied on the buildings belongs to the State Government within the Jurisdiction of Corporation area. The Corporation has also informed Executive Engineer Work Div. I, P.W.D., Government of Goa vide letter dated 09/01/2015 for furnishing the detailed information of the buildings belongs to State Government and thereafter send reminder letter dated 22.06.2017.

Accumulation of Arrears of House Tax for ₹ 5.74 crore.

House tax was payable annually by the owners of the buildings. However, the annual collection was only about 50 per cent of the demand including interest and opening balance. The arrears of House Tax including interest as on 31st March, 2010 was ₹5.47 crore. It was also noticed that out of ₹ 5.47 crore pending realization as of March 2010, ₹ 1.13 crore was in arrears ranging from five to 21 years in respect of 60 chronic defaulters. The defaulters include two GOG organizations (Goa State Infrastructure Development Corporation Limited and Kala Academy) from whom an amount of ₹ 62.38 lakh was due as of 31st March 2010. The CCP had brought to the notice of the GOG (May 2010) that Kala Academy was not paying HT since its inception and an amount of ₹ 38 lakh was due from them. However, there was no response from the GOG. Despite the ample provisions in the Act, the Recovery Officer failed to initiate action against the chronic defaulters.

The CCP stated (September 2011) that efforts were being made to recover the arrears by serving Bills and Demand Notices. It was also stated that recovery of dues was a collective responsibility though it was put under the Recovery Officer and for multiple reasons it could not go beyond a certain level. The reply was not tenable as the CCP never initiated action against the

defaulters as contemplated in the Act as evident from the huge accumulation of arrears.

The Committee observed that the CCP failed to initiate action against house tax defaulters leading to accumulation of arrears of ₹ 5.47 crore as of March 2010.

Department in its written reply stated that the CCP is prompt in collecting house tax and there is no record leading to accommodation of arrears of house tax. It is admitted that CCP could not recover the house tax projected in the budget for the year 2010 and some house taxes remained to be recovered.

CCP has issued 141 demand notices to the defaulters whose due is above ₹50,000/- and 104 demand notices to the defaulters whose due is more than ₹1,00,000/- in January and February 2015. The recovery has already been started and during two months ₹0.96 crore is recovered. It is also significant to note that the house tax projected for the year 2014-15 was ₹9.00 crore and total collection upto 31/03/2015 is ₹10.59 crore.

The arrears amount of ₹5.47 crore includes an amount of ₹1.18 crore receivable from (1) Sanchayani House Developers/investment of ₹50.89 lakh which is under dispute, (2) ₹29.41 lakhs from Goa State Infrastructure Development Corporation (INOX) as a Government project and (3) ₹38.06 lakh is of Kala Academy Complex which is now waived.

Further the Corporation in its written reply stated that the Corporation of the City of Panaji is regular in collecting the house tax. The fact is that CCP could not recover the house tax projected in the budget for the year 2010 and some house tax remained to be recovered due to administrative and legal reasons.

CCP has made tremendous efforts to recover the dues by issuing regular bills of taxes to the households and publishing notices on local dailies in the beginning of every financial year. Corporation has also provided facility of online payment of house tax, so that citizens can pay house tax easily. If the tax payers fails to pay their dues within a grace period, notices of demand are being served on the defaulters regularly.

House tax being major source of revenue of this Corporation. The Corporation has started the recovery of various taxes by engaging Ex-servicemen personnel on contract basis and also formed special team to speed up the collection of taxes. The CCP has also issued many notices of demand to the major defaulters which has shown good result. The house tax collection

during the period from April 2017 till date is ₹10,42,21,699/- and further recovery is under process.

It is also significant to note that the house tax projected in the budget for the financial year 2014-15 and 2015-16 was ₹9.00 crore and ₹ 12.00 crore, respectively and total collection during the above years is ₹10.59 crore and ₹12.13 crore respectively.

The Corporation has also published the names of major defaulters on Corporation of the City of Panaji website.

The amount of ₹ 5.47 crore includes an amount of ₹ 1.18 crore receivable from (1) Sanchayani House Developers/Investment, ₹ 50.89 lakhs which is under dispute. (2) ₹ 29.41 lakhs from Entertainment Society of Goa (INOX) as a Government project and (3) ₹ 38.06 lakhs is of Kala Academy Complex, which was waived as per minutes of the Ordinary meeting of the Corporation held on 11.08.2011.

Assessment and collection of non-tax revenue

Loss due to non-renewal of lease agreements, non-fixation of minimum rent and annual increase of quarters and shop leased out.

The CCP is receiving the lease rent from the residential quarters and shop leased out by the erstwhile Municipal Council. As per the Goa Municipalities Act, 1968, a Council can lease its immovable property for a period of three years with appropriate annual rate of increase. The renewal of the lease beyond three years can be done only with the permission of the DMA who should decide the responsibility of the annual increase before issuing permission for extension. The minimum rent to be collected from the lessees with effect from 5th May, 1997 was ₹12 per square meter per month for the commercial premises and ₹5 per square meter per month for the residential premises. In order to have uniformity in the annual rate of increase, the DMA directed (September 2004) all Municipal Councils to adopt a uniform rate of 10%. The said Act further stipulates that if any person refuses or fails to vacate the Municipal premises after expiry of the lease period or for any other reasons he should be evicted after due notice by the Director or any other officer authorised by him under the provisions of the Goa Public Premises (Eviction of Unauthorised Occupants) Act, 1988.

The Committee observed that the CCP failed to safeguard its properties by timely renewal of lease agreements with the tenants.

The CCP in its written reply stated that the Corporation then Municipal Council leased out the residential vacant quarters by way of auction. Since rates were very low the Corporation decided to revised the rent for Municipal quarters accordingly requested to P.W.D. to assess and fix the rent for Municipal Quarters and Report is still awaited, also reminder has been sent to PWD to assess on priority basis.

Once the Report is received from the PWD the notices will be served to occupant to pay the rent at revised rates along with arrears, failing to pay the rent at revised rates eviction process will be initiated against such occupants.

The Corporation has leased out 25 shops in Praca-de-commercio building. The rent was revised as per the Circular from DMA in September 2004, with enhancement @ 10% every year. Notices were served to all shopkeepers to pay the revised rent along with arrears, out of which 8 lessees have paid the revised rent and arrears as per 10% increase. Meanwhile in 2012 the PWD assessed rent @ ₹ 390 per square meter. Again notices were served to lessees in response to the notices the shopkeeper have accept the replied to the Corporation through their legal Advocate that the rate fixed by Corporation is not acceptable to them. Except the South Indian Bank have paid the rent @ rate ₹390 per square meter and signed lease agreement with the Corporation.

Now Corporation of the City of Panaji is in process of issuing fresh eviction notices to defaulting occupants, who are not paying rent at revised rate and signing of lease agreement.

Further in its written reply the Corporation stated that the Corporation has leased out 25 shops in Praca-De-Commercio Building. The rent was revised as per the Circular from D.M.A. in September 2004, with enhancement @ 10% every year. Notices were served to all shopkeepers to pay the revised rent along with arrears, out of which 8 lessees have paid the revised rent and arrears as per 10% increase. Meanwhile in 2012 the PWD re-assessed the rent @ 390 per sq.. mts. Again notices were served to all lessees. In response to the notices the lessees represented that the rate fixed by the Corporation was not acceptable to them, except the South Indian Bank, which has paid the rent @ rate ₹390 per sq.. mts. and has signed lease agreement with the Corporation, all other lessees have refrained from signing the agreement.

The Corporation has initiated legal action by issuing Eviction Notices to the occupants of the shops at Praca-de-Commercio Bldg, under Goa Public Premises (Eviction of Unauthorised Occupants) Act 1988 dated 18.04.2016, and total number 23 numbers of Notices are issued and the matter is pending before

the Estate Officer and the hearings are conducted regularly by the Estate Officer.

During the course of hearings some of the Occupants of the shops has put forth their Draft proposal towards settlement of the issue and signing of new lease agreement on 10.10.2016 based on the same the Corporation called for the meeting of the occupants on 21.11.2016 and forwarded the proposal of this Corporation to the occupants, however, as per the request of the occupants seeking time to go through the same, the same was granted and a meeting with regards the same was fixed on 07.12.2016. the Corporation in its Standing Committee Meeting dated 15.12.2016 has approved the rates of rent payable with effect from 01.04.2001 till 01.10.2016 and conditions towards execution of Agreement.

As there being a dispute with regards the clause No. 13 of the Agreement to be executed which is pertaining to the Demolition, re-construction and re-development of the premises, there are many meetings conducted by the Commissioner, Mayor the occupants of the premises along with Advocates to get a amicable solution in this regard. Wherein a new clause was drafted and the same is to be finalised in due course of time. The Corporation has further conducted hearings with the stakeholders/occupants and are in process towards recovery of arrears of rents and Execution of Agreement. The Corporation is taking all steps towards the recovery of rent and execution of agreements with the lease holders.

Encroachment of Corporation property and resultant loss due to inaction on intruders – ₹ 98.97 lakh.

The Goa State Infrastructure Development Corporation Limited (GSIDC), a public sector undertaking, constructed a New Market Complex at the instance of the erstwhile Panaji Municipal Council (PMC) by demolishing the old Municipal Market. The new market was constructed in the land admeasuring 13,778 sq. meter which consisted of 6,935 sq. meters owned by PMC and 5,178 sq. meters owned by the GOG. The fund required for the project was provided by GOG. The total build up area measured 16,098 sq. meters. The first phase of the market was completed in August 2003 at a cost of ₹ 6.62 crore. The ground floor and first floor of second phase were completed in January 2007 and January 2008 respectively at a total cost of ₹ 9.71 crore. The total cost of the New Market Complex was ₹ 15.33 crore.

The shops in the new market complex were encroached by vendors without any formal allotment and valid agreements. The lapses on the part of the CCP to allot and collect rent by following the procedures and executing

lease agreements resulted in revenue loss to the extent of ₹98.97 lakh for the period from commissioning of respective floors to March 2010.

The CCP had not taken any legal action against the unauthorised occupation of its property, sale and transfer of shops for a consideration, the proceeds of which have enriched the illegal occupants. Thus, the new Panjim market complex constructed at a cost of ₹15.33 crore has been a source of profit for private traders with no benefits accruing to the CCP.

The Committee observed that the new shopping complex built at a cost of ₹15.33 crore was encroached by vendors without any formal agreements and allotment. Inaction against intruders resulted in loss of revenue of ₹98.97 lakh during the period from 2003-04 to 2009-10.

The Corporation in its written reply stated that the new Municipal Market Phase-I was constructed by GSIDC in 2003 and shopkeepers were shifted in Municipal Market those who were doing the business in Old Municipal Market. Remaining shopkeepers and vendors were shifted in Phase-II on its completion. The sopo vendors were paying sopo to Corporation of the City of Panaji and shopkeepers are not paying rent as lease agreement was not signed by shopkeepers. Meanwhile some of the illegal vendors encroached the shops in New Municipal Market, hence Government appointed Shri N. D. Agarwal, South Goa District Collector as Inquiry Officer for finding out illegal occupants in new Municipal Market Phase-I and II. After conducting survey he submitted report to Government/Corporation.

Accordingly the Corporation decided to signed the Leave and Licence agreement with original occupant and recover the arrears as per the rate fixed from time to time. After approval leave and licence agreement by Law Department Government of Goa, the notice was published in local newspaper as well as displayed in different places in new Municipal Market to sign Leave and Licence agreement and payment of rent by the occupants.

However, the occupant did not respond. Hence individual eviction notices have been/will be served to all occupants from Phase-I and II. Recently some of the citizens from Panaji have filed a P.I.L. in Hon'ble High Court for not paying the rent by the Shopkeepers in Municipal Corporation of the City of Panaji, is awaiting for its outcome. Meanwhile three occupants have come forward to signed Leave and Licence agreement.

Further in its written reply stated that the Municipal Market was handed over to the Goa State Infrastructure Development Corporation Limited (GSIDC)

for reconstruction which was completed and handed over back to the CCP the Phase-I in year 2003 and Phase II in the year 2007.

The Corporation approved signing of the leave and license agreement with original occupants and recover the arrears as per the rate fixed by PWD which is ₹256/- sq..mtr. at its meeting held on 29/01/2014.

After approval of the Corporation, the leave and license agreement was vetted by Law Department, Government of Goa on 22.08.2014. A notice was published in local newspapers as well as displayed in different places in New Municipal Market asking lessees to approach the Corporation to sign Leave and License Agreement and pay rent.

However, the occupants did not respond. Hence individual eviction notices under the Goa Public Premises (Eviction of unauthorised occupant) Act 1988 have been served to all occupants from Phase I and II. The details of the cases dealt by the Estate Officers are as follows:

- Total No, of Notices issued: 471.
- Total cases disposed off (223 nos. for which report is filed in High Court on 17.04.2017.
- 186 cases pending before the Estate Officer.
- 15 cases are of Gadda Matters which are subject matter of High Court and is under consideration.
- 22 shops are sealed and in custody of CCP.
- 25 matters are disposed.
- 112 no. appeals have been filed by the parties before the District and Session Court challenging the said Orders and the Matters are pending before the District and Session Court (Appellate Court).

The leave and license agreement has been re-drafted by the Corporation Counsel and the same was submitted to the Director of Municipal Administration on 09.05.2017 for onward submission to the Law Department for final approval.

The Estate Officer (Commissioner CCP) is hearing the matters regularly in speedy manner.

The Corporation is very serious in recovering all the dues of the rent from all the stakeholders/occupants of the market and all the steps are being taken to recover the dues.

Loss due to non-renewal lease agreement and non-revision of rent of land lease to Petroleum Companies- ₹ 46.77 lakh.

The erstwhile Panaji Municipal Council leased out 1,656 square meters of land in Panjim city to five agencies for installation of petrol pumps at a nominal rate of rent of ₹ 168/- per square meter per annum about thirty years ago. The lease agreements executed on behalf of Petroleum Companies were last renewed in 2001 for three years and expired in October/November 2004.

