



भारतीय लेखापरीक्षा तथा लेखा विभाग
INDIAN AUDIT AND ACCOUNTS DEPARTMENT
महानिदेशक लेखापरीक्षा (केंद्रीय) का कार्यालय, चेन्नै
Office of the Director General of Audit (Central), Chennai
शाखा कार्यालय, कोच्ची
Branch Office - Kochi
गोल्डन जूबिली रोड, कलूर, कोच्ची - 682017
Golden Jubilee Road, Kaloor, Kochi - 682 017

No.CE/IV/12-13/IR/2023-24/ 49

दिनांक/ Date: 13.03.2024

To

निर्देशक/The Director

काजू और कोको विकास निदेशालय/Directorate of Cashewnut and Cocoa Development
8वीं और 9वीं मंजिल केरा भवन/8th and 9th Floor Kera Bhavan
एसआरवी हाई स्कूल रोड, कोचीन/SRV High School Road, Cochin – 682 011

महोदय/ Sir,

विषय/Sub:काजू और कोको विकास निदेशालय, कोच्चि के खातों के स्थानीय लेखापरीक्षा
पर निरीक्षण रिपोर्ट/Inspection Report on the local audit of accounts of O/o The
Directorate of Cashewnut and Cocoa Development, Kochi.

मैं इसके साथ 01.04.2018 से 31.03.2023 की अवधि के लिए काजू और कोको
विकास निदेशालय के खातों और रजिस्ट्रों के स्थानीय ऑडिट पर निरीक्षण रिपोर्ट की एक प्रति
भेज रहा हूँ।/I forward herewith a copy of the Inspection Report on the local audit of the accounts
and registers of O/o The Directorate of Cashewnut and Cocoa Development for the period from
01.04.2018 to 31.03.2023.

अनुरोध है कि उत्तर बागवानी आयुक्त, कृषि एवं किसान कल्याण विभाग, कृषि मंत्रालय,
भारत सरकार, नई दिल्ली के माध्यम से प्रस्तुत किए जाएं।/It is requested that the replies may
please be furnished through The Horticulture Commissioner, Department of Agriculture and
Farmers Welfare, Ministry of Agriculture, Government of India, New Delhi.

कृपया इस पत्र की प्राप्ति की सूचना दी जाए।Receipt of this letter may please be acknowledged.

भवदीय /Yours faithfully,

Deepak

वरिष्ठ लेखापरीक्षा अधिकारी /सीई

Senior Audit Officer/CE

निरीक्षण रिपोर्ट की प्रति के साथ प्रतिलिपि भेजें/Copy with copy of the Inspection Report to :

बागवानी आयुक्त, कृषि और किसान कल्याण विभाग, कृषि और किसान कल्याण मंत्रालय, भारत सरकार, कृषि भवन, नई दिल्ली।The Horticulture Commissioner, Department of Agriculture and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, Government of India, Krishi Bhawan, New Delhi -110 001.

वरिष्ठ लेखापरीक्षा अधिकारी /सीई

Senior Audit Officer/CE

**INSPECTION REPORT ON THE AUDIT OF OFFICE OF THE DIRECTORATE OF
CASHEWNUT AND COCOA DEVELOPMENT, KOCHI, FOR THE PERIOD FROM
01 APRIL 2018 TO 31 MARCH 2023**

PART-I

A. Introductory

The Directorate of Cashewnut and Cocoa Development, a subordinate office of the Department of Agriculture and cooperation under the Ministry of Agriculture, Government of India, came to existence in the year 1966 with the mandate of looking after the promotion of cashew cultivation in the country. This was established bifurcating the erstwhile Indian Central Spices and Cashewnut Committee. The promotion of cocoa also was entrusted to this Directorate in the year 1997. The Directorate of Cashewnut and Cocoa Development is responsible for the promotion of cashew and cocoa cultivation in the country. The mandate of the Directorate includes:

- Formation and execution of development programmes of cashew and cocoa in India and to monitor the implementation of development programmes formulated and executed by the State Government under National Horticulture Mission.
- To co-ordinate the activities for the promotion of these crops between the Central and State institutes with the Ministry of Agriculture.
- To provide adequate exposure and dissemination of technologies in all areas including production, processing and export.
- Implementation of new planting and replanting programme in association with State Development Departments, Corporations and NGOs.
- Advisory body to recommend, watch and monitor the various aspects of crop development, marketing and by product-utilization, etc.

