

**Report of the
Comptroller and Auditor General
of India**

**for the year ended 31 March 2011
(Report No. 2)**

GOVERNMENT OF SIKKIM

<http://www.cag.gov.in>

CONTENTS

Paragraph	Subject/Department	Page
Preface		v
Overview		vii
Chapter – I: Performance Reviews (Civil Departments)		
1.1	Elementary Education in Sikkim (<i>Human Resource Development Department</i>)	1
1.2	Acquisition and Allotment of Land (<i>Land Revenue & Disaster Management Department and Urban Development & Housing Department</i>)	33
Chapter – II: Audit of Transactions (Civil Departments)		
● Misappropriation/Loss		
2.1	Loss due to non-completion of project (<i>Water Security and Public Health Engineering Department</i>)	57
● Avoidable/Excess payment		
2.2	Avoidable expenditure and undue benefit (<i>Excise (Abkari) Department</i>)	59
2.3	Excess expenditure (<i>Rural Management and Development Department</i>)	59
● Infructuous/Wasteful expenditure		
2.4	Infructuous expenditure and delayed execution of power project (<i>Sikkim State Council of Science & Technology and Rural Management & Development Department</i>)	61
2.5	Infructuous expenditure (<i>Building and Housing Department</i>)	62
2.6	Infructuous expenditure (<i>Energy & Power Department and Rural Management & Development Department</i>)	64
● Inadmissible expenditure		
2.7	Inadmissible expenditure (<i>Land Revenue & Disaster Management Department and Irrigation & Flood Control Department</i>)	66
2.8	Inadmissible expenditure (<i>Land Revenue and Disaster Management Department</i>)	67
● General		
2.9.1	Follow-up action on earlier Audit Reports	68
2.9.2	Response of the departments to the recommendations of the Public Accounts Committee (PAC)	69
2.9.3	Monitoring	69
2.9.4	Outstanding Inspection Reports	70

Paragraph	Subject/Department	Page
Chapter – III: Integrated Audit		
3.1	Urban Development and Housing Department	71
Chapter – IV: Revenue Receipts		
4.1	Trend of revenue receipts	113
4.2	Response of the Departments/ Government towards Audit	115
4.3	Analysis of the mechanism for dealing with the issues raised by Audit	118
4.4	Audit planning	122
4.5	Result of Audit	122
4.6	Sales Tax/Value Added Tax <i>(Finance, Revenue and Expenditure Department (Commercial Tax Division))</i>	123
4.6.13	Performance Audit on Utilisation of Declaration Forms in Inter State Trade and Commerce	128
4.6.14	Evasion of tax due to concealment of turnover	140
4.6.15	Irregular grant of exemption and non-assessment /non-payment of Central Sales Tax	141
4.6.16	Undue financial benefit	142
4.6.17	Non-realisation of Environment Cess	143
4.6.18	Non-payment of tax liabilities	144
4.7	State Excise <i>(Excise(Abkari) Department)</i>	147
4.7.9	Loss of revenue	150
4.8	State Lotteries <i>(Finance, Revenue and Expenditure Department (Directorate of State Lotteries))</i>	151
4.8.8	Undue benefit	154
Chapter – V: Government Commercial & Trading Activities		
5.1	Overview of State Public Section Undertakings	157
5.2	Performance Audit of Power Distribution Utilities <i>(Energy and Power Department)</i>	168
5.3	Loss of interest <i>(Sikkim Industrial Development and Investment Corporation Limited)</i>	197
5.4	Blocking of fund <i>(Sikkim Scheduled Castes, Scheduled Tribes and Other Backward Classes Development Corporation Limited)</i>	198
5.5	Avoidable financial loss <i>(State Bank of Sikkim)</i>	200

APPENDICES

Subject	Appendix No.	Page
Statement showing progress towards achievement of Visions and Goals	1.1.1	203
The frameworks stipulated in the respective Acts	1.1.2	204
Statement showing gross enrolment	1.1.3	205
Learning assessment system <ul style="list-style-type: none"> • Class-wise and subject wise distribution of Achievement (in % age) Children in different Levels 	1.1.4	205
ASER Survey <ul style="list-style-type: none"> • Class-wise percentage of children by reading level in Elementary Schools 2010 • Class-wise percentage of children by Arithmetic level – All Schools 2010 • Class-wise percentage of children in Std V-VIII able to answer questions in everyday math - All Schools 2010 	1.1.5	206
Statement showing completion status of kitchen shades	1.1.6	207
Statement showing estimates of roofing structure	1.1.7	207
Statement showing Design and Drawing of the roofing structure	1.1.8	208
The list of 23 Schools where Kitchen Shed were constructed both under SSA and MDM	1.1.9	209
Short lifting of foodgrain	1.1.10	209
Meals served against foodgrain utilised	1.1.11	210
Utilisation of foodgrain <i>vis a vis</i> cooking cost	1.1.12	210
Short recovery of site salami from allottee	1.2.1	211
Statement showing the excess payment due to erroneous assessment of land compensation	1.2.2	214
Inadmissible payment of solatium	1.2.3	215
Statement showing excess projection of standing trees in land compensation cases for construction of PMGSY and SPWD roads	1.2.4	215
Allotment of house sites and additional allotment to VIPs/MLAs/Ministers and their family members	1.2.5	217
Transfer of Government land to UD&HD for allotment of house sites	1.2.6	217
Statement showing the loss of revenue due to allotment of house site at concessional rate	1.2.7	218
Statement showing unjustified fixation of higher rate for the work - Formation/hill cutting	2.1	219
Statement showing the short realisation of car parking fee and bazaar contract fee	3.1	223
Statement showing excess/ less consumption of materials	3.2	224
Statement showing works executed by NBCC	3.3	224
Statement showing progress of works undertaken	3.4	225
Statement showing the list of MR/ Work Charged Staff	3.5	225