The Committee observed that the non-revision of lease rent for land allotted to Petroleum Companies resulted in loss revenue of ₹ 46.77 lakh.

The CCP stated (December 2010) that it could not take any action for increase of rent and renewal of lease agreement for want of approval from the DMA. Thus, inaction on the part of the DMA hindered the CCP from renewal of the lease agreements with the revised rate of rent which resulted in loss of revenue to the extent of ₹ 46.77 lakh.

The Corporation in its written reply stated that the then Panaji Municipal Council leased out open land to Petroleum Company for retail outlet at nominal rates. Subsequently, Government issued a circular to all Municipal Councils in September 2004 to increase rent @ 10% per annum. Accordingly, notices were sent to Petroleum Companies to pay the rent at enhanced rates along with arrears of rent from September 2004. In response, all Companies have paid rent @ 10% increase per annum along with arrears and signed the lease agreement for the period from 1/04/2012 to 31/03/2015.

In 2006, the Corporation of the City of Panaji has forwarded proposal to the Government to fix the rent @ ₹ 600/- per sq.. mtr. on land leased out to 5 petrol pumps on the basis of rent fixed by Revenue Department, Government of Goa to Inox Multiplex Theatre, however, reply is still awaited.

Though there was no action from the Government since 2006 on the Corporation's request for enhancement of rent, the Corporation on its own requested the PWD to assess the market rate of rent for the land leased by the CCP to various petrol pumps in Panaji. Accordingly, vide its letter dated 5/08/2013 the PWD has fixed the rent for all 5 petrol pumps which would be valid for 5 years.

Further in written reply Corporation stated that the Corporation of the City of Panaji (then Panaji Municipal Council) leased out open land to Petroleum Companies for retail outlet at nominal rates, subsequently

Government has issued a circular to all Municipal Council in the year 2004 to increase rent @ 10% annually.

Notices were sent to Petroleum Companies to pay the rent at enhanced rates alongwith arrears of rent from September 2004.

In the year 2006 Corporation of the City of Panaji has forwarded proposal to Government to fix the rent @ ₹ 600/- per sq. mtr. on the basis of rent fixed by Revenue Department, Government of Goa, however as no communication was received from the Government, the Corporation requested the PWD to assess the land leased by the CCP at various petro pumps in Panaji. Accordingly vide its letter dated 05.08.2013 the PWD forwarded the rent rates of all 5 petrol pumps which would be valid for 5 years. The same was initiated to the Petroleum Companies for payment of rentals and signing of the Agreement.

As nothing has come forth from the Petroleum Companies the Corporation has initiated legal action by issuing Notice under Sub-Section (1) and clause (b) of Sub-Section (2) of Section 4 of the Goa Public Premises (Eviction of Unauthorised Occupants) Act 1988 dated 05.04.2016 to the 5 nos. Petrol Pump dealers and Petroleum Companies towards payment of rentals and signing of Agreement. The hearings in these matters are conducted regularly, and all the matters are pending for hearing.

Also steps were taken and opportunities were given to settle the matters amicably. The Corporation is very serious in recovering all the dues of the rent and Execute fresh Agreements.

GRANTS-IN-AID FROM THE GOVERNMENT OF GOA

Grants-in-aid for development works

The CCP generates revenue by collecting House Tax, Rent, Trade fee and sign board fee, etc. In addition to this, it also gets financial assistance from the GOG by way of grants-in-aid for various developmental works. The principles and procedures for award of GIA to any Institution or Organization are laid in Rule 209 of General Finance rules, 2005 (GFR).

As per Rule 209 (1) of the GFR any Organization or Institution seeking GIA from the Government was required to submit an application which should clearly spell out the need for seeking grants. Further, Rule 209 (3) requires that the grants sought by any Institution or Organization should be considered only on the basis viable and specifics scheme drawn up in sufficient details by such

Institution or Organization. The amount of developmental GIA received from the GOG as against budgeted during five years upto 2009-10.

It was observed in the audit that demands for grants were prepared based on proposal received from Ward Councillors and Resolution passed in the Council Meetings. Estimates were prepared by the Technical wing and Technical Sanctioned accorded by competent authorities based on the monetary value of each estimate. The DMA releases the GIA depending on the availability of funds.

As per the terms and conditions of the GIA, the entire amount of grants should be utilized and Utilization Certificates (UC) to be submitted within a period of one year from the date of sanction. The unspent portion of the grant which was not required for the purpose for which it was sanctioned had to be refunded to the GOG.

The Committee observed that the CCP failed to refund the unspent balances of the grants-in-aid of ₹ 2.80 crore sanctioned during the years 2002-03 to 2008-09.

Corporation in its written reply stated that from the year 2002-2003, the Corporation of the City of Panaji has received grants to a tune of ₹10.98 crores, the outstanding balance of grants as on 31/03/2010 was ₹ 2.80 crore. As on 5/01/2015, the total grant amount utilised by the Corporation is ₹ 9.73 crore whereas, an amount of ₹ 1.11 crore has been refunded to Government. As on date, the balance of grant is ₹ 0.13 crore. The only unutilised balance is due to some compliance to be done by the contractor and will be complied as soon as possible.

All utilization certificates pertaining to grants received under various heads has been submitted to the Government. These includes grant under Sr. No. 223 and 244 which were grants under 11th Finance Commission and compliance letters were sent to the Government.

Further in written reply Corporation stated that from the year 2003-04 onwards the Corporation of the City of Panaji has received grants to a tune of ₹ 25.68 crore the outstanding balance of grants as on 07/09/2017 is ₹ 5.86 crore.

As on 07/09/2017, the total grants utilised by the Corporation is ₹ 17.81 crores. Whereas an amount of ₹ 2.00 crore has been refunded to the Government. As on 07/09/2017 the balance of grants available is ₹ 5.86 crore which is as under:

GSIDC₹0.46 crore

EDC₹0.99 crore

CCP₹4.41 crore which is pertaining to the year 2015-16, 2016-17 and 2017-18 for which the works are in progress.

All utilisation certificate have been submitted to the Government pertaining to grants received under various heads for above mention period. Now the regular/periodic review is being taken to deal with such type of situation.

INTERNAL CONTROL SYSTEM

Bye-laws and Rules

Though the CPC Act provides that the CCP may, and if so required by the GOG, shall make bye-laws for carrying out the provisions and intentions of the C CP Act, bye-laws are not framed till date. Similarly, the GOG has not framed Rules as required under the CPC Act except for the Corporation of the City of Panaji (Election) Rules, 2004.

The Committee observed that bye-laws and Rules as required under the City of Panaji Corporation Act, 2002 were not framed.

CONCLUSION

The CCP did not levy property tax on land and buildings owned by the GOG. The failure to invoke penal provisions against defaulting parties resulted in huge accumulation of arrears in tax revenue and non-tax revenue. The database available for House Tax, Trade and Sign Board fees were unreliable and in the case of Trade and Sign Board fees, the same was inadequate as the provisions contemplated in the Bye-laws were not incorporated. There was no monitoring system for renewal of the Trade and Occupation Licences. The contract for display of Sinage was awarded without inviting tenders. Municipal lands and buildings are valuable assets in view of the prevailing market prices but CCP failed to safeguard these assets effectively. Though a valid lease agreement is a pre-requisites for leasing of Municipal properties, the CCP failed to execute the agreements in respect of lands and buildings leased out and did not initiate action to evict the unauthorised occupants. The CCP had not revised the rents for past two decades and Government directions in this regard were also not adhered to. The CCP did not initiate any action on the illegal occupants of the New Market Complex who profiteered at the cost of public money by selling/leasing of shops. The CCP failed to refund unspent balance of grants-in-aid resulting in blocking up of Government funds.

The Committee recommends a focused follow up with regards to the matter and would like to be appraised of the present status.

The Committee finds the reply by the Officers, that they were relying fully on the premise that the Smart City exercise through IPSCD would give a solution to non-mapping of buildings and properties is questionable. It seeks to know why the CCP is relying on an exercise that may or may not start in the future as in the meanwhile the Government is losing revenue from non-collection of Property Tax and House Tax within the jurisdiction of the CCP. The Committee recommends that a taskforce be set up to physically identify properties not exempted from Property Tax as per Act, and levy the said tax at the earliest.

In the matter of levy of Property tax on Government buildings, the Committee recommends that a survey be made as to the number of private agencies using Government premises for commercial purposes and tax to be levied on such properties. The Committee may be furnished with latest details of premises both residential and non- residential for which a bill of House Tax has been raised and a list of defaulters and the specific action taken by the CCP in each case towards recovery of dues. The Committee seeks information on updated status of execution of lease and licence agreements and the initiative taken to complete the same and the action initiated to collect arrears. The Committee recommends that a competent authority be appointed for assessing the Government buildings at the earliest to establish value and fix the general tax receivable thereof.

The Committee seeks to know the status of collection of tax arrears of building “Spaces” at EDC Patto Plaza that has been leased to the Government. The Committee feels that as the building is not a Government holding and has been leased for a remuneration, the tax should have been collected as per Act.

The Committee takes a serious view of the failure by the CCP to renew lease agreements and collect outstanding dues. Furthermore it has failed to protect its properties besides incurring loss of revenue by not evicting persons who fail to vacate premises where leases have expired and not been renewed. The Committee seeks updated status of execution of agreements at Praca-de-Comercio Building and the status of recovery of arrears case-wise.

The Committee recommends a focused follow up with regards to the matter and would like to be appraised of the present status.

CHAPTER-III

WATER RESOURCES DEPARTMENT

Irregular release of bank guarantee and hypothecated machinery to the contractor, resulting in non-adjustment of mobilisation/ machinery advances.

Irregular release of bank guarantee and hypothecated machinery to the contractor, resulting in non-realisation of ₹ 4.66 crore and undue favour to the contractor.

The Works Division VIII (Div.) of the Goa Tillari Irrigation Development Corporation (GTIDC), awarded (January 2007) the work of construction of 8.455 km length RCC Conduit from Ch. 28.970 km to 37.425 km on the Left Bank Main Canal of the Tillari Irrigation Project to M/s. Ketan Construction Pvt. Ltd. (KCL), Gujarat at a cost of ₹ 51.44 crore, which was 39.90% above the estimated cost of work put to tender. GTIDC executed an agreement in January 2007 with KCL. The stipulated dates of commencement and completion of work were 18 January 2007 and 12 April 2008 respectively. However, the time limit was extended (December 2008) upto 31st May 2009.

As per Clause 10B (ii) of the General Conditions of Contract, KCL was eligible for mobilisation advance, not exceeding 5% of the tendered value, at 10% simple interest per annum, subject to execution of a bank guarantee(BG) for the full amount from a scheduled/nationalised bank. Further, as per Clause 10B (iii) of the General Condition, up to 5% of the tendered value could also be advanced to KCL for plant, machinery and shuttering material required for the work and brought to site by the contractor, which in the opinion of the engineer in charge, would add to the expeditious execution of work and improve of its quality.

The Division release an amount of ₹ 2.057 crore in January 2007, being 5% of the tendered value as mobilisation advance against the security of five BGs totalling ₹ 2.57 crore valid up to 6 June 2008. The Division also released (January 2007) an amount of ₹ 2.57 crore as secured advance for plant and machinery on the security of one 200 TPH 3 stage Crushing Plant Machinery 2007 Model, to be hypothecated in favour of the Executive Engineer, with an insured value of ₹ 3.40 crore. The machine was insured for the period 18 May

2007 to 17 May 2008. However, no hypothecation deed specifying the machinery hypothecated was executed. As KCL had abandoned the work, GTIDC terminated the contract in February 2009 by invoking Clause 3 of the agreement and encashed the BGs for ₹ 2.57 crore submitted by them as performance guarantee.

Audit scrutiny revealed that at the time of termination (February 2009) of the contract, an amount of ₹ 3.84 crore out of 5.14 crore paid as mobilisation and secured advance was due from KCL towards the principal alone. However, GTIDC was left with no security as the then Executive Engineer released all the five BGs for ₹ 2.57 crore submitted as security for mobilisation advance, on 8 April 2008. The machinery having value of ₹ 3.40 crore on the security, of which secured advance of ₹ 2.57 crore was paid was also released.

Clause 10 B (vi) of the General Conditions stipulated that the BG against advances should be valid for the contract period and should be renewed from time to time to cover the balance amount and likely period of complete recovery, together with interest. Though the scheduled date of completion of work was extended upto May 2009, and the amounts paid as advances were outstanding, the then Executive Engineer released the BGs in April 2008 itself, instead of extending the validity period upto May 2009.

Thus, the irregular release of the BG and permission to KCL to take away the hypothecated machinery resulted in GTIDC being left with no security for the amount due to it. The total amount of advance and interest thereon recoverable from KCL as on 31 March 2011 was ₹ 4.66 crore.

When these irregularities were pointed out (October 2010) in audit, GTIDC stated (March 2011) that the Superintending Engineer, Circle Office II of GTIDC had been appointed to inquire into the irregular release of bank guarantee and hypothecated machinery to the contractor. The Superintending Engineer submitted his report on 26 April 2011. The Report confirmed the audit observation and termed it as a 'major irregularity'.

Department in its written reply stated that these irregularities were pointed out in December 2010 and was brought to the notice of Managing Director, thereafter the task to conduct the inquiry was assigned to Superintending Engineer, Circle Officer II in March 2011. The Superintending Engineer has conducted inquiry by calling Executive Engineer and concern staff of Division office. Superintending Engineer has checked the R.A. bills and bank guarantee register and other record pertaining to that work.

After detailed inquiry Superintending Engineer found that observation raised by Audit is confirmed and proposed as major irregularities in discharging his office duties as Executive Engineer.