The audit of office of the Directorate of Cashewnut and Cocoa Development, Kochi was conducted from 05/02/2024 to 14/02/2024 by the field audit party of office of the Branch: Director General of Audit (Central), Chennai at Kochi under the provision of Section 13 of CAG's DPC Act, 1971.

B. Officers in charge

The following officers held charge of the office during the period covered in Audit.

Name	Designation	Period
Shri Venkatesh N Hubballi	Director	2018-19 to till date

C. Financial Analysis

(Amount in lakhs)

Particulars	2020-21	2021-22	2022-23
Budget Allocation (Estt.)	479.19	702.45	1294.48
Expenditure (Estt.)	443.63	579.86	1,139.64

D. Internal Audit

Internal audit was conducted from 12.09.2022 to 16.09.2022 for the period 2021-22.

PART-II

(Audit Findings)

PART-II-(A)

(Significant Audit Findings)

Nil

PART-II-(B)

(Other incidental Audit Findings)

I. Discrepancies in remittance of money to government account

(Reference Number: OBS-1219716)

(i) The Directorate of Cashewnut and Cocoa receives money by way of accreditation fees for nurseries, refunds from schemes, etc. In most cases, the money is received in the form of a Demand Draft (D.D). This amount is remitted to the Government account and Challans are kept in the office as proof of remittance.

On scrutiny of the receipt of money and its remittance to the government account, it was noticed that even though it was shown in the cashbook as remitted to the Government account, supporting challans for remittances have not been maintained by the office in the cases mentioned below:

Date of receipt	Receipt No.	Amount	Date of remittance to Government account	Remark
29-09-21	1048 to 1052	5*5000 = 25,000	1-10-21	1052 not shown as received or remitted as per cash book
28-04-22	1068	5000	28-04-22	
17-06-22	1076	5000	21-06-22	

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portal

13-07-22	1077 1078	to	2*5000 = 10,000	13-07-22	
20-09-22	1084		5000	20-09-22	

In the absence of a remittance challan, the actual remittance could not be ensured. Also, it was noticed that there is no entry for receipt and remittance of challan No 1052 in cash book

(ii) As per Rule 13 (V) of Receipt and Payment Rules 2017, the entries made in the cash book regarding the remittance of receipts to the accredited bank for credit into the Government Account should be attested by the Head of Office after verifying them with reference to the bank's receipt recorded on the pay-in-slips or challans. When the credit appears in the receipt scroll from the bank, the actual date of realization of the cheque or draft should be indicated by cheque drawing D.D.Os against the original entry in the cash book so as to keep track of outstanding items.

It was replied that details of challan payments are available in PFMS and would be produced once available for download/print from PFMS. Non-compliance of Receipt and Payment Rules 2017 is brought to notice.

II. Non-receipt of Utilization Certificates from Grantee Institutions

(Reference Number: OBS-1219815)

As per Rule 238(1) of GFR 2017, in respect of non-recurring Grants to an Institution or Organization, a certificate of actual utilization of the Grants received for the purpose for which it was sanctioned should be submitted in Form GFR 12-A within twelve months of the closure of the financial year by the Institution or Organization concerned. Where such a certificate is not received within the prescribed time, the Institution or Organization is to be blacklisted from any future grant, subsidy, or other type of financial support from the Government.

On verification of the Expenditure Register(HRD & Publicity) for the years 2018-19 to 2021-22, it was found that 40 utilization certificates involving an amount of Rs.47,38,120 are pending with the following Grantee Institutions or Organizations. The year-wise details are given below:

Sl No	Register Sl No	Institutions/ Organizations	Programme	File No	Amount
2018-19					
1	17	AICRP, OVAT, Bhuvaneswar	Sponsorship AGM on Cashew	CS1/CO3/18-19 dt.03-12-2018	50,000
2	20	OSCDC, Odisha	Exposure visit	CS45/C02/18-19 dt. 02-01-2019	2,60,000

