

## **PRESS BRIEF**

**The Report of the Comptroller and Auditor General of India for the year ended March 2017 – No. 7 of 2017 – Economic Sector – Government of Tamil Nadu – Tabled in the Tamil Nadu State Legislature on 09 July 2018.**

The Report includes an Introductory Chapter, Performance Audit of Tamil Nadu Biodiversity Conservation and Greening Project and Compliance Audit observations noticed during audit of financial transactions of the Departments of Economic Sector including Medical Services by the Animal Husbandry Department, Deficiencies in the operation of sand quarries and Information Technology Audit on Agri Reporting System.

### **General**

The Report covers the functioning of 10 Departments of Economic Sector, with a total expenditure of ₹ 23,081.72 crore during 2016-17. A major portion of the expenditure was incurred by Highways and Minor Ports (30.46 *per cent*), Agriculture (28.18 *per cent*), Public Works (17.50 *per cent*) and Industries (7.41 *per cent*) Departments.

### **Performance Audit of Tamil Nadu Biodiversity Conservation and Greening Project**

Tamil Nadu Biodiversity Conservation and Greening Project (TBGP) is being implemented by the Government of Tamil Nadu (GoTN) with loan assistance of ₹ 469.60 crore from Japan International Co-operation Agency (JICA), on reimbursement basis, commencing from 2011-12 for a period of eight years with the aim to strengthening Biodiversity Conservation by improving ecosystem and the management capacity; undertaking tree plantation outside the forest areas in the private lands to attain adequate green cover besides bridging the gap between supply and demand of wood and contributing to environmental conservation and harmonised socio-economic development of Tamil Nadu. Audit observations have been mentioned hereunder:

#### **Inadequate Planning**

- Department failed to complete the preparatory phase work of preparation of action plans, surveys, baseline geo coded data of land distribution and local specific flora for conservation of biodiversity indicating inadequate planning.
- Department did not prepare the proposals for declaration of Eco sensitive Zone in respect of 21 Protected Areas even after 15 years from the issue of guidelines indicating ineffective pursuance in conserving the biodiversity of the State.

#### **Imprudent financial management**

- Failure of the Government to sanction the agreed funds, non-utilisation of State share of ₹ 87.18 crore towards establishment charges, parking of Government funds of ₹ 49.35 crore outside the Government account indicated imprudent financial management.

### **Removal of Invasive species for improving terrestrial habitats**

- Absence of sanction for removal of invasive species in the identified areas of the field study, partial removal of the trees of invasive species in a location and non-selection of the entire area occupied by the invasive species at the same year indicated inadequate conservation of biodiversity activities despite incurring an expenditure of ₹ 5.51 crore for removal of invasive species.

### **Conservation of critically endangered species**

- Inadequate collection and hatching of eggs due to delay in finalisation of model sea turtle guidelines, partial procurement and non-supply of procured sea turtle devices resulted in ineffective conservation of critically endangered species.

### **Increasing the Natural Resource Base**

- Selection of plantations based on beneficiary preference instead of field investigation for tree cultivation in private lands and failure to ensure survival of the planted saplings resulted in non-achievement of the green cover to an extent of 19,044 ha.

### **Ecological sustainable development**

- Department did not ensure adequate community development and income generation activities for tribal people in implementing eco-developmental activities. Partial utilisation of released project funds for income generation activities resulted in parking of funds of ₹ 1.31 crore.

### **Monitoring**

- Absence of adequate manpower, shortcomings in web based monitoring and internal control impacted the objective of strengthening biodiversity conservation and enhancing green cover in the State.

### **Compliance Audit**

#### **1 Medical Services by Animal Husbandry Department**

The audit of Medical Services by Animal Husbandry Department was conducted to assess the effectiveness of delivery of medical services to the livestock and poultry population. Audit observations were as detailed below:

#### **Diagnostic services**

- Department did not establish adequate number of Animal Disease Intelligence Units to develop disease surveillance system. Department did not propose for upgradation of existing 22 Animal Disease Intelligence Units and two Poultry Disease Diagnostic Laboratories, for adoption of Good Laboratories Practices for effective disease control.

### **Emergency Mobile Veterinary Service**

- The project of providing emergency treatment to animals though commenced and operational in five districts was not extended to the remaining districts despite sanction of funds. Implementation of Emergency Mobile Veterinary Services to provide emergency treatment to animals in 27 districts was delayed due to change of Implementing Agencies.

### **Non-availing of Government of India funds**

- Failure to refund the unspent GOI funds along with Utilisation Certificate resulted in non-availing of GOI fund of ₹ 370.36 lakh and non-release of matching State share of ₹ 178.97 lakh during 2014-15 to 2016-17 resulted in non-vaccination of animals against the acute diseases.

### **Blocking and Parking of funds**

- An amount of ₹ 15.53 crore released for establishment of a new Anthrax Spore Vaccine Production Laboratory at Ranipet and procurement of a freeze drier was blocked and parked without utilisation for disease prevention.

### **Existence of veterinary institutions**

- Department did not make adequate efforts to establish additional veterinary institutions in the State in order to adhere to the recommended norms of 5,000 cattle units per institution. 580 veterinary institutions catered to cattle units between 5,100 and 21,382 per institution.