The report of Superintending Engineer, Circle Officer II was submitted to Hon'ble Minister (Water Resources) by Chief Engineer (WRD). It has been proposed by Government to conduct detailed inquiry, for which Superintending Engineer (CADA) has been appointed as inquiry officer in April, 2012. Inquiry is in progress.

As far as recovery is concerned the Corporation has filed a counterclaim in Civil suit No. 21/2010 before the Adhoc District Judge (Fast Track Court). Hearing is fixed on 31/07/2012.

The Department in its further reply stated that the Work Division VIII (Division) of the Goa Tillari Irrigation Development Corporation (GTIDC) awarded (January 2007) the work of construction of 8,455 km length RCC conduit from Ch. 28.970 km to 37.425 km on the Left Bank Main Canal of the Tillari Irrigation Project to M/s. Ketan Construction Pvt. Ltd. (KCL), Gujarat at a cost of ₹ 51.44 crore, which was 39.90 per cent above the estimated cost of work put to tender, GTIDC executed an agreement in January 2007 with KCL. The stipulated dates of commencement and completion of work were 18th January, 2007 and 12th April, 2008 respectively. However, the time was extended (December 2008) upto 31st May 2009.

As per Clause 10B (ii) of the General Conditions of Contract, KCL, was eligible for mobilisation advance, not exceeding five per cent of tendered value at 10 per cent simple interest per annum, subject to execution of a Bank Guarantee (BG) for the full amount from a scheduled/nationalised bank. Further, as per Clause 10 B (ii) of the General Conditions, up to five per cent of tender value could also be advanced to KCL for plant, machinery and shuttering material required for the work and brought to site by the contractor, which in the opinion of the engineer in charge, would add to the expeditious execution of work and improve its quality.

The Division released an amount of ₹ 2.57 crore in January 2007, being five per cent of the tendered value as mobilisation advance against the security of five BGs totalling to ₹ 2.57 crore valid upto 6th June 2008. The Division also released (January 2007) an amount of ₹ 2.57 crore as secured advance for plant and machinery on the security of one 200 TPH 3 Crushing Plant Machinery 2007 Model, to be hypothecated in favour of the Executive Engineer, with an insured value of ₹ 3.40 crore. The machine was insured for period of 18th May, 2007 to 17th May 2008. However, no hypothecation deed specifying the

machinery hypothecated was executed. As KCL had abandoned the work, GTIDC terminated the contract in February 2009 by invoking Clause 3 of the agreement and encashed the BGs for ₹ 2.57 crore submitted by them as performance guarantee.

Audit scrutiny revealed that at the time of termination (February 2009) of the contract, an amount of ₹ 3.84 crore out of ₹ 5.14 crore paid as mobilisation and secured advance was due from KCL towards the principle alone. However, GTIDC was left with no security as the then Executive Engineer released all five BGs for ₹ 2.57 crore submitted as security for mobilisation advance, on 8th April, 2008. The machinery having value of ₹ 3.40 crore on the security, of which secured advance of ₹ 2.57 crore was also released.

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When these irregularities were pointed out (October 2010) in audit, GTIDC stated (March 2011) that the Superintending Engineer, Circle Officer-II of GTIDC had been appointed to inquire into the irregular release of bank guarantee and hypothecated machinery to the contractor. The Superintending Engineer submitted his report on 26th April, 2011. The report confirmed the audit observation and termed it as a “major irregularity”.

Present Position:

To protect the interest of the Government, Department has already filed a civil suit in the District Court at Mapusa for recovery of ₹ 36.42 crore from the agency M/s. Ketan Construction Ltd.

The issue was also referred by Department to Anti-Corruption Bureau and the investigations are in process as per information available.

The Department also referred the matter to Vigilance Department to initiate proceedings under Civil Service Rules and Shri S.D. Desai, Retd. Civil Service Officer has been appointed by Vigilance Department to enquire into the charges framed against the erring officers and as per information available with Department, the enquiry is in process.

The Committee recommends that the cases for recovery of all dues from the Agency KCL, be followed up by the Department and the matter be taken to a logical conclusion.

In the matter of the release of the Bank Guarantees by the Department officials against all working norms of the Department and non-execution of any Hypothecation Deed for the equipment offered as security, the Committee awaits the findings of the Departmental enquiry and the Anti-Corruption Bureau.

The Committee further recommends that any short fall in the recovery of amounts with interest not recovered from the Agency should be recovered from the officers responsible for the release of the Bank Guarantees to the Agency.

CHAPTER-IV

PUBLIC HEALTH DEPARTMENT

1. Avoidable expenditure: Continuance of contract staff and outsourcing of cleaning works despite the availability of regular staff resulted in an avoidable expenditure of ₹ 1.34 crore.

The Institute of Psychiatry and Human Behaviour (IPHB), Goa is a 190-bedded hospital which provides preventive, curative and rehabilitative mental health services to the people of Goa and to neighbouring districts of Maharashtra and Karnataka.

The sanctioned strength (February 2002) of the attendants and sweepers in IPHB was 93 and 30 respectively. As against this, the persons-in-position were 73 attendants and 28 sweepers. Due to the ban on recruitment of staff on regular basis, IPHB filled up the vacancies from time to time with contract staff supplied by the Goa Labour Recruitment and Employment Society (GLRES).

In October 2008, IPHB filled 34 posts on regular basis and issued (November 2008) termination notices to the GLRES contract staff. However, Audit observed that the Health Minister directed (November 2008) IPHB to continue their services till further orders. Subsequently (April 2010) the Department transferred the services of 11 of the contract staff to Goa Dental College, while 14 staff continued at IPHB as on February 2011. The Department thus incurred avoidable expenditure of ₹ 28.44 lakh on these staff between December 2008 and March 2011.

Audit further observed that while IPHB maintained its full complement of sweepers, the Government awarded (August 2008) a contract for mechanised sweeping and swabbing at IPHB, including cleaning of the entire building and surrounding area on day to day basis, to a private agency (M/s. Ecoclean System and Solutions) for a period of three years at a cost of ₹ 3.22 lakh per month. It could be seen that there was no proposal for this from IPHB. Audit also observed that while the Government executed an agreement with the private party for this work on 1 August 2008, the proposal to award the work was approved on 14 August 2008 only. Extra expenditure incurred on this by IPHB between September 2008 and March 2011 was ₹ 105.53 lakh.

Thus retention of surplus staff and outsourcing of work forming part of the duty of the regular staff to a private contractor resulted in extra/avoidable expenditure of ₹ 1.34 crore.

IPHB attributed retention of surplus staff to the orders of the Minister and stated (December 2010) that the contract for sweeping and swabbing was awarded by the Government at their level.

The Department in its written reply stated that the IPHB has sanctioned strength of 93 posts of Attendants and 30 posts of Sweepers on regular basis, to cater to the 09 wards of 180 patients, who are mentally ill. Further, to state that, the IPHB campus being very big and vast, it was not possible for regular Sweepers to carryout cleanliness i.e. sweeping/swabbing.

In view of above the Government has directed M/s. Ecoclean Systems and Solution, to carryout mechanized sweeping/swabbing in this Institute. It is true that the IPHB has various other regular staff to take care of the patients and to maintain their hygienic cleanliness and also upkeep of the hospital side and its premises clean. Duties of various regular staff namely, Attendants and Sweepers are quite different as these staff are involved in undertaking their tasks in the hospital side, ward side etc.

Besides, there is administrative side of the Institute. Long corridors, common places including vast internal and external areas that remain unattended which have been taken care of with the help of M/s. Ecoclean System and Solution through their mechanized sweeping and swabbing.

The contract of the said M/s. Ecoclean System and Solution in the IPHB till date or till the new contract is finalized as per the Government Order No. 42/27/2008-1/PHD/(PF)/Vol.1/6150 dated 11/11/2014, As explained above the services of M/s. Ecoclean System and Solution helps to maintain cleanliness and hygienic conditions in and entire Institute/Hospital, thus justifies the expenditure.

Further, the Department stated that the total sanction strength of regular sweeper is 30.all these regular sweepers are deployed in various wards of the hospital of this institute and they carry out the following duties:

Duties of sweeper

1. Cleaning and washing soiled linen used by patients.

2. Bed side cleanliness of patients who are bed ridden and also attending OPD patients during emergencies for cleanliness and maintaining hygiene.
3. Carrying of samples of blood, urine, stool, etc. from the wards to IPHB Laboratory and to Goa Medical College Laboratory.
4. Collection of food waste from all the wards and disposing in dustbin.
5. Carrying biomedical waste from IPHB to Goa Medical College incinerator.
6. Utilised as Cleaner for Bus trips and washing hospital vehicles.
7. Apart from wards sweepers are entrusted duties to work in Laboratory, Kitchen Section, Assisting Doctors, Social Worker, Library, O.P.D. and Casualty.

As seen above, the duties mainly under taken by the regular sweeper are very much distinct from the personnel engaged on contract through Eco-Clean.

The Services of the regular staff were insufficient to carry out the maintenance of cleanliness and hygiene of the Institute. Therefore the Government awarded the contract for the Annual Mechanized sweeping and swabbing of this Institute using materials of standard quality and reputed brands materials of their own to M/s. Eco-Clean System and Solution, Panaji Goa, vide Government order No. 42/27/2008-I/PHD dated 28/08/2008.

The work undertaken by these personnel comprises of mechanized sweeping and sobbing of the hospital premises, wards, Resident Doctors Hostel, etc. including all the toilets of the Institute. Besides, the Administrative Block of the Institute including the long corridors, common place that remain unattended and vast internal and external areas are also attended and cleaned by these personnel.

Initially total 32 staff were appointed through Goa Employment & Recruitment Society, in the year 2002 in replacement of the Staff retired under VRS scheme. From the available 25 contractual staff 11 staff were transferred to the Goa Dental College & Hospital and the services of only 14 Contractual Gr. D staff in this Institute were continued as per the Government directives vide letter No. 1/1/08/M(H)2624 dated 19/11/2008. These 14 contractual staffs were regularized against the newly created posts as Attendants (Group D posts) vide Government order No. 4/12/2006-II/PHD/Part-I dated 02/12/2013 and further Addendum of even number dated 06/01/2014. Accordingly they were appointed on regular basis w.e.f. 01/01/2014.

The Committee is of the opinion that there is a definite lapse on the part of the Department in engaging contractual staff without the sanction of

the Administrative Reforms Department. However, considering the vast area of the Complex, the maintenance and the hygiene requirements due to the nature of patients, the Committee feels that there should be rationalisation of the number of posts at the Institute of Psychiatry and Human Behaviour (IPHB) in consultation with the Administrative Reforms Department.

PUBLIC HEALTH DEPARTMENT

2. Irregular procurement of equipment Goa Medical College procured Central Sterile and Supply Development equipment without observing the prescribed procedure of publicity.

The Central Vigilance Commission (CVC) Guidelines prescribe practices to be adopted for improvement in the procurement system. The guidelines call for issue of advertised/global tender inquiries and publication of the tender notices in International Trade Journals (ITJ) and selected national newspapers. The copies of the tender notices should be sent to all the registered/past/likely suppliers by registered post and also to the Indian missions/embassies of major trading countries in case of imported stores. Further, the guidelines also entail that technical specifications should be made generic in nature to provide equitable opportunities to the prospective bidders.

The Goa Medical College (GMC) decided (November 2008) to procure a new Central Sterile and Supply Development (CSSD) equipment under a buyback condition of the existing old equipment. A tender notice for supply and installation of the equipment was advertised (February 2009) and five offers were received. On opening of the technical bids, the Purchase Committee rejected the offers of three companies as they had submitted part offers. The full technical offers of M/s. Maquet, Mumbai and M/s. Entrack Corporation, New Delhi were considered. The technical offer of M/s. Maquet, Mumbai was also rejected on the grounds of deviation from specifications for some items mentioned in the tender documents. Thus, the single financial offer of M/s. Entrack Corporation was opened on 31 March 2009. The total financial offer was for CHF 8,79,157 equivalent to ₹ 3.80 crore (at the then exchange rate) which was accepted without negotiation. An order was placed in October 2009 for supply of the equipment. The equipment was supplied in April 2010 at a total cost of ₹ 4.35 crore. (inclusive of all taxes, duties applicable, handling charges and cost of essential accessories).

Audit scrutiny (December 2010) revealed that M/s. Entrack Corporation had initially approached (July 2008) the Health Minister with an offer to supply CSSD equipment manufactured by their Principal, M/s. Belimed AG, Switzerland. The Minister forwarded the offer (July 2008) to the Secretary

Health, with instruction to put up the same to the Purchase Committee for early decision. The Purchase Committee decided (October 2008) to float tenders for the procurement. The Medical Superintendent, GMC prepared the tender documents, adopting the specifications of the equipment manufactured by M/s. Belimed AG (as drawn from the catalogues and literature supplied by the Company). The tender specifications specifically indicated 'Belimed' make for some items. The Department published the tender in two local dailies and one national daily only. Thus the Department ignored the guidelines of the CVC for publishing in ITJs, as the equipment was an imported one.

The CSSD equipment offered by M/s. Maquet was manufactured by their Principal M/s. Getinge AG, Sweden, and their technical offer was as per the specifications of M/s. Getinge. The Purchase Committee rejected the offer of M/s. Maquet. Without analysing it, for not confirming to the specifications called for in the tender, even though the equipment currently in use at GMC had been supplied by M/s. Getinge. M/s. Maquet had also objected (February 2009) to the insertion of proprietary specifications, which were specific only to M/s. Belimed, in the tender.

Audit observed that the process of procurement was clearly marked by a lack of transparency. The entire process of tendering and selection of agency was pre-determined as the tender specifications were tailor-made for the equipment manufactured by M/s. Belimed AG. Along with non-analysis of the specifications of M/s. Getinge AG, the tendering process culminated in the consideration and acceptance of the single offer of M/s. Entrack. Further, there was no specific demand for replacement of the existing equipment from GMC. The procurement was initiated at the instance of the Health Minister's directions on M/s. Entrack's proposal.