3	21	ZAHRS, Brahmapur	District level seminar-Cocoa	CO02/C02/18-19dt. 09-10-2018	50,000
4	24	ZAHRS, Brahmapur	District level seminar-Cashew	CS10/C02/18-19dt. 09-10-2018	50,000
5	60	CRC, Vellanikkara	Farmers training -Cocoa	CO54/C02/18-19dt. 19-03-2019	90,000
6	61	RHREC, Bengaluru	Horticulture Fair	CS13/C02/18-19 dt.19-03-2019	48,709
7	63	Directorate of Horticulture, Nagaland	Exposure visit	CS36/C02/18-19 dt. 19-03-2019	2,60,000
2019-20					
8	1	Dr. YSRHU, HRS	NLT	CO7/CO1/19-20 dt. 05-11-2019	4,00,000
✓ 9	3	KVK, Vridhachalam	District level seminar-Cashew	CS15/C02/19-20dt. 11-10-2019	50,000
10	14	CPCRI Kasaragod	Cocoa International Meeting	CS04/CO3/19-20 dt. 05-11-2019	1,00,000
✓ 11	15	KVK, Vridhachalam	Farmers training-Cashew	CS06/C02/19-20dt. 30-09-2019	90,000
12	18	CPCRI Kayamkulam	Sponsorship of Workshop	CS04/CO3/19-20 dt. 05-11-2019	50,000
✗ 13	29	CRC, Vellanikkara	District level seminar-Cocoa	CO34/C02/19-20dt. 08-11-2019	1,00,000
✗ 14	30	CRC, Vellanikkara	Farmers training -Cocoa	CO35/C02/19-20dt. 08-11-2019	45,000
15	39	Deputy Director, Betul	Exposure visit	CS31/C02/19-20dt. 26-11-2019	2,60,000
16	41	UAHS Sivamoga	Stakeholders Meeting	CS16/CO3/19-20 dt.26-11-2019	2,00,000
17	45	RRS, Vridhachalam	Farmers training-Cashew	CS06/C02/19-20 dt.24-10-2019	90,000
✓ 18	52	ADH, JR Gudem, WG	Exposure visit	CS43/C02/19-20dt. 03-02-2020	2,60,000
19	74	COA, Navile,	Advt/Print	CS11/C02/19-	50,000

6.5.24

6.5.24

		Shivamogga		20dt. 25-02-2020	
✓ 20	77	DDH, Vadodara	State seminar	CS49/C02/19-20dt. 02-03-2020	2,00,000
21	83	AICRP, OVAT, Bhuvaneswar	Printing of Books	CS23/C03/19-20 dt. 11-03-2020	42,560
22	84	COH, Mudigere	Horticulture Fair	CS13/C02/19-20dt. 12-03-2020	30,000
23	87	ADH, Balaghat	Exposure visit	CS31/C02/19-20dt. 04-03-2020	2,60,000
✓ 24	88	DDH, Vadodara	Exposure visit	CS50/C02/19-20dt. 13-03-2020	6,00,000
✓ 25	90	COH, Mudigere	Exposure visit	CS07/C02/19-20dt. 13-03-2020	1,36,000
2020-21					
✓ 26	9	CRS, Veppankulam	Farmers training -Cocoa	CO11/C02/20-21dt. 30-09-2020	90,000 ✓
27	27	RRS, Vridhachalam	Production forecast	CS03/C02/20-21dt. 20-11-2020	40,000
28	35	RRS, Vridhachalam	District level seminar-Cashew	CS23/C02/20-21dt. 04-01-2021	48,857
✓ 29	51	RARS, Pilicode	Cashew apple Training	CS12/C02/20-21 dt. 03-03-2021	24,494
30	52	ARS Anakkayam	Cashew Apple Training	CS12/C02/20-21 dt. 03-03-2021	25,000
31	53	OSCDC, Odisha	Cashew apple Training	CS43/C02/20-21 dt.05-03-2021	37,500
✓ 32	59	UAHS, Shivamogga	Horticulture Fair	CS35/C02/20-21dt. 16-03-2021	2,00,000
2021-22					
33	2	UAHS Shivamoga – COH Mudigere	publicity	CS04/CO1/21-22 dt.30-09-2021	2,00,000
✓ 34	3	COH, Bidar	District level seminar-Cashew	CS02/C02/21-22 dt.27-09-2021	50,000
35	36	AHRS, Kathalagere	District level seminar-Cashew	CS02/C02/21-22dt. 08-12-2021	50,000

