

TABLE OF CONTENTS

Paragraph	Particulars	Page
	Preface	iii
	Executive summary	v
CHAPTER I : SOCIAL SECTOR		
1.1	Introduction	1
1.2	Planning and conduct of audit	2
1.3	National Social Assistance Programme (<i>Social Justice, Empowerment and Welfare Department</i>)	2
1.4	Irregular expenditure (<i>Labour Department (Sikkim Building and Other Construction Workers' Welfare Board)</i>)	16
1.5	Diversion of Tribal Sub Plan Fund (<i>Social Justice, Empowerment and Welfare Department</i>)	17
CHAPTER II : ECONOMIC SECTOR		
2.1	Introduction	19
2.2	Planning and conduct of audit	19
2.3	National Rural Drinking Water Programme (<i>Rural Management and Development Department</i>)	20
2.4	Sikkim Nationalised Transport Division including implementation of the Integrated Depot Management System (<i>Transport Department (Sikkim Nationalised Transport Division)</i>)	52
2.5	Idling of feed mills and consequent non-production of fish feed (<i>Animal Husbandry, Livestock, Fisheries and Veterinary Services Department</i>)	76
2.6	Irregular expenditure (<i>Food Security and Agriculture Development Department</i>)	77
2.7	Avoidable Payment (<i>Roads and Bridges Department</i>)	79
2.8	Avoidable liability (<i>Roads and Bridges Department</i>)	81
2.9	Excess Payment (<i>Rural Management and Development Department</i>)	82
2.10	Avoidable cost escalation (<i>Urban Development and Housing Department</i>)	84
2.11	Avoidable expenditure (<i>Urban Development and Housing Department</i>)	85
CHAPTER III: ECONOMIC SECTOR (Public Sector Undertakings)		
3.1	Overview of State Public Sector Undertakings	89
3.2	Functioning of State Bank of Sikkim (<i>State Bank of Sikkim</i>)	103
CHAPTER IV: REVENUE SECTOR		
4.1	Trend of Revenue Receipts	131
4.2	Analysis of arrears of revenue	133
4.3	Arrears in assessments	134
4.4	Response of the departments/Government towards Audit	134
4.5	Analysis of the mechanism for dealing with issues raised by Audit	136
4.6	Action taken on the recommendations accepted by the departments/Government	138
4.7	Audit Planning	139
4.8	Results of audit	139
4.9	Coverage of this Report	140
4.10	Loss of revenue (<i>Energy and Power Department</i>)	140

Paragraph	Particulars	Page
4.11	Undue favour to consumers (<i>Energy and Power Department</i>)	141
4.12	Loss of revenue (<i>Water Resources and River Development Department</i>)	143
CHAPTER V: GENERAL SECTOR		
5.1	Introduction	145
5.2	Planning and conduct of audit	146
5.3	Border Area Development Programme (<i>Development Planning, Economic Reforms and North Eastern Council Affairs Department</i>)	147
5.4	Sikkim Integrated Financial Management System (<i>Finance, Revenue and Expenditure Department</i>)	168
CHAPTER VI: FOLLOW UP OF AUDIT OBSERVATIONS		
6.1	Follow up action on earlier Audit Reports	181
6.2	Response of the departments to the recommendations of the Public Accounts Committee	181
6.3	Monitoring	181
6.4	Outstanding Inspection Reports	182
6.5	Departmental Audit Committee Meetings	183

LIST OF APPENDICES

Appendix	Subject	Page
1.2.1	Audit conducted during 2016-17 under Social Sector	185
2.2.1	Audit conducted during 2016-17 under Economic Sector	186
2.3.1	Components of NRDWP, purpose, distribution of allocation and Centre-State sharing pattern	187
2.3.2	Districts, blocks, GPs and habitations sampled/selected for performance Audit on NRDWP	188
2.3.3	PAC's recommendations, Action taken and present status in respect of Performance Audit on Accelerated Rural Water Supply Programme in Sikkim featured in Audit Report 2007-08	189
2.3.4	Delay in completion of schemes	190
2.3.5	Other issues under coverage component	192
2.9.1	Excess payment to contractors on account of excess carriage of haulage	194
3.1.1	Summarised financial position and working results of Government Companies and Statutory Corporation as per their latest finalised financial statements/accounts as on 30 September 2017	195
4.10.1	Short assessment of electricity consumption: Bulk Supply (LT) 2014-16 (Gangtok)	197
4.10.2	Short assessment of electricity consumption: Bulk Supply (LT) 2014-16 (Rongli)	198
4.10.3	Short assessment of electricity consumption: Bulk Supply (LT) 2014-16 (Pakyong)	198
4.11.1	M/s Golden Cross Pharmaceuticals Pvt Ltd (Pakyong Division)	199
4.11.2	M/s Golden Cross Pharmaceuticals Pvt Ltd (Rongli Division)	200
4.11.3	M/s Pravesh Enterprises (Rongli Division)	201
5.2.1	Audit conducted during 2016-17 under General Sector	202
5.3.1	List of implementing departments	203
5.3.2	List of notified border villages	204
	Glossary of Abbreviations	205