Audit also observed that though the equipment was delivered in April 2010, it was installed and commissioned only in May 2011 as the site preparation and civil work was not completed by the Public Work Department. Consequently, the equipment procured at the cost of ₹ 4.35 crore remained idle for a year and major portion of the warranty period was exhausted without the equipment being put to use.

Thus, the Goa Medical College ignored the tendering requirement and failed to ensure the reasonableness of the single offer of ₹ 4.35 crore by eliminating the competitive offers in predetermined and non-transparent manner.

The Department in its written reply stated that GMC was in urgent need for purchase of CSSD Equipment's as the old machines were purchased before

1990. A letter was received from Public Health Department Viz No. 7/65/2007-II/PHD/(MISC) dated 20/08/2008, regarding the Buy back of CSSD Equipment for Goa Medical and from M/s. Entrack Corporation., New Delhi, addressed to the Hon'ble Minister of Health, regarding the CSSD equipment in Goa Medical Collage, along with the details / specification sheets of the Equipment's and accessories and catalogue. Accordingly, a meeting was fixed on 18/09/2008 to discuss the above matter and a note was forwarded to the Medical Superintended, requesting to submit the specifications to purchase the CSSD Equipments under buy back offer, if any in order to float the tender. After discussion with all the HOD's of GMC and after proper scrutiny, the Purchase Committee decided to invite the tender for the same. Tenders were invited after following all the codal procedures. The Notice was advertised on 3 local dailies and one national daily for the following CSSD Equipments under Buy Back offer (namely 1. Steam Sterilizer Double Door with built in electric steam generator, 2. Low Temperature Formaldehyde Sterilizer; 3. Washer/Disinfector Pass through Model including Accessories; 4. Drying Cabinet Dc7-1; 5. Automatic Glove Conditioner 830; 6. Ultrasonic Cleaner; 7. Automatic Sealing Device with Accessories; 8. Spray Gun Air/Water; 9. 100% Eto Sterilizer for Goa Medical Collage, Bambolim Goa. In response to open tender notice No. GMC/PS/Plan/Equipt (I) 2008-09 dated 30/01/2009, five tenders were received from 1. M/s. Entrack Corporation, New Delhi, 2. M/s. Pest Control of India Pvt. Ltd., Mumbai, 3. M/s. Nat Steel Equipment Pvt. Ltd., Bombay, 4. M/s. Oscar Ultrasonic Pvt. Ltd., Mumbai and 5. M/s. Maquet, Mumbai. After scrutiny, Medical Superintendent did not consider the tenders of three companies namely 1. M/s. Pest Control of India Pvt. Ltd., Mumbai, 2. M/s. Nat Steel Equipment Pvt. Ltd., Bombay, 3. M/s. Oscar Ultrasonic Pvt. Ltd., Mumbai, as the companies did not offer all the equipments and submitted part offers, hence rejected. The following two companies, M/s. Entrack Corporation, New Delhi and M/s. Maquet, Mumbai have offered all the equipments, whereas after detailed verification of the specifications and NIT, it was observed that M/s. Maquet had deviated from the specifications in most of the equipments. Hence, the Medical Superintendent and the Purchase Committee members selected the only offer of M/s. Entrack Corporation, New Delhi, since it met all the specifications and as per the NIT. Accordingly price bid was opened in the presence of Purchase Committee Members and the tenderer present.

The amount quoted by M/s. Entrack Corporation, New Delhi for the following equipment are as follows:

Sr. No.	CCSD Equipment	Unit	Qty.	Amount
1.	Steam Sterilizer MST-VS2 6612, electrically heated capacity 570lts, inc acc.	153,150.00	2 Nos.	306,300.00
2.	Formaldehyde Steam Sterilizer MMSt-	190,176.00	1 No.	190,176.00

	VS@, 6612 FO including ace.			
3.	Belimed Washer Disinfector WD 250, 2 doors, including accessories.	123,131.00	2 Nos.	246,262.00
4.	Drying Cabinet Dc 7-1.	24,600.00	1 No.	24,600.00
5.	Glove Conditioner 830, Glove Test Unit	31,600.00	2 Nos.	63,200.00
6.	Ultrasonic Cleaner Belsonic US-21 with accessories	4,510.00	2 Nos.	9,020.00
7.	Automatic Sealing Device Belseal 85 accessories.	7,535.00	2 Nos.	15,070.00
8.	Spray Gun, selecta 8 attachments.	1,500.00	2 Nos.	3,000.00
9.	3M sterivac 100% Eto Sterilizer, Model 8XL	45,238.00	1 No.	45,238.00
Total				9,02,866.00

TOTAL Value.....₹ 9,02,866.00
Less-special buy-back discount /...30,709.00

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Total net price, FOB....CHF ₹ 8,72,157.00

Freight charge +Insurance CHF. ₹ 7,000.00

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TOTAL Net price, CIF, Goa Medical Collage: CHF ₹ 8,79,157.00
(CHF: Eight lakh seventy nine thousand one hundred fifty seven only)
The amount in Indian Rupees @ ₹ 43.08 /CHF as on 22/05/2009 works out to ₹ 3,78,74,083.56+30% extra on the quoted price which works to ₹ 4,92,36,309.00.

After the delivery of the Equipment, steps were taken to create the infrastructure the installation was done step by step and by 1st May 2011 the CSSD equipment were completely installed. Presently, the CSSD equipment is partly being used. Approval has been received from the Government for carrying out the repairs through M/s. Salaxmi Distributors, Pune. The Goa Infrastructure Development Corporation is also assisting in the repair works. The CSSD equipment is expected to be fully functional within the next two months.

Further written reply of Department state that the reply that the tender was published in one National daily to get wide publicity is not acceptable specially for an equipment costing over ₹ 4 crore. The GMC ignored the CVC guidelines to be followed during such procurements.

At the time of Publication of the notice, Goa Medical Collage was not felt that there is need of Global tendering and also copies of the tender notice to the

Indian missions/Embassies of major trading countries as we accepted good response from the traders in the country by publishing in the National dailies and the notice was published Times of India, Mumbai edition which is having wide circulation.

The denial of the audit contention that the specification was tailor-made to suit the specification of M/s. Entrack is not agreeable. The intention that the selection was made as decided by the Purchase Committee as per specification given by the Medical Superintendent of GMC is not acceptable as all others tenders were excluded due to supplier specific specifications prescribed in the tender and the Committee had no other option to consider. The specification of the brand Belimed pre-disposed the whole process in favour of M/s. Entrack.

1. The Goa Medical Collage do not agree with the contention of audit that the entire process of tendering and selection of Agency was predetermined and the tender specification were tailor made for the said equipment. As this office received five tender from the following firms namely (1) M/s. Entrack Corporation New Delhi, (2) Pest Control of India Pvt. Ltd. (3) M/s. NAT Steel Equipment Ltd., Bombay. (4) M/s. Oscar Ultrasonic Pvt. Ltd., Mumbai. (5) M/s. Maquet, Mumbai. Out of the five three Companies i.e. of (1) Pest Control of India Pvt. Ltd. (2) M/s. NAT Steel Equipment Ltd., Bombay. (3) M/s. Oscar Ultrasonic Pvt. Ltd., Mumbai, were rejected on the grounds that they have submitted part offer and 9 different equipments of the CSSD unit tendered should be of one company since the functioning of each equipment cannot be independent for better performance and maintenance point of view. And M/s. Maquet, Mumbai was quoted for all the 9 CSSD equipments and the same was rejected due to deviation from the tender NIT specification, such as chamber dimension height and width differs. Dimension were required to fit the machinery in the existing infrastructure.

2. The single tender was accepted since it was as per specification. The matter was placed before the Purchase Committee Members on 18/05/2009. The recommendation of Medical Superintendent of GMC was agreed. Being, single tender the Purchase Committee Members decided to refer the matter to the Government. Accordingly, vide letter No. GMC /PS/ PLAN/ CSSD/ Laundry/ 2009-10/1180 dated 28/05/2009 was referred to the Government for the examination of the proposal and further decision. In response, the Government Conveyed Sanction Order No. 7/29/2009-II/PHD dated 09/09/2009 for Rs, 4,92,36,309.00 towards purchase, installation and commissioning of CSSD equipments.

Further in detail reply Department stated that the existing CSSD equipments were almost 15 years old. Letter dated 01/06/2006 received from

the Company i.e. M/s. Medicontrivers (India) Pvt. Ltd., addressed to 654 Medical Superintendent that the existing CSSD equipments has passed the life time of 15 years and there in need to replace the same.

The office has received a letter from the PHD vide letter No. 7/65/2007-II/PHD(MISC) dated 20/08/2008 regarding the buyback offer of CSSD Equipment enclosing therein letter No. ENC.GMC.090708:KP dated 09/07/2008 from M/s. Entrack Corp., New Delhi, addressed to the Hon. Minister for Health, regarding the CSSD equipment in GMC, along with the details/specification sheets of the Equipment and accessories and catalogues.

Accordingly, meeting was fixed on 18/09/2008 to discuss the above matter. This office received note from Medical Superintendent forwarding the equipments of CSSD to be purchased. A note was forwarded to all the HOD's to attend the meeting for discussion and to offer their comments for purchase of CSSD Equipments under buyback offer.

In the meeting held on 25/11/2008, the Chairman and HOD's agreed to float the tender under buyback offer with the condition that the equipment should have gas sterilization and upgradable facility.

Note was received from the Medical Superintendent forwarding the details specification of the CSSD Equipments.

Tender was invited vide tender Notice No. GMC/PS,PLAN/Equip/2008-09 dated 30/01/2009 under buyback offer by following the codal procedures by advertising in three local dailies and one national daily through the Department of Information and Publicity of Goa. At the time of Publication of notice, Goa Medical Collage was not felt that there is need of Global tendering and also copies of the tender notice to the Indian mission/Embassies of major trading countries as we accepted good response from the tenders in the country by publishing in the National dailies.

In response to this office received five tenders from the following firms:

- (1) M/s. Entrack Corporation New Delhi, (2) Pest Control of India Pvt. Ltd. (3) M/s. NAT Steel Equipment Ltd., Bombay. (4) M/s. Oscar Ultrasonic Pvt. Ltd., Mumbai. (5) M/s. Maquet, Mumbai.

All the five tenders received were forwarded to the Medical Superintendent for scrutiny and technical evaluation. Out of the five, three companies rejected on the grounds that, they have submitted part offer. Whereas the tender of M/s. Maquet was rejected due to deviation from the tender NIT specification, such as chamber dimension and height and width differs.

Accordingly, single tender of M/s. Entrack Corporation was as per specification.

The technical comparative chart was placed before the Committee members and the recommendation of Medical Superintendent was accepted and accordingly price of the single offer was opened based of the remarks offered by the Medical Superintendent “that all the 9 CSSD Equipments should be one company since the functioning the each equipment cannot be independent for better performance and maintenance point of view”. The equipment quoted are hi-tech and latest in the market and rate quoted appears reasonable. Since the equipments are to be used for the next 20 years.

The single tender was accepted since it was as per specification, the matter was placed before the Purchase Committee Members on 18/05/2009. The recommendation of the Medical Superintendent GMC was agreed. Being, single tender the purchase Committee Members decided to refer the matter to the Government. Accordingly, vide letter No. GMC /PS/ PLAN/ CSSD/ Laundry/ 2009-10/1180 dated 28/05/2009 was referred to the Government for the examination of the proposal and further decision.

In response, the Government Conveyed Sanction Order No. 7/29/2009-II/PHD dated 09/09/2009 for ₹ 4,92,36,309.00 towards purchase, installation and commissioning of CSSD equipments. Accordingly, this office has issued purchase order in favour of M/s. Entrack Corporation, New Delhi vide P.O. No. GMC/PS/PLAN/CSSD/2009-10/1806/5340 dated 27/10/2009.

The equipment was delivered to the site in April 2010. After delivery steps were taken to create the infrastructure. Since the new CSSD Equipment were to be installed in the same place the existing equipments were required to be dismantled. The CSSD equipments are very important and essential for functioning of the hospital, all the existing equipments could not be dismantled at a time. Dismantling has to be done in phase manner without disrupting the hospital functioning. The equipments were installed one by one after creating the infrastructure with steam, water and electrical connections in May 2011.

Out of three Sterilizers, two steam sterilizers were functional since 2013. The third sterilizer was not functional from the beginning. M/s. Belimed AG was contacted on several occasions and finally the service engineer of M/s. Entrack Corporation inspected the Steam Sterilizer, but thereafter failed to respond to telephonic calls and reminders sent. Finally the parent company was contacted and the Regional Sales and Technical Manager visited the CSSD unit to evaluate the machines. Subsequent to his visit and upon his instructions a quotation of repairs amounting of ₹ 18,44,289/- was obtained in September 2014 from M/s. Salaxmi Distributors, Pune who it was given to understand were

the authorised agents for South India as informed by the Medical Superintendent.

Meantime in 2014, Ultrasonic Cleaner Belsonic US-21 with accessories (one of the Equipment out of 9 different Equipments of CSSD Unit) was transferred to Department of Cardiology and is functional and utilized by the said Department.

An order dated 27/01/2015 was subsequently issued by the Public Health Department conveying approval for incurring expenditure of ₹ 18,44,289/- on the repairs through M/s. Salaxmi Distributors, Pune. Its service engineer visited the hospital on 13th April to 16th April, 2015 and carried out the repair work. The firm inform that the Steam Sterilizer was tested, run with different cycles and was found working. However, due to the lack of utilities viz compressed air system, the sterilizer could not be operated.

Accordingly, GSIDC was asked to take the preliminary steps to installed a new compressed air system as required by M/s. Salaxmi Distributors which was essential for the working of the Steam Sterilizer. The work was taken up by the GSIDC and new compressed air system installed in February 2016. The Medical Superintendent vide letter dated 10/03/2016 informed M/s. Salaxmi Distributors, Pune as regard completion of work of the compressed air system. The party was also informed to attend to the repair works of the Belimed Steam Sterilizer. However, there has been no response from the Company even after telephonic reminders. On 31/05/2016 a show cause notice was issued to the Company for not attending to the repair works. The Company has installed and commissioned the chiller on 9th November 2016.