✓ 36	38	CRC, Vellanikkara	Horticulture Fair	CO22/C02/21-22	40,000
37	42	ADH, Tekkali	Pub-One day training	CS01/C02/21-22dt. 08-12-2021	50,000
✓ 38	76	COH, Bengaluru	District level seminar-Cashew	CS02/C02/21-22dt. 14-02-2022	50,000
39	95	KADS, Thodupuzha	Horticulture Fair	CO22/C02/21-22dt. 31-03-2022	30,000
✓ 40	96	The Institute of Natural Resources	Value addition on Cashew and cocoa	CS01/C02/21-22dt. 30-03-2022	30,000
Total amount for which utilization certificates pending					47,38,120

6524

Since non-submission of utilization certificates is fraught with the risk of misappropriation of funds and fraud, it is imperative that the Directorate of Cashewnut and Cocoa Development should monitor this aspect closely by blacklisting these Institutions/Organizations from any future grant, subsidy, or other type of financial support from the Government as stipulated in the provisions of General Financial Rules, 2017.

The Directorate replied that delay in submission of UCs is due to delay in completion of audit in the respective State Agricultural Universities and assured that the matter was being pursued with respective agencies to get the UC without further delay. Further progress made in receipts of Utilization Certificates from Grantee Institutions/Organizations may be intimated to Audit.

PART-III

(Follow up on findings outstanding of previous Inspection Reports)

Nil

PART-IV (Best Practice)

No significant best practices.

PART-V (Acknowledgement)

The audit expresses its gratitude for the cooperation extended by the Director and staff of the Directorate of Cashew and Cocoa Development, Kochi, by providing the records during the course of the audit.

(Approved by DD (DT) II)

Deepak
Senior Audit Officer/CE

Para-I - Discrepancies in remittance of money to Government Account.

Entries of all Challan /NTRP online credits are available in the Register of Valuables being maintained as per Rule 13(ii)(c) of Receipt & Payment Rules,1983. All such receipts received in the form of local Cheques/DD are entered in this Register to generate Challans for remitting into Govt. Treasury Account.

The details of Challans / NTRP credits is indicated below :-

Date of Receipt	Receipt Number	Amount (DD/Cheque)	Reply furnished
29.09.2021	1048 to 1052	5000 X 5 = Rs.25,000	Challan No.8 for Rs.20,000/- (5000 X 4) and Challan No.9 for Rs.5000/- has been prepared. Challan No.8 was credited to Govt. Account on 6.10.2021 and Challan No.9 was credited to Govt. Account on 25.10.2021.Copies of Challan having the acknowledgement of Treasury Branch is enclosed.
28.4.2022	1068	Rs.5000/-	This was remitted online through NTRP (BharatKosh) Portal by Shri Yashwant Dhundiraj Sarvate. Copy of online receipt issued by the NTRP portal is attached.
17.06.2022	1076	Rs.5000/-	The amount was deposited to Treasury through Challan No.13 and same was credited to account on 24.6.2022. Copy enclosed.
13.07.2022	1077 & 1078	5000 X 2 Rs.10,000/-	An amount of Rs.5000/- each was remitted online through NTRP Portal by Shri Jayarama Kedilaya. Copy of online receipts issued by the NTRP portal is attached.
20.09.2022	1084	Rs.5000/-	An amount of Rs.5000/- was remitted online through NTRP Portal by Shri Vanitha NY. Copy of online receipt issued by NTRP Portal is attached.

The finding of Audit with regard to missing entry relating to Receipt No.1052 for Rs.5000/- in Cash Book has been well noted and concerned official has been instructed to be more careful even though such an entry in Cash Book is not mandated as per Rule.13 (ii) Exception-C of RPR.

The Para may please be dropped.

Ann - [Signature]

Reply to Audit findings (part II B)

(No. CE/IV/12-13/IR/2023-24/49 Dated 13.03.2024)

Para - II

Non receipt of utilization certificate from grantee institutions

The DCCD has released funds under transfer of technology programmes to different organizations as per the norms provided in the Annual Action Plan of the year. The implementing agencies have been requested to furnish the Utilization certificate for the fund released after conducting the TOT programmes. However due to the delay in completing the audit and some administrative reasons the State Agricultural Universities could not furnish the audited Utilization Certificates on time. This matter is being pursued with respected agencies to get the Utilization Certificate without further delay. Out of 40 pending UC's listed therein, 3 agencies have submitted UC for Rs. 1,75,000/- as per Sl. No. 13,14,50 and copies placed below. Action is being taken to obtain the following pending UC's from the respective institutions.