### **Medical services**

- Absence of periodical upgradation of institutions based on number of cases treated, delay in adoption of Good Laboratory and Manufacturing Practices for vaccines despite release of funds resulted in ineffective disease diagnosis and control. Department failed to ensure supply of indented quantity of medicine resulting in either accumulation of medicines or non-availability of indented categories of medicine for effective treatment.

### **Adequacy of manpower**

- Acute shortage of qualified veterinarians and absence of adequate infrastructure impacted the delivery of medical service to the livestock and poultry.

## **2 Deficiencies in the operation of sand quarries**

The audit of operation of sand quarries was performed to ensure the elimination of indiscriminate and unscientific sand quarrying, un-interrupted availability and supply of sand in an orderly manner to the common public and availability of the sand at affordable prices to common public. Audit observations have been mentioned hereunder:

### **Correctness of the approved geo co-ordinates**

- Department failed to verify the correctness of the geo co-ordinates available in the mining plan or Environmental Clearance at the time of approval. Licences for

operation of sand quarries were issued by the District Collectors based on these incorrect geo co-ordinates resulting in failure of the system to ensure the same area of operation of sand quarry.

#### **Excess quarrying of sand**

- The Department failed to comply with the instructions of Government regarding judicious use of the poclains and to ensure removal of sand in the approved area of quarry resulting in excess utilisation of poclains. As against the approved area of 19 ha, mining was undertaken in the area admeasuring 42.37 ha in Neyvasal and 26.44 ha in adjacent Sannasinallur village in the Vellar River. Observation of Neyvasal quarry site using Unmanned Aerial Vehicle technology revealed removal of additional quantity of sand of 11.44 lakh cum (2,02,120 lorry loads), both in terms of area and permitted depth, resulting in loss of revenue of ₹ 21.02 crore, calculated at PWD rates, to the State Government.

#### **Transportation of sand**

- Major deficiencies in issue of transport permits and sale slips, non-ensuring authenticity of vehicles and end users were observed. A cross verification of registration details of transport vehicles in five test checked quarries revealed that 3,381 out of 7,906 vehicles were not registered as transport lorries but as two wheelers, auto rickshaws, cars, etc. There was increase in recurrence of illicit quarrying as evidenced by seizure of vehicles/sand, deficient supervision and absence of monitoring which hampered the objectives of elimination of indiscriminate and unscientific quarrying.

#### **Affordable price of sand**

- The abnormal variation in the value of sand purchased from the PWD and the sale value reported to the Commercial Taxes Department by the stockyard operator indicated non-achievement of the objective of the Government to supply sand to the common public at affordable prices.

### **3 Information Technology Audit on Agri Reporting System**

Agriculture Department implemented Agri Reporting System as a holistic web portal to monitor all activities of the Department. The provisions and controls available in the application software were examined. Audit observations have been mentioned hereunder:

#### **General controls**

- Development of ARS software was finalised without adopting the User Requirement Specification, System Requirement Specification and User Acceptance Testing.

#### **Incorrect and incomplete data**

- A comparison of the data available in the ARS software and the reports generated therefrom with the manual records of the Department indicated incorrect and incomplete data capturing of physical and financial progress of the schemes

implemented by the Department and were not useful for effective monitoring and decision making.

### **Security and End User controls**

- The ARS application lacked adequate input controls, validation checks and process controls resulting in reports generated becoming unreliable for decision making by the Management and continued dependence on manual records.

### **Application controls**

- The objective of effective management of schemes by reducing the time required for data consolidation and reporting of schemes at all levels remained largely unachieved due to deficiencies in the application software.

### **Audit of transactions of various Departments of Government and field offices revealed additional expenditure, avoidable expenditure and blocking of funds as detailed below:**

- Absence of inter-departmental co-ordination in pursuance of application of aggrieved land owners, inordinate delay and failure to adhere to the prescribed provisions resulted in dismissal of appeal and additional interest burden of ₹ 3.66 crore to the State exchequer.

**(Paragraph No.3.4)**

- Failure to renew the lease period, non-enhancement of lease rent resulted in short collection of lease rent of ₹ 3.29 crore besides non-eviction of encroachment from Government land.

**(Paragraph No.3.5)**

- Incorrect preparation of estimates by suppressing the Benkelman Beam Deflection test results and incorrect inclusion of seasonal variation factor, in violation to Indian Road Congress specifications, resulted in additional work and avoidable extra expenditure of ₹ 8.75 crore.

**(Paragraph No.3.6)**

- Violation of Manual provisions and absence of effective pursuance resulted in short collection of consultation fee of ₹ 2.18 crore, avoidable interest burden of ₹ 1.31 crore and non-realisation of lease rent of ₹ 2.36 crore for four years.

**(Paragraph No.3.8)**

- Lack of monitoring the progress of work and delayed furnishing of Utilisation Certificates by State Government for development of tourism infrastructure resulted in non-availing of Government of India grant of ₹ 17.40 crore.

**(Paragraph No.3.11)**