Current status: The Company has installed and commissioned the chiller on 9th November, 2016. The machinery is to be expected to be fully functional after replacing the required parts.

The Committee strongly points out the lapse on the part of concerned Department since the machinery was tendered and procured even before the completion of the building to house the machinery. This let to the machinery lying idle and not commissioned even beyond the warranty period stipulated.

The Committee recommends that in future quotation be called for by generic specifications and not by proprietary specification. It also recommends that specifications to high end equipment should be drawn up by a team including technically qualified members and all notings and recommendations should be recorded in future.

The Committee further recommends that all high end machinery should be procured on a turn-key basis wherein the same is installed and commissioned to the satisfaction of the concerned Department.

The Committee takes a strong view of the fact that the specifications the tendering process were of a proprietary rather than a generic nature which automatically narrowed down the eligibility of many suppliers of the same type of equipment.

CHAPTER-V

RURAL DEVELOPMENT AGENCY

ECONOMIC SERVICES

Infrastructure

Proper infrastructure goes a long way in enhancing the growth potential of a district and bridging the gap between urban and rural areas. A review of rural connectivity by roads revealed that all the villages in the district were connected with good all-weather roads and though the limited frequency, all the villages were connected with public transportation facilities. The audit findings in this regards are discussed below:

Pradhan Mantri Gram Sadak Yojana

The Pradhan Mantri Gram Sadak Yojana (PMGSY) is a 100% Centrally sponsored scheme implemented from funds earmarked out of 50% of the cess collected on high speed diesel. The scheme aims to provide connectivity by way of all-weather roads to eligible unconnected habitations in rural areas. The State Government received funds to the tune of ₹ 10.04 crore from the Government of India, Ministry of Rural Development for implementation of the scheme.

Initially, the PWD was identified as the implementing agency for the works but in May 2003 the scheme was transferred to the DRDAs for implementation. The Government of India sanctioned 17 new roads in the district covering 18.18 km, under the scheme. Out of the seven works tendered (₹ 1.50 crore) in the year 2004 for the Sattari block, only two roads were completed. The remaining five roads were not completed by the agency due to non-availability of road-width and road falling within a wild life sanctuary. The other road works had not been tendered so far (June 2011) due to non-availability of land as per the scheme guidelines. As such, only 1.87 km of road could be executed by the DRDA against 18.18 km sanctioned by the Government of India. The reasons for getting these works sanctioned from Government of India in anticipation of availability of land were not furnished by the PWD.

The DRDA proposed up-gradation of 245.64 km of village roads in five block of the district during 2005-08. Considering the lack of infrastructure with DRDAs, the Government transferred the scheme back to the PWD in December 2007. Accordingly, the DRDA transferred the scheme along with the project proposals for up-gradation of 245.64 km of roads to the PWD for execution. The Government of India relaxed (May 2008) the minimum width requirements for new connectivity and up-gradation. Subsequently, in May 2010, the National Rural Roads Development Agency (NRRDA), the nodal agency of the scheme at the Central level, forwarded an advisory withholding up-gradation proposal under PMGSY pending finalisation of new targets under the second phase of the scheme. As such, the PWD could not execute any works under the scheme and, the scheme was again retransferred to DRDA in January 2011. The DRDA, in turn, requested (February 2011) the Sewerage and Infrastructural Development Corporation of Goa Ltd. to explore the possibilities of undertaking the PNGSY scheme by that office and their reply was awaited (August 2011). Due to frequent changes in the implementing authority and lack of a coordinated approach to implement the scheme, the fund remained unutilised for the last five years and grew to ₹ 8.08 crore with accumulated interest as of March 2011. At present, due to the advisory of NRRDA, the up-gradation of the roads under PMGSY is at a standstill (October 2011).

The PMGSY Scheme was initially implemented in both the District by the PWD. However, vide order dated 28/03/2003 the Government has decided to transfer the said scheme for implementation from PWD to District Rural Development Agency.

Further, the Government has noticed that the DRDA's are lacking technical and other infrastructure facilities at all the levels and therefore considering all the aspects again transferred the scheme from DRDA's to PWD and both the DRDA's are directed to transfer all the relevant documents, files and details to the PWD, so that further works can be undertaken by the PWD.

In view of above, vide order No. 50/1/2014/PCE-PWD-ADM(II)/2011 dated 12/05/2014 Government has set up institutional arrangement and main functionaries consisting of specific officers for effective implementation of Pradhan Mantri Gram Sadak Yojana in the State of Goa.

Now, the PWD started to undertaking works under Pradhan Mantri Gram Sadak Yojana. This Department already undertaken 4 consultancy work amounting to ₹ 75,63,033 with the approval of Government. Also DRDA-North placed funds to PWD for the said work. Since this Department started to undertaking works under Pradhan Mantri Gram Sadak Yojana and delay was in view of above circumstances.

During the oral evidence the representatives of the Department stated that Prime Minister Gram Sadak Yojana Scheme was a Centrally sponsored and administered Scheme with its own set of procedures and norms set for the roads which were not applicable to Goa as Goa was considered as Urbanised state. Further it was stated that the scheme was passed through the Goa Engineering College rather than the PWD as selected by the Central Government.

The Committee noted that the delay in utilisation of amount released by the Central Government under PMGSY Scheme was due to the frequent shifting of the implementing authority from the PWD to Directorate of Rural Development Agency and vice-versa. Since the PWD is now taking up the projects utilising the funds under the Scheme the same may be executed and completed expeditiously.

CHAPTER-VI

FINANCE DEPARTMENT

UTILISATION OF DECLARATION FORMS IN INTER-STATE TRADE AND COMMERCE

Introduction

The Central Sales tax (CST) Act, 1956 and the Rules framed thereunder regulate the assessment, levy and collection of tax on inter-State transactions. Under the provisions of the Act and the Rules made thereunder, inter-State purchases or sale of goods are made at a concessional rate on the production of declaration in form C. up to March 2007, where a dealer fails to obtain and produce such declaration, tax is levied in respect of declared goods at twice the rate applicable to the sale or purchase of such goods inside the State and in case of other goods, at the rate of 10% or at the rate applicable to the sale or purchase of such goods within the State, whichever is higher. With effect from April 2007 rates applicable to the sale or purchase of declared goods were the same as those applicable to goods within the State under the Goa Value Added Tax (GVAT) Act.

The CST Act also provides that goods transferred by a dealer outside the State to any place of his business or to his agent or principal are not taxable provided such transfer is supported by a declaration in form F which is obtained from the transferee along with evidence of despatch of such goods to substantiate the claim of transfer. If the dealer fails to furnish such declaration then the movement of such goods shall be deemed to have been occasioned as a result of sales under the CST Act and tax charged accordingly.

In case of misutilisation of declaration forms, penal action in accordance with Section 10 or 10A in the form of prosecution or fine are to be imposed on the buyer or seller whereby if a person furnishes a declaration which he knows or has reason to believe to be false, he may be punishable with simple imprisonment which may be extended to six months or with a fine or with both.

Tax Information Exchange System (TINXSYS) is an exchange authored by the Empowered Committee of State Finance Ministers as a repository of

inter-State transactions taking place among various States and Union Territories. The website was designed to help the Commercial Tax Department of the various State and Union Territories to effectively monitor inter-State trade. The Commercial Tax Department is required upload the issue and utilisation details of 'C' and 'F' forms on the system. TINXSYS can be used by any dealer to verify the counter party inter-State dealer in any other State. Apart from dealer verification, it can also be used for verification of Central Statutory Forms issued by other State Commercial Tax Departments and submitted by the dealers in support of claim for concession.

The review of the utilisation of declaration forms in inter-State trade and commerce revealed some system and compliance deficiencies, which have been mentioned in the succeeding paragraphs.

Trend of revenue under CST

The Budget estimates of revenue receipts and the actual receipts under CST and variations during the years 2007-08 to 2010-11 is mentioned below:

(₹ in lakh)

<i>Year</i>	<i>Budget Estimates</i>	<i>Actual Receipts</i>	<i>Variations increase (+) Shortfall (-)</i>	<i>Percentage</i>
2007-08	8900.00	5962.37	(-) 2937.63	(-) 49.26
2008-09	5500.00	5948.94	(+) 448.94	(+) 7.54
2009-10	7800.00	7805.30	(+) 5.30	(+) 0.06
2010-11	9200.00	9735.55	(+) 535.55	(-) 5.50

The Department attributed the shortfall in the actual receipts for the year 2007-08 to the decrease in the rate of CST from 4% to 3%. The increase in the actual receipts during 2008-09 and 2009-10 was mainly due to normal growth and some of the dealers went out of the purview of the Goa Value Added Tax Deferment-cum-Net Value Compulsory Payment Scheme, 2005 and became liable to pay full tax.

AUDIT FINDINGS

System deficiencies

Cross verification of statutory forms using TINXSYS

The Government of India had initiated a website named TINXSYS – the Tax Information and Exchange System which is a centralised exchange of all Inter-State dealers spread across the various States and Union Territories of India. Every State is required to send the information on the issue and utilisation

of declaration forms to the Finance Ministry for uploading on to the website as the system of verification of forms will work efficiently only if the entire database regarding issue and utilisation of forms are uploaded on the TINXSYS by all the States regularly.

Scrutiny of records at five Ward offices revealed that during the period covered by the review, the Department had not adopted a system of checking the veracity of the declaration forms issued by other States from the TINXSYS database before allowing concession/exemption of tax. Further, as regards purchasing dealers of its own State, while the Department had uploaded issue details of 8,08,075 C and F forms to these dealers as of May 2011, utilisation details of only 78,887 C and F forms by these dealers were uploaded. The forms uploaded on TINXSYS website did not include bill-wise transactions with the result that the use of TINXSYS in other States would be limited to assuring the genuineness of the forms but not the correctness of the transactions effected through individual forms.

The Department agreed that cross verification of declaration forms by using TINXSYS was not being done by the Assessing Authorities since complete data is not available from other States and relying on incomplete data would mean harassment to dealers. It was also stated that the action was initiated to upload bill-wise data of utilised forms on TINXSYS which was eventually not done since the backlog would take considerable time and no purpose would be served since the assessments of VAT were almost completed up to 2007-08.

The reply of the Department is not tenable since the data uploaded could be useful for up to period of five years in re-assessed cases and the effectiveness of cross verification using TINXSYS would be required bill-wise information in order to ensure the validity of the transactions effected through the declaration forms.

In the absence of a proper system installed for prompt uploading of issue and utilisation of statutory forms, it would not be of use to other States for ensuring the correctness of the concession/exemption given to the dealers or preventing the use of defective/invalid forms.

Absence of enforcement measures

Audit observed that no Intelligence Wings or Inter State Investigation Wing was created for the purpose of verification of declaration forms. The Department had also not issued any instructions to the Assessing Authorities to cross verify at least a certain percentage of the forms at the time of assessment

and no training was imparted in the use of the TINXSYS facility with the result that there was no check on the correctness of the allowance of concessions/exemptions on the basis of these forms. Hence there was every possibility of leakage of Government revenue.

In reply to the audit observation, the Department stated that no fraudulent forms were produce before any Assessing Authority and no serious observations were reported. No dealers were blacklisted who were involved in misutilisation of declaration forms. The reply is not tenable as cross verification would enable detection of fraudulent declaration forms and prevent cases of tax evasion. Audit had come across cases of misutilisation of forms.

Compliance deficiencies

Irregular grant of concession on invalid 'C' statutory forms

As per the provision of CST Act and the Rules made thereunder, the dealer who claims concessional rate of tax is required to obtain the declaration in form 'C' marked as 'Original' from the purchasing dealer. The declaration is to be duly filled in and signed by the purchasing registered dealer to whom the goods are sold. With effect from October 2005 a single declaration in form C can cover transactions of sale which take place in a quarter of a financial year.

Test check of assessment records in five wards revealed that in 27 cases involving 20 dealers for the years 2005-06 and 2006-07, concessional rates of tax were allowed on a total turnover of ₹ 22.72 crore on the strength of declaration forms which were not signed by the purchaser, transactions covered in a declaration form were more than a quarter, there was absence of bill-wise details, duplicate declaration forms were used instead of original or the figures of the value of goods were written in pencil. The tax involved in such invalid/defective declaration forms was to the tune of ₹ 1.69 crore.

In reply to the Audit observation, the Assessing Authorities in the five ward offices stated that some of the forms were transactions of more than a quarter were covered in a single form were since replaced, that the omissions were merely technical since the transactions have actually taken place, wrong forms were submitted by oversight and the details of bill have since been furnished. The replies of the Assessing Authorities are not tenable as non-compliance to the provision under Rule 12 of the CST (Registration and Turnover) Rules, 1957 cannot be written off by merely considering it to be a technical mistake and it was the primary responsibility of the Assessing Authorities to check and verify the accuracy and sufficiency of the information in the declaration forms before allowing concessional rate of tax which was not

done in these cases pointed out by audit. However during the exit conference, the Commissioner of Commercial Taxes stated that the cases observed by audit would be examined and the defects would be allowed to be rectified by the dealers failing which the transaction would be taxed and demand raised.

Irregular grant of exemption on invalid 'F' forms

Under the CST Act read with the provisions of the Goa Value Added Tax (GVAT) Act/Rules, was any dealer claims that he is not liable to pay tax under the Act in respect of any goods on the ground that the movement of such goods from one State to another was occasioned by reasons of transfer of title by him to any other place of his business and not by reason of sale, such claim is admissible subject to the submission of the original portion of the declaration in form F to the Assessing Authority within three months after the end of the period to which the declaration relates. If the dealer fails to furnish the declaration, then the movement of such goods shall be deemed to have been occasioned as a result of sale. The CST Rules also provide that a single declaration in form F may cover transactions effected during one calendar month only.