2018-19					
S. No.	Register S. No.	Agency	Programme	File No.	Amount
1	17	OUAT Bhubaneswar	AGM on Cashew	CS1/C03/18-19	50,000
2	20	OSCDC, Odisha	Exposure visit	CS45/C02/18-19	260,000
3	21	ZAHRs, Brahmavar	District level seminar-Cocoa	CO02/C02/18-19	50,000
4	24	ZAHRs, Brahmavar	District level seminar-Cashew	CS10/C02/18-19	50,000
5	60	CRC, Vellanikkara	Farmers training - Cocoa	CO34/C02/18-19	90,000
6	61	RHREC, Bengaluru	Horticulture Fair	CS13/C02/18-19	48,709
7	63	DOH, Nagaland	Exposure visit	CS36/C02/18-19	260,000
2019-20					
8	1	Dr. YSRHU, HRS	NLT	CO07/C01/19-20	400,000
9	3	KVK, Vridhachalam	District level seminar-Cashew	CS15/C02/19-20	50,000
10	14	CPCRI, Kasaragod	Cocoa international meet	CS04/C03/19-20	100,000
11	15	KVK, Vridhachalam	Farmers training-	CS06/C02/19-20	90,000

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			Cashew		
12	18	CPCRI, Kayamkulam	Workshop on Cocoa	CS04/C03/19-20	50,000
13	39	Dep. Director, Betul	Exposure visit	CS31/C02/19-20	260,000
14	41	UAHS, Shivamogga	Stake holder meet	CS16/C03/19-20	200,000
15	45	RRS, Vridhachalam	Farmers training- Cashew	CS06/C02/19-20	90,000
16	52	ADH, JR Gudem, WG	Exposure visit	CS43/C02/19-20	260,000
17	74	COA, Navile, Shivamogga	Advt/Print	CS11/C02/19-20	50,000
18	77	DDH, Vadodara	State seminar	CS49/C02/19-20	200,000
19	83	AICRP. OUAT, Bhubaneswar	Printing of book	CS23/C03/19-20	42,560
20	84	COH, Mudigere	Horticulture Fair	CS13/C02/19-20	30,000
21	87	ADH, Balaghat	Exposure visit	CS31/C02/19-20	260,000
22	88	DDH, Vadodara	Exposure visit	CS50/C02/19-20	600,000
23	90	COH, Mudigere	Exposure visit	CS07/C02/19-20	136,000
2020-21					
24	9	CRS, Veppankulam	Farmers training - Cocoa	CO11/C02/20-21	90,000
25	27	RRS, Vridhachalam	Production forecast	CS03/C02/20-21	40,000
26	35	RRS, Vridhachalam	District level seminar- Cashew	CS23/C02/20-21	48,857
27	51	RARS, Pilicode	Cashew apple Training	CS12/C02/20-21	24,494
28	52	ARS, Anakayam	Cashew apple training	CS12/C02/20-21	25,000
29	53	OSCDC, Odisha	Cashew apple Training	CS43/C02/20-21	37,500
30	59	UAHS, Shivamogga	Horticulture Fair	CS35/C02/20-21	200,000
2021-22					
31	2	COH, Mudigere	Publicity	CS04/C01/21-22	200,000
32	3	COH, Bidar	District level seminar- Cashew	CS02/C02/21-22	50,000
33	36	AHRS, Kathalagere	District level seminar- Cashew	CS02/C02/21-22	50,000
34	38	CRC, Vellanikkara	Horticulture Fair	CO22/C02/21-22	40,000
35	42	ADH, Tekkali	Pub-One day training	CS01/C02/21-22	50,000
36	76	COH, Bengaluru	District level seminar- Cashew	CS02/C02/21-22	50,000
37	95	KADS, Thodupuzha	Horticulture Fair	CO22/C02/21-22	30,000
				Total	4,563,120