Audit scrutiny revealed that in the five Ward offices, 26 dealers were test checked for claiming exemption on F forms and nine cases of irregular exemption on invalid F forms were noticed in three wards by eight dealers involving tax of ₹ 2.20 crore covering transactions beyond one calendar month.

In reply to the audit observation the Assessing CTO stated that in one case notice for reassessment order was issued, in another case the additional forms were obtained and kept on record and in the remaining cases the omissions were merely technical as the transactions had actually taken place. The reply is not tenable as there is no provision in the CST Rules for replacement of form and non-compliance to provision in the CST Rules cannot be termed as a technical mistake. The Commissioner of Commercial Taxes in the exit conference stated that the cases would be examined and the dealers would be reassessed.

Result of cross verification of 'C' and 'F' forms

In order to detect evasion of tax and ensure the correctness of concession/exemptions allowed to the dealers in assessments done by the Commercial Tax Department of the State, 1710 C forms and 713 'F' forms were cross verified from the records of the purchasing dealers of the issuing States. Details of Audit findings as a result of cross verification are as follows:

- Two dealers, namely M/s. Esteem Industries and M/s. VIC Industries, which were stated to be sister concern, had submitted 17 C forms, which covered sales of taxable goods during 2006-07, to claim concessional rates of tax under the Act. Cross verification of these forms with the utilisation statements furnished by the purchasing dealers revealed that the transaction figures were manipulated by selling dealers by adding one numeral before the actual figure of sales resulting in overstatement of the value of goods by ₹ 1.41 crore and tax evasion of ₹ 17.63 lakh.
- M/s. Esteem Industries was also among the seven dealers who had manipulated the transaction figures in 14 'C' forms. Cross verification of these forms revealed that the value of goods was overstated as compared to the value mentioned in the 'returns of utilisation details of declaration forms' submitted by the purchasing dealers to their respective Commercial Tax Departments. The overstatement of the value of goods by ₹ 3.17 crore resulted in undue allowances of concession in levy of tax of ₹ 32.28 lakh.
- M/s. Seahath Canning, registered in Margao, submitted 16 'F' forms which covered transfer of goods during the years 2005-06 and 2006-07 and 2007-08. Cross verification of these forms revealed that the dealers to whom the goods were transferred against 12 'F' forms, were actually unregistered dealers. Hence the genuineness of these forms could not be verified. Transfer of goods to unregistered dealers and claim of exemption of tax against 'F' forms resulted in tax evasion to the tune of ₹ ₹ 42.89 lakh.
- Out of the 16 'F' forms submitted by M/s. Seahath Canning, two 'F' forms were declared as obsolete and invalid by the Mizoram Commercial Tax Department in May 2002 but exemptions for the years 2006-07 and 2007-08 were claimed and allowed resulting in tax evasion to the tune of ₹ 4.52 lakh. In case of the remaining two 'F' forms, it was observed that value of goods transferred was overstated in order to claim wrongful exemption from tax resulting in tax evasion to the tune of ₹ 1.90 lakh.

The provision under Section 10 of CST Act 1956 states that if a person furnishes a declaration form which he knows or has reasons to believe to be false, he is punishable with simple imprisonment which may extend upto six months or with fine or with both. As in the cases observed by the Audit, the dealers have furnished misleading information with an intend to evade tax, action u/s 10 or 10A of the CST Act, 1956 was called for. The Assessing Authorities in their reply (June 2011) accepted the manipulation in 31 'C' forms however no penalty was levied and no additional demand raised. In case of 16 'F' forms where stocks were transferred to unregistered dealers, obsolete/invalid forms were submitted and transaction figures were manipulated, the Assessing Authorities stated that the cases would be examined. However, during the exit

conference, the Commissioner of Commercial Taxes stated that all the cases would be re-examined and the dealers will be reassessed and penalised.

Thus, cross verification of forms revealed that the selling dealers had submitted false and misleading information and claimed wrongful concession/exemptions in the levy of tax. The Assessing Authorities failed to scrutinise the claims and cross verify the transactions there by resulting in irregular exemptions and concessions to the dealers and loss of revenue to the tune of ₹ 99.21 lakh.

Internal Audit and Internal Control

Internal Audit is a the vital component of the internal control mechanism which enables a Department to assure itself that the prescribed internal controls are intended to provide reasonable assurance of proper enforcement of law, Rules and Departmental instructions. Internal Control also helps in creation of reliable financial and management information system for prompt and effective services and for adequate safeguards against evasion of tax and other irregularities.

The Commissioner of Commercial Taxes, Goa has no Internal Audit Wing (IAW) functioning in the Department. Hence no periodical sampling and checking of the assessments done by the Assessing Authorities in the seven Wards offices is being done to detect cases of under assessments.

Audit scrutiny of five Ward Offices revealed that:

- Exemptions/concessions were allowed against unsigned, invalid, incomplete and duplicate declaration forms without proper scrutiny.
- Instructions were not given to the Assessing Authorities to maintain a Register and send periodical statements to higher authority showing the position of declarations forms pending for receipt, receipt of invalid/fake forms, or duplicate forms.
- The Assessing Authorities at the time of assessment of dealers do not cross verify the declaration forms with the records of the Commercial Tax Department of the purchasing dealers' State or carry out a physical sampling of forms by sending these to the concerned State for cross verification to ensure the genuineness of the forms and the correctness of the claims made by the dealers for concessions/exemptions in the levy of tax in inter-States sales and branch transfers.
- Although proper caution was taken for the printing and receiving of forms in the Commissionerate and their issue to the Ward offices, the physical verification of declaration forms, as provide under Rule 192(2)

of General Financial Rules 2005, at the Central stores of the Department was not done for the period from 1 April 2007 to 31 March 2010.

In reply to the Audit observation, during the exit conference, the Commissioner of Commercial Taxes agreed that there was no Internal Audit Wing in the Department and that cross verification of statutory forms was not done by the Assessing Authorities at the Ward level. It was further stated that the Department had not noticed any fraudulent forms produced by the dealers and hence did not feel the need for cross verification. However, internal audit would be done regularly.

Thus the Department failed to institute a control mechanism for monitoring and assessments done which could ensure timely detection and correction of errors in assessments, levy and collection of tax under the CST Act.

Conclusion

The review revealed deficiencies in the management of assessment and collection of the Central Sales Tax. Deductions from turnover on Inter-State sale and consignment sale were allowed without cross verification of prescribed declaration forms to ascertain whether the dealers who had submitted the forms were genuine of the value of goods shown therein was correct. Concessions/exemptions were allowed against unsigned, invalid, duplicate and incomplete forms without proper scrutiny and cross verification. Internal control in the Department was not adequate to safeguard Government revenue.

Recommendations by Audit

The Government may consider taking the following steps to enhance the effectiveness of the mechanism for allowing concessions and exemptions on Inter-State sales and branch transfers.

- Installing a system for scrutiny and cross verification of declaration forms by the Assessing Authorities before allowing exemptions and concessional rates of tax.
- Setting up an Internal Audit Wing in the Department to ensure timely detection and correction of errors in the assessment, levy and collection of revenue.

Further in written reply Department stated that the M/s. Esteem Industries- TIN 30450400746, the dealer M/s. Esteem Industries, Sattari holder of TIN 30450400746 registered in Bicholim ward, Bicholim is already reassessed for the year 2006-07 vide Assessment Order dated 04/01/2016 for

demand of ₹ 26,62,836/-. The said dues raised as per Assessment Order is already paid by the dealer vide e-challan dated 06/06/2016.

The dealer M/s. VIC Industries, Bicholim holder of TIN 30540400745 registered in Bicholim ward, Bicholim has paid tax of ₹ 1,12,500/- including penalty of ₹ 19,010/- totalling to ₹ 1,31,510/- vide challan dated 24/11/2011. The approval from the State Government has been obtained to reassess the dealer u/s 31A of the Goa Value Added Tax Act, 2005 and the Commercial Tax Officer Margao ward, Margao has informed that re-assessment of the dealer is under process.

The Committee has noted that the replies received by the Department and points out that there are replies that the Company is being re-assessed. The Committee would like to be kept inform about the status of the same. Also the Committee sees that a reply is given to the effect that as the forms were issued by the Central Repository of Sales Tax Department, Maharashtra and verified by the concerned Authority of the issuing office. As such the Committee would like to know how a short collection of tax was detected in the cases of Goa Auto Accessories Limited and Neta Copper & Alloys Limited.

The Committee would like to be kept apprised of the above and a compliance reported be submitted in all cases.

APPENDIX-I

MINUTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 24/11/2014

A preliminary meeting of the Public Accounts Committee was held on 24/11/2014 at 11.30 am in the Public Accounts Committee room in the Assembly Complex, Porvorim, Goa, wherein the Chairman of the Committee have been decided to examined the Audit Paras reflected in the Comptroller and Auditor General of India Report for the year ended 2010-11.

2. Following were present:

CHAIRMAN

Shri Pratapsingh Rane

MEMBERS

1. Shri Caetano Silva
2. Shri Vishnu Surya Wagh
3. Shri Benjamin Silva

GOA LEGISLATURE SECRETARIAT

1. Shri N.B. Subhedar, Secretary Legislature
2. Smt. Celiza Fernandes, Under Secretary

AUDIT DEPARTMENT

1. Smt. Devika, Accountant General
 2. Shri. Ajitkumar, Sr. Audit Officer.
- 3) At the outset the Chairman of the Public Accounts Committee welcomed the Committee Members and Officers.
- 4) The Committee decided to examine the Paras reflected in the C & AG Report of 2010-11.
- 5) Verbatim proceedings were kept.

- 6) Next meeting fixed on 10th December, 2014 at 3.30 p.m.
- 7) The Committee adjourned its sitting at. 12.35 pm

APPENDIX-II

MINUTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 10/12/2014

A meeting of the Public Accounts Committee was held on 10/12/2014 at 3.30 pm in the Public Accounts Committee room in the Assembly Complex, Porvorim, Goa, wherein the Chairman of the Committee have been decided to examined the Audit Paras reflected in the Comptroller and Auditor General of India Report for the year ended 2010-11.

2. Following were present:

CHAIRMAN

Shri Pratapsingh Rane

MEMBERS

1. Shri Caetano Silva
2. Shri Vishnu Surya Wagh
3. Shri Benjamin Silva
4. Shri Nilesh Cabral
5. Shri Ganesh Gaonkar

GOA LEGISLATURE SECRETARIAT

1. Shri N.B. Subhedar, Secretary Legislature
2. Smt. Celiza Fernandes, Under Secretary
3. Shri Uday Bicholkar, Committee Officer

AUDIT DEPARTMENT

1. Smt. Devika, Accountant General
2. Shri. Ajitkumar, Sr. Audit Officer.
3. At the outset copies of the minutes of the meeting held on 24th November, 2014 were circulated to the members.
4. The Committee examined the Commissioner of Corporation of City of Panaji on the Audit Paras related to Urban Development.

5. Verbatim proceedings were kept.
6. Next meeting fixed on 5th January, 2015 at 3.30 p.m.
7. The Committee adjourned its sitting at 4.55 pm.

APPENDIX-III

MINUTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 5/01/2015.

A meeting of the Public Accounts Committee was held on 5/01/2015 at 3.30 pm in the Public Accounts Committee room in the Assembly Complex, Porvorim, Goa, wherein the Chairman of the Committee examined the Audit Paras 2.2 relating to Corporation of City of Panaji reflected in the Comptroller and Auditor General of India Report for the year ended 2010-11.

2. Following were present:

CHAIRMAN

Shri Pratapsingh Rane

MEMBERS

1. Shri Vishnu Surya Wagh
2. Shri Benjamin Silva
3. Shri Nilesh Cabral

GOA LEGISLATURE SECRETARIAT

4. Shri N.B. Subhedar, Secretary Legislature
5. Smt. Celiza Fernandes, Under Secretary
6. Shri Uday Bicholkar, Committee Officer

AUDIT DEPARTMENT

3. Smt. Devika, Accountant General
 4. Shri. Ajitkumar, Sr. Audit Officer.
3. At the outset copies of the minutes of the meeting held on 10th December, 2014 were circulated to the members.
4. The Committee examined the Commissioner of Corporation of City of Panaji on the Audit Paras related to Urban Development and directed to

call Secretary, Urban Development and Municipal Administrator for next meeting.

7. Verbatim proceedings were kept.
8. Next meeting is fixed on 2nd February, 2015 at 3.30 p.m.
7. The Committee adjourned its sitting at 4.54 pm.

APPENDIX-IV

MINUTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 29 APRIL 2015.

Meeting of the Public Accounts Committee was held on 29th April 2015 at 3.30 pm in the PAC Room, Assembly Complex, Porvorim, Goa, to examine the City Corporation of Panaji in relation to para 2.2 reflected in the CAG's Report for the year 2010-11.

2. Following were present:

CHAIRMAN

Shri Pratapsingh Rane

MEMBERS

1. Shri Caetano Silva
2. Shri Nilesh Cabral
3. Shri Vishnu Surya Wagh

GOA LEGISLATURE SECRETARIAT

1. Shri N.B. Subhedar, Secretary, Legislature
2. Smt. Celiza, Under Secretary, Legislature

AUDIT DEPARTMENT

1. Shri Ashutosh Joshi, Accountant General
2. Shri S.S. Syed Meera Gani, Deputy Accountant General

3. At the outset the Chairman of the Public Accounts Committee welcomed the Committee Members and the Officers. The programme for the day included the examination of the City Corporation of Panaji in relation to para 2.2 reflected in the CAG's Report for the year 2010-11.

4. During the discussion on the Para 2.2, the Committee queried the recovery of certain dues under Section 345 and 346 of the City of Panaji Corporation Act 2002 and pointed out that it is the responsibility of the Commissioner to recover the dues. The Committee also wanted to know the amount of dues pending.
5. The Principle Secretary (Urban Development) and the Commissioner explained to the Committee that they were in negotiations with the Tenant Association with regards to fixation of rental rates. It was further informed that the Tenants want to pay for less than the actual rate fixed by the CCP.
6. The Committee took a serious view of the fact that nothing was being done i.e. neither notices were issued nor agreements were signed for the last 10 years.
7. The Committee stressed that the Commissioner apprise the Committee after a month the action initiated.
8. Digital and verbatim records of the proceedings of the meeting were kept.
9. The Committee adjourned its sitting at 4.30 pm.

APPENDIX-V

MINUTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 23RD JUNE 2015.

Meeting of the Public Accounts Committee was held on 23rd June 2015 at 3.30 pm in the PAC Room, Assembly Complex, Porvorim, Goa, to examine the City Corporation of Panaji in relation to para 2.2 and Health Department in relation to para 3.3.2 and 3.4.2 reflected in the CAG's Report for the year 2010-11.

2. Following were present:

CHAIRMAN

Shri Pratapsingh Rane

MEMBERS

1. Shri Caetano Silva
2. Shri Nilesh Cabral
3. Shri Ganesh Gaonkar

GOA LEGISLATURE SECRETARIAT

1. Shri N.B. Subhedar, Secretary, Legislature
2. Smt. Celiza, Under Secretary, Legislature

AUDIT DEPARTMENT

1. Shri S.S. Syed Meera Gani, Deputy Accountant General
2. Shri Ajit Kumar Sr. Audit Officer

3. At the outset the Chairman of the Public Accounts Committee welcomed the Committee Members and the Officers. The programme for the day included the examination of the City Corporation of Panaji in relation to para 2.2 and

Health Department in relation to para 3.3.2 and 3.4.2 reflected in the CAG's Report for the year 2010-11.

4. The Committee first examined the Commissioner (CCP) in relation to para 2.2 regarding the Municipal Market recovery. The Committee was informed that a draft lease and license agreement was approved with the original occupants and was forwarded to Law Department for vetting. Individual eviction notices were served to the occupants of all the shops of phase I and phase II.

5. The Committee also examined the Dean, Goa Medical College in relation to para 3.4.2 regarding irregular procurement of equipment. The Committee made a mention that all procurement should be made as per the procedure.

6. The Dean was also examined in relation to para 3.3.2 regarding avoidable expenditure. The Committee would like to know the man power requirement of the Department.

7. Digital and verbatim records of the proceedings of the meeting were kept.

8. The Committee adjourned its sitting at 4.40 pm.

APPENDIX-VI

MINUTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 30TH SEPTEMBER 2015.

Meeting of the Public Accounts Committee was held on 30th September 2015 at 11.30 am in the PAC Room, Assembly Complex, Porvorim, Goa, to examine the City Corporation of Panaji in relation to para 2.2 reflected in the CAG's Report for the year 2010-11, Goa Housing Board on Housing Act regarding vacant plots and Revenue on Code of Comunidade regarding payment of Derrama to the Government.

2. Following were present:

CHAIRMAN

Shri Pratapsingh Rane

MEMBERS

1. Shri Ganesh Gaonkar
2. Shri Caetano Silva
3. Shri Vishnu Wagh
4. Shri Benjamin Silva

GOA LEGISLATURE SECRETARIAT

1. Shri N.B. Subhedar, Secretary, Legislature
2. Smt. Celiza, Under Secretary, Legislature
3. Shri Uday Bicholkar, Committee Officer, Legislature

AUDIT DEPARTMENT

1. Shri Ashutosh Joshi, Accountant General
2. Shri Suresh Kumar, Audit Officer (Report)

3. At the outset the Chairman of the Public Accounts Committee welcomed the Committee Members and the Officers. The programme for the day included the examination of the City Corporation of Panaji in relation to para 2.2 reflected in the CAG's Report for the year 2010-11, Goa Housing Board Act regarding vacant plots and Code of Comunidade regarding payment of Derrama to the Government.

4. The Committee first examined the officer, Revenue on Code of Comunidade regarding the payment of Derramas to the Government. The Committee made a mention about Velguem Comunidade where plots were sold by the so called Committee without auctioning the plots. The Committee wanted to know the number of applications received by the Revenue Department for plots sent by the Administrator of the Comunidades. Further the Committee also made a mention about land which could be used for industrial purpose in places like succor, Penha de France where lot of plots are vacant.

5. Further the Manager Director (Goa Housing Board) was examined regarding the Housing Act, regarding vacant plots. The Committee would like to know the details of all the vacant plots and the date of acquisition.

6. The Committee examined the Commissioner (CCP) regarding the Municipal Market recovery. The Officer informed the Committee that the occupiers were keen to settle the issue. The Association has agreed to sign the agreement with the Corporation. The Committee inquired about the average rent which is around Rs 1,500/- to Rs 2000/-.

7. Digital and verbatim records of the proceedings of the meeting were kept.

8. The Committee adjourned its sitting at 12.45 pm. for lunch and thereafter the Committee conducted a visit cum study tour to the Panaji market.

APPENDIX-VII

MINUTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 20TH OCTOBER 2015.

Meeting of the Public Accounts Committee was held on 20th October 2015 at 11.30 am in the PAC Room, Assembly Complex, Porvorim, Goa, to examine the Health Department in relation to para 3.3.2 and 3.4.2, Water Resources in relation to para 3.2.1 and Rural Development in relation to Para 4.10.1.1 reflected in the CAG's Report for the year 2010-11.

2. Following were present:

CHAIRMAN

Shri Pratapsingh Rane

MEMBERS

1. Shri Caetano Silva
2. Shri Vishnu Wagh
3. Shri Benjamin Silva

GOA LEGISLATURE SECRETARIAT

1. Shri N.B. Subhedar, Secretary, Legislature
2. Smt. Celiza, Under Secretary, Legislature

AUDIT DEPARTMENT

1. Shri Ashutosh Joshi, Accountant General
2. Shri Muralidharan Sr. Audit Officer (Report)

3. At the outset the Chairman of the Public Accounts Committee welcomed the Committee Members and the Officers. The programme for the day included the

examination of the Water Resources Department in relation to para 3.2.1 reflected in the CAG's Report for the year 2010-11. The Committee sought explanation on irregular release of Bank Guarantee and hypothecated machinery to the contractor resulting in non-adjustment of mobilization and Machinery which led to non-realization of Rs. 4.66 crore and undue favour to the contractor. The Officer concerned informed the Committee that the work order was terminated in 2009, re-tendered and now the work is completed. The Committee was also informed that a Departmental inquiry has been initiated by Directorate of Vigilance

4. The Committee also examined the Dean in relation to para 3.3.2 regarding the duty of contract workers and regular workers. The Committee informed the officer that they would visit the hospital and brought to the notice that a lot of machinery purchased specially in Physiotherapy is unused. The Chairman pointed out that despite availability of regular staff, cleaning work was contracted at an avoidable cost of Rs. 1.34 crores. The member made a mention that although sanctioned strength was 123, total appointments were 181 which was pointed out as avoidable expenses.

5. Further the Dean was examined in relation to para 3.4.2 regarding the irregular procurement of equipment and informed that GMC procured Central Sterile and Supply Development equipment without observing the prescribed procedure or publicity. The Committee further informed that in case of such complicated machinery, an overall contract should be given on a turnkey basis and the concerned operator should be trained and detailed information of the follow-up of the repairs of the equipment should be maintained.

6. The Chief Engineer (PWD) was also examined in relation to para 4.10.1.1 regard to Pradhan Mantri Gram Sadak Yojana. The concern officer informed the Committee that whatever road network was prepared was frozen and thereafter the road network could not be included.

7. Digital and verbatim records of the proceedings of the meeting were kept.

8. The Committee adjourned its sitting at 12.59 pm.

APPENDIX-VIII

MINUTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 25TH FEBRUARY 2016.

Meeting of the Public Accounts Committee was held on 25th February 2016 at 3.30 pm in the PAC Room, Assembly Complex, Porvorim, Goa, to examine the Health Department in relation to para 3.3.2 and 3.4.2, Water Resources in relation to para 3.2.1, Corporation of the City of Panaji in relation to Para 2.2 and Finance in relation to para 5.2 reflected in the CAG's Report for the year 2010-11.

2. Following were present:

CHAIRMAN

Shri Pratapsingh Rane

MEMBERS

1. Shri Nilesh Cabral
2. Shri Ganesh Gaonkar

GOA LEGISLATURE SECRETARIAT

1. Shri N.B. Subhedar, Secretary, Legislature
2. Smt. Celiza, Under Secretary, Legislature

AUDIT DEPARTMENT

1. Shri Ashutosh Joshi, Accountant General
2. Shri Muralidharan Sr. Audit Officer (Report)

3. At the outset the Chairman of the Public Accounts Committee welcomed the Committee Members and the Officers. The programme for the day included the

examination of the Water Resources Department in relation to para 3.2.1, Health Department in relation to para 3.3.2 and 3.4.2, Corporation of the City in relation to Para 2.2 and Finance in relation to para 5.2 reflected in the CAG's Report for the year 2010-11.

4. The Committee first examined the Chief Engineer (WRD) in relation to para 3.2.1. The Officer concerned informed the Committee that this was the first case wherein a bank guarantee was released. A case has been filed in ACB (Anti-Corruption Bureau). The Committee requested the officer to claim interest on the amount.

5. The Committee further examined the Commissioner (CCP) in relation to Para 2.2 regarding Municipal Market recovery. The Commissioner informed the Committee that the lease owners of Municipal shops are not agreeing to the rate of Rs 340/- but are willing to pay Rs100/-. The Committee requested the Commissioner to move the file to the Government so that the Government can decide.

6. The Committee also examined the Dean as regards to avoidable expenditure. The Officer informed the Committee that the issue is regarding the regular staff in the IPHB and the Contractual Eco clean staff. He further informed that the duty of the contractual staff is maintaining hygiene and cleanliness of the hospital and the regular staff of IPHB has always been doing the duties inside for the patients.

7. Further the Dean was examined regarding the irregular procurement of equipment. The Committee was informed that presently the CSSD equipment was partly being used and the GSIDC has almost carried out all the works of changing of pipelines, provision of compressors, water tanks and chillers and all other works and the Government has identified the company for carrying the necessary repair work of the machines which were not working.

6. The Secretary Finance was also examined in regards to utilization of declaration forms in Inter-State Trade and Commerce. The Officer concerned informed the Committee that the ATR is prepared and will be submitted through CAG office.

7. *Digital and verbatim records of the proceedings of the meeting were kept.*

8. The Committee adjourned its sitting at 05.07 pm.

APPENDIX-IX

MINUTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 13TH JUNE 2016.

Meeting of the Public Accounts Committee was held on 13th June 2016 at 11.00 am in the PAC Room, Assembly Complex, Porvorim, Goa, to examine para 3.3.2 and 3.4.2 reflected in the CAG's Report for the year 2010-11 pertaining to Health Department.

Following were present:

CHAIRMAN

Shri Pratapsingh Rane

MEMBERS

1. Shri Nilesh Cabral
2. Shri Sidharth Kunkalienkar
3. Shri Benjamin Silva

GOA LEGISLATURE SECRETARIAT

1. Shri N.B. Subhedar, Secretary, Legislature
2. Smt. Celiza Fernandes, Under Secretary, Legislature

AUDIT DEPARTMENT

1. Shri Ashutosh Joshi, Accountant General
2. Shri Muralidharan Sr. Audit Officer (Report)

1. At the outset the Chairman of the PAC welcomed the Committee Members including Shri Siddharth Kuncolienkar, MLA the new member nominated in place of Shri Vishnu Wagh, MLA. The agenda for the day was

the examination of the Health Department in relation to Para 3.3.2 and 3.4.2 reflected in the CAG's Report for the year 2010-11.

2. The Committee examined Secretary Health in relation to para 3.3.2. The Committee members were disappointed as no representative from the ARD attended the meeting even after intimation. Secretary Health informed the Committee that ARD and IPHB jointly had to assess the 34 extra staff deployed in addition to the 30 regular staff.

3. The Committee members wanted to know whether the IPHB norms were followed at the time of recruiting staff on contract.

4. The Committee further recommended that the nomenclature should change. A Sweeper cannot handle a patient. The Officer suggested that they be called multi-task workers. The Officer informed the Committee that they would sit with the ARD and submit a report in the next meeting.

5. The Auditor General suggested a recommendation that there be an exercise of rationalization of deployment of staff that needs to be carried out by the ARD in the matter.

6. The Committee also examined the Secretary (Health) on para 3.4.2. The Officers submitted that both M/s. Entrack who had supplied the equipment and M/s Sai Laxmi who was entrusted with installing the same are not responding. The Chairman remarked that if they did not respond, legal action should be taken against them. The Officer mentioned that they would be blacklisted. It was further noted that the old equipment procured in 1984 was still in operation. The Officer informed the Committee that they would seek the services of others with a same kind of setup and put the machine in use.

7. Digital and verbatim records of the proceedings of the meeting were kept.

8. The Committee adjourned its sitting at 12.14 pm.

APPENDIX-X

MINUTES OF THE PRELIMINARY MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 21ST AUGUST 2017.

Preliminary meeting of the Public Accounts Committee was held on 21st August 2017 at 11.30 am in the PAC Room, Assembly Complex, Porvorim, Goa.

Following were present:

CHAIRMAN

Shri Pratapsingh Rane

MEMBERS

1. Shri Churchill Alemao
2. Shri Nilesh Cabral
3. Shri Rajesh Patnekar
4. Shri Dayanand Sopte

GOA LEGISLATURE SECRETARIAT

1. Shri Uday Bicholkar, Committee Officer, Legislature
2. Smt. Celiza Fernandes, Under Secretary, Legislature

AUDIT DEPARTMENT

1. Shri Ashutosh Joshi, Accountant General
2. Shri Kunhiraman Sr. Accounts Officer

1. At the outset the Chairman of the PAC welcomed the Committee Members. The Committee stated that the environment needs to be protected for

us and for the future generation as such the Committee decided to discuss the para 2.1 on Forest reflected in the CAG Report for the year 2010-11.

2. The Committee mentioned that Government had acquired some land and a part of it is under forest and wanted to know whether it was surveyed or not The Committee decided to have a list as to how much land in every part of Goa has been acquired and the total forest area. The Committee also mentioned about the number of forest guards, their accommodation within forest area and the need for forest training schools.

3. The Committee has taken a serious view of the PMR Department where Physiotherapy Examination was conducted. It was observed that all 10-12 beds were not occupied inspite of a shortage of beds at the GMC.

4. The Committee suggested that it would meet on 2nd and 4th Monday of the month i.e on 11th September, 25th September, 16th October, 30th October, 13th November, 27th November and 11th December 2017.

5. The Chairman mentioned that the officers of CCP, Forest, Tourism and GMC may be called for the meeting on 11th September as the relevant Paras would be taken up.

6. The Committee adjourned its sitting at 12.45 pm.

APPENDIX-XI

MINUTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 11th SEPTEMBER 2017.

Meeting of the Public Accounts Committee was held on 11th September 2017 at 2.30 pm in the PAC Room, Assembly Complex, Porvorim, Goa to examine the para 2.1 pertaining to Forest Department, Para 2.2 pertaining to Corporation of City of Panaji reflected in the CAG's Report for the year 2011 and Para 2.1 pertaining to Tourism reflected in the CAG's Report for the year 2012.

Following were present:

CHAIRMAN

Shri Pratapsingh Rane

MEMBERS

1. Shri Churchill Alemao
2. Shri Nilesh Cabral
3. Smt Jennifer Monserrate
4. Shri Rajesh Patnekar

GOA LEGISLATURE SECRETARIAT

1. Shri N.B. Subhedar, Secretary, Legislature
2. Smt. Celiza, Under Secretary, Legislature

AUDIT DEPARTMENT

1. Shri Ashutosh Joshi, Accountant General
2. Shri Muralidharan Sr. Audit Officer (Report)

1. At the outset the Chairman of the PAC welcomed the Committee Members. The Committee mentioned that the forest area is about 2,000 hectares and wanted to know how much was disposed. The Committee also wanted to know whether there was any Rule or Law regarding the distance to set up Wood Working Industry and inquired whether Forest Officers/Guards are staying in the Forest Buildings and the number of them lying vacant.
2. The Committee examined the Secretary, Forest in relation to para 2.1 for the year 2011 regarding the State Forest Policy. The Committee inquired whether there was a State Forest Policy. For which the Officer informed that there was no State Forest Policy because of issues like private forest but there was a National Forest Policy.
3. Further the Committee discussed about the Cashew plantation being totally neglected. Under growth not being cleared, whether prophylactic measures were used and restoration of cashew plantation was done.
4. The Committee inquired about the number of forest guards, the number of vacant posts and the state of affairs of those assets that were created there for the forest guards and foresters to stay.
5. The Committee mentioned about the underutilization of funds of Management Action Plan on mangroves because mangroves are growing wild. Bunds were broken, people find it difficult to cultivate.
6. Regarding the delay in utilization of funds under Integrated Development of wildlife Habitats the Committee made a mention that a compound wall is built for wild animals. If it was built for wild animals it should have been around the Wildlife Sanctuaries some sort of obstruction so that the wild animals don't go and destroy the paddy fields of the farmers.
7. The Committee also pointed out the failure of plantations carried out in Comunidade lands wherein a lot of money was utilized.
8. The Committee further examined the Secretary (UD) and the Commissioner CCP on Non Levy of Property Tax on Government land and building. The Committee was informed that enhancement of Municipal Taxes and GIS mapping all the properties in the Panaji were through Smart City.

9. Regarding Government buildings, the Officer also informed that as per section 108 of CCP Act, there was a certain procedure to be followed by the Corporation.

10. Lastly the Committee examined the Director Tourism regarding appointment of a single consultant for the preparation of the Project Report and wanted to know why no tenders were floated and on what basis the appointment was made.

11. The Committee further wanted to know about the amenities in Tourist place like parking lot, toilets, changing rooms being inadequate and poorly maintained wherever they existed. It stated that the Department's control over irregularities by beach shack owner was found to be inadequate and weak

12. The Committee also wanted to know the mechanism for collecting statistics of tourists by roads and rails and those that are staying in unregistered accommodation.

13. On inspection of beach shacks, the Officer informed that the Tourist Force and the Police Force were present in case of any disputes between tourists and hawkers or any condition of beach policy that were violated by the shack owner.

14. The Committee wanted to know about the Tourist Policy which was formulated in 2001 and which has not been revised subsequently, despite the fact that the tourism in Goa has been the major economic activity having direct and indirect co-relation with all other sectors.

15. The Committee also questioned about other requirements i.e. the sewerage network in Coastal Belt, Golf Course and Hotel Management and Catering Technology.

16. The Chairman mentioned that Rural Development and CST/Finance may be called for the meeting on 25th September as the relevant Paras would be taken up.

17. Digital and verbatim records of the proceedings of the meeting were kept.

18. The Committee adjourned its sitting at 4.45 pm.

APPENDIX-XII

MINUTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 30TH OCTOBER 2017.

Meeting of the Public Accounts Committee was held on 30th October 2017 at 3.00 pm in the PAC Room, Assembly Complex, Porvorim, Goa to examine the para 2.1 pertaining to Forest Department reflected in the CAG's Report for the year 2010-2011, Para 2.1 pertaining to Public Works Department and Para 3.1.4 pertaining to Public Health Department reflected in the CAG's Report for the year 2012-13.

Following were present:

CHAIRMAN

Shri Pratapsingh Rane

MEMBERS

1. Shri Rajesh Patnekar
2. Shri Dayanand Sopte

GOA LEGISLATURE SECRETARIAT

1. Shri N.B. Subhedar, Secretary, Legislature
2. Smt. Celiza, Under Secretary, Legislature

AUDIT DEPARTMENT

1. Shri Dattaprasad Sirsat, Dy. Accountant General
2. Shri Muralidharan Sr. Audit Officer (Report)

1. At the outset the Chairman of the PAC welcomed the Committee Members. The Committee examined para 2.1 pertaining to Forest reflected in the CAG Report for the year 2010-11. The Committee inquired about a new Industry which was going on and asked the Department to go and find out and renew the Industry which was not there in the Industries list
2. The Committee inquired about the number of vacancies that existed in the Forest Department.
3. The Committee questioned the Department as to how many times their Forest Officers were staying in the Forest Rest House. The Committees request was to fill up the posts which were vacant and to make it compulsory for all the forest guards and others to stay in the vicinity otherwise the rest houses would collapse.
4. The Committee requested to check the forest staff. It also inquired whether arboretum was visited. The Committee asked the Officer to get rid of the eucalyptus plantation by auction.
5. The Committee wanted to know about the pending cases before the Forest Settlement Officer. The Committee asked the Officer concerned to see that the mutation of the land records was done simultaneously.
6. The Committee also inquired about appointing the Tree Authority under the Preservation of Trees Act.
7. The Committee made a mention that Compensatory Afforestation (CA) from mines was not recovered and that there was a gap in CA charge rates and actual expenditure.
8. The Committee wanted to know the progress made by handing over the land by PWD for Mangrove Park. The Committee was informed that the proposal might have been something in Patto area to develop the mangrove park.
9. The Committee examined para 3.1.4 pertaining to Public Health Department reflected in the CAG Report for the year 2012-13 regarding irregularities in contract for supply of medical gases to the Goa Medical College and mentioned about the problem of consumption of medical gases in GMC, that there was excess consumption of oxygen cylinders, 16 to 24 per day in 2013. The Committee mentioned that the excess consumption of oxygen cylinders was stated due to leakage in the pipeline, which was noticed and that action should be initiated to plug the leakage

10. The Committee examined para 2.1 pertaining to PWD reflected in the CAG Report for the year 2012-13 regarding Performance Audit on Water Supply Schemes in the State.

11. Digital and verbatim records of the proceedings of the meeting were kept.

12. The Committee adjourned its sitting at 4.28 pm.

APPENDIX-XIII

MINUTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 17TH JULY 2018.

Meeting of the Public Accounts Committee was held on 17th July 2018 at 11.00 a.m. in the PAC Room, Assembly Complex, Porvorim, Goa to further examine Para 5.2 reflected in the CAG's Report for the year ending 2010-11 and para 4.4 reflected in the CAG's Report for the year ending 2011-12 pertaining to Finance. Para 3.6.3. pertaining to Rural Development and para 2.1 pertaining to Tourism Department reflected in the CAG's Report for the year 2011-12

The following were present:

CHAIRMAN

Shri Pratapsingh Rane

MEMBERS

1. Shri Churchill Alemao
2. Shri Rajesh Patnekar
3. Shri Dayanand Sopte
4. Shri Glen Ticlo
5. Shri Nilesh Cabral

GOA LEGISLATURE SECRETARIAT

1. Shri N.B. Subhedar, Secretary, Legislature
2. Smt. Celiza Fernandes, Under Secretary, Legislature

AUDIT DEPARTMENT

1. Shri Ashutosh Joshi, Accountant General
2. Shri Murlidharan Sr. Audit Officer (Report)

2. At the outset, the minutes of the meeting held on 11th December 2017 were circulated to the Members. The agenda for the day included further examination of Para 5.2 reflected in the CAG's Report for the year ending 2010-11 and Paras reflected in the CAG's Report for the year ending 2011-12 4.4 pertaining to Finance, Para 3.6.3. Pertaining to Rural Development and Para 2.1 pertaining to Tourism Department.

3. The Committee examined the officers of Finance Department in relation to Para 5.2 of the year 2010-11 regarding Utilization of declaration forms in Inter-State Trade and Commerce. The Committee wanted to know the action taken on TINXSYS website.

4. The Committee further examined the officers of Finance Department in relation to para 4.4 of the year 2011-12 relating to Short recovery of Central Sales Tax. The Committee was informed that instead of Telecom Goa it was put Gurgaon and the same was corrected and counter signed by officers of BSNL and also verified other transfer documents had been verified.

5. The Committee also examined the officers of RDA in relation to para 3.6.3 regarding irregular utilization of funds allotted for Sampoorna Grameen Rozgar Yojana. The Committee went through the inquiry report of the misappropriation of funds and the action that will be taken in the matter. The Committee further stated that it was a gross negligence of duties and the Inquiry Committee therefore recommends appropriate action, against the then Chief Executive Officer and others involved.

6. The Committee further examined the Officers of Tourism Department in relation to Para 2.1 of the year 2011-12 regarding Performance Audit of promotion of tourism in Goa. The Committee informed that the idea of having a Government Organization is basically not to complicate things. It also wanted to know on which papers advertisements for tendering of hotels had appeared. The Committee wanted to know the profitability of the Corporations from time to time in its next meeting and the factual position of the Corporation and Tourism Department. The Committee wanted to know who was controlling the Tourism Corporation.

7. Digital and verbatim records of the proceedings of the meeting were kept.

8. The Committee adjourned its sitting at 12.33 p.m.

APPENDIX-XIV

MINUTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 2ND NOVEMBER 2018.

Meeting of the Public Accounts Committee was held on 2nd November 2018 at 3.30 p.m. in the PAC Room, Assembly Complex, Porvorim, Goa, to further examine Paras reflected in the CAG's Report for the year 2014-15.

The following were present:

CHAIRMAN

Shri Pratapsingh Rane

MEMBERS

1. Shri Churchill Alemao

GOA LEGISLATURE SECRETARIAT

1. N.B. Subhedar, Secretary, Legislature
2. Smt. Celiza Fernandes, Under Secretary, Legislature

AUDIT DEPARTMENT

1. Shri Ashutosh Joshi, Accountant General
2. Shri Murlidharan Sr. Audit Officer (Report)

2. The minutes of the meeting held on 7th September 2018 were circulated to the Members. The agenda for the day included further examination of Para 1.5 (P.A.) pertaining to Public Health, Para 1.11 pertaining to Education Department and Para 2.2 (P.A.) pertaining to Revenue Department reflected in the CAG's Report for the year 2014-15.

3. The Committee examined the Secretary Revenue in relation to Para 2.2 regarding Performance Audit on Management of Alvara Lands. The Officer concerned informed the Committee that the reply needs the finance audit approval from the Finance Department. The Committee asked the Officer to submit the Alvara Land reply in the next meeting.
4. The Committee further examined the Secretary Education in relation to Para 1.11 regarding Faulty tendering under Laptop e- scheme. The Officer agreed to the fact that the tender was badly drafted. Further informed that the cyber age Scheme would be modified and the redrafting of the Scheme was under submission.
5. The Committee also examined the Secretary Health in relation to Para 1.5 regarding Performance Audit of functioning of Goa Medical College. The Committee was informed that the common point which was highlighted was the undue delay in processing and finalizing the tender process. It starts in one financial year and by the time it is completed it goes to the next financial year. Here the purpose of the price, which should have been procured for and making the services and product available to the public was defeated. Taking stock of the observations made by the Audit a circular had been issued recently in the month of October, whereby it was stated that all the purchase companies should keep in mind, that whenever the tender is processed the time gap between the opening of the technical and the financial bid should not exceed beyond two months so that within 2 to 3 months period from the date of opening of the tender, the tender should be finalized and send from their end. Secondly undue or unnecessary queries should not be raised which delays the processes.
6. Draft Reports for the year 2010-11, 2011-2012, 2012-2013 and 2013-2014 were circulated to the Members of the Committee and adopted.
7. Digital and verbatim records of the proceedings of the meeting were kept.
8. The Committee adjourned its sitting at 4.46 